
**EXHIBITS TO THE DIRECT TESTIMONY
OF
MICHAEL R. BALLABAN**

EXHIBIT A



Michael R. Ballaban

Senior Advisor

Michael has wide-ranging experience serving electric and gas industry stakeholders performing financial advisory, pricing, cost-of-service, cost allocation, competitive market development, resource procurement and financial forecasting services.

He has worked for two of the largest investor-owned utilities in New England — New England Electric System (National Grid USA) and Boston Edison (Eversource Energy) — and has served electric, gas and water investor-owned and municipal clients throughout the United States and Canada and outside North America.

In the United States, Michael has worked at both the state and federal levels. He has testified at the Federal Energy Regulatory Commission (FERC) and the Rhode Island Public Utilities Commission (the "RIPUC"). He has also participated in the restructuring of retail electric markets in the Northeast.

Recent experience includes advising the Rhode Island Division of Public Utilities and Carriers (the "Division") in regards to a Narragansett Electric Company ("Narragansett Electric") prudency matter, testifying before the RIPUC on behalf of the Division in regards to a Narragansett Electric distribution rate case, leading a review a utility's allocation of certain service company costs to operating companies, co-leading a study to verify the electric and gas distribution assets in a utility's rate base were appropriate to support upcoming base rate filings, leading a review of significant deferred storm costs to verify that there were appropriate for a utility to include in cost recovery submissions, and reviewing elements of utility's cost accounting structure and associated compliance program.

Michael also has extensive experience assisting utilities with all phases of rate filings before state commissions and at FERC, including preparation, discovery, litigation, settlement and implementation.

SELECTED PROFESSIONAL EXPERIENCE

Rate and Regulatory

- Advised the Rhode Island Division of Public Utilities and Carriers (the "Division") in regards to an Earnings Investigation and Block Island Transmission System Prudency Matter in Rhode Island Public Utility Commission Docket No. 4770.
- Testified before the RIPUC on behalf of the Division in Docket No. 4770 in regards to the reasonableness of Narragansett Electric's revenue requirements.
- Assisted an investor-owned utility in developing a regulatory strategy use case to guide the Company in crafting filings seeking Commission approval to provide new products/services to C&I customers across their multi-jurisdictional footprint with a focus on affiliate transaction rules that support crafting of a code of conduct, cost allocation manual and affiliate service agreements. Tasks included reviewing and evaluating relevant regulatory submissions for selected utilities that can serve as a benchmark group to guide development of the use case and developing an informational repository that can be applied to various products and customized for different jurisdictions.

- Managed a project team assisting a large state power authority with the assessment and redesign of the government customer segment electric rate structure and pricing. The customer segment comprised more than 100 entities and generated \$1.3 billion in revenue to the authority. The project scope included the analysis and redesign of the utility's production and delivery rates so that the rates charged to the customers are aligned with costs, all on a basis that is revenue neutral to utility. The project was undertaken with customers in a collaborative outreach and feedback process to achieve agreement on recommended rate redesign solutions.
- Performed a review of the revenue requirement to support a rate case filing for an electric utility with revenues in excess of \$3 billion. Reviewed each of the expense and capital components of the study to confirm that results are reasonable, underlying assumptions are verifiable and defensible, appropriate levels of documentation are established and elements are appropriately linked to the files reporting summary results.
- Managed project teams that prepared the revenue requirements, allocated cost-of-service and rate design, and coordinated the post-filing discovery activities for five rate cases across multiple jurisdictions for a western gas utility.
- Performed a comprehensive review of a major Asian investor-owned utility's existing rate structure and recommended tariff redesign strategies that addressed key marketing and financial goals in light of an evolving competitive environment. Recommended redesign strategies that addressed key customer retention and profitability goals. Also introduced an enhanced rate modeling package that allowed the client to better evaluate functionalization and allocation methods for developing alternative rate plans.
- Managed a project team that prepared multiyear natural gas rate studies for a city-owned gas utility. The comprehensive studies included a five-year projection of the utility's financial position, a cost-of-service analysis to evaluate the cost responsibility for each of the various classes of customers served, and the development of recommended rate charges to recover the costs of providing service from the respective classes of customers.
- Reviewed a Canadian regulatory agency's existing cost-of-service and rate design models to assess their accuracy, usability, flexibility and expandability in conforming to business and regulatory needs associated with electric retail restructuring. Recommended changes that enhanced the models' capabilities to unbundle lines of business in support of functional profitability analysis and rate redesign requirements. Also authored a user's guide to help model users apply fundamental principles of cost functionalization, classification and allocation to the cost-of-service development process.
- Prepared reports describing load management initiatives and large/industrial rate options offered by utilities throughout North America for a Canadian utility. Gathered data by developing and conducting surveys of large utilities and regulatory agencies, performing follow-on research and conducting follow-up interviews as necessary to complete these assignments. Research and interviews focused on determining each utility's motivation for offering specialized tariffs, the cost basis for tariffs developed and the cost-shifting implications associated with implementing the special tariffs.
- Reviewed the revenue requirement model for a major Midwestern utility intended to support an upcoming state-level rate filing to verify consistency and completeness of information spanning data input, model compilation, scenario analysis and reporting; identified source system data requirements and verified information was retrieved in optimum format utilizing full system functionality; and, identified pain points of the current process and addressed via suggested improvement opportunities.

- Participated in an assessment of a financial model for a private equity client intended as support when they sought financing in the market for a major FERC regulated transmission investment. The model estimated the income and cash flow that the investment was forecasted to generate over its useful life based on FERC Section 205 revenue requirement methodology.
- Subject matter resource to a team performing a review of a large electric utility's FERC jurisdictional formula rate model used to develop the transmission service charge to wholesale customers. The review addressed all procedures and controls, calculations, and inputs to the process.
- Led a review of several hundred million in deferred storm costs for a major multi-state Northeast utility to confirm charges as captured in the Company's financial systems by regulatory jurisdiction were reasonable and appropriate to include in cost recovery submissions to state regulatory agencies. The Company filed to seek recovery of all eligible reviewed costs at the conclusion of the engagement.
- Held various positions in pricing, financial planning, revenue requirements, and business strategy at New England Electric System and Boston Edison Company. Experience highlights include developing financial plans for company subsidiaries generating \$1.6 billion in revenues, preparing and testifying to financial projections supporting proposed combined generation and transmission FERC rate requests during the period 1992 through 1994, participating in customer negotiations that resulted in the retention of \$30 million in at risk revenue, and leading the development of performance-based rate initiatives.

Costing

- Co-led a study for a major New England utility to review and verify the electric and gas distribution assets and reserves included in the Company's rate base as well as verify annual returns filed with its Commission. The examination of rate-base accounts included plant-in service, construction work in progress, and depreciation and deferred tax reserves
- Managed a study of the cost accounting structure for a large state power authority's Energy Efficiency organization. Recommended changes/modifications to existing policy, documentation, and compliance efforts and provided an evaluation as to whether existing methods should be the basis for future allocation methods for new programs as the organization gains scale over time
- Led a review of a major utility's allocation of certain Service Company costs to operating companies by determining whether these costs were direct charged or allocated using appropriate procedures. Performed analyses specific to vendor costs, payroll expenses, employee expenses and general ledger journal entries. Calculated any proposed adjustments and confirmed whether there were any other pertinent facts indicating that the cost should be allocated differently or excluded.
- Prepared cost benefit analyses for investments in advanced meter reading and other proposed delivery infrastructure capital programs in support of regulatory submissions made across a utility's multi-state retail jurisdictions.

Regulatory Transformation

- Regulatory work stream leader for a transformation initiative for a large Midwestern multi-state electric and gas utility to develop a 5-year strategy roadmap of prioritized improvement opportunities that enables the client to:
 - collaborate across jurisdictions, financial planning and regulatory functions to better align regulatory objectives to business strategy

- enhance scenario planning and analytics capability to effectively model and predict the need for rate actions, consider alternative regulatory mechanisms and develop regulatory strategies in light of market trends
- Increase efficiency in development of regulatory filings to allow more emphasis on the content and less on process.
- Rates and Regulatory work stream leader for a focused finance transformation initiative to establish a Rates organization within the Finance function for a large multi-state utility. Advised the client on the design of a new operating model (including the development of a gap analysis and maturity model assessment, creation of an activity taxonomy, identification of delivery locations, and establishment of Centers of Expertise); the development of a roadmap of future initiatives and continuous improvement opportunities; and the design of a future state organization structure.

Financial Advisory

- Performed due diligence activities for utility asset sell-side transactions with a market value of more than \$5 billion. Worked closely with clients and bidders to facilitate due diligence efforts relating to site visits, administration and response to questions, satisfying documentation needs and preparation of bid responses. Prepared employee asset documents that were used as the primary vehicles for the targeted marketing of employees to bidders. Also assisted in the development of transaction agreements. Participated in bid evaluation teams and performed comparative analyses of bid responses, both in terms of price and terms of sale, in support of selecting the highest value offers. Provided regulatory support to clients in both pre- and post-divestiture filings required to satisfy state regulatory requirements.
- Participated in a due diligence engagement to support a client's bid to acquire a medium-sized electric utility. Evaluated the unbundled rate structure and load profile of the target company to assess potential risks associated with existing power supply arrangements with an affiliated company.
- Led the comprehensive review of bidders' proposals to purchase electric assets from the federal government in a privatization initiative. Factors considered in the evaluations included pricing and other key contract terms, buyers' abilities to meet major service requirements, and the buyers' operating histories and financial capabilities.
- Co-managed an engagement to assist a major utility in auctioning its load and supply obligations. The key activities performed included marketing, due diligence and bid negotiations on the client's behalf. The auction resulted in the successful transferring of the client's load and supply obligations to third parties.
- Served as project manager on three engineer's reports developed for a utility's bond issuances totaling more than \$500 million. The reports summarized the findings of studies of the utility's facilities, management, operations, gas supply, rates and marketing, and customer service, and assessed the financial feasibility of the bond issuances.

Resource Planning and Procurement

- Conducted an energy solicitation for this municipal agency to procure a retail electric power contract on behalf of its member organizations. Duties included advising the agency and its members on market entry strategies to obtain the best pricing and terms of service from suppliers; conducting the solicitation; reviewing supplier bids; and assisting the agency in negotiating and contracting with the selected vendor. This engagement resulted in providing the client with significant savings as compared to default service options available in the state.

- Assisted a large municipal electric utility with developing a comprehensive energy plan encompassing supply, demand-side, delivery and renewable energy components. Tasks during the engagement included helping to prepare the five-volume plan; assisting the utility with gathering, analyzing and preparing responses to comments received during a public hearing process regarding its proposed plan; assisting the utility in developing negotiating positions regarding certain plan elements; and conducting special analyses as needed to support plan initiatives.

Competitive Market Development

- Assisted clients in forming business strategy and establishing plans in anticipation of deregulation of the US electric energy markets. Primary focus included policy analyses for competitive positioning, tariff redesign recommendations, and cost-of-service and financial analyses. Client base included investor-owned utilities, municipal agencies, regulatory authorities, and customers entering competitive market

SELECTED EMPLOYMENT HISTORY

Daymark Energy Advisors Inc. (formerly La Capra Associates) <i>Senior Advisor</i>	Worcester, MA February 2020 – Present
Daymark Energy Advisors Inc. (formerly La Capra Associates) <i>Managing Consultant</i>	Worcester, MA June 2017 – November 2019
Ernst & Young LLP <i>Senior Manager Power & Utility Advisory Services</i>	Miami, FL 2011-2017
Black & Veatch <i>Principal Consultant Enterprise Management Solutions</i>	Overland Park, KN 2004-2011
Navigant Consulting, Stone & Webster Management Consulting <i>Various utility rate and regulatory consulting roles</i>	MA 1997-2004
Boston Edison Company (currently Eversource) <i>Principal, Pricing</i>	Boston, MA 1994 – 1997
New England Electric System (currently National Grid) <i>Principal, Economic Planning/Financial Forecasting/Revenue Requirements</i>	Westboro, MA 1982 – 1994

EDUCATION

Babson College <i>M.B.A., Finance</i>	Wellesley, MA
Indiana University <i>B.S., Transportation and Public Utilities</i> <i>Concentration in accounting</i>	Bloomington, IN

PUBLICATIONS, PRESENTATIONS & CONFERENCES

- “Innovative Approaches to Align LDC Rates to Fixed Cost Structures,” 16th National Energy Services Conference and Exposition, February 2006
- “Performance Based Ratemaking,” Association of Energy Service Professional/EPRI Pricing Conference, May 2004.

PUBLIC

EXHIBIT B

PUBLIC

PUBLIC

PUBLIC
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 Division's First Set of Data Requests
Issued on June 8, 2021

National Grid USA and The Narragansett Electric Company
Division 1-50

Request:

Provide any projections for Narragansett's annual Administrative and General ("A&G") costs, including costs allocated to Narragansett through cost sharing arrangements with National Grid, PPL, or either of their affiliates, through the transition period of the Transaction. In addition:

- a. If the projections show an increase over Narragansett's current annual A&G costs, to what extent are these costs considered acquisition premiums or transaction costs for which PPL has agreed not to seek to recover in customer rates.

Response:

At this point in time, National Grid USA does not have projections for The Narragansett Electric Company's ("Narragansett") annual A&G costs through the transition period of PPL Rhode Island Holdings, LLC's acquisition of Narragansett from National Grid USA because the nature, timing, and extent of transition services have not yet been finalized.

PUBLIC
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 Division's Second Set of Data Requests
Issued on June 11, 2021

National Grid USA and The Narragansett Electric Company
Division 2-30

Request:

Provide the total cost to all of the operating companies for the 2020 services provided by the Service Company and separately provide the amount of the total cost allocated to Rhode Island.

Response:

Please refer to Attachment NG-DIV 2-30 for the total cost to all of the operating companies for the 2020 services provided by National Grid USA Service Company, Inc. and National Grid Engineering Services, LLC (collectively, the "Service Companies").

The table below reflects the amount of the total costs allocated to The Narragansett Electric Company from the Service Companies in 2020.

Receiving Company - Text	Originating Company - Text	Total
Narragansett Electric Co	NG Engineering Srvcs, LLC	\$13,534.60
	NGUSA Service Company	\$255,325,443.93
Narragansett Electric Co		\$255,338,978.53

Calendar Year 2020 - Service Company Allocated Costs

Receiving Company - Text	Originating Company - Text	Total
Boston Gas-Colonial Div	NG Engineering Svcs, LLC	\$2,831.66
	NGUSA Service Company	\$53,895,833.58
Boston Gas-Colonial Div		\$53,898,665.24

Receiving Company - Text	Originating Company - Text	Total
Boston Gas Company	NG Engineering Svcs, LLC	\$10,103.22
	NGUSA Service Company	\$224,835,409.71
Boston Gas Company		\$224,845,512.93

Receiving Company - Text	Originating Company - Text	Total
Brooklyn Union Gas-KEDNY	NG Engineering Svcs, LLC	\$694,628.28
	NGUSA Service Company	\$480,097,849.70
Brooklyn Union Gas-KEDNY		\$480,792,477.99

Receiving Company - Text	Originating Company - Text	Total
EUA Energy Investment	NGUSA Service Company	\$21,644.34
EUA Energy Investment		\$21,644.34

Receiving Company - Text	Originating Company - Text	Total
Granite State Power Link	NGUSA Service Company	(\$197,757.20)
Granite State Power Link		(\$197,757.20)

Receiving Company - Text	Originating Company - Text	Total
Granite St Elec-Post Sale	NGUSA Service Company	\$69.83
Granite St Elec-Post Sale		\$69.83

Receiving Company - Text	Originating Company - Text	Total
KeySpan Corporation	NGUSA Service Company	\$4,707.59
KeySpan Corporation		\$4,707.59

Calendar Year 2020 - Service Company Allocated Costs

Receiving Company - Text	Originating Company - Text	Total
KS Gas East Corp-KEDLI	NG Engineering Svcs, LLC	\$1,731,451.99
	NGUSA Service Company	\$363,722,228.04
KS Gas East Corp-KEDLI		\$365,453,680.02

Receiving Company - Text	Originating Company - Text	Total
Massachusetts Electric Co	NG Engineering Svcs, LLC	\$16,539.95
	NGUSA Service Company	\$376,687,606.46
Massachusetts Electric Co		\$376,704,146.41

Receiving Company - Text	Originating Company - Text	Total
Nantucket Electric Co	NG Engineering Svcs, LLC	\$263.37
	NGUSA Service Company	\$5,430,782.14
Nantucket Electric Co		\$5,431,045.51

Receiving Company - Text	Originating Company - Text	Total
Narragansett Electric Co	NG Engineering Svcs, LLC	\$13,534.60
	NGUSA Service Company	\$255,325,443.93
Narragansett Electric Co		\$255,338,978.53

Receiving Company - Text	Originating Company - Text	Total
National Grid Connect Inc	NGUSA Service Company	(\$36,486.44)
National Grid Connect Inc		(\$36,486.44)

Receiving Company - Text	Originating Company - Text	Total
National Grid PartnersLLC	NGUSA Service Company	\$1,302,013.10
National Grid PartnersLLC		\$1,302,013.10

Receiving Company - Text	Originating Company - Text	Total
National Grid USA Parent	NG Engineering Svcs, LLC	(\$13,907.91)
	NGUSA Service Company	(\$10,110,106.25)
National Grid USA Parent		(\$10,124,014.16)

Calendar Year 2020 - Service Company Allocated Costs

Receiving Company - Text	Originating Company - Text	Total
NE Electric Trans Corp	NG Engineering Svcs, LLC	\$0.03
	NGUSA Service Company	\$122,012.60
NE Electric Trans Corp		\$122,012.63

Receiving Company - Text	Originating Company - Text	Total
NE Hydro-Trans Corp	NG Engineering Svcs, LLC	\$78.22
	NGUSA Service Company	\$3,263,974.06
NE Hydro-Trans Corp		\$3,264,052.29

Receiving Company - Text	Originating Company - Text	Total
NE Hydro-Trans Elec Co	NG Engineering Svcs, LLC	\$131.90
	NGUSA Service Company	\$7,570,103.81
NE Hydro-Trans Elec Co		\$7,570,235.71

Receiving Company - Text	Originating Company - Text	Total
New England Power Company	NG Engineering Svcs, LLC	\$3,771.62
	NGUSA Service Company	\$130,785,917.70
New England Power Company		\$130,789,689.32

Receiving Company - Text	Originating Company - Text	Total
NG Algonquin LLC	NGUSA Service Company	\$119,219.34
NG Algonquin LLC		\$119,219.34

Receiving Company - Text	Originating Company - Text	Total
NG Development Holdings	NG Engineering Svcs, LLC	\$5,095.36
	NGUSA Service Company	\$2,857,122.06
NG Development Holdings		\$2,862,217.42

Receiving Company - Text	Originating Company - Text	Total
NG Electric Services	NGUSA Service Company	\$208.51
NG Electric Services		\$208.51

Calendar Year 2020 - Service Company Allocated Costs

Receiving Company - Text	Originating Company - Text	Total
NG Energy Management LLC	NGUSA Service Company	\$54,251.48
NG Energy Management LLC		\$54,251.48

Receiving Company - Text	Originating Company - Text	Total
NG Energy Services Inc.	NGUSA Service Company	\$100.00
NG Energy Services Inc.		\$100.00

Receiving Company - Text	Originating Company - Text	Total
NG Energy Trading Srvcs	NGUSA Service Company	\$551.80
NG Energy Trading Srvcs		\$551.80

Receiving Company - Text	Originating Company - Text	Total
NG Engineering Srvcs, LLC	NG Engineering Srvcs, LLC	\$4,550,556.71
	NGUSA Service Company	(\$1,852.00)
NG Engineering Srvcs, LLC		\$4,548,704.71

Receiving Company - Text	Originating Company - Text	Total
NG Generation LLC	NG Engineering Srvcs, LLC	\$59,802,935.40
	NGUSA Service Company	\$235,680,328.76
NG Generation LLC		\$295,483,264.16

Receiving Company - Text	Originating Company - Text	Total
NG Glenwood Energy Center	NG Engineering Srvcs, LLC	\$1,740,969.62
	NGUSA Service Company	\$725,366.34
NG Glenwood Energy Center		\$2,466,335.96

Receiving Company - Text	Originating Company - Text	Total
NG LNG LP RegulatedEntity	NG Engineering Srvcs, LLC	\$195.40
	NGUSA Service Company	\$4,693,482.15
NG LNG LP RegulatedEntity		\$4,693,677.56

Calendar Year 2020 - Service Company Allocated Costs

Receiving Company - Text	Originating Company - Text	Total
NG NEHoldings 2 LLC	NGUSA Service Company	\$1,151,506.13
NG NEHoldings 2 LLC		\$1,151,506.13

Receiving Company - Text	Originating Company - Text	Total
NG Partners Inc.	NGUSA Service Company	\$5,287,972.84
NG Partners Inc.		\$5,287,972.84

Receiving Company - Text	Originating Company - Text	Total
NG PortJeff Energy Center	NG Engineering Srvcs, LLC	\$1,852,261.47
	NGUSA Service Company	\$856,260.04
NG PortJeff Energy Center		\$2,708,521.51

Receiving Company - Text	Originating Company - Text	Total
NG Renewables, LLC	NGUSA Service Company	\$27,108,852.02
NG Renewables, LLC		\$27,108,852.02

Receiving Company - Text	Originating Company - Text	Total
NG Services, Inc.	NG Engineering Srvcs, LLC	\$242.73
	NGUSA Service Company	\$841,428.39
NG Services, Inc.		\$841,671.11

Receiving Company - Text	Originating Company - Text	Total
NG Trans Services Corp	NGUSA Service Company	\$381.06
NG Trans Services Corp		\$381.06

Receiving Company - Text	Originating Company - Text	Total
NGUSA Service Company	NG Engineering Srvcs, LLC	(\$480.41)
	NGUSA Service Company	\$259,125,854.19
NGUSA Service Company		\$259,125,373.78

Receiving Company - Text	Originating Company - Text	Total
NGV US Dist Energy Inc.	NGUSA Service Company	\$2,345,663.93
NGV US Dist Energy Inc.		\$2,345,663.93

Calendar Year 2020 - Service Company Allocated Costs

Receiving Company - Text	Originating Company - Text	Total
NGV US Transmission Inc.	NGUSA Service Company	\$5,770,675.61
NGV US Transmission Inc.		\$5,770,675.61

Receiving Company - Text	Originating Company - Text	Total
Niagara Mohawk Holdings	NGUSA Service Company	\$1,901.55
Niagara Mohawk Holdings		\$1,901.55

Receiving Company - Text	Originating Company - Text	Total
Niagara Mohawk Power Corp	NG Engineering Svcs, LLC	\$50,027.47
	NGUSA Service Company	\$495,877,943.52
Niagara Mohawk Power Corp		\$495,927,970.99

Receiving Company - Text	Originating Company - Text	Total
PSEG Electric Serv TSA Co	NG Engineering Svcs, LLC	\$1,757.64
	NGUSA Service Company	\$573,610.60
PSEG Electric Serv TSA Co		\$575,368.24

Receiving Company - Text	Originating Company - Text	Total
Transgas Inc	NG Engineering Svcs, LLC	\$77.11
	NGUSA Service Company	\$468,437.05
Transgas Inc		\$468,514.16

Receiving Company - Text	Originating Company - Text	Total
Valley Appliance & Merch	NGUSA Service Company	(\$9,031.70)
Valley Appliance & Merch		(\$9,031.70)

Receiving Company - Text	Originating Company - Text	Total
Vermont Green Line Devco	NGUSA Service Company	\$53,226.24
Vermont Green Line Devco		\$53,226.24

Receiving Company - Text	Originating Company - Text	Total
Wayfinder Group, Inc.	NG Engineering Svcs, LLC	(\$186.81)
	NGUSA Service Company	(\$447,736.55)
Wayfinder Group, Inc.		(\$447,923.36)

Total		\$ 3,006,319,848.69
--------------	--	----------------------------

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

Request:

Referencing National Grid's response to DIV 2-30 indicating that the calendar year 2020 cost for services provided by the National Grid USA Service Company allocated to Rhode Island is approximately \$255.3 million:

- a. Please provide the breakdown of these charges in the same format as presented in schedules MAL-1 through MAL-39 of revenue requirements witness Melissa Little as submitted in RIPUC Docket No. 4770. To the extent a portion of the \$255.3 million in charges are assigned to other expense or capital costs not shown in these schedules, please identify these as well (by FERC account).
- b. Please provide the equivalent breakdown of Rate Year 1 (the 12 month period ending August 31, 2019) National Grid USA Service Company costs allocated to Narragansett as originally filed in RIPUC Docket No. 4770.

Response:

- a. Please see Attachment NG-DIV 4-1-1 for calendar year 2020 costs for services provided by National Grid USA Service Company, Inc. ("Service Company") allocated to Rhode Island shown in Schedules 1 through 39. The portion of the \$255.3 million in charges assigned to other expense or capital costs is identified by FERC account on Schedule 3, OM-Summary Totals, page 1, lines 32 through 73. Please note that National Grid USA cannot provide a cumulative average rate base calculation for capital charges originating from the Service Company, and therefore Schedule 11 has been excluded from Attachment NG-DIV-4-1-1.
- b. Please see Attachment NG-DIV-4-1-2 for the equivalent breakdown of Rate Year 1 Service Company costs allocated to Narragansett as originally filed in Rhode Island Public Utilities Commission Docket No. 4770.

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 1-ELEC
Page 1 of 2

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Electric Operations Income and Revenue Deficiency Summary
For the Year Ended December 31, 2020
Charges originating from NGUSA Service Company

	Schedule Reference	Year Ended December 31, 2020 (a)	Normalizing Adjustments (b)	Year Ended December 31, 2020 Adjusted (c) = (a) + (b)	Proforma Adjustments (c)	Rate Year Ending December 31, 2020 (e) = (c) + (d)	Base Revenue Increase Required (f)	Rate Year Ending December 31, 2020 with Base Revenue Requirement (g) = (e) + (f)
1 Revenues	Schedule 2-ELEC	(\$2,858)	\$2,858	\$0	\$0	\$0	\$87,465,832	\$87,465,832
2								
3 Purchased Power & Other Reconci	Schedule 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4								
5 Net Distribution Revenues		<u>(\$2,858)</u>	<u>\$2,858</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$87,465,832</u>	<u>\$87,465,832</u>
6								
7 Operation & Maintenance Expense	Schedule 3	\$110,603,209	(\$26,914,927)	\$83,688,281	\$0	\$83,688,281	\$1,139,592	\$84,827,874
8								
9 Amortization of Regulatory Deferr	Schedule 4-ELEC	\$10,073,950	(\$10,073,950)	\$0	\$0	\$0	\$0	\$0
10								
11 Amortization of Utility Plant	Schedule 5-ELEC	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12								
13 Depreciation	Schedule 6-ELEC	\$1,811,843	(\$1,811,843)	\$0	\$0	\$0	\$0	\$0
14								
15 Municipal Taxes	Schedule 7-ELEC	\$35,892	(\$35,892)	\$0	\$0	\$0	\$0	\$0
16								
17 Payroll Taxes	Schedule 8	\$3,469,073	(\$831,115)	\$2,637,958	\$0	\$2,637,958	\$0	\$2,637,958
18								
19 Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20								
21 Other Taxes	Schedule 9	\$21,446	(\$21,446)	\$0	\$0	\$0	\$0	\$0
22								
23 Interest on Customer Deposits	Workpaper 2-ELEC	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
24								
25 Total Operating Revenue Deductions		<u>\$126,015,414</u>	<u>(\$39,689,175)</u>	<u>\$86,326,239</u>	<u>\$0</u>	<u>\$86,326,239</u>	<u>\$1,139,592</u>	<u>\$87,465,832</u>
26								
27 Operating Income Before Income Taxes		<u>(\$126,018,272)</u>	<u>\$39,692,033</u>	<u>(\$86,326,239)</u>	<u>\$0</u>	<u>(\$86,326,239)</u>	<u>\$86,326,239</u>	<u>\$0</u>
28								
29 Income Taxes	Schedule 10-ELEC					<u>(\$18,128,510)</u>	<u>\$18,128,510</u>	<u>\$0</u>
30								
31 Operating Income After Income Taxes						<u>(\$68,197,729)</u>	<u>\$68,197,729</u>	<u>(\$0)</u>
32								
33 Rate Base	Schedule 11-ELEC					<u>\$0</u>		<u>\$0</u>
34								
35 Rate of Return						<u>0.00%</u>	Line 31(e) / Line 33(e)	
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
52								
53								

	<u>Revenue Deficiency</u>		
	Earned Rate of Return	0.00%	Line 35 (e)
	Rate Year Required Rate of Return	6.97%	Page 4, Line 9 (c)
	Rate of Return Deficiency	6.97%	Line 40 - Line 39
	Rate Base	\$0	Line 33 (e)
	Net Operating Income Deficiency	\$0	
	Gross Revenue Conversion Factor	1.282533	Line 53
	<u>Revenue Deficiency</u>	<u>\$0</u>	Line 43 / Line 44
	<u>Gross Revenue Conversion Factor</u>		
	Gross Revenue	1.000000	
	Uncollectible expense	(0.013029)	Docket 4770
	Revenue net of Uncollectibles	0.986971	
	Composite income tax rate	(0.20726)	Line 50 x (- 21%)
	Net income effect of 1.000 Revenue	0.779707	Line 50 + Line 51
	Gross Revenue Conversion Factor	1.2825329	1 / Line 52

The Narragansett Electric Company d/b/a National Grid
Cost of Capital
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

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

Notes

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

Column Notes

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

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 1-GAS
Page 1 of 2

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Gas Operations Income and Revenue Deficiency Summary
For the Year Ended Dec 31, 2020
Charges Originating from NGUSA Service Company

	Schedule Reference	Year Ended Dec 31, 2020 (a)	Normalizing Adjustments (b)	Year Ended Dec 31, 2020 Adjusted (c) = (a) + (b)	Proforma Adjustments (d)	Rate Year Ending December 31, 2020 (e) = (c) + (d)	Base Revenue Increase Required (f)	Rate Year Ending December 31, 2020, with Base Revenue Requirement (g) = (e) + (f)
1 Revenues	Schedule 2-GAS	\$50,841	(\$50,841)	\$0	\$0	\$0	\$58,787,882	\$58,787,882
2								
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4								
5 Net Distribution Revenues		<u>\$50,841</u>	<u>(\$50,841)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$58,787,882</u>	<u>\$58,787,882</u>
6								
7 Operation & Maintenance Expenses	Schedule 3	\$57,860,310	(\$1,820,915)	\$56,039,395	\$0	\$56,039,395	\$1,121,320	\$57,160,715
8								
9 Amortization of Regulatory Deferrals	Schedule 4-GAS	\$4,905,791	(\$4,905,791)	\$0	\$0	\$0	\$0	\$0
10								
11 Amortization of Utility Plant	Schedule 5-GAS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12								
13 Depreciation	Schedule 6-GAS	\$669,665	(\$669,665)	\$0	\$0	\$0	\$0	\$0
14								
15 Municipal Taxes	Schedule 7-GAS	\$8,279	(\$8,279)	\$0	\$0	\$0	\$0	\$0
16								
17 Payroll Taxes	Schedule 8	\$1,627,166	\$0	\$1,627,166	\$0	\$1,627,166	\$0	\$1,627,166
18								
19 Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20								
21 Other Taxes	Schedule 9	\$7,287	(\$7,287)	\$0	\$0	\$0	\$0	\$0
22								
23 Interest on Customer Deposits	Workpaper 2-GAS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
24								
25 Total Operating Revenue Deductions		<u>\$65,078,498</u>	<u>(\$7,411,936)</u>	<u>\$57,666,562</u>	<u>\$0</u>	<u>\$57,666,562</u>	<u>\$1,121,320</u>	<u>\$58,787,882</u>
26								
27 Operating Income Before Income Taxes		<u>(\$65,027,657)</u>	<u>\$7,361,096</u>	<u>(\$57,666,562)</u>	<u>\$0</u>	<u>(\$57,666,562)</u>	<u>\$57,666,562</u>	<u>\$0</u>
28								
29 Income Taxes	Schedule 10-GAS					<u>(\$12,109,978)</u>	<u>\$12,109,978</u>	<u>\$0</u>
30								
31 Operating Income After Income Taxes						<u>(\$45,556,584)</u>	<u>\$45,556,584</u>	<u>\$0</u>
32								
33 Rate Base	Schedule 11-GAS					<u>\$0</u>		<u>\$0</u>
34								
35 Rate of Return						<u>0.00%</u>	Line 31(e) / Line 33(e)	
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
52								
53								

	Revenue Deficiency		
	Earned Rate of Return	0.00%	Line 35 (e)
	Rate Year Required Rate of Return	<u>7.15%</u>	Page 4, Line 9 (c)
	Rate of Return Deficiency	<u>7.15%</u>	Line 40 - Line 39
	Rate Base	<u>\$0</u>	Line 33 (e)
	Net Operating Income Deficiency	<u>\$0</u>	
	Gross Revenue Conversion Factor	<u>1.290437</u>	Line 53
	Revenue Deficiency	<u>\$0</u>	Line 43 / Line 44
	Gross Revenue Conversion Factor		
	Gross Revenue	<u>1.000000</u>	
	Uncollectible expense	<u>(0.019074)</u>	Docket 4770
	Revenue net of Uncollectibles	<u>0.980926</u>	
	Composite income tax rate	<u>(0.20599)</u>	Line 50 x (- 21%)
	Net income effect of 1.000 Revenue	<u>0.774932</u>	Line 50 + Line 51
	Gross Revenue Conversion Factor	<u>1.2904366</u>	1 / Line 52

PUBLIC

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

Docket No. D-21-09

Attachment NG-DIV 4-1-1

Schedule 1-GAS

Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Cost of Capital
For the Year Ended Dec 31, 2020 and the Rate Year Ending December 31, 2021

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

Notes

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

Column Notes

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

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 2-ELEC
Page 1 of 1

The Narragansett Electric Company d/b/a National Grid
Electric Operations Revenues by Component
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

Description	Year Ended December 31, 2020 (a)	Normalizing Adjustments (b)	Year Ended December 31, 2020 (Adjusted) (c) = (a) + (b)	Proforma Adjustments (d)	Rate Year Ending December 31, 2021 (e) = (c) + (d)
1 <u>Firm Revenues:</u>					
2 Customer	\$0	\$0	\$0	\$0	\$0
3 Distribution	\$0	\$0	\$0	\$0	\$0
4 Revenue Decoupling Mechanism	\$0	\$0	\$0	\$0	\$0
5 Subtotal of Annual Target Revenue	\$0	\$0	\$0	\$0	\$0
6					
7 Infrastructure, Safety and Reliability Capital	\$0	\$0	\$0	\$0	\$0
8 Infrastructure, Safety and Reliability Capital Adjustment	\$0	\$0	\$0	\$0	\$0
9 Total Base Distribution Revenues	\$0	\$0	\$0	\$0	\$0
10					
11 Total Base Distribution Revenues	\$0	\$0	\$0	\$0	\$0
12					
13 <u>Other Distribution Revenues:</u>					
14 Forfeited Discounts - Electric	\$0	\$0	\$0	\$0	\$0
15 Misc Service Revenue - Electric	\$0	\$0	\$0	\$0	\$0
16 Rent from Electric Property	\$0	\$0	\$0	\$0	\$0
17 Other Electric Revenue - Misc	\$0	\$0	\$0	\$0	\$0
18 Other Elec Rev-Block Island & Dist Surcharges	\$0	\$0	\$0	\$0	\$0
19 Other Elec Rev-CIAC	\$0	\$0	\$0	\$0	\$0
20 Other Elec Rev-RISE EE Billings	\$0	\$0	\$0	\$0	\$0
21 M-1 Distribution Revenue	\$0	\$0	\$0	\$0	\$0
22 Subtotal Distribution Revenue	\$0	\$0	\$0	\$0	\$0
23					
24 <u>Other Delivery and Commodity Revenue:</u>					
25 Standard Offer Administrative	\$0	\$0	\$0	\$0	\$0
26 Infrastructure, Safety and Reliability Operating & Maintenance	\$0	\$0	\$0	\$0	\$0
27 Transmission	\$0	\$0	\$0	\$0	\$0
28 Competitive Transition Charge	\$0	\$0	\$0	\$0	\$0
29 Commodity	\$0	\$0	\$0	\$0	\$0
30 Energy Efficiency	\$0	\$0	\$0	\$0	\$0
31 Pension Adjustment Factor	\$0	\$0	\$0	\$0	\$0
32 Storm Fund Replenishment Factor	\$0	\$0	\$0	\$0	\$0
33 RE Growth	\$0	\$0	\$0	\$0	\$0
34 Long-Term Contracting for Renewable Energy Recovery Provision	\$0	\$0	\$0	\$0	\$0
35 Net Metering	\$0	\$0	\$0	\$0	\$0
36 Gross Receipts Tax	\$0	\$0	\$0	\$0	\$0
37 Total Other Operating Revenues	\$0	\$0	\$0	\$0	\$0
38					
39					
40 Total Operating Revenues	(\$2,858)	\$2,858	\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 2-GAS
Page 1 of 1

The Narragansett Electric Company d/b/a National Grid
Gas Operations Revenues by Component
For the Year Ended Dec 31, 2020 and the Rate Year Ending December 31, 2021

	Description	Year Ended Dec 31, 2020 (a)	Normalizing Adjustments (b)	Year Ended Dec 31, 2020 (Adjusted) (c) = (a) + (b)	Proforma Adjustments (d)	Rate Year Ending December 31, 2021 (e) = (c) + (d)
	<u>Firm Revenues:</u>					
1	Delivery- Base Revenues excluding AGT, LIHEAP, and Envir Base Rates	\$0	\$0	\$0	\$0	\$0
2	LIAP in Base Rates	\$0	\$0	\$0	\$0	\$0
3	Energy Efficiency-Weatherization Program in Base Rates	\$0	\$0	\$0	\$0	\$0
4	Advanced Gas Technologies in Base Rates	\$0	\$0	\$0	\$0	\$0
5	Environmental Cost Recovery in Base Rates	\$0	\$0	\$0	\$0	\$0
6	Gas Lights	\$0	\$0	\$0	\$0	\$0
7	Sub-Total Delivery Rates	\$0	\$0	\$0	\$0	\$0
8						
9	Gas Cost Recovery Revenues	\$0	\$0	\$0	\$0	\$0
10	DAC Revenues	\$0	\$0	\$0	\$0	\$0
11	Energy Efficiency Revenues	\$0	\$0	\$0	\$0	\$0
12	Sub-Total Firm Tariff Revenues	\$0	\$0	\$0	\$0	\$0
13				\$0		\$0
14	Special Contract- Dominion Power	\$0	\$0	\$0	\$0	\$0
15				\$0		\$0
16	Non Firm Revenues	\$0	\$0	\$0	\$0	\$0
17						
18	Total Billed Revenues	\$0	\$0	\$0	\$0	\$0
19						
20	<u>Other Operating Revenues:</u>					
21						
22	Miscellaneous Fees/Credits					
23	Paperless Bill Credits	\$0	\$0	\$0	\$0	\$0
24	Account Restoration Fee	\$0	\$0	\$0	\$0	\$0
25	Customer Arrearage Fee (Late Payment Fees)	\$0	\$0	\$0	\$0	\$0
26	Return Check Fee	\$0	\$0	\$0	\$0	\$0
27	AMR Opt Out Fee	\$0	\$0	\$0	\$0	\$0
28	Sub-total Fees/Credits	\$0	\$0	\$0	\$0	\$0
29						
30	Rental Expense	\$0	\$0	\$0	\$0	\$0
31	AFUDC- Equity/Debt	\$0	\$0	\$0	\$0	\$0
32	Miscellaneous Revenue Adjustments	\$0	\$0	\$0	\$0	\$0
33	Non Utility Billing	\$0	\$0	\$0	\$0	\$0
34						
35	Revenue Decoupling Adj	\$0	\$0	\$0	\$0	\$0
36	ISR CY 20	\$0	\$0	\$0	\$0	\$0
37	On System Margin Adj	\$0	\$0	\$0	\$0	\$0
38	Settlement Agreement DK 4323 Article III. B.4.	\$0	\$0	\$0	\$0	\$0
39	Gross Receipts Tax Revenues	\$0	\$0	\$0	\$0	\$0
40				\$0		\$0
41	Off System Sales	\$0	\$0		\$0	
42	Unbilled Revenues & Cost	\$0	\$0	\$0	\$0	\$0
43	EE Shareholder Incentive	\$0	\$0	\$0	\$0	\$0
44	NGPMP Shareholder Incentive	\$0	\$0		\$0	
45				\$0		\$0
46	Offsetting Manual Journal Entries			\$0		\$0
47	LIAP in Base Rates	\$0	\$0	\$0	\$0	\$0
48	Energy Efficiency-Weatherization Program in Base Rates	\$0	\$0	\$0	\$0	\$0
49	Advanced Gas Technologies in Base Rates	\$0	\$0		\$0	
50	Environmental Cost Recovery in Base Rates	\$0	\$0	\$0	\$0	\$0
51	GCR Deferral	\$0	\$0		\$0	
52	DAC Deferral	\$0	\$0	\$0	\$0	\$0
53	EE Deferral	\$0	\$0		\$0	
54	Other Accounting Adj.	\$0	\$0	\$0	\$0	\$0
55				\$0		\$0
56	Total Other Operating Revenues	\$0	\$0	\$0	\$0	\$0
57						
58	Total Operating Revenues	\$50,841	(\$50,841)	\$0	\$0	\$0
59						
60	Gas Cost Expense					
61						
62	Total	\$0	\$0	\$0	\$0	\$0
63						
64	Net Margin	\$50,841	(\$50,841)	\$0	\$0	\$0

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 3
Page 1 of 3

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

Provider Company: National Grid USA Service Co.

			Year Ended Dec 31, 2020 (Per Books)			Normalizing Adjustments			Year Ended Dec 31, 2020 (as Adjusted)		
			Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
			(a)=(b)+(c)	(b)	(c)	(d)=(e)+(f)	(e)	(f)	(g)=(h)+(i)	(h)=(b)+(e)	(i)=(c)+(f)
Operation & Maintenance Expenses:											
1	Labor	Schedule 12	\$65,466,957	\$44,665,465	\$20,801,492	(\$21,995,116)	(\$18,212,054)	(\$3,783,062)	\$43,471,841	\$26,453,411	\$17,018,430
2	Health Care	Schedule 13	\$6,816,907	\$4,576,047	\$2,240,860	(\$1,145,801)	(\$1,145,801)	\$0	\$5,671,106	\$3,430,247	\$2,240,860
3	Group Life Insurance	Schedule 14	\$431,743	\$294,235	\$137,507	(\$71,248)	(\$71,248)	\$0	\$360,494	\$222,987	\$137,507
4	Thrift Plan	Schedule 15	\$3,392,460	\$2,295,353	\$1,097,107	(\$563,562)	(\$563,562)	\$0	\$2,828,898	\$1,731,791	\$1,097,107
5	FAS 112 / ASC 712	Schedule 16	(\$69,324)	(\$47,329)	(\$21,995)	\$69,324	\$47,329	\$21,995	\$0	\$0	\$0
6	Service Company Rents	Schedule 17	\$7,081,556	\$4,901,124	\$2,180,432	\$9,105,627	\$7,890,558	\$1,215,069	\$16,187,183	\$12,791,682	\$3,395,501
7	Joint Facilities	Schedule 18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Uninsured Claims	Schedule 19	\$665,175	\$355,647	\$309,528	(\$136,828)	(\$99,891)	(\$36,936)	\$528,347	\$255,756	\$272,592
9	Insurance Premium	Schedule 20	\$1,964,259	\$1,418,907	\$545,353	\$681,411	\$544,062	\$137,349	\$2,645,670	\$1,962,968	\$682,702
10	Regulatory Assessment Fees	Schedule 21	\$15,652	\$10,897	\$4,755	(\$1,726)	(\$1,726)	\$0	\$13,926	\$9,171	\$4,755
11	Uncollectible Accounts	Schedule 22	\$114,984	\$85,746	\$29,238	\$0	\$0	\$0	\$114,984	\$85,746	\$29,238
12	Postage	Schedule 23	\$2,762,166	\$1,800,378	\$961,788	(\$7,890)	(\$7,740)	(\$150)	\$2,754,276	\$1,792,637	\$961,638
13	Strike Contingency	Schedule 24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Environmental Response Fund	Schedule 25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Paperless Bill Credit	Schedule 26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	PBOP	Schedule 27	\$1,348,241	\$903,592	\$444,649	(\$1,293,211)	(\$1,293,211)	\$0	\$55,030	(\$389,619)	\$444,649
17	Pension	Schedule 28	\$8,473,974	\$5,645,286	\$2,828,688	(\$616,614)	(\$616,614)	\$0	\$7,857,360	\$5,028,672	\$2,828,688
18	Energy Efficiency Program	Schedule 29	\$6,755,760	\$4,961,161	\$1,794,599	(\$6,755,760)	(\$4,961,161)	(\$1,794,599)	\$0	\$0	\$0
19	Other Operating and Maintenance Expenses	Schedule 30	\$63,243,010	\$38,736,699	\$24,506,310	(\$11,031,786)	(\$9,072,979)	(\$1,958,807)	\$52,211,224	\$29,663,721	\$22,547,503
20	Energy Innovation Hub	Schedule 35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Storm Cost Recovery	Schedule 31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Gas Business Enablement	Schedule 36	\$0	\$0	\$0	\$5,027,338	\$649,112	\$4,378,226	\$5,027,338	\$649,112	\$4,378,226
23	Electric Operations	Schedule 37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	NEP IFA Credit	Schedule 33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Wheeling	Schedule 34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Gas Operations	Schedule 38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Customer Affordability Program	Schedule 39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Gas Commodity OM	Schedule 32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	O&M TOTAL		<u>\$168,463,519</u>	<u>\$110,603,209</u>	<u>\$57,860,310</u>	<u>(\$28,735,842)</u>	<u>(\$26,914,927)</u>	<u>(\$1,820,915)</u>	<u>\$139,727,677</u>	<u>\$83,688,282</u>	<u>\$56,039,395</u>
32	Amortization of Regulatory Deferral		\$14,979,741	\$10,073,950	\$4,905,791	(\$14,979,741)	(\$10,073,950)	(\$4,905,791)	\$0	\$0	\$0
33	Amortization of Utility Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Depreciation		\$2,481,508	\$1,811,843	\$669,665	(\$2,481,508)	(\$1,811,843)	(\$669,665)	\$0	\$0	\$0
35	Municipal Taxes		\$44,171	\$35,892	\$8,279	(\$44,171)	(\$35,892)	(\$8,279)	\$0	\$0	\$0
36	Payroll Taxes		\$5,096,240	\$3,469,073	\$1,627,166	(\$831,115)	(\$831,115)	\$0	\$4,265,124	\$2,637,958	\$1,627,166
37	Gross Receipts Taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Other Taxes		\$28,734	\$21,446	\$7,287	(\$28,734)	(\$21,446)	(\$7,287)	\$0	\$0	\$0
40	Cost of Service		<u>\$191,093,912</u>	<u>\$126,015,414</u>	<u>\$65,078,498</u>	<u>(\$47,101,111)</u>	<u>(\$39,689,174)</u>	<u>(\$7,411,936)</u>	<u>\$143,992,802</u>	<u>\$86,326,240</u>	<u>\$57,666,562</u>
42	Revenue		\$47,982	(\$2,858)	\$50,841	(\$47,982)	\$2,858	(\$50,841)	\$0	\$0	\$0
44	Below the Line Items										
45	417 Revenues/Expenses of nonutility operations		\$92,250	\$37,689	\$54,561	(\$92,250)	(\$37,689)	(\$54,561)	\$0	\$0	\$0
46	419 Interest and dividend income		(\$368,740)	(\$273,936)	(\$94,804)	\$368,740	\$273,936	\$94,804	\$0	\$0	\$0
47	421 Miscellaneous nonoperating income		(\$779,812)	(\$585,990)	(\$193,822)	\$779,812	\$585,990	\$193,822	\$0	\$0	\$0
48	426.1 Donations		\$815,598	\$536,102	\$279,496	(\$815,598)	(\$536,102)	(\$279,496)	\$0	\$0	\$0
49	426.2 Life insurance		\$175,896	\$175,314	\$581	(\$175,896)	(\$175,314)	(\$581)	\$0	\$0	\$0
50	426.3 Penalties		\$12,580	\$3	\$12,577	(\$12,580)	(\$3)	(\$12,577)	\$0	\$0	\$0
51	426.4 Expenditures for certain civic, political and related activities		\$647,708	\$458,326	\$189,383	(\$647,708)	(\$458,326)	(\$189,383)	\$0	\$0	\$0
52	426.5 Other deductions		(\$1,242,012)	(\$928,431)	(\$313,581)	\$1,242,012	\$928,431	\$313,581	\$0	\$0	\$0
53	431 Other interest expense		\$311,897	\$220,835	\$91,062	(\$311,897)	(\$220,835)	(\$91,062)	\$0	\$0	\$0
54	432 Allowance for borrowed funds used during construction—Credi		(\$35)		(\$35)	\$35	\$0	\$35	\$0	\$0	\$0
56	Subtotal		<u>(\$286,688)</u>	<u>(\$362,947)</u>	<u>\$76,259</u>	<u>\$286,688</u>	<u>\$362,947</u>	<u>(\$76,259)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
58	Sub Total		<u>\$190,807,225</u>	<u>\$125,652,468</u>	<u>\$65,154,757</u>	<u>(\$46,814,423)</u>	<u>(\$39,326,228)</u>	<u>(\$7,488,195)</u>	<u>\$143,992,802</u>	<u>\$86,326,240</u>	<u>\$57,666,562</u>
60	Capital Items										
61	FERC										
62	107 Construction work in progress		\$59,769,017	\$36,737,214	\$23,031,803	\$7,008,204	\$4,816,049	\$2,192,155	\$66,777,221	\$41,553,263	\$25,223,958
	Accumulated provision for depreciation of										
63	108 electric utility plant		\$1,176,780	\$617,514	\$559,266	\$0	\$0	\$0	\$1,176,780	\$617,514	\$559,266
64	154 Plant materials and operating supplies		\$67,970	\$67,646	\$324	\$0	\$0	\$0	\$67,970	\$67,646	\$324
65	163 Stores expense undistributed		\$2,488,223	\$1,319,263	\$1,168,960	\$0	\$0	\$0	\$2,488,223	\$1,319,263	\$1,168,960
66	174 Miscellaneous current and accrued assets		\$35,004	\$34,991	\$14	\$0	\$0	\$0	\$35,004	\$34,991	\$14
67	183 Preliminary survey and investigation charges		(\$1,067,838)	(\$1,067,838)	\$0	\$0	\$0	\$0	(\$1,067,838)	(\$1,067,838)	\$0
68	228 Accumulated provision for injuries and damages		\$1,946,504	\$1,411,751	\$534,753	\$0	\$0	\$0	\$1,946,504	\$1,411,751	\$534,753
69	242 Miscellaneous current and accrued liabilities		\$102,560	\$102,560	\$0	\$0	\$0	\$0	\$102,560	\$102,560	\$0
71	Sub Total		<u>\$64,518,220</u>	<u>\$39,223,100</u>	<u>\$25,295,119</u>	<u>\$7,008,204</u>	<u>\$4,816,049</u>	<u>\$2,192,155</u>	<u>\$71,526,423</u>	<u>\$44,039,149</u>	<u>\$27,487,274</u>
72	Total		<u>\$255,325,444</u>	<u>\$164,875,568</u>	<u>\$90,449,876</u>	<u>(\$39,806,219)</u>	<u>(\$34,510,179)</u>	<u>(\$5,296,041)</u>	<u>\$215,519,225</u>	<u>\$130,365,389</u>	<u>\$85,153,836</u>
74											
75	PST Programs		\$0	\$0	\$0	\$1,218,811	\$1,218,811	\$0	\$1,218,811	\$1,218,811	\$0
76											
77	Deferred Storm Costs		\$0	\$0	\$0	\$5,215,077	\$5,215,077	\$0	\$5,215,077	\$5,215,077	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 3
Page 2 of 3

[illegible]

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

	Year Ended Dec 31, 2020 (Per Books)	Recovered out of Base Rates	Gas Business Enablement (GBE)	Sales Expenses	Financial Variable Pay	Servco EDIT Amortizati on	Aquidneck	Reclass- ification	Other	Total Normalizing Adjustments (i) sum (b through i)	Year Ended Dec 31, 2020 (as Adjusted) (k) = (a) + (j)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1 Test Year Amounts that are Specifically Adjusted:											
2											
3											
4											
5 Operating & Maintenance Expense											
6 Labor	\$20,801,492	(\$832,315)	(\$395,854)	(\$120,438)	(\$242,300)	\$0	\$0	(\$2,192,155)	\$0	(\$3,783,062)	\$17,018,430
7 Health Care	\$2,240,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,240,860
8 Group Life Insurance	\$137,507	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137,507
9 Thrift Plan	\$1,097,107	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,097,107
10 FAS 112 / ASC 712	(\$21,995)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,995	\$21,995	\$0
11 Service Company Rents	\$2,180,432	\$0	(\$3,802,855)	\$0	\$0	(\$722,508)	\$0	\$0	\$5,740,432	\$1,215,069	\$3,395,501
12 Joint Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Uninsured Claims	\$309,528	\$0	\$0	\$0	\$0	\$0	(\$36,936)	\$0	\$0	(\$36,936)	\$272,592
14 Insurance Premium	\$545,353	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137,349	\$137,349	\$682,702
15 Regulatory Assessment Fees	\$4,755	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,755
16 Uncollectible Accounts	\$29,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,238
17 Postage	\$961,788	\$0	\$0	(\$150)	\$0	\$0	\$0	\$0	\$0	(\$150)	\$961,638
18 Strike Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Environmental Response Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Paperless Bill Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 PBOB	\$444,649	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$444,649
22 Pension	\$2,828,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,828,688
23 Energy Efficiency Program	\$1,794,599	(\$1,794,599)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,794,599)	\$0
24 Other Operating and Maintenance Expenses	\$24,506,310	(\$120,359)	(\$1,667,994)	(\$131,276)	\$0	\$0	(\$29,579)	\$0	(\$9,599)	(\$1,958,807)	\$22,547,503
25 Storm Cost Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Gas Commodity OM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 NEP IFA Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 Wheeling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 Energy Innovation Hub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Gas Business Enablement	\$0	\$0	\$4,378,226	\$0	\$0	\$0	\$0	\$0	\$0	\$4,378,226	\$4,378,226
31 Electric Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Gas Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Customer Affordability Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Sub Total Operating & Maintenance Expense	\$57,860,310	(\$2,747,272)	(\$1,488,477)	(\$251,864)	(\$242,300)	(\$722,508)	(\$66,515)	(\$2,192,155)	\$5,890,177	(\$1,820,915)	\$56,039,395
35											
36 Purchased Power/ Purchased Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37											
38 Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39											
40 TOTAL	\$57,860,310	(\$2,747,272)	(\$1,488,477)	(\$251,864)	(\$242,300)	(\$722,508)	(\$66,515)	(\$2,192,155)	\$5,890,177	(\$1,820,915)	\$56,039,395
Check Totals	\$57,860,310	(\$2,747,272)	(\$1,488,477)	(\$251,865)	(\$242,300)	(\$722,508)	(\$66,515)	(2,192,155)	\$5,890,178	(\$1,820,915)	\$56,039,395
Difference	\$0	\$0	\$0	\$1	(\$0)	\$0	(\$0)	\$0	(\$1)	\$0	\$0

PUBLIC

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

Docket No. D-21-09

Attachment NG-DIV 4-1-1

Schedule 4-ELEC

Page 1 of 1

The Narragansett Electric Company d/b/a National Grid
Amortization of Regulatory Deferrals - Electric
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

	<u>Test Year Ended December 31, 2020</u>	<u>Normalizing Adjustments</u>	<u>Adjusted Balance December 31, 2020</u>	<u>Proforma Adjustments</u>	<u>Rate Year Ending December 31, 2021</u>
	(a)	(b)	(c)	(d)	(e)
1 Rate Case Expenses	\$10,073,950	(\$10,073,950)	\$0		\$0
2					
3 Total	<u>\$10,073,950</u>	<u>(\$10,073,950)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1

Schedule 4-GAS

Page 1 of 1

The Narragansett Electric Company d/b/a National Grid
Amortization of Regulatory Deferrals - Gas
For the Year Ended Dec 31, 2020 and the Rate Year Ending December 31, 2021

	Test Year Ended Dec 31, 2020 (a)	Normalizing Adjustments (b)	Adjusted Balance Dec 31, 2020 (c)	Proforma Adjustments (d)	Rate Year Ending December 31, 2021 (e)
1 Amortization	\$4,905,791	(\$4,905,791)	\$0		\$0
2		\$0	\$0		\$0
3		\$0	\$0	\$0	\$0
4 Total	<u>\$4,905,791</u>	<u>(\$4,905,791)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The Narragansett Electric Company d/b/a National Grid
Amortization of Utility Plant - Electric
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

	Test Year Ended	Normalizing	Adjusted Test Year	Proforma	Rate Year Ending
	December 31, 2020	Adjustments	December 31, 2020	Adjustments	December 31,
	(a)	(b)	(c)	(d)	2021
					(e)
1 Amortization	\$0	\$0	\$0	\$0	\$0

Column Notes

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

The Narragansett Electric Company d/b/a National Grid
Amortization of Utility Plant - Gas
For the Year Ended Dec 31, 2020 and the Rate Year Ending December 31, 2021

	Test Year Ended	Normalizing	Adjusted Test Year	Proforma	Rate Year 1 December 31,
	Dec 31, 2020	Adjustments	Dec 31, 2020	Adjustments	2021
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
1 Amortization	\$0	\$0	\$0	\$0	\$0

Column Notes

(a) Per Company Books

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 6-ELEC
Page 1 of 1

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

	<u>Test Year Ended</u> <u>December 31, 2020</u>	<u>Normalizing</u> <u>Adjustments</u>	<u>Adjusted Balance</u> <u>December 31, 2020</u>	<u>Known & Measurable</u> <u>Adjustments</u>	<u>Rate Year Ending</u> <u>December 31, 2021</u>
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
1 Depreciation Expense	\$1,811,843	(1,811,843)	\$0	\$0	\$0
2					
3 Total	<u>\$1,811,843</u>	<u>(\$1,811,843)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 6-GAS
Page 1 of 1

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

	Test Year Ended Dec 31, 2020	Normalizing Adjustments	Adjusted Balance Dec 31, 2020	Known & Measurable Adjustments	Rate Year Ending December 31, 2021
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
1 Depreciation Expenses	\$669,665	(\$669,665)	\$0	\$0	\$0
2					
3 Total	<u>\$669,665</u>	<u>(\$669,665)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 7-ELEC
Page 1 of 1

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

	Test Year Ended December 31, 2020 (a)	Normalizing Adjustments to Test Year (b)	Test Year Ended December 31, 2020 (as Adjusted) (a) + (b) =(c)	Proforma Adjustments (d)	Rate Year Ending December 31, 2021 (c) + (d) =(e)
1 Narragansett Electric Company	\$35,892	(\$35,892)	\$0	\$0	\$0
2					
3 Total Municipal Taxes	<u>\$35,892</u>	<u>(\$35,892)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 7-GAS
Page 1 of 1

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

	Test Year Ended Dec 31, 2020 (per Book)	Normalizing Adjustments to Test Year	Test Year Ended Dec 31, 2020 (as Adjusted)	Proforma Adjustments	Rate Year Ending December 31, 2021
	(a)	(b)	(a) + (b) =(c)	(d)	(c) + (d) =(e)
1 Narragansett Electric Company	\$8,279	(\$8,279)	\$0	\$0	\$0
2					
3 Total Municipal Taxes	<u>\$8,279</u>	<u>(\$8,279)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 8
Page 1 of 2

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

		Year Ended Dec 31, 2020 (Per Books)			Normalizing Adjustments			Year Ended Dec 31, 2020 (as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$5,096,240	\$3,469,073	\$1,627,166	(\$831,115)	(\$831,115)	\$0	\$4,265,124	\$2,637,958	\$1,627,166
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$5,096,240</u>	<u>\$3,469,073</u>	<u>\$1,627,166</u>	<u>(\$831,115)</u>	<u>(\$831,115)</u>	<u>\$0</u>	<u>\$4,265,124</u>	<u>\$2,637,958</u>	<u>\$1,627,166</u>
		\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 8
Page 2 of 2

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

Explanation of Adjustments:		Provider Company	Total	Electric	Gas	
			(a) = (b) + (c)	(b)	(c)	
1	Page 1	<u>Adjustments: (to normalize Historic Year):</u>				
2						
3						
4		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$592,664)	(\$592,664)	\$0
5		Inspection & Maintenance	National Grid USA Service Company	(\$98)	(\$98)	\$0
6		Major Storm Normalization	National Grid USA Service Company	(\$215,770)	(\$215,770)	\$0
7		Reclass EV Program	National Grid USA Service Company	(\$22,583)	(\$22,583)	\$0
8						
9			TOTAL	(\$831,115)	(\$831,115)	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 9
Page 1 of 2

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 9
Page 2 of 2

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

Explanation of Adjustments:		Total	Electric	Gas	
		(a) = (b) + (c)	(b)	(c)	
1	Page 1	<u>Taxes Other Than Income Taxes Adjustments: (to normalize Historic Year)</u>			
2		National Grid USA Service Company	(\$28,734)	(\$21,446)	(\$7,287)
3			\$0	\$0	\$0
4			\$0	\$0	\$0
5		TOTAL Taxes Other Than Income Taxes Normalization Adjustments	<u>(\$28,734)</u>	<u>(\$21,446)</u>	<u>(\$7,287)</u>
6					
7		<u>Gross Receipts Tax Adjustments: (to normalize Historic Year)</u>			
8			\$0	\$0	\$0
9			\$0	\$0	\$0
10			\$0	\$0	\$0
11		TOTAL Gross Receipts Tax Normalization Adjustments	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
12					
13					
14					
15	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2019)</u>			
16					
17		General inflation %			
18		0.00%			
19					
20		Narragansett Electric Company	\$0	\$0	\$0
21		National Grid USA Service Company	\$0	\$0	\$0
22		All Other Companies	\$0	\$0	\$0
23					
24		TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 10-ELEC
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Electric Income Tax Expense
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

		Rate Year Ending December 31, 2021 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2019 with Revenue Increase (c)	
	Reference				
1	Revenues	Schedule 1-ELEC	\$314,872,028	\$651,482	\$315,523,510
2	Expenses	Schedule 1-ELEC	(\$244,963,640)	(\$8,488)	(\$244,972,128)
3	Pre-tax operating income before interest		\$69,908,388	\$642,994	\$70,551,382
4					
5	<u>Synchronized Interest Expense</u>				
6	Rate Base	Schedule 11-ELEC	\$924,621,273		\$924,621,273
7	Weighted Debt Component	2.24%	2.24%	2.24%	2.24%
8	Synchronized Interest Expense		\$20,711,517		\$20,711,517
9					
10	Pre-tax income- State		\$49,196,872	\$642,994	\$49,839,865
11	State statutory tax rate	0.00%	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0	\$0
13					
14	Pre-tax income- State		\$49,196,872	\$642,994	\$49,839,865
15	Normalized State income tax expense		\$0	\$0	\$0
16	Pre-tax income- Federal		\$49,196,872	\$642,994	\$49,839,865
17	Federal statutory tax rate	21.00%	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		\$10,331,343	\$135,029	\$10,466,372
19	Effective combined statutory tax rate	21.00%	21.00%	21.00%	21.00%
20	Excess Deferred Tax		(\$5,066,000)	\$0	(\$5,066,000)
21	Deferred income tax deficiency from Docket 4065		\$650,000	\$0	\$650,000
22	Amortization of Investment Tax Credits		(\$4,748)	\$0	(\$4,748)
23	ITC Basis Reduction Depreciation		\$15,210	\$0	\$15,210
24	Equity AFUDC		\$0	\$0	\$0
25	AFUDC Amortization		\$44,446	\$0	\$44,446
26	Normalized State income tax expense		\$0	\$0	\$0
27	Normalized Federal income tax expense		\$10,331,343	\$135,029	\$10,466,372
28	Normalized Federal plus State income tax expense revised		\$5,970,251	\$135,029	\$6,105,279
29					
30	After-tax income		\$63,938,137	\$507,965	\$64,446,102

Line Notes

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

The Narragansett Electric Company d/b/a National Grid
Amortization of Investment Tax Credits
For the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

	<u>Total</u>
1 Rate Year Investment Tax Credits	(\$7,151)
2 Less: Related IFA Expenses	\$2,403
3 Rate Year Investment Tax Credits Adjustment	<hr/> (\$4,748)

Line Notes

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

The Narragansett Electric Company d/b/a National Grid
Amortization of Investment Tax Credits
for the Year Ended December 31, 2020 and the Rate Year Ending December 31, 2021

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

Line Notes

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

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 10-GAS
Page 1 of 1

The Narragansett Electric Company d/b/a National Grid
Gas Income Tax Expense
For the Year Ended Dec 31, 2020

	Reference	Rate Year Ending December 31, 2020 (a)	Revenue Increase Effect (b)	Rate Year Ending December 31, 2020 with Revenue Increase (c)
1	Revenues	Schedule 1-GAS	\$0	\$58,787,882
2	Expenses	Schedule 1-GAS	(\$57,666,562)	(\$58,787,882)
3	Pre-tax operating income before interest		(\$57,666,562)	\$0
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-GAS	\$0	\$0
7	Weighted Debt Component	2.42%	2.42%	2.42%
8	Synchronized Interest Expense		\$0	\$0
9				
10	Pre-tax income- State		(\$57,666,562)	\$0
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		(\$57,666,562)	\$0
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		(\$57,666,562)	\$0
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		(\$12,109,978)	\$0
19	Effective combined statutory tax rate	21.00%	21.00%	0.00%
20	Excess Deferred Tax		0	\$0
21	Equity AFUDC		\$0	\$0
22	AFUDC Amortization		\$0	\$0
23	Normalized State income tax expense		\$0	\$0
24	Normalized Federal income tax expense		(\$12,109,978)	\$0
25	Normalized Federal plus State income tax expense revised		(\$12,109,978)	\$0
26				
27	After-tax income		(\$45,556,584)	\$0

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 12
Page 1 of 2

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Labor - Expense Type

		Year Ended Dec 31, 2020			Normalizing Adjustments to Test Year			Year Ended Dec 31, 2020		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$65,466,957	\$44,665,465	\$20,801,492	(\$21,995,116)	(\$18,212,054)	(\$3,783,062)	\$43,471,841	\$26,453,411	\$17,018,431
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$65,466,957</u>	<u>\$44,665,465</u>	<u>\$20,801,492</u>	<u>(\$21,995,116)</u>	<u>(\$18,212,054)</u>	<u>(\$3,783,062)</u>	<u>\$43,471,841</u>	<u>\$26,453,411</u>	<u>\$17,018,431</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$832,315	\$0	\$832,315	(\$832,315)	\$0	(\$832,315)	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$4,375,154	\$4,349,290	\$25,864	(\$4,349,290)	(\$4,349,290)	\$0	\$25,864	\$0	\$25,864
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$10,040,385	\$5,355,556	\$4,684,829	(\$373,497)	\$0	(\$373,497)	\$9,666,888	\$5,355,556	\$4,311,332
15	Customer Accounts Expenses	\$5,558,247	\$3,535,132	\$2,023,115	\$0	\$0	\$0	\$5,558,247	\$3,535,132	\$2,023,115
16	Customer Service and	\$2,700,333	\$1,869,669	\$830,665	(\$670,848)	(\$670,848)	\$0	\$2,029,485	\$1,198,820	\$830,665
17	Informational Expenses					\$0	\$0			
18	Sales Expenses	\$159,916	\$39,478	\$120,438	(\$159,916)	(\$39,478)	(\$120,438)	(\$0)	\$0	(\$0)
19	Administrative & General Expenses	\$36,114,074	\$25,073,558	\$11,040,516	(\$11,943,095)	(\$9,486,283)	(\$2,456,812)	\$24,170,979	\$15,587,275	\$8,583,704
20	Sub Total	<u>\$59,780,425</u>	<u>\$40,222,683</u>	<u>\$19,557,741</u>	<u>(\$18,328,962)</u>	<u>(\$14,545,900)</u>	<u>(3,783,062)</u>	<u>\$41,451,463</u>	<u>\$25,676,783</u>	<u>\$15,774,680</u>
Maintenance:										
23	Transmission Expenses	\$877,749	\$748,769	\$128,980	(\$748,769)	(\$748,769)	\$0	\$128,980	\$0	\$128,980
24	Distribution Expenses	\$4,710,681	\$3,595,911	\$1,114,770	(\$2,906,565)	(\$2,906,565)	\$0	\$1,804,117	\$689,347	\$1,114,770
25	Administrative & General Expenses	\$98,101	\$98,101	\$0	(\$10,820)	(\$10,820)	\$0	\$87,281	\$87,281	\$0
26	Sub Total	<u>\$5,686,532</u>	<u>\$4,442,781</u>	<u>\$1,243,750</u>	<u>(\$3,666,154)</u>	<u>(\$3,666,154)</u>	<u>\$0</u>	<u>\$2,020,378</u>	<u>\$776,628</u>	<u>\$1,243,750</u>
27										
28	TOTAL	<u>\$65,466,957</u>	<u>\$44,665,465</u>	<u>\$20,801,492</u>	<u>(\$21,995,116)</u>	<u>(\$18,212,054)</u>	<u>(\$3,783,062)</u>	<u>\$43,471,841</u>	<u>\$26,453,411</u>	<u>\$17,018,430</u>
		\$0	\$0	\$0	(\$1)	(\$0)	(\$0)	\$1	(\$0)	\$1

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 12
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

		<u>Provider Company</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>	
<u>Explanation of Adjustments:</u>			(a)	(b)	(c)	
1	<u>Page 1</u>	<u>Adjustments: (to normalize Historic Year)</u>				
2						
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$9,091,963)	(\$9,091,963)	\$0
4		Inspection & Maintenance	National Grid USA Service Company	(\$1,383)	(\$1,383)	\$0
5		Remove Financial Portion of Variable Pay	National Grid USA Service Company	(\$755,118)	(\$512,818)	(\$242,300)
6		Gas Business Enablement	National Grid USA Service Company	(\$437,874)	(\$42,020)	(\$395,854)
7		Reclass EV Program	National Grid USA Service Company	(\$295,691)	(\$295,691)	\$0
8		AMI, DSCADA and Data Enhancement, Grid Mod	National Grid USA Service Company	(\$132,313)	(\$132,313)	\$0
9		Major Storm Normalization	National Grid USA Service Company	(\$2,905,182)	(\$2,905,182)	\$0
10		Sales Expense	National Grid USA Service Company	(\$159,916)	(\$39,478)	(\$120,438)
11		Reclass Service Company A&G Overhead Study Adjustment	National Grid USA Service Company	(\$7,008,204)	(\$4,816,049)	(\$2,192,155)
12		Exclude ReGrowth Program Costs	National Grid USA Service Company	(\$375,158)	(\$375,158)	\$0
13		Exclude GCR- related O&M	National Grid USA Service Company	(\$832,315)	\$0	(\$832,315)
14		TOTAL		<u>(\$21,995,116)</u>	<u>(\$18,212,054)</u>	<u>(\$3,783,062)</u>

PUBLIC

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

Docket No. D-21-09

Attachment NG-DIV 4-1-1

Schedule 13

Page 1 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

		Year Ended Dec 31, 2020			Normalizing Adjustments			Year Ended Dec 31, 2020		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$6,816,907	\$4,576,047	\$2,240,860	(\$1,145,801)	(\$1,145,801)	\$0	\$5,671,106	\$3,430,247	\$2,240,860
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$6,816,907</u>	<u>\$4,576,047</u>	<u>\$2,240,860</u>	<u>(\$1,145,801)</u>	<u>(\$1,145,801)</u>	<u>\$0</u>	<u>\$5,671,106</u>	<u>\$3,430,247</u>	<u>\$2,240,860</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$6,816,907	\$4,576,047	\$2,240,860	(\$1,145,801)	(\$1,145,801)	\$0	\$5,671,106	\$3,430,247	\$2,240,860
20	Sub Total	<u>\$6,816,907</u>	<u>\$4,576,047</u>	<u>\$2,240,860</u>	<u>(\$1,145,801)</u>	<u>(\$1,145,801)</u>	<u>\$0</u>	<u>\$5,671,106</u>	<u>\$3,430,247</u>	<u>\$2,240,860</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$6,816,907</u>	<u>\$4,576,047</u>	<u>\$2,240,860</u>	<u>(\$1,145,801)</u>	<u>(\$1,145,801)</u>	<u>\$0</u>	<u>\$5,671,106</u>	<u>\$3,430,247</u>	<u>\$2,240,860</u>
		(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 13
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

		Explanation of Adjustments:	Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year)</u>				
2						
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$751,849)	(\$751,849)	\$0
4		Inspection & Maintenance	National Grid USA Service Company	(\$169)	(\$169)	\$0
5		AMI, DSCADA and Data Enhancement, Grid M	National Grid USA Service Company	(\$28,228)	(\$28,228)	\$0
6		Major Storm Activity	National Grid USA Service Company	(\$332,002)	(\$332,002)	\$0
7		Reclass EV Program	National Grid USA Service Company	(\$33,554)	(\$33,554)	\$0
8						
9						
10			TOTAL	<u>(\$1,145,801)</u>	<u>(\$1,145,801)</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 14
Page 1 of 2

[illegible]

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Group Life Insurance

Explanation of Adjustments:		Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year)</u>				
2						
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Input-Hist-IFA Calculation.xlsx	(\$47,618)	(\$47,618)
4		Inspection & Maintenance	National Grid USA Service Company		(\$9)	(\$9)
5		Reclass EV Program	National Grid USA Service Company	Sch 3, Page 14	(\$1,973)	(\$1,973)
6		AMI, DSCADA and Data Enhancement, Grid Mod	National Grid USA Service Company	Sch 3, Page 11	(\$976)	(\$976)
7		Major Storm Activity	National Grid USA Service Company		(\$20,672)	(\$20,672)
8						
9						
10						
11						
12						
13			TOTAL		(\$71,248)	(\$71,248)
						\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 15
Page 1 of 2

[illegible]

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 15
Page 2 of 2

<u>Explanation of Adjustments:</u>	<u>Provider Company</u>	<u>Total</u> <u>(a) = (b) + (c)</u>	<u>Electric</u> <u>(b)</u>	<u>Gas</u> <u>(c)</u>
<u>Adjustments: (to normalize Historic Year)</u>				
(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$374,160)	(\$374,160)	\$0
Inspection & Maintenance	National Grid USA Service Company	(\$65)	(\$65)	\$0
Reclass EV Program	National Grid USA Service Company	(\$15,567)	(\$15,567)	\$0
AMI, DSCADA and Data Enhancement, Grid Mod	National Grid USA Service Company	(\$13,825)	(\$13,825)	\$0
Major Storm Activity	National Grid USA Service Company	(\$159,945)	(\$159,945)	\$0
	TOTAL	<u>(\$563,562)</u>	<u>(\$563,562)</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 16
Page 1 of 2

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 16
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
FAS112 /ASC712

		Explanation of Adjustments:	Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year)</u>				
2						
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	\$7,646	\$7,646	\$0
4		Inspection & Maintenance	National Grid USA Service Company	(\$2)	(\$2)	\$0
5		AMI, DSCADA and Data Enhancement, Grid Mod	National Grid USA Service Company	(\$952)	(\$952)	\$0
6		Major Storm Activity	National Grid USA Service Company	\$2,168	\$2,168	\$0
7		To set balance to lower than \$0 for Service Company	National Grid USA Service Company	\$60,464	\$38,469	\$21,995
8						
9						
10			TOTAL	<u>\$69,324</u>	<u>\$47,329</u>	<u>\$21,995</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 17
Page 1 of 2

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 17
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Service Company Rents

		Provider Company	Source Workpaper	Total	Electric	Gas
				(a)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2		Servco EDIT	National Grid USA Service Company	(\$838,413)	(\$115,905)	(\$722,508)
3		Gas Business Enablement	National Grid USA Service Company Schedule 3, Page 10	(\$4,849,640)	(\$1,046,784)	(\$3,802,855)
4		Originating Company Reclass	National Grid USA Service Company	\$17,505,420	\$11,764,988	\$5,740,432
5		(IFA) Integrated Facilities Agreement	National Grid USA Service Company Workpaper 1	(\$2,711,741)	(\$2,711,741)	\$0
6						
7						
8						
9		TOTAL		\$9,105,627	\$7,890,558	\$1,215,069

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 18
Page 1 of 2

[illegible]

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Joint Facilities

		Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
	Explanation of Adjustments:					
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3						
4						
5						
6						
7						
8						
9		TOTAL		\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 19
Page 1 of 2

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 19
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Uninsured Claims

Explanation of Adjustments:		Provider Company	Source Workpaper	Total	Electric	Gas	
				(a) = (b) + (c)	(b)	(c)	
1	Page 1	Adjustments: (to normalize Historic Year)					
2							
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper MAL-1 Line 26(b)	(\$73,363)	(\$73,363)	\$0
4		Inspection & Maintenance	National Grid USA Service Company	Schedule MAL-3 Page 6, Line 13(e)	(\$11)	(\$11)	\$0
5		Aquidneck	National Grid USA Service Company		(\$36,936)	\$0	(\$36,936)
6		Major Storm Fund adjustment	National Grid USA Service Company	Schedule MAL-3 Page 6, Line 13(f)	(\$22,288)	(\$22,288)	\$0
7		Reclass EV Program	National Grid USA Service Company		(\$2,277)	(\$2,277)	\$0
8		AMI, DSCADA and Data Enhancement, Grid Mod	National Grid USA Service Company	Schedule 3, Page 11	(\$1,951)	(\$1,951)	\$0
9							
10		TOTAL			(\$136,828)	(\$99,891)	(\$36,936)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 20
Page 1 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Insurance Premium

		Year Ended Dec 31, 2020 (Per Books)			Normalizing Adjustments			Year Ended Dec 31, 2020 (as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$1,964,259	\$1,418,907	\$545,353	\$681,411	\$544,062	\$137,349	\$2,645,670	\$1,962,968	\$682,702
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$1,964,259</u>	<u>\$1,418,907</u>	<u>\$545,353</u>	<u>\$681,411</u>	<u>\$544,062</u>	<u>\$137,349</u>	<u>\$2,645,670</u>	<u>\$1,962,968</u>	<u>\$682,702</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$1,964,259</u>	<u>\$1,418,907</u>	<u>\$545,353</u>	<u>\$681,411</u>	<u>\$544,062</u>	<u>\$137,349</u>	<u>\$2,645,670</u>	<u>\$1,962,968</u>	<u>\$682,702</u>
20	Sub Total	<u>\$1,964,259</u>	<u>\$1,418,907</u>	<u>\$545,353</u>	<u>\$681,411</u>	<u>\$544,062</u>	<u>\$137,349</u>	<u>\$2,645,670</u>	<u>\$1,962,968</u>	<u>\$682,702</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$0)</u>	<u>(\$0)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$1,964,259</u>	<u>\$1,418,907</u>	<u>\$545,353</u>	<u>\$681,411</u>	<u>\$544,062</u>	<u>\$137,349</u>	<u>\$2,645,670</u>	<u>\$1,962,968</u>	<u>\$682,702</u>
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 20
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Insurance Premium

		Provider Company	Source Workpaper	Total	Electric	Gas	
Explanation of Adjustments:				(a) = (b) + (c)	(b)	(c)	
1	Page 1	Adjustments: (to normalize Historic Year)					
2							
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper 1 Line 10(b)	(\$216,642)	(\$216,642)	\$0
4		Reclass between Originating Company	National Grid USA Service Company		\$898,052	\$760,703	\$137,349
5							
6							
7							
8		TOTAL			\$681,411	\$544,062	\$137,349

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 21
Page 1 of 2

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Regulatory Commission Expenses

Explanation of Adjustments:		Provider Company	Source Workpaper	Total	Electric	Gas
				(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3		Integrated Facility Agreement	National Grid USA Service Company	(\$1,726)	(\$1,726)	\$0
4						
5						
6						
7						
8				(\$1,726)	(\$1,726)	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 22
Page 1 of 2

[illegible]

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Uncollectible Accounts

Explanation of Adjustments		Provider Company	Source Workpaper	Total	Electric	Gas
				(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3						
4						
5						
6		TOTAL		\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 23
Page 1 of 2

[illegible]

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

Explanation of Adjustments		Provider Company	Source Workpaper	Total	Electric	Gas
				(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper 1	(\$7,740)	(\$7,740)
4		Sales Expense	National Grid USA Service Company		\$0	\$0
5						
6						
7						
8						
9						
10			Total		(\$7,890)	(\$150)

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Strike Contingency Costs

	<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
			(a) = (b) + (c)	(b)	(c)
Explanation of Adjustments:					
1	Page 1	Adjustments: (to normalize Historic Year)			
2			\$0	\$0	\$0
3			\$0	\$0	\$0
4			\$0	\$0	\$0
5			\$0	\$0	\$0
6			\$0	\$0	\$0
7			\$0	\$0	\$0
8			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
9		TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 25
Page 1 of 2

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Environmental Response Fund

Explanation of Adjustments		Provider Company	Source Workpaper	Total	Electric	Gas
				(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2				\$0	\$0	\$0
3				\$0	\$0	\$0
4				\$0	\$0	\$0
5				\$0	\$0	\$0
6				\$0	\$0	\$0
7				\$0	\$0	\$0
8						
9		TOTAL		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 26
Page 1 of 2

[illegible]

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Paperless Bill Credit

Explanation of Adjustments		Workpaper Reference	Total	Electric	Gas
			(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)			
2					
3			\$0	\$0	\$0
4					
5					
6					
7					
8		TOTAL	\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 27
Page 1 of 2

[illegible]

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
FAS 106 - Post-Retirement Benefits Other Than Pensions (PBOP)

1
2
3
4
5
6
7
8
9
10
11

Explanation of Adjustments:		Provider Company	Source Workpaper	Total	Electric	Gas
				(a) = (b) + (c)	(b)	(c)
Page 1	Adjustments: (to normalize Historic Year)					
	(IFA) Integrated Facilities Agreement	National Grid USA Service Company		(\$1,293,211)	(\$1,293,211)	\$0
	TOTAL			<u>(\$1,293,211)</u>	<u>(\$1,293,211)</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 28
Page 1 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Pension Expense

		Year Ended Dec 31, 2020			Normalizing Adjustments			Year Ended Dec 31, 2020		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
1	Provider Company:									
2	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	National Grid USA Service Company	\$8,473,974	\$5,645,286	\$2,828,688	(\$616,614)	(\$616,614)	\$0	\$7,857,360	\$5,028,672	\$2,828,688
4	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Total	<u>\$8,473,974</u>	<u>\$5,645,286</u>	<u>\$2,828,688</u>	<u>(\$616,614)</u>	<u>(\$616,614)</u>	<u>\$0</u>	<u>\$7,857,360</u>	<u>\$5,028,672</u>	<u>\$2,828,688</u>
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$8,473,974</u>	<u>\$5,645,286</u>	<u>\$2,828,688</u>	<u>(\$616,614)</u>	<u>(\$616,614)</u>	<u>\$0</u>	<u>\$7,857,360</u>	<u>\$5,028,672</u>	<u>\$2,828,688</u>
20	Sub Total	<u>\$8,473,974</u>	<u>\$5,645,286</u>	<u>\$2,828,688</u>	<u>(\$616,614)</u>	<u>(\$616,614)</u>	<u>\$0</u>	<u>\$7,857,360</u>	<u>\$5,028,672</u>	<u>\$2,828,688</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$8,473,974</u>	<u>\$5,645,286</u>	<u>\$2,828,688</u>	<u>(\$616,614)</u>	<u>(\$616,614)</u>	<u>\$0</u>	<u>\$7,857,360</u>	<u>\$5,028,672</u>	<u>\$2,828,688</u>
		\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	(\$0)	\$0

PUBLIC

The Narragansett Electric Company d/b/a National Grid						
Operating Expenses by Component						
Pension Expense						
Explanation of Adjustments:		Provider Company	Source Workpaper	Total	Electric	Gas
				(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3						
4						
5						
6		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$616,614)	(\$616,614)	\$0
7						
8						
9						
10		TOTAL		(\$616,614)	(\$616,614)	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 29
Page 1 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Energy Efficiency Program

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Energy Efficiency Program

		<u>Provider Company</u>	<u>Source Work</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
Explanation of Adjustments:				(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3		National Grid USA Service Company		(\$6,755,760)	(\$4,961,161)	(\$1,794,599)
4						
5						
6						
7						
8		TOTAL		<u>(\$6,755,760)</u>	<u>(\$4,961,161)</u>	<u>(\$1,794,599)</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 30
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Other Operation and Maintenance Expenses

	Year Ended Dec 31, 2020			Normalizing Adjustments			Year Ended Dec 31, 2020		
	(Per Books)						(as Adjusted)		
	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
	(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:									
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$63,243,010	\$38,736,699	\$24,506,310	(\$11,031,786)	(\$9,072,979)	(\$1,958,807)	\$52,211,223	\$29,663,720	\$22,547,503
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$63,243,010</u>	<u>\$38,736,699</u>	<u>\$24,506,310</u>	<u>(\$11,031,786)</u>	<u>(\$9,072,979)</u>	<u>(\$1,958,807)</u>	<u>\$52,211,223</u>	<u>\$29,663,720</u>	<u>\$22,547,503</u>
5									
6									
7 Operation:									
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$120,359	\$0	\$120,359	(\$120,359)	\$0	(\$120,359)	\$0	\$0	\$0
11 and Processing Exp.									
12 Transmission Expenses	\$831,950	\$829,867	\$2,082	(\$829,867)	(\$829,867)	\$0	\$2,082	\$0	\$2,082
13 Regional Market Expenses	\$2,573	\$2,573	\$0	\$0	\$0	\$0	\$2,573	\$2,573	\$0
14 Distribution Expenses	\$6,634,356	\$3,746,959	\$2,887,398	(\$3,279,995)	(\$1,777,157)	(\$1,502,839)	\$3,354,361	\$1,969,802	\$1,384,559
15 Customer Accounts Expenses	\$7,163,162	\$4,858,973	\$2,304,188	\$0	\$0	\$0	\$7,163,162	\$4,858,973	\$2,304,188
16 Customer Service and	\$1,471,593	\$821,395	\$650,199	(\$97,072)	(\$97,072)	\$0	\$1,374,521	\$724,322	\$650,199
17 Informational Expenses				\$0	\$0	\$0			
18 Sales Expenses	\$350,320	\$219,043	\$131,277	(\$350,320)	(\$219,043)	(\$131,277)	\$0	\$0	\$0
19 Administrative & General Expenses	\$44,752,578	\$27,035,463	\$17,717,114	(\$5,988,149)	(\$5,783,817)	(\$204,332)	\$38,764,428	\$21,251,646	\$17,512,782
20 Sub Total	<u>\$61,326,890</u>	<u>\$37,514,273</u>	<u>\$23,812,618</u>	<u>(\$10,665,763)</u>	<u>(\$8,706,956)</u>	<u>(\$1,958,807)</u>	<u>\$50,661,127</u>	<u>\$28,807,316</u>	<u>\$21,853,810</u>
21									
22 Maintenance:									
23 Transmission Expenses	\$318,618	\$257,026	\$61,592	(\$257,026)	(\$257,026)	\$0	\$61,592	\$0	\$61,592
24 Distribution Expenses	\$1,394,717	\$762,624	\$632,092	(\$86,632)	(\$86,632)	\$0	\$1,308,085	\$675,992	\$632,092
25 Administrative & General Expenses	\$202,784	\$202,776	\$8	(\$22,365)	(\$22,365)	\$0	\$180,419	\$180,411	\$8
26 Sub Total	<u>\$1,916,119</u>	<u>\$1,222,427</u>	<u>\$693,693</u>	<u>(\$366,023)</u>	<u>(\$366,023)</u>	<u>\$0</u>	<u>\$1,550,096</u>	<u>\$856,404</u>	<u>\$693,693</u>
27									
28 TOTAL	<u>\$63,243,010</u>	<u>\$38,736,699</u>	<u>\$24,506,310</u>	<u>(\$11,031,786)</u>	<u>(\$9,072,979)</u>	<u>(\$1,958,807)</u>	<u>\$52,211,223</u>	<u>\$29,663,720</u>	<u>\$22,547,503</u>
	\$0	\$0	\$0	\$0	\$1	\$0	\$0	(\$0)	\$0

Column Notes

- (b) Per Company Books
- (c) Per Company Books
- (e) Page 4 of 5
- (f) Page 5 of 5

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 30
Page 2 of 3

[illegible]

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 30
Page 3 of 3

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

	Year Ended Dec 31, 2020 (Per Books)	Recovered out of Base Rates (GCR)	Gas Business Enablement (GBE)	Sales Expenses	Financial Variable Pay	Service EDIT Amortization	Auditcheck (g)	Reclassification (h)	Other (i)	Total Normalizing Adjustments (j) = sum (b through i)	Year Ended Dec 31, 2020 (as Adjusted) (k) = (a) + (j)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1 Operating & Maintenance Expense											
2 Consultants	\$10,331,170	(\$856)	(\$1,142,933)	(\$1,585)	\$0	\$0	\$0	\$0	(\$856)	(\$1,146,230)	\$9,184,940
3 Contractors	\$5,669,578	(\$1,152)	(\$94,459)	(\$21,948)	\$0	\$0	\$348	\$0	(\$1,152)	(\$118,363)	\$5,551,214
4 Donations	\$9,599	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,599)	(\$9,599)	\$0
5 Employee Expenses	\$540,455	\$22,591	(\$13,359)	(\$27,737)	\$0	\$0	(\$29,927)	\$0	\$22,591	(\$25,841)	\$514,614
6 Hardware	\$23,315	\$0	\$0	(\$627)	\$0	\$0	\$0	\$0	\$0	(\$627)	\$22,688
7 Software	\$4,667,153	\$0	\$0	(\$52,925)	\$0	\$0	\$0	\$0	\$0	(\$52,925)	\$4,614,228
8 Other	\$1,147,328	(\$72,995)	(\$232,464)	(\$22,975)	\$0	\$0	\$0	\$0	(\$72,995)	(\$401,429)	\$745,899
9 Third Party Rent Expense	\$1,361,003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,361,003
10 Construction Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Materials Outside Vendor	\$369,322	(\$51,477)	\$0	(\$3,470)	\$0	\$0	\$0	\$0	(\$51,477)	(\$106,424)	\$262,898
12 Materials from Inventory	\$270,185	(\$16,172)	(\$220)	(\$9)	\$0	\$0	\$0	\$0	(\$16,172)	(\$32,573)	\$237,612
13 Materials Stores Handling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Transportation	(\$24,078)	(\$298)	\$0	\$0	\$0	\$0	\$0	\$0	(\$298)	(\$596)	(\$24,674)
15 Paving	\$198	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$198
16 Misc. Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Other Benefit	\$141,081	\$0	(\$184,558)	\$0	\$0	\$0	\$0	\$0	\$0	(\$184,558)	(\$43,477)
18 Total Operating & Maintenance Expense	\$24,506,310	(\$120,359)	(\$1,667,994)	(\$131,276)	\$0	\$0	(\$29,579)	\$0	(\$129,957)	(\$2,079,166)	\$22,427,144
Check Totals	\$24,506,310	\$ (120,359)	(\$1,667,994)	(\$131,277)	\$0	\$0	(\$29,579)	\$0	(\$129,957)	(\$2,079,166)	\$22,427,144
Difference	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0	(\$1)	\$0	(\$120,359)

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 31
Page 1 of 2

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Storm Cost Recovery

Explanation of Adjustments		Provider Company	Total	Electric	Gas
			(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)			
2					
3					
4					
5					
6					
7					
8					
9		TOTAL	\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 32
Page 1 of 2

Provider Company:

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
GCR-Related Operation & Maintenance

Explanation of Adjustments:		Provider Company	Source Workpaper	Total	Electric	Gas
				(a)	(b)	(c)
1	HTY Adjustment	Page 1	Adjustments: (to normalize Historic Year)	\$0	\$0	\$0
2				\$0	\$0	\$0
3				\$0	\$0	\$0
4				\$0	\$0	\$0
5				\$0	\$0	\$0
6				\$0	\$0	\$0
7				\$0	\$0	\$0
8				\$0	\$0	\$0
9				\$0	\$0	\$0
10				\$0	\$0	\$0
11				\$0	\$0	\$0
12				\$0	\$0	\$0
13				\$0	\$0	\$0
14				\$0	\$0	\$0
15			Total	\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 33
Page 1 of 2

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 33
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
NEP IFA Credit

Explanation of Adjustments:				Provider Company	Source Workpaper	Total	Electric	Gas
						(a) = (b) + (c)	(b)	(c)
1	BU	HTY Adjustment Page 1	Adjustments: (to normalize Historic Year)					
2								
3								
4								
5								
6								
7								
8								
9			TOTAL			\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 34
Page 1 of 2

[illegible]

PUBLIC

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

Explanation of Adjustments:				Provider Company	Source Workpaper	Total	Electric	Gas
						(a)	(b)	(c)
1	BU	HTY Adjustment Page 1	Adjustments: (to normalize Historic Year)					
2								
3								
4								
5								
6								
7								
8								
9			TOTAL			\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 35
Page 1 of 2

The Narragansett Electric Company d/b/a National Grid
New Initiative
Energy Innovation Hub

Year Ended Dec 31, 2020			Normalizing Adjustments			Year Ended Dec 31, 2020		
(Per Books)						(as Adjusted)		
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5								
6								
7 Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21								
22 Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27								
28 TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

The Narragansett Electric Company d/b/a National Grid
New Initiative
Energy Innovation Hub

				<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
						(a) = (b) + (c)	(b)	(c)
Explanation of Adjustments:								
1	BU	HTY Adjustment Page 1	Known and Measurable					
2								

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 36
Page 1 of 2

[illegible]

The Narragansett Electric Company d/b/a National Grid
New Initiative
Gas Business Enablement

Explanation of Adjustments:				<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u> (a) = (b) + (c)	<u>Electric</u> (b)	<u>Gas</u> (c)
1	BU	HTY Adjustment Page 1	Known and Measurable	National Grid USA Service Company	Schedule 3, Page 10	\$5,027,338	\$649,112	\$4,378,226
2			Gas Business Enablement					
3								
4								
5								
6								
7								
8								
9								
10								
						<u>\$5,027,338</u>	<u>\$649,112</u>	<u>\$4,378,226</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 37
Page 1 of 2

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Electric Operations

					<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Total</u>
							(a) = (b) + (c)	(b)	(c)
Explanation of Adjustments:									
1	BU	HTY Adjustment	Page 1	Normalizing Adjustments					
2									
							<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 38
Page 1 of 2

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Gas Operations

				<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Total</u>
						(a)	(b)	(c)
Explanation of Adjustments:								
1	HTY Adjustment	Page 1	Normalizing Adjustments					
2						<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 39
Page 1 of 2

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 39
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Customer Affordability Program

			<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
					(a)	(b)	(c)
Explanation of Adjustments:							
1	HTY Adjustment Page 1	Normalizing Adjustments					
2					<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 40
Page 1 of 2

[illegible]

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-1
Schedule 40
Page 2 of 2

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Purchased Power (and Gas) Expenses

				Provider Company	Source W	Total	Electric	Gas
				Explanation of Adjustments:				
1	HTY Adjustment	Page 1	Adjustments: (to normalize Historic Year)					
2								
3								
4								
5								
6								
7								
						\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 1-ELEC
Page 1 of 2

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

		Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Test Year Ended June 30, 2017 Adjusted (c) = (a) + (b)	Proforma Adjustments (c)	Rate Year Ending August 31, 2019 (e) = (c) + (d)	Base Revenue Increase Required (f)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (g) = (e) + (f)	
1	Revenues	Schedule 2-ELEC	\$0	\$0	\$0	\$0	\$0	\$0	
2									
3	Purchased Power & Other Reconciling Expense	Schedule 3	\$0	\$0	\$0	\$0	\$0	\$0	
4									
5	Net Distribution Revenues		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
6									
7	Operation & Maintenance Expenses	Schedule 3	\$102,037,966	(\$41,252,989)	\$60,784,977	\$4,754,775	\$65,539,752	\$0	\$65,539,752
8									
9	Amortization of Regulatory Deferrals	Schedule 4-ELEC	\$0	\$0	\$0	\$0	\$0	\$0	
10									
11	Amortization of Utility Plant	Schedule 5-ELEC	\$8,655,828	(\$8,655,828)	\$0	\$0	\$0	\$0	
12									
13	Depreciation	Schedule 6-ELEC	\$593,788	(\$593,788)	\$0	\$0	\$0	\$0	
14									
15	Municipal Taxes	Schedule 7-ELEC	\$0	\$0	\$0	\$0	\$0	\$0	
16									
17	Payroll Taxes	Schedule 8	\$3,816,827	(\$551,205)	\$3,265,621	\$219,214	\$3,484,835	\$0	\$3,484,835
18									
19	Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0	\$0	
20									
21	Other Taxes	Schedule 9	\$421,111	\$0	\$421,111	\$19,497	\$440,609	\$0	\$440,609
22									
23	Interest on Customer Deposits	Workpaper 2-ELEC	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
24									
25	Total Operating Revenue Deductions		<u>\$115,525,520</u>	<u>(\$51,053,810)</u>	<u>\$64,471,710</u>	<u>\$4,993,486</u>	<u>\$69,465,196</u>	<u>\$0</u>	<u>\$69,465,196</u>
26									
27	Operating Income Before Income Taxes		<u>(\$115,525,520)</u>	<u>\$51,053,810</u>	<u>(\$64,471,710)</u>	<u>(\$4,993,486)</u>	<u>(\$69,465,196)</u>	<u>\$0</u>	<u>(\$69,465,196)</u>
28									
29	Income Taxes	Schedule 10-ELEC				(\$18,948,575)	\$0	(\$18,948,575)	
30									
31	Operating Income After Income Taxes					<u>(\$50,516,621)</u>	<u>\$0</u>	<u>(\$50,516,621)</u>	
32									
33	Rate Base	Schedule 11-ELEC				<u>\$0</u>		<u>\$0</u>	
34									
35	Rate of Return					<u>0.00%</u>	Line 31(e) / Line 33(e)		
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
51									
52									
53									

	<u>Revenue Deficiency</u>		
	Earned Rate of Return	0.00%	Line 35 (e)
	Rate Year Required Rate of Return	6.97%	Page 4, Line 9 (c)
	Rate of Return Deficiency	6.97%	Line 40 - Line 39
	Rate Base	\$0	Line 33 (e)
	Net Operating Income Deficiency	\$0	
	Gross Revenue Conversion Factor	1.282533	Line 53
	<u>Revenue Deficiency</u>	<u>\$0</u>	Line 43 / Line 44
	<u>Gross Revenue Conversion Factor</u>		
	Gross Revenue	1.000000	
	Uncollectible expense	(0.013029)	Schedule 22, Page 6, Line 15
	Revenue net of Uncollectibles	0.986971	
	Composite income tax rate	(0.20726)	Line 50 x (- 21%)
	Net income effect of 1.000 Revenue	0.779707	Line 50 + Line 51
	Gross Revenue Conversion Factor	<u>1.2825328</u>	1 / Line 52

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

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

Notes

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

Column Notes

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

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 1-GAS
Page 1 of 2

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

	Schedule Reference	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Test Year Ended June 30, 2017 Adjusted (c) = (a) + (b)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e) = (c) + (d)	Base Revenue Increase Required (f)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (g) = (e) + (f)
1 Revenues	Schedule 2-GAS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2								
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4								
5 Net Distribution Revenues		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
6								
7 Operation & Maintenance Expenses	Schedule 3	\$42,589,716	(\$6,322,136)	\$36,267,580	\$2,154,537	\$38,422,117	\$0	\$38,422,117
8								
9 Amortization of Regulatory Deferrals	Schedule 4-GAS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10								
11 Amortization of Utility Plant	Schedule 5-GAS	\$1,809,788	(\$1,809,788)	\$0	\$0	\$0	\$0	\$0
12								
13 Depreciation	Schedule 6-GAS	\$231,876	\$0	\$231,876	(\$231,876)	\$0	\$0	\$0
14								
15 Municipal Taxes	Schedule 7-GAS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16								
17 Payroll Taxes	Schedule 8	\$1,829,922	(\$1,581)	\$1,828,342	\$88,596	\$1,916,937	\$0	\$1,916,937
18								
19 Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20								
21 Other Taxes	Schedule 9	\$213,298	\$0	\$213,298	\$9,876	\$223,173	\$0	\$223,173
22								
23 Interest on Customer Deposits	Workpaper 2-GAS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
24								
25 Total Operating Revenue Deductions		<u>\$46,674,600</u>	<u>(\$8,133,504)</u>	<u>\$38,541,095</u>	<u>\$2,021,133</u>	<u>\$40,562,228</u>	<u>\$0</u>	<u>\$40,562,228</u>
26								
27 Operating Income Before Income Taxes		<u>(\$46,674,600)</u>	<u>\$8,133,504</u>	<u>(\$38,541,095)</u>	<u>(\$2,021,133)</u>	<u>(\$40,562,228)</u>	<u>\$0</u>	<u>(\$40,562,228)</u>
28								
29 Income Taxes	Schedule 10-GAS					<u>(\$10,492,998)</u>	<u>\$0</u>	<u>(\$10,492,998)</u>
30								
31 Operating Income After Income Taxes						<u>(\$30,069,230)</u>	<u>\$0</u>	<u>(\$30,069,230)</u>
32								
33 Rate Base	Schedule 11-GAS					<u>\$0</u>		<u>\$0</u>
34								
35 Rate of Return						<u>0.00%</u>	Line 31(e) / Line 33(e)	
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
52								
53								

<u>Revenue Deficiency</u>		
Earned Rate of Return	0.00%	Line 35 (e)
Rate Year Required Rate of Return	7.15%	Page 4, Line 9 (c)
Rate of Return Deficiency	7.15%	Line 40 - Line 39
Rate Base	\$0	Line 33 (e)
Net Operating Income Deficiency	\$0	
Gross Revenue Conversion Factor	1.290437	Line 53
<u>Revenue Deficiency</u>	<u>\$0</u>	Line 43 / Line 44
<u>Gross Revenue Conversion Factor</u>		
Gross Revenue	1.000000	
Uncollectible expense	(0.019074)	Schedule 22, Page 7, Line 15
Revenue net of Uncollectibles	0.980926	
Composite income tax rate	(0.20599)	Line 50 x (- 21%)
Net income effect of 1,000 Revenue	0.774931	Line 50 + Line 51
Gross Revenue Conversion Factor	<u>1.2904371</u>	1 / Line 52

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

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

Notes

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

Column Notes

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

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 2-ELEC
Page 1 of 1

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

Description	Test Year Ended	Normalizing	Test Year Ended	Proforma	Rate Year Ending	Adjustments to	Rate Year Ending	Adjustments to	Rate Year Ending
	June 30, 2017	Adjustments	June 30, 2017	Adjustments	August 31, 2019	Reflect	August 31, 2020	Reflect	August 31, 2021
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)	Conditions in	(g) = (e) + (f)	Conditions in	(i) = (g) + (h)
						Rate Year Ending		Rate Year Ending	
						August 31, 2020		August 31, 2021	
						(f)		(h)	
1 Firm Revenues:									
2 Customer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Distribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Revenue Decoupling Mechanism	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Subtotal of Annual Target Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6									
7 Infrastructure, Safety and Reliability Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Infrastructure, Safety and Reliability Capital Adjustment			\$0		\$0		\$0		\$0
9 Total Base Distribution Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10									
11 Total Base Distribution Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12									
13 Other Distribution Revenues:									
14 Forfeited Discounts - Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Misc Service Revenue - Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Rent from Electric Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Other Electric Revenue - Misc	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Other Elec Rev-Block Island & Dist Surcharges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Other Elec Rev-CIAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Other Elec Rev-RISE EE Billings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 M-1 Distribution Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Subtotal Distribution Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23									
24 Other Delivery and Commodity Revenue:									
25 Standard Offer Administrative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Infrastructure, Safety and Reliability Operating & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 Transmission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 Competitive Transition Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 Commodity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Energy Efficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31 Pension Adjustment Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Storm Fund Replenishment Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 RE Growth	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Long-Term Contracting for Renewable Energy Recovery Provision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Net Metering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Gross Receipts Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37 Total Other Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38									
39									
40 Total Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

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

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 2-GAS
Page 1 of 1

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

Description	Test Year Ended	Normalizing	Test Year Ended	Proforma	Rate Year Ending	Adjustments to	Rate Year Ending	Adjustments to	Rate Year Ending
	June 30, 2017	Adjustments	June 30, 2017	Adjustments	August 31, 2019	Reflect	August 31, 2020	Reflect	August 31, 2021
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)	Conditions in	(g) = (e) + (f)	Conditions in	(i) = (g) + (h)
			(Adjusted)			Rate Year Ending		Rate Year Ending	
						August 31, 2020		August 31, 2021	
Firm Revenues:									
1 Delivery- Base Revenues excluding AGT, LIHEAP, and Envir Base Rate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 LIAP in Base Rates			\$0		\$0	\$0	\$0	\$0	\$0
3 Energy Efficiency-Weatherization Program in Base Rates			\$0		\$0	\$0	\$0	\$0	\$0
4 Advanced Gas Technologies in Base Rates			\$0		\$0	\$0	\$0	\$0	\$0
5 Environmental Cost Recovery in Base Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Gas Lights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Sub-Total Delivery Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8									
9 Gas Cost Recovery Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 DAC Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Energy Efficiency Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Sub-Total Firm Tariff Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13									
14 Special Contract- Dominion Power	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
15			\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Non Firm Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17									
18 Total Billed Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19									
Other Operating Revenues:									
20						\$0	\$0	\$0	\$0
21						\$0	\$0	\$0	\$0
22 Miscellaneous Fees/Credits						\$0	\$0	\$0	\$0
23 Paperless Bill Credits			\$0		\$0				
24 Account Restoration Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Customer Arrangement Fee (Late Payment Fees)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Return Check Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 AMR Opt Out Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 Sub-total Fees/Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29									
30 Rental Expense	\$0		\$0		\$0	\$0	\$0	\$0	\$0
31 AFUDC- Equity/Debt	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
32 Miscellaneous Revenue Adjustments	\$0		\$0		\$0	\$0	\$0	\$0	\$0
33 Non Utility Billing		\$0	\$0		\$0	\$0	\$0	\$0	\$0
34									
35 Revenue Decoupling Adj	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 ISR FY16 Recon FY 17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37 On System Margin Adj	\$0	\$0	\$0						
38 Settlement Agreement DK 4323 Article III. B.4.	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
39 Gross Receipts Tax Revenues	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
40			\$0		\$0	\$0	\$0	\$0	\$0
41 Off System Sales	\$0	\$0							
42 Unbilled Revenues & Cost	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
43 EE Shareholder Incentive	\$0		\$0		\$0	\$0	\$0	\$0	\$0
44 NGPMP Shareholder Incentive	\$0	\$0							
45			\$0		\$0	\$0	\$0	\$0	\$0
46 Offsetting Manual Journal Entries			\$0		\$0	\$0	\$0	\$0	\$0
47 LIAP in Base Rates	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
48 Energy Efficiency-Weatherization Program in Base Rates	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
49 Advanced Gas Technologies in Base Rates	\$0	\$0							
50 Environmental Cost Recovery in Base Rates	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
51 GCR Deferral	\$0	\$0							
52 DAC Deferral	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
53 EE Deferral	\$0	\$0							
54 Other Accounting Adj.	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
55			\$0	\$0	\$0	\$0	\$0	\$0	\$0
56 Total Other Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57									
58 Total Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59									
60 Gas Cost Expense									
61									
62 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63									
64 Net Margin	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

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

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 3
Page 1 of 5

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

			Test Year Ended June 30, 2017(Per Books)			Normalizing Adjustments			Test Year Ended June 30, 2017(as Adjusted)		
			Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
Schedule Reference			(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Operation & Maintenance Expenses:											
1	Labor	Schedule 12	\$50,101,582	\$33,639,835	\$16,461,747	(\$13,794,274)	(\$11,071,583)	(\$2,722,690)	\$36,307,308	\$22,568,252	\$13,739,056
2	Health Care	Schedule 13	\$6,887,847	\$4,751,409	\$2,136,438	(\$709,067)	(\$706,258)	(\$2,810)	\$6,178,780	\$4,045,151	\$2,133,628
3	Group Life Insurance	Schedule 14	\$379,283	\$262,057	\$117,226	(\$37,336)	(\$37,176)	(\$160)	\$341,946	\$224,880	\$117,066
4	Thrift Plan	Schedule 15	\$2,324,833	\$1,602,041	\$722,791	(\$235,514)	(\$234,560)	(\$954)	\$2,089,319	\$1,367,481	\$721,838
5	FAS 112 / ASC 712	Schedule 16	(\$203,152)	(\$142,852)	(\$60,299)	\$203,152	\$142,852	\$60,299	\$0	\$0	\$0
6	Service Company Rents	Schedule 17	\$17,062,952	\$13,985,369	\$3,077,583	(\$6,995,280)	(\$6,644,381)	(\$350,899)	\$10,067,672	\$7,340,988	\$2,726,684
7	Joint Facilities	Schedule 18	\$868,284	\$513,503	\$354,781	\$0	\$0	\$0	\$868,284	\$513,503	\$354,781
8	Uninsured Claims	Schedule 19	\$1,055,329	\$781,142	\$274,187	(\$109,887)	(\$109,753)	(\$134)	\$945,442	\$671,389	\$274,054
9	Insurance Premium	Schedule 20	\$2,922,151	\$2,096,258	\$825,893	(\$286,349)	(\$286,349)	\$0	\$2,635,802	\$1,809,909	\$825,893
10	Regulatory Assessment Fees	Schedule 21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Uncollectible Accounts	Schedule 22	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
12	Postage	Schedule 23	\$3,769,462	\$2,453,825	\$1,315,636	(\$23,507)	(\$16,171)	(\$7,337)	\$3,745,955	\$2,437,655	\$1,308,300
13	Strike Contingency	Schedule 24	\$175	\$175	\$0	\$0	\$0	\$0	\$175	\$175	\$0
14	Environmental Response Fund	Schedule 25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Paperless Bill Credit	Schedule 26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	PBOP	Schedule 27	\$3,133,185	\$2,163,854	\$969,332	(\$295,582)	(\$295,582)	\$0	\$2,837,603	\$1,868,271	\$969,332
17	Pension	Schedule 28	\$9,794,597	\$6,757,380	\$3,037,218	(\$923,058)	(\$923,058)	\$0	\$8,871,539	\$5,834,322	\$3,037,218
18	Energy Efficiency Program	Schedule 29	\$4,596,137	\$3,414,077	\$1,182,060	(\$4,596,137)	(\$3,414,077)	(\$1,182,060)	\$0	\$0	\$0
19	Other Operating and Maintenance Expenses	Schedule 30	\$30,160,400	\$17,974,935	\$12,185,465	(\$7,954,619)	(\$5,839,227)	(\$2,115,392)	\$22,205,780	\$12,135,708	\$10,070,073
20	Storm Cost Recovery	Schedule 31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Gas Commodity OM	Schedule 32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	NEP IFA Credit	Schedule 33	(\$35,603,153)	(\$35,603,153)	\$0	\$35,603,153	\$35,603,153	\$0	\$0	\$0	\$0
23	Wheeling	Schedule 34	\$47,420,820	\$47,420,820	\$0	(\$47,420,820)	(\$47,420,820)	\$0	\$0	\$0	\$0
24	Energy Innovation Hub	Schedule 35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Gas Business Enablement	Schedule 36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Electric Operations	Schedule 37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Gas Operations	Schedule 38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Customer Affordability Program	Schedule 39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Sub Total		<u>\$144,627,682</u>	<u>\$102,037,966</u>	<u>\$42,589,716</u>	<u>(\$47,575,125)</u>	<u>(\$41,252,989)</u>	<u>(\$6,322,136)</u>	<u>\$97,052,557</u>	<u>\$60,784,977</u>	<u>\$36,267,580</u>
30											
31	Purchased Power/ Purchased Gas	Schedule 40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32											
33	Sub Total		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
34											
35	TOTAL		<u>\$144,627,682</u>	<u>\$102,037,966</u>	<u>\$42,589,716</u>	<u>(\$47,575,125)</u>	<u>(\$41,252,989)</u>	<u>(\$6,322,136)</u>	<u>\$97,052,557</u>	<u>\$60,784,977</u>	<u>\$36,267,580</u>
			(\$0)	(\$0)	(\$0)	\$0	(\$0)	\$0	\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 3
Page 2 of 5

		Test Year Ended June 30, 2017(as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
	Schedule Reference	Total (a) = (b) + (c)	Electric (b)	Gas (c)	Total (d) = (e) + (f)	Electric (e)	Gas (f)	Total (g) = (h) + (i)	Electric (h) = (b) + (e)	Gas (i) = (c) + (f)
Operation & Maintenance Expenses:										
Labor	Schedule 12	\$36,307,308	\$22,568,252	\$13,739,056	\$4,257,545	\$2,647,090	\$1,610,455	\$40,564,853	\$25,215,342	\$15,349,511
Health Care	Schedule 13	\$6,178,780	\$4,045,151	\$2,133,628	(\$1,637,896)	(\$1,219,336)	(\$418,561)	\$4,540,884	\$2,825,816	\$1,715,068
Group Life Insurance	Schedule 14	\$341,946	\$224,880	\$117,066	\$55,422	\$30,686	\$24,736	\$397,368	\$255,566	\$141,801
Thrift Plan	Schedule 15	\$2,089,319	\$1,367,481	\$721,838	\$282,302	\$207,447	\$74,855	\$2,371,620	\$1,574,928	\$796,692
FAS 112 / ASC 712	Schedule 16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Company Reents	Schedule 17	\$10,067,672	\$7,340,988	\$2,726,684	\$7,585,117	\$5,776,023	\$1,809,094	\$17,652,789	\$13,117,011	\$4,535,777
Joint Facilities	Schedule 18	\$868,284	\$513,503	\$354,781	\$40,202	\$23,775	\$16,426	\$908,485	\$537,279	\$371,207
Uninsured Claims	Schedule 19	\$945,442	\$671,389	\$274,054	\$0	\$0	\$0	\$945,442	\$671,389	\$274,054
Insurance Premium	Schedule 20	\$2,635,802	\$1,809,009	\$825,893	\$373,090	\$280,149	\$92,940	\$3,008,892	\$2,090,058	\$918,833
Regulatory Assessment Fees	Schedule 21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectible Accounts	Schedule 22	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
Postage	Schedule 23	\$3,745,955	\$2,437,655	\$1,308,300	\$173,438	\$112,863	\$60,574	\$3,919,392	\$2,550,518	\$1,368,874
Strike Contingency	Schedule 24	\$175	\$175	\$0	\$8	\$8	\$0	\$183	\$183	\$0
Environmental Response Fund	Schedule 25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paperless Bill Credit	Schedule 26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PBOP	Schedule 27	\$2,837,603	\$1,868,271	\$969,332	(\$1,330,794)	(\$925,828)	(\$404,966)	\$1,506,809	\$942,443	\$564,366
Pension	Schedule 28	\$8,871,539	\$5,834,322	\$3,037,218	(\$2,881,749)	(\$2,074,630)	(\$807,119)	\$5,989,790	\$3,759,691	\$2,230,099
Energy Efficiency Program	Schedule 29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating and Maintenance Expenses	Schedule 30	\$22,205,780	\$12,135,708	\$10,070,073	(\$294,750)	(\$289,665)	(\$5,084)	\$21,911,031	\$11,846,042	\$10,064,988
Storm Cost Recovery	Schedule 31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Commodity OM	Schedule 32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NEP IFA Credit	Schedule 33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wheeling	Schedule 34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Innovation Hub	Schedule 35	\$0	\$0	\$0	\$287,379	\$186,193	\$101,186	\$287,379	\$186,193	\$101,186
Gas Business Enablement	Schedule 36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric Operations	Schedule 37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Operations	Schedule 38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Affordability Program	Schedule 39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub Total		<u>\$97,052,557</u>	<u>\$60,784,977</u>	<u>\$36,267,580</u>	<u>\$6,909,312</u>	<u>\$4,754,775</u>	<u>\$2,154,537</u>	<u>\$103,961,869</u>	<u>\$65,539,752</u>	<u>\$38,422,117</u>
Purchased Power/ Purchased Gas	Schedule 40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub Total		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL		<u><u>\$97,052,557</u></u>	<u><u>\$60,784,977</u></u>	<u><u>\$36,267,580</u></u>	<u><u>\$6,909,312</u></u>	<u><u>\$4,754,775</u></u>	<u><u>\$2,154,537</u></u>	<u><u>\$103,961,869</u></u>	<u><u>\$65,539,752</u></u>	<u><u>\$38,422,117</u></u>
mn Notes		\$0	\$0	\$0	\$373,090	\$280,149	\$92,940	\$0	\$0	\$0

Test Year Amounts that are Specifically Adjusted:

Test Year Amounts that are Specifically Adjusted:											
Operating & Maintenance Expense											
Labor	\$50,101,582	(\$6,844,426)	(\$277,467)	(\$2,827)	\$0	\$0	(\$370,308)	(\$256,209)	(\$6,043,036)	(\$13,794,274)	\$36,307,200
Health Care	\$6,887,847	(\$649,042)	\$0	(\$389)	\$0	\$0	(\$48,053)	\$0	(\$11,582)	(\$709,067)	\$6,178,780
Group Life Insurance	\$379,283	(\$33,797)	\$0	(\$27)	\$0	\$0	(\$853)	\$0	(\$660)	(\$37,336)	\$341,946
Thrift Plan	\$2,324,833	(\$218,845)	\$0	(\$128)	\$0	\$0	(\$12,620)	\$0	(\$3,921)	(\$235,514)	\$2,089,319
FAS 112 / ASC 712	(\$203,152)	\$10,514	\$0	(\$52)	\$0	\$0	\$0	\$9,911	\$0	\$173,729	\$200,150
Service Company Rents	\$17,062,952	(\$2,543,016)	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,452,264)	(\$6,995,280)	\$10,067,672
Joint Facilities	\$868,284	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$868,284
Uninsured Claims	\$1,055,329	(\$106,704)	\$0	(\$21)	\$0	\$0	(\$2,550)	\$0	(\$611)	(\$109,887)	\$945,442
Insurance Premium	\$2,922,151	(\$286,349)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$286,349)	\$2,635,802
Regulatory Assessment Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectible Accounts	(\$43,048)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$43,048)
Postage	\$3,769,462	(\$2,455)	\$0	\$0	\$0	\$0	\$0	\$0	(\$21,052)	(\$23,507)	\$3,745,955
Strike Contingency	\$0	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
Environmental Response Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paperless Bill Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PHOP	\$3,133,185	(\$295,582)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$295,582)	\$2,837,603
Pension	\$9,794,597	(\$923,058)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$923,058)	\$8,871,539
Energy Efficiency Program	\$4,596,137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,596,137)	(\$4,596,137)	\$0
Other Operating and Maintenance Expenses	\$30,160,400	(\$3,839,537)	(\$6,330)	(\$82,481)	(\$1,511,923)	\$0	\$0	(\$2,514,349)	\$0	(\$7,954,619)	\$22,205,780
Storm Cost Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Commodity OM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$256,209	(\$256,209)	\$0	\$0
NEP IFA Credit	(\$35,603,153)	\$35,603,153	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,603,153	\$0

PUBLIC

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

	Test Year Ended June 30, 2017 (Per Books)	IFA	Vegetation Management (ISR)	Inspection & Maintenance (ISR)	Parent Company Initiative	Storms	Other	Total Normalizing Adjustments	Test Year Ended June 30, 2017 (as Adjusted)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) = (a) + (i)
	sum (b through g)								
1	Test Year Amounts that are Specifically Adjusted:								
2									
3									
4									
5									
6	Operating & Maintenance Expense								
7	Labor	\$33,639,835	(\$6,844,426)	(\$277,467)	(\$2,827)	\$0	(\$370,308)	(\$3,576,555.26)	\$22,568,252
8	Health Care	\$4,751,409	(\$649,042)	\$0	(\$389)	\$0	(\$48,053)	(\$8,773)	\$4,045,151
9	Group Life Insurance	\$262,057	(\$35,797)	\$0	(\$27)	\$0	(\$853)	(\$499)	\$224,880
10	Thrift Plan	\$1,602,041	(\$218,845)	\$0	(\$128)	\$0	(\$12,620)	(\$2,967)	\$1,367,481
11	FAS 112 / ASC 712	(\$142,852)	\$19,514	\$0	(\$2)	\$0	\$9,911	\$113,430	\$0
12	Service Company Rents	\$13,985,369	(\$2,343,016)	\$0	\$0	\$0	\$0	(\$4,101,365)	\$7,340,988
13	Joint Facilities	\$513,503	\$0	\$0	\$0	\$0	\$0	\$0	\$513,503
14	Uninsured Claims	\$781,142	(\$106,704)	\$0	(\$21)	\$0	(\$2,550)	(\$478)	\$671,389
15	Insurance Premium	\$2,096,258	(\$286,349)	\$0	\$0	\$0	\$0	(\$286,349)	\$1,809,909
16	Regulatory Assessment Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Uncollectible Accounts	(\$32,707)	\$0	\$0	\$0	\$0	\$0	\$0	(\$32,707)
18	Postage	\$2,453,825	(\$2,455)	\$0	\$0	\$0	(\$13,715)	(\$16,171)	\$2,437,655
19	Strike Contingency	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$175
20	Environmental Response Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Paperless Bill Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	PBOP	\$2,163,854	(\$295,582)	\$0	\$0	\$0	\$0	(\$295,582)	\$1,868,271
23	Pension	\$6,757,380	(\$923,058)	\$0	\$0	\$0	\$0	(\$923,058)	\$5,834,322
24	Energy Efficiency Program	\$3,414,077	\$0	\$0	\$0	\$0	(\$3,414,077)	(\$3,414,077)	\$0
25	Other Operating and Maintenance Expenses	\$17,974,935	(\$3,839,537)	(\$6,330)	(\$82,481)	\$0	(\$1,910,879)	(\$5,839,227)	\$12,135,708
26	Storm Cost Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Gas Commodity OM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	NEP IFA Credit	(\$35,603,153)	\$35,603,153	\$0	\$0	\$0	\$0	\$35,603,153	\$0
29	Wheeling	\$47,420,820	\$0	\$0	\$0	\$0	(\$47,420,820)	(\$47,420,820)	\$0
30	Energy Innovation Hub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	Gas Business Enablement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Electric Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Gas Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Customer Affordability Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Sub Total Operating & Maintenance Expense	\$102,037,966	\$19,877,855	(\$283,797)	(\$85,875)	\$0	(\$424,475)	(\$41,252,989)	\$60,784,977
36	Purchased Power/ Purchased Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37									
38	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39									
40	TOTAL	\$102,037,966	\$19,877,855	(\$283,797)	(\$85,875)	\$0	(\$424,475)	(\$41,252,989)	\$60,784,977

PUBLIC

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

	Test Year Ended June 30, 2017 (Per Books) (c)	Gas Business Enablement (GBE) (b)	Gas Cost Recovery (GCR) (c)	Other (d)	Total Normalizing Adjustments (e) = (b) + (c) + (d)	Test Year Ended June 30, 2017 (as Adjusted) (f) = (c) + (e)
1	Test Year Amounts that are Specifically Adjusted:					
2						
3						
4						
5	Operating & Maintenance Expense					
6	Labor	\$16,461,747	\$0	(\$256,209)	(\$2,466,481)	\$13,739,056
7	Health Care	\$2,136,438	\$0	\$0	(\$2,810)	\$2,133,628
8	Group Life Insurance	\$117,226	\$0	\$0	(\$160)	\$117,066
9	Thrifty Plan	\$722,791	\$0	\$0	(\$954)	\$721,838
10	FAS 112 / ASC 712	(\$60,299)	\$0	\$0	\$60,299	\$0
11	Service Company Rents	\$3,077,583	\$0	\$0	(\$350,899)	\$2,726,684
12	Joint Facilities	\$354,781	\$0	\$0	\$0	\$354,781
13	Uninsured Claims	\$274,187	\$0	\$0	(\$134)	\$274,054
14	Insurance Premium	\$825,893	\$0	\$0	\$0	\$825,893
15	Regulatory Assessment Fees	\$0	\$0	\$0	\$0	\$0
16	Uncollectible Accounts	(\$10,341)	\$0	\$0	\$0	(\$10,341)
17	Postage	\$1,315,636	\$0	\$0	(\$7,337)	\$1,308,300
18	Strike Contingency	\$0	\$0	\$0	\$0	\$0
19	Environmental Response Fund	\$0	\$0	\$0	\$0	\$0
20	Paperless Bill Credit	\$0	\$0	\$0	\$0	\$0
21	PBOP	\$969,332	\$0	\$0	\$0	\$969,332
22	Pension	\$3,037,218	\$0	\$0	\$0	\$3,037,218
23	Energy Efficiency Program	\$1,182,060	\$0	\$0	(\$1,182,060)	\$0
24	Other Operating and Maintenance Expenses	\$12,185,465	(\$1,511,923)	\$0	(\$603,470)	\$10,070,073
25	Storm Cost Recovery	\$0	\$0	\$0	\$0	\$0
26	Gas Commodity OM	\$0	\$0	\$256,209	(\$256,209)	\$0
27	NEP IFA Credit	\$0	\$0	\$0	\$0	\$0
28	Wheeling	\$0	\$0	\$0	\$0	\$0
29	Energy Innovation Hub	\$0	\$0	\$0	\$0	\$0
30	Gas Business Enablement	\$0	\$0	\$0	\$0	\$0
31	Electric Operations	\$0	\$0	\$0	\$0	\$0
32	Gas Operations	\$0	\$0	\$0	\$0	\$0
33	Customer Affordability Program	\$0	\$0	\$0	\$0	\$0
34	Sub Total Operating & Maintenance Expense	<u>\$42,589,716</u>	<u>(\$1,511,923)</u>	<u>\$0</u>	<u>(\$4,810,213)</u>	<u>\$36,267,580</u>
35						
36	Purchased Power/ Purchased Gas	\$0	\$0	\$0	\$0	\$0
37						
38	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
39						
40	TOTAL	<u>\$42,589,716</u>	<u>(\$1,511,923)</u>	<u>\$0</u>	<u>(\$4,810,213)</u>	<u>\$36,267,580</u>
	Check Totals	\$42,589,716	(\$1,511,923)	\$0	(\$4,810,213)	\$36,267,580
	Difference	\$0	\$0	\$0	(\$0)	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 4-ELEC
Page 1 of 1

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

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

Line Notes

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

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 4-GAS
Page 1 of 1

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 5-ELEC
Page 1 of 1

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

	Test Year Ended	Normalizing	Adjusted Test Year	Proforma	Rate Year Ending	Reflect Condition	Rate Year Ending	Reflect Condition	Rate Year Ending
	June 30, 2017	Adjustments	June 30, 2017	Adjustments	August 31, 2019	in Rate Year	August 31, 2020	in Rate Year	August 31, 2021
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 Amortization	\$8,655,828	(\$8,655,828)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Schedule 5-GAS
Page 1 of 1

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

	Test Year Ended	Normalizing	Adjusted Test Year	Proforma	Rate Year 1 August 31, 2019	Reflect Condition in Rate Year	Rate Year 2 August 31, 2020	Reflect Condition in Rate Year	Rate Year Ending
	June 30, 2017 (a)	Adjustments (b)	June 30, 2017 (c)	Adjustments (d)	(e)	(f)	(g)	(h)	August 31, 2021 (i)
1 Amortization	\$1,809,788	(\$1,809,788)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-ELEC
Page 1 of 5

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

Line No.	Description	Reference (a)	Amount (b)
1	Total Company Rate Year Distribution Depreciation Expense	Sum of Page 2, Line 16 and Line 17	\$0
2	Test Year Depreciation Expense	Per Company Books	\$593,788
3	Less : Test Year IFA related Depreciation Expense	Page 4, Line 30, Column (c)	(\$593,788)
4	Less: ARO and other adjustments	Page 4, Line 30, Column (b) + Column (d)	\$0
5	Adjusted Total Company Test Year Distribution Depreciation Expense	Sum of Line 2 through Line 4	\$0
6	Depreciation Expense Adjustment	Line 1 - Line 5	\$0
7			
8			Per Book
9	Test Year Depreciation Expense 12 Months Ended 06/30/17:		Amount
10	Total Distribution Utility Plant 06/30/17	Page 4, Line 28, Column (e)	\$0
11	Less Non Depreciable Plant	Page 4, Line 26, Column (e)	\$0
12	Depreciable Utility Plant 6/30/17	Line 10 + Line 11	\$0
13			
14	Plus: Added Plant 2 Mos Ended 08/31/17	Schedule 11-ELEC, Page 6, Line 7	\$0
15	Less: Streetlights retired in the 2 Mos Ended 08/31/17	Per Company Books	\$0
16	Less: Retired Plant 2 Months Ended 08/31/17	1/ Line 14 x Retirement Rate	\$0
17	Depreciable Utility Plant 08/31/17	Line 12 + Line 14 + Line 16	\$0
18			
19	Average Depreciable Plant from 06/30/17 to 08/31/17	(Line 12 + Line 17)/2	\$0
20			
21	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.40%
22			
23	Book Depreciation Reserve 06/30/17	Page 5, Line 69, Column (e)	\$0
24	Plus: Book Depreciation Expense excluding Streetlight Retirement	1/6 of (Line 19 excl. Line 15 x Line 21)	\$0
25	Less: Streetlights retired in the 2 Mos Ended 08/31/17 and Dep. for 2 Mos	1/12 of (Line 15 x SL Dep Rate)	\$0
26	Less: Net Cost of Removal/(Salvage)	2/ Line 14 x Cost of Removal Rate	\$0
27	Less: Retired Plant	Line 16	\$0
28	Book Depreciation Reserve 08/31/17	Sum of Line 23 through Line 27	\$0
29			
30	Depreciation Expense 12 Months Ended 08/31/18		
31	Total Utility Plant 08/31/17	Line 10 + Line 14 + Line 15 + Line 16	\$0
32	Less Non Depreciable Plant	Line 11	\$0
33	Depreciable Utility Plant 08/31/17	Line 31 + Line 32	\$0
34			
35	Plus: Plant Added in 12 Months Ended 08/31/18	Schedule 11-ELEC, Page 6, Line 14	\$0
36	Less: Plant Retired in 12 Months Ended 08/31/18	1/ Line 35 x Retirement rate	\$0
37	Depreciable Utility Plant 08/31/18	Sum of Line 33 through Line 36	\$0
38			
39	Average Depreciable Plant for 12 Months Ended 08/31/18	(Line 33 + Line 37)/2	\$0
40			
41	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.40%
42			
43	Book Depreciation Reserve 08/31/17	Line 28	\$0
44	Plus: Book Depreciation 08/31/18	Line 39 x Line 41	\$0
45	Less: Net Cost of Removal/(Salvage)	2/ Line 35 x Cost of Removal Rate	\$0
46	Less: Retired Plant	Line 36	\$0
47	Book Depreciation Reserve 08/31/18	Sum of Line 43 through Line 46	\$0
1/	3 year average retirement over plant addition in service FY 15 ~ FY17	29.66%	Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17	10.27%	COR

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-ELEC
Page 2 of 5

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

Line No.	Description	Reference (a)	Amount (b)
1	Rate Year Depreciation Expense 12 Months Ended 08/31/19:		
2	Total Utility Plant 08/31/18	Page 1, Line 31 + Line 35 + Line 36	\$0
3	Less Non-Depreciable Plant	Page 1, Line 11	\$0
4	Depreciable Utility Plant 08/31/18	Line 2 + Line 3	\$0
5			
6	Plus: Added Plant 12 Months Ended 08/31/19	Schedule 11-ELEC, Page 6, Line 38	\$0
7	Less: Depreciable Retired Plant	1/ Line 6 x Retirement rate	\$0
8			
9	Depreciable Utility Plant 08/31/19	Sum of Line 4 through Line 7	\$0
10			
11	Average Depreciable Plant for Rate Year Ended 08/31/19	(Line 4 + Line 9)/2	\$0
12			
13	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	0.00%
14			
15	Book Depreciation Reserve 08/31/18	Page 1, Line 47	\$0
16	Plus: Book Depreciation Expense	Line 11 x Line 13	\$0
17	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	\$0
18	Less: Net Cost of Removal/(Salvage)	2/ Line 6 x Cost of Removal Rate	\$0
19	Less: Retired Plant	Line 7	\$0
20	Book Depreciation Reserve 08/31/19	Sum of Line 15 through Line 19	\$0
21			
22	Rate Year Depreciation Expense 12 Months Ended 08/31/20:		
23	Total Utility Plant 08/31/19	Line 2 + Line 6 + Line 7	\$0
24	Less Non-Depreciable Plant	Page 1, Line 11	\$0
25	Depreciable Utility Plant 08/31/19	Line 23 + Line 24	\$0
26			
27	Plus: Added Plant 12 Months Ended 08/31/20	Schedule 11-ELEC, Page 5, Line 15(i)	\$0
28	Less: Depreciable Retired Plant	1/ Line 27 x Retirement rate	\$0
29			
30	Depreciable Utility Plant 08/31/20	Sum of Line 25 through Line 28	\$0
31			
32	Average Depreciable Plant for Rate Year Ended 08/31/20	(Line 25 + Line 30)/2	\$0
33			
34	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	0.00%
35			
36	Book Depreciation Reserve 08/31/20	Line 20	\$0
37	Plus: Book Depreciation Expense	Line 32 x Line 34	\$0
38	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	\$0
39	Less: Net Cost of Removal/(Salvage)	2/ Line 27 x Cost of Removal Rate	\$0
40	Less: Retired Plant	Line 28	\$0
41	Book Depreciation Reserve 08/31/20	Sum of Line 36 through Line 40	\$0
42			
43	Rate Year Depreciation Expense 12 Months Ended 08/31/21:		
44	Total Utility Plant 08/31/20	Line 23 + Line 27 + Line 28	\$0
45	Less Non-Depreciable Plant	Page 1, Line 11	\$0
46	Depreciable Utility Plant 08/31/20	Line 44 + Line 45	\$0
47			
48	Plus: Added Plant 12 Months Ended 08/31/21	Schedule 11-ELEC, Page 5, Line 15(l)	\$0
49	Less: Depreciable Retired Plant	1/ Line 48 x Retirement rate	\$0
50			
51	Depreciable Utility Plant 08/31/21	Sum of Line 46 through Line 49	\$0
52			
53	Average Depreciable Plant for Rate Year Ended 08/31/21	(Line 46 + Line 51)/2	\$0
54			
55	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	0.00000%
56			
57	Book Depreciation Reserve 08/31/20	Line 41	\$0
58	Plus: Book Depreciation Expense	Line 53 x Line 55	\$0
59	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	\$0
60	Less: Net Cost of Removal/(Salvage)	2/ Line 48 x Cost of Removal Rate	\$0
61	Less: Retired Plant	Line 49	\$0
62	Book Depreciation Reserve 08/31/21	Sum of Line 57 through Line 61	\$0
1/	3 year average retirement over plant addition in service FY 15 ~ FY17	29.66%	Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17	10.27%	COR

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-ELEC
Page 3 of 5

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

Line No.	Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Transmission Plant June 30, 2017 (c)	Other Adjustments June 30, 2017 (d)	Adjusted Balance (e)	Proposed Rate (f)	Test Year Depreciation (g) = (e) x (f)
		<u>Intangible Plant</u>							
1	303.00	Intangible Cap Software	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
2									
3		Total Intangible Plant	\$0	\$0	\$0	\$0	\$0		\$0
4									
5		<u>Production Plant</u>							
6									
7	330.00	Land Hydro	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
8	331.00	Struct & Improvements	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
9	332.00	Reservoirs Dams And Water	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
10									
11		Total Production Plant	\$0	\$0	\$0	\$0	\$0		\$0
12									
13		<u>Transmission Plant</u>							
14									
15	350.00	Land & Land Rights	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
16	352.00	Structures And Improvements	\$0	\$0	\$0	\$0	\$0	0.94%	\$0
17	353.00	Transmission Station Equipment	\$0	\$0	\$0	\$0	\$0	2.43%	\$0
18	353.10	Sta Equip Poll Confl Facility	\$0	\$0	\$0	\$0	\$0	2.43%	\$0
19	354.00	Towers And Fixtures Transmission	\$0	\$0	\$0	\$0	\$0	7.44%	\$0
20	355.00	Poles And Fixtures Transmission	\$0	\$0	\$0	\$0	\$0	3.13%	\$0
21	356.00	Transmnsn Conductr New	\$0	\$0	\$0	\$0	\$0	3.60%	\$0
22	356.10	Overhead Conductors And Devices	\$0	\$0	\$0	\$0	\$0	3.60%	\$0
23	356.20	Conductor And Devices	\$0	\$0	\$0	\$0	\$0	3.60%	\$0
24	357.10	Ug Transmission Manholes & Handholes	\$0	\$0	\$0	\$0	\$0	0.92%	\$0
25	357.20	Ug Transmission Conduit	\$0	\$0	\$0	\$0	\$0	0.92%	\$0
26	358.00	Underground Conductors And Devices	\$0	\$0	\$0	\$0	\$0	1.68%	\$0
27	359.00	Roads And Trails	\$0	\$0	\$0	\$0	\$0	0.82%	\$0
28	359.10	1/ Elect Equip ARO	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
29									
30		Total Transmission Plant	\$0	\$0	\$0	\$0	\$0		\$0
31									
32		<u>Distribution Plant</u>							
33									
34	360.00	Land & Land Rights New	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
35	362.00	Station Equipment	\$0	\$0	\$0	\$0	\$0	2.32%	\$0
36	365.00	Overhead Conductors and Devices	\$0	\$0	\$0	\$0	\$0	3.02%	\$0
37	367.10	Underground Conductors and Devices	\$0	\$0	\$0	\$0	\$0	2.52%	\$0
38	360.00	Land & Land Rights New	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
39	360.10	Land Structures & Dist	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
40	361.00	Struct & Improvements	\$0	\$0	\$0	\$0	\$0	1.36%	\$0
41	362.00	Station Equipment	\$0	\$0	\$0	\$0	\$0	2.19%	\$0
42	362.10	Station Equip Pollution	\$0	\$0	\$0	\$0	\$0	2.19%	\$0
43	362.55	Station Equipment - Energy Management System	\$0	\$0	\$0	\$0	\$0	6.70%	\$0
44	364.00	Poles, Towers And Fixtures	\$0	\$0	\$0	\$0	\$0	4.27%	\$0
45	365.00	Oh Conduct-Smart Grid	\$0	\$0	\$0	\$0	\$0	2.65%	\$0
46	366.10	Underground Manholes A	\$0	\$0	\$0	\$0	\$0	1.33%	\$0
47	366.20	Underground Conduit	\$0	\$0	\$0	\$0	\$0	1.55%	\$0
48	367.10	Underground Conductors	\$0	\$0	\$0	\$0	\$0	3.42%	\$0
49	368.10	Line Transformers - Stations	\$0	\$0	\$0	\$0	\$0	2.76%	\$0
50	368.20	Line Transformers - Bare Cost	\$0	\$0	\$0	\$0	\$0	3.14%	\$0
51	368.30	Line Transformers - Install Cost	\$0	\$0	\$0	\$0	\$0	3.22%	\$0
52	369.10	Overhead Services	\$0	\$0	\$0	\$0	\$0	5.04%	\$0
53	369.20	Underground Services C	\$0	\$0	\$0	\$0	\$0	4.87%	\$0
54	369.21	Underground Services C	\$0	\$0	\$0	\$0	\$0	4.87%	\$0
55	370.10	Meters - Bare Cost - Domestic	\$0	\$0	\$0	\$0	\$0	5.61%	\$0
56	370.20	Meters - Install Cost - Domestic	\$0	\$0	\$0	\$0	\$0	5.81%	\$0
57	370.30	Meters - Bare Cost - Large	\$0	\$0	\$0	\$0	\$0	5.69%	\$0
58	370.35	Meters - Install Cost - Large	\$0	\$0	\$0	\$0	\$0	5.13%	\$0
59	371.00	Installation On Custom	\$0	\$0	\$0	\$0	\$0	3.61%	\$0
60	373.10	Oh Streetlighting	\$0	\$0	\$0	\$0	\$0	1.46%	\$0
61	373.20	Ug Streetlighting	\$0	\$0	\$0	\$0	\$0	1.52%	\$0
62	374.00	1/ Elect Equip ARO	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
63									
64		Total Distribution Plant	\$0	\$0	\$0	\$0	\$0		\$0

Column Notes:

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

Line Notes:

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-ELEC
Page 4 of 5

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

Line No.	Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Transmission Plant (c)	Other Adjustments June 30, 2017 (d)	Adjusted Balance (e)	Proposed Rate (f)	Test Year Depreciation (g) = (c) x (f)
<u>General Plant</u>									
1	389.00	Land And Land Rights	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
2	390.00	Struct And Improvement Electric	\$0	\$0	\$0	\$0	\$0	2.28%	\$0
3	391.00	Office Furn &Fixt Electric (Fully Dep)	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
4	391.00	Office Furn &Fixt Electric	\$0	\$0	\$0	\$0	\$0	6.67%	\$0
5	393.00	Stores Equipment	\$0	\$0	\$0	\$0	\$0	5.00%	\$0
6	394.00	General Plant Tools Shop	\$0	\$0	\$0	\$0	\$0	5.00%	\$0
7	395.00	General Plant Laboratory (Fully Dep)	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
8	395.00	General Plant Laboratory (Fully Dep)	\$0	\$0	\$0	\$0	\$0	6.67%	\$0
9	397.00	Communication Equipment	\$0	\$0	\$0	\$0	\$0	5.00%	\$0
10	397.10	Communication Equipment Site Specific	\$0	\$0	\$0	\$0	\$0	3.90%	\$0
11	397.50	Communication Equipment Network	\$0	\$0	\$0	\$0	\$0	5.00%	\$0
12	398.00	General Plant Miscellaneous	\$0	\$0	\$0	\$0	\$0	6.67%	\$0
13	399.00	Other Tangible Property	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
14	399.10	1/ ARO	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
15									
16		Total General Plant	\$0	\$0	\$0	\$0	\$0		\$0
17									
18		<u>Grand Total - All Categories</u>	\$0	\$0	\$0	\$0	\$0		\$0
19									
20		<u>Other Utility Plant Assets</u>							
21									
22	105.00	Property For Future Use	\$0				\$0		
23	107	Construction Work in Progress	\$0				\$0		
24	114.00	Goodwill	\$0				\$0		
25									
26		Total of Other Utility Plant Assets	\$0				\$0		
27									
28		Total Electric Plant in Service	\$0	\$0	\$0	\$0	\$0		
29									
30		Test Year Depreciation Expense per books	\$593,788	\$0	(\$593,788)	\$0	\$0		
31									
32		Accumulated Reserve	\$0	\$0	\$0	\$0	\$0		

Column Notes:

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

Line Notes:

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

PUBLIC

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

Docket No. D-21-09
Schedule 6-ELEC
Attachment NG-DIV 4-1-2
Page 5 of 5

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

Line No.	Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustments (b)	Transmission Plant (c)	Other Adjustments (d)	Adjusted Balance (e) = sum of (a) throu (d)
<u>Intangible Plant</u>							
1	303.00	Intangible Cap Softwa	\$0	\$0	\$0	\$0	\$0
2							
3		Total Intangible Plant	\$0	\$0	\$0	\$0	\$0
4							
5		<u>Production Plant</u>					
6							
7	330.00	Land Hydro		\$0	\$0	\$0	\$0
8	331.00	Struct & Improvements	\$0	\$0	\$0	\$0	\$0
9	332.00	Reservoirs Dams And Wa	\$0	\$0	\$0	\$0	\$0
10							
11		Total Production Plant	\$0	\$0	\$0	\$0	\$0
12							
13		<u>Transmission Plant</u>					
14							
15	350.00	Land & Land Rights	\$0	\$0	\$0	\$0	\$0
16	352.00	Structures And Improvements	\$0	\$0	\$0	\$0	\$0
17	353.00	Transmission Station Equipment	\$0	\$0	\$0	\$0	\$0
18	354.00	Towers And Fixtures Transmission	\$0	\$0	\$0	\$0	\$0
19	355.00	Poles And Fixtures Transmission	\$0	\$0	\$0	\$0	\$0
20	356.00	Overhead Conductors And Devices	\$0	\$0	\$0	\$0	\$0
21	357.00	Underground Conduit	\$0	\$0	\$0	\$0	\$0
22	358.00	Underground Conductors And Devices	\$0	\$0	\$0	\$0	\$0
23	359.00	Roads And Trails	\$0	\$0	\$0	\$0	\$0
24	359.10	1/ Elect Equip ARO	\$0	\$0	\$0	\$0	\$0
25							
26		Total Transmission Plant	\$0	\$0	\$0	\$0	\$0
27							
28		<u>Distribution Plant</u>					
29							
32	360.00	Land & Land Rights New	\$0		\$0	\$0	\$0
33	362.00	Station Equipment	\$0		\$0	\$0	\$0
34	365.00	Overhead Conductors and Devices	\$0		\$0	\$0	\$0
35	367.10	Underground Conductors and Devices	\$0		\$0	\$0	\$0
36	360.00	Land & Land Rights New	\$0	\$0	\$0	\$0	\$0
37	361.00	Struct & Improvements	\$0	\$0	\$0	\$0	\$0
38	362.00	Station Equipment	\$0	\$0	\$0	\$0	\$0
39	364.00	Poles, Towers And Fixtures	\$0	\$0	\$0	\$0	\$0
40	365.00	Oh Conduct-Smart Grid	\$0	\$0	\$0	\$0	\$0
41	366.00	Underground Manholes A	\$0	\$0	\$0	\$0	\$0
42	367.00	Underground Conductors	\$0	\$0	\$0	\$0	\$0
43	368.00	Transformer Stations	\$0	\$0	\$0	\$0	\$0
44	369.00	Overhead Services	\$0	\$0	\$0	\$0	\$0
45	370.00	Meters - Bare Cost - Domestic	\$0	\$0	\$0	\$0	\$0
46	371.00	Installation On Custom	\$0	\$0	\$0	\$0	\$0
47	373.00	Oh Steelighting	\$0	\$0	\$0	\$0	\$0
48	374.00	1/ Elect Equip ARO	\$0	\$0	\$0	\$0	\$0
49							
50		Total Distribution Plant	\$0	\$0	\$0	\$0	\$0
51							
52		<u>General Plant</u>					
53							
54	389.00	Land And Land Rights	\$0	\$0	\$0	\$0	\$0
55	390.00	Struct And Improvement Electric	\$0	\$0	\$0	\$0	\$0
56	391.00	Office Furn & Fixt Elec	\$0	\$0	\$0	\$0	\$0
57	393.00	Stores Equipment	\$0	\$0	\$0	\$0	\$0
58	394.00	General Plant Tools Shop	\$0	\$0	\$0	\$0	\$0
59	395.00	General Plant Laboratory	\$0	\$0	\$0	\$0	\$0
60	395.10	Conservation Lab Equipment	\$0	\$0	\$0	\$0	\$0
61	397.00	Communication Equipment	\$0	\$0	\$0	\$0	\$0
62	397.10	Communication Equipment Site Specific	\$0	\$0	\$0	\$0	\$0
63	398.00	General Plant Miscellaneous	\$0	\$0	\$0	\$0	\$0
64	399.00	Other Tangible Property	\$0	\$0	\$0	\$0	\$0
65	399.10	1/ ARO	\$0	\$0	\$0	\$0	\$0
66							
67		Total General Plant	\$0	\$0	\$0	\$0	\$0
68							
69		<u>Grand Total - All Categories</u>	\$0	\$0	\$0	\$0	\$0

Column Notes:

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

Line Notes:

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-GAS
Page 1 of 5

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

Line No	Description	Reference	Amount
			(a)
1	Total Company Rate Year Depreciation	Sum of Page 2, Line 16 and Line 17	\$0
2	Total Company Test Year Depreciation	Per Company Books	\$231,876
3	Less: Reserve adjustments	Page 4, Line 29, Col (b) + Col (c)	\$0
4	Adjusted Total Company Test Year Depreciation Expense	Line 2 + Line 3	\$231,876
5	Depreciation Expense Adjustment	Line 1 - Line 4	(\$231,876)
6			
7			Per Book
8	Total Year Depreciation Expense 12 Months Ended 06/30/17:		Amount
9	Total Gas Utility Plant 06/30/17	Page 4, Line 27, Col (d)	\$0
10	Less Non Depreciable Plant	Sum of Page 3, Line 5, Col (d) and Page 4, Line 25, Col (e)	\$0
11	Depreciable Utility Plant 06/30/17	Line 9 + Line 10	\$0
12			
13	Plus: Added Plant 2 Mos Ended 08/31/17	Schedule 11-GAS, Page 3, Line 4	\$0
14	Less: Retired Plant 2 Months Ended 08/31/17	1/ Line 13 x Retirement Rate	\$0
15	Depreciable Utility Plant 08/31/17	Line 11 + Line 13 + Line 14	\$0
16			
17	Average Depreciable Plant for Year Ended 08/31/17	(Line 11 + Line 15)/2	\$0
18			
19	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.38%
20			
21	Book Depreciation Reserve 06/30/17	Page 5, Line 72, Col (d)	\$0
22	Plus: Book Depreciation Expense	Line 17 x Line 20	\$0
23	Less: Net Cost of Removal/(Salvage)	2/ Line 13 x Cost of Removal Rate	\$0
24	Less: Retired Plant	Line 14	\$0
25	Book Depreciation Reserve 08/31/17	Sum of Line 21 through Line 24	\$0
26			
27	Depreciation Expense 12 Months Ended 08/31/18		
28	Total Utility Plant 08/31/17	Line 9 + Line 13 + Line 14	\$0
29	Less Non Depreciable Plant	Line 10	\$0
30	Depreciable Utility Plant 08/31/17	Line 28 + Line 29	\$0
31			
32	Plus: Plant Added in 12 Months Ended 08/31/18	Schedule 11-GAS, Page 3, Line 11	\$0
33	Less: Plant Retired in 12 Months Ended 08/31/18	Line 32 x Retirement rate	\$0
34	Depreciable Utility Plant 08/31/18	Sum of Line 30 through Line 33	\$0
35			
36	Average Depreciable Plant for 12 Months Ended 08/31/18	(Line 30 + Line 34)/2	\$0
37			
38	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.38%
39			
40	Book Depreciation Reserve 08/31/17	Line 25	\$0
41	Plus: Book Depreciation 08/31/18	Line 36 x Line 38	\$0
42	Less: Net Cost of Removal/(Salvage)	Line 32 x Cost of Removal Rate	\$0
43	Less: Retired Plant	Line 33	\$0
44	Book Depreciation Reserve 08/31/18	Sum of Line 40 through Line 43	\$0
1/	3 year average retirement over plant addition in service FY 15 ~ FY17	6.87%	Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17	5.18%	COR

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-GAS
Page 2 of 5

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

Line No	Description	Reference	Amount
1	Rate Year Depreciation Expense 12 Months Ended 08/31/19:		
2	Total Utility Plant 08/31/18	Page 1, Line 28 + Line 32 + Line 33	\$0
3	Less Non-Depreciable Plant	Page 1, Line 10	\$0
4	Depreciable Utility Plant 08/31/18	Line 2 + Line 3	\$0
5			
6	Plus: Added Plant 12 Months Ended 08/31/19	Schedule 11-GAS, Page 3, Line 35	\$0
7	Less: Depreciable Retired Plant	1/ Line 6 x Retirement rate	\$0
8			
9	Depreciable Utility Plant 08/31/19	Sum of Line 4 through Line 7	\$0
10			
11	Average Depreciable Plant for Rate Year Ended 08/31/19	(Line 4 + Line 9)/2	\$0
12			
13	Proposed Composite Rate %	Page 4, Line 17, Col (e)	0.00%
14			
15	Book Depreciation Reserve 08/31/18	Page 1, Line 44	\$0
16	Plus: Book Depreciation Expense	Line 11 x Line 13	\$0
17	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$0
18	Less: Net Cost of Removal/(Salvage)	2/ Line 6 x Cost of Removal Rate	\$0
19	Less: Retired Plant	Line 7	\$0
20	Book Depreciation Reserve 08/31/19	Sum of Line 15 through Line 19	\$0
21			
22	Rate Year Depreciation Expense 12 Months Ended 08/31/20:		
23	Total Utility Plant 08/31/19	Line 2 + Line 6 + Line 7	\$0
24	Less Non-Depreciable Plant	Page 1, Line 10	\$0
25	Depreciable Utility Plant 08/31/19	Line 23 + Line 24	\$0
26			
27	Plus: Added Plant 12 Months Ended 08/31/20	Schedule 11-GAS, Page 5, Line 11(i)	\$0
28	Less: Depreciable Retired Plant	1/ Line 27 x Retirement rate	\$0
29			
30	Depreciable Utility Plant 08/31/20	Sum of Line 25 through Line 28	\$0
31			
32	Average Depreciable Plant for Rate Year Ended 08/31/20	(Line 25 + Line 30)/2	\$0
33			
34	Proposed Composite Rate %	Page 4, Line 17, Col (e)	0.00%
35			
36	Book Depreciation Reserve 08/31/20	Line 20	\$0
37	Plus: Book Depreciation Expense	Line 32 x Line 34	\$0
38	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$0
39	Less: Net Cost of Removal/(Salvage)	2/ Line 27 x Cost of Removal Rate	\$0
40	Less: Retired Plant	Line 28	\$0
41	Book Depreciation Reserve 08/31/20	Sum of Line 37 through Line 40	\$0
42			
43	Rate Year Depreciation Expense 12 Months Ended 08/31/21:		
44	Total Utility Plant 08/31/20	Line 23 + Line 27 + Line 28	\$0
45	Less Non-Depreciable Plant	Page 1, Line 10	\$0
46	Depreciable Utility Plant 08/31/20	Line 44 + Line 45	\$0
47			
48	Plus: Added Plant 12 Months Ended 08/31/21	Schedule 11-GAS, Page 5, Line 11(l)	\$0
49	Less: Depreciable Retired Plant	1/ Line 48 x Retirement rate	\$0
50			
51	Depreciable Utility Plant 08/31/21	Sum of Line 46 through Line 49	\$0
52			
53	Average Depreciable Plant for Rate Year Ended 08/31/21	(Line 46 + Line 51)/2	\$0
54			
55	Proposed Composite Rate %	Page 4, Line 17, Col (e)	0.00%
56			
57	Book Depreciation Reserve 08/31/20	Line 41	\$0
58	Plus: Book Depreciation Expense	Line 53 x Line 55	\$0
59	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$0
60	Less: Net Cost of Removal/(Salvage)	2/ Line 48 x Cost of Removal Rate	\$0
61	Less: Retired Plant	Line 49	\$0
62	Book Depreciation Reserve 08/31/21	Sum of Line 57 through Line 61	\$0
1/	3 year average retirement over plant addition in service FY 15 ~ FY17	6.87%	Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17	5.18%	COR

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-GAS
Page 3 of 5

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	\$0	\$0	\$0	\$0	0.00%	\$0
2 303.00	Misc. Intangible Plant	\$0	\$0	\$0	\$0	0.00%	\$0
3 303.01	Misc. Int Cap Software	\$0	\$0	\$0	\$0	0.00%	\$0
4							
5	Total Intangible Plant	\$0	\$0	\$0	\$0		\$0
6							
7	<u>Production Plant</u>						
8							
9 304.00	Production Land Land Rights	\$0	\$0	\$0	\$0	0.00%	\$0
10 305.00	Prod. Structures & Improvements	\$0	\$0	\$0	\$0	15.05%	\$0
11 307.00	Production Other Power	\$0	\$0	\$0	\$0	7.16%	\$0
12 311.00	Production LNG Equipme	\$0	\$0	\$0	\$0	11.40%	\$0
13 320.00	Prod. Other Equipment	\$0	\$0	\$0	\$0	6.69%	\$0
14							
15	Total Production Plant	\$0	\$0	\$0	\$0		\$0
16							
17	<u>Storage Plant</u>						
18							
19 360.00	Stor Land & Land Rights	\$0	\$0	\$0	\$0	0.00%	\$0
20 361.03	Storage Structures Improvements	\$0	\$0	\$0	\$0	0.99%	\$0
21 362.04	Storage Gas Holders	\$0	\$0	\$0	\$0	0.04%	\$0
22 363.00	Stor. Purification Equipment	\$0	\$0	\$0	\$0	3.37%	\$0
23							
24	Total Storage Plant	\$0	\$0	\$0	\$0		\$0
25							
26	<u>Distribution Plant</u>						
27							
28 374.00	Dist. Land & Land Rights	\$0	\$0	\$0	\$0	0.00%	\$0
29 375.00	Gas Dist Station Structure	\$0	\$0	\$0	\$0	1.15%	\$0
30 376.00	Distribution Mains	\$0	\$0	\$0	\$0	3.61%	\$0
31 376.03	Dist. River Crossing Main	\$0	\$0	\$0	\$0	3.61%	\$0
32 376.04	Mains - Steel And Other - SI	\$0	\$0	\$0	\$0	0.00%	\$0
33 376.06	Dist. District Regulator	\$0	\$0	\$0	\$0	3.61%	\$0
34 376.11	Gas Mains Steel	\$0	\$0	\$0	\$0	3.31%	\$0
35 376.12	Gas Mains Plastic	\$0	\$0	\$0	\$0	2.70%	\$0
36 376.13	Gas Mains Cast Iron	\$0	\$0	\$0	\$0	8.39%	\$0
37 376.14	Gas Mains Valves	\$0	\$0	\$0	\$0	3.61%	\$0
38 376.15	Propane Lines	\$0	\$0	\$0	\$0	3.61%	\$0
39 376.16	Dist. Cathodic Protect	\$0	\$0	\$0	\$0	3.61%	\$0
40 376.17	Dist. Joint Seals	\$0	\$0	\$0	\$0	4.63%	\$0
41 377.00	T&D Compressor Sta Equipment	\$0	\$0	\$0	\$0	1.07%	\$0
42 377.62	1/ 5360-Tanks ARO	\$0	\$0	\$0	\$0	0.00%	\$0
43 378.10	Gas Measur & Reg Sta Equipment	\$0	\$0	\$0	\$0	2.08%	\$0
44 378.55	Gas M&Reg Sta Eqp RTU	\$0	\$0	\$0	\$0	6.35%	\$0
45 379.00	Dist. Measur. Reg. Gs	\$0	\$0	\$0	\$0	2.22%	\$0
46 379.01	Dist. Meas. Reg. Gs Gq	\$0	\$0	\$0	\$0	0.00%	\$0
47 380.00	Gas Services All Sizes	\$0	\$0	\$0	\$0	3.05%	\$0
48 381.10	Sml Meter& Reg Bare Co	\$0	\$0	\$0	\$0	1.76%	\$0
49 381.30	Lrg Meter& Reg Bare Co	\$0	\$0	\$0	\$0	1.76%	\$0
50 381.40	Meters	\$0	\$0	\$0	\$0	0.96%	\$0
51 382.00	Meter Installations	\$0	\$0	\$0	\$0	3.66%	\$0
52 382.20	Sml Meter& Reg Installation	\$0	\$0	\$0	\$0	3.66%	\$0
53 382.30	Lrg Meter&Reg Installation	\$0	\$0	\$0	\$0	3.66%	\$0
54 383.00	Dist. House Regulators	\$0	\$0	\$0	\$0	0.67%	\$0
55 384.00	T&D Gas Reg Installs	\$0	\$0	\$0	\$0	1.56%	\$0
56 385.00	Industrial Measuring And Regulating Station Equipment	\$0	\$0	\$0	\$0	4.18%	\$0
57 385.01	Industrial Measuring And Regulating Station Equipment	\$0	\$0	\$0	\$0	0.00%	\$0
58 386.00	Other Property On Customer Premises	\$0	\$0	\$0	\$0	0.23%	\$0
59 386.02	Dist. Consumer Prem Equipment	\$0	\$0	\$0	\$0	0.00%	\$0
60 387.00	Dist. Other Equipment	\$0	\$0	\$0	\$0	2.15%	\$0
61 388.00	1/ ARO	\$0	\$0	\$0	\$0	0.00%	\$0
62							
63	Total Distribution Plant	\$0	\$0	\$0	\$0		\$0

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.

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-GAS
Page 4 of 5

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	\$0	\$0	\$0	\$0	0.00%	\$0
4	390.00 Structures And Improvements	\$0	\$0	\$0	\$0	3.12%	\$0
5	391.01 Gas Office Furniture & Fixture	\$0	\$0	\$0	\$0	6.67%	\$0
6	394.00 General Plant Tools Shop (Fully Dep)	\$0	\$0	\$0	\$0	0.00%	\$0
7	394.00 General Plant Tools Shop	\$0	\$0	\$0	\$0	5.00%	\$0
8	395.00 General Plant Laboratory	\$0	\$0	\$0	\$0	6.67%	\$0
9	397.30 Communication Radio Site Specific	\$0	\$0	\$0	\$0	5.00%	\$0
10	397.42 Communication Equip Tel Site	\$0	\$0	\$0	\$0	20.00%	\$0
11	398.10 Miscellaneous Equipment (Fully Dep)	\$0	\$0	\$0	\$0	0.00%	\$0
12	398.10 Miscellaneous Equipment	\$0	\$0	\$0	\$0	6.67%	\$0
13	399.10 1/ ARO	\$0	\$0	\$0	\$0	0.00%	\$0
14							
15	Total General Plant	\$0	\$0	\$0	\$0		\$0
16							
17	<u>Grand Total - All Categories</u>	\$0	\$0	\$0	\$0		\$0
18							
19	<u>Other Utility Plant Assets</u>						
20							
21	105.00 Prop For Future Use	\$0			\$0		
22	107 Construction Work in Progress	\$0			\$0		
23	114.00 Goodwill	\$0			\$0		
24							
25	Total of Other Utility Plant Assets	\$0			\$0		
26							
27	Total Gas Plant in Service	\$0	\$0	\$0	\$0		
28							
29	Test Year Depreciation Expense per books	\$231,876	\$0	\$0	\$231,876		
30							
31	Accumulated Reserve	\$0	\$0	\$0	\$0		

Column Notes:

- (a) Per Company Books
(e) Proposed Depreciation Rate based on Depreciation Study, refer to Schedule NWA-I-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.

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 6-GAS
Page 5 of 5

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

Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Adjustments June 30, 2017 (c)	Adjusted Balance (d) = (a) + (b) + (c)
<u>Intangible Plant</u>					
1	302.00 Franchises And Consents		\$0	\$0	\$0
2	303.00 Misc. Intangible Plant		\$0	\$0	\$0
3	303.01 Misc. Int Cap Software	\$0	\$0	\$0	\$0
4	Total Intangible Plant	\$0	\$0	\$0	\$0
<u>Production Plant</u>					
7	304.00 Production Land Land Rights		\$0	\$0	\$0
8	305.00 Prod. Structures & Improvements	\$0	\$0	\$0	\$0
9	307.00 Production Other Power	\$0	\$0	\$0	\$0
10	311.00 Production LNG Equipme	\$0	\$0	\$0	\$0
11	320.00 Prod. Other Equipment	\$0	\$0	\$0	\$0
12	Total Production Plant	\$0	\$0	\$0	\$0
<u>Storage Plant</u>					
15	360.00 Stor Land & Land Rights		\$0	\$0	\$0
16	361.03 Storage Structures Improvements	\$0	\$0	\$0	\$0
17	362.04 Storage Gas Holders	\$0	\$0	\$0	\$0
18	363.00 Stor. Purification Equipment	\$0	\$0	\$0	\$0
19	Total Storage Plant	\$0	\$0	\$0	\$0
<u>Distribution Plant</u>					
22	374.00 Dist. Land & Land Right	\$0	\$0	\$0	\$0
23	375.00 Gas Dist Station Structure	\$0	\$0	\$0	\$0
24	376.00 Distribution Mains	\$0	\$0	\$0	\$0
25	376.03 Dist. River Crossing Mains	\$0	\$0	\$0	\$0
26	376.04 Mains - Steel And Other - SI	\$0	\$0	\$0	\$0
27	376.06 Dist. District Regulat	\$0	\$0	\$0	\$0
28	376.11 Gas Mains Steel	\$0	\$0	\$0	\$0
29	376.12 Gas Mains Plastic	\$0	\$0	\$0	\$0
30	376.13 Gas Mains Cast Iron	\$0	\$0	\$0	\$0
31	376.14 Gas Mains Valves		\$0	\$0	\$0
32	376.15 Propane Lines	\$0	\$0	\$0	\$0
33	376.16 Dist. Cathodic Protect	\$0	\$0	\$0	\$0
34	376.17 Dist. Joint Seals	\$0	\$0	\$0	\$0
35	377.00 T&D Compressor Sta Equipment	\$0	\$0	\$0	\$0
36	377.62 1/ 5360-Tanks ARO	\$0	\$0	\$0	\$0
37	378.10 Gas Measur & Reg Sta Equipment	\$0	\$0	\$0	\$0
38	378.55 Gas M&Reg Sta Eqp RTU		\$0	\$0	\$0
39	379.00 Dist. Measur. Reg. Gs	\$0	\$0	\$0	\$0
40	379.01 Dist. Meas. Reg. Gs Eq	\$0	\$0	\$0	\$0
41	380.00 Gas Services All Sizes	\$0	\$0	\$0	\$0
42	381.10 Sml Meter& Reg Bare Co	\$0	\$0	\$0	\$0
43	381.30 Lrg Meter& Reg Bare Co	\$0	\$0	\$0	\$0
44	381.40 Meters	\$0	\$0	\$0	\$0
45	382.00 Meter Installations	\$0	\$0	\$0	\$0
46	382.20 Sml Meter& Reg Instl C	\$0	\$0	\$0	\$0
47	382.30 Lrg Meter&Reg Instl C	\$0	\$0	\$0	\$0
48	383.00 Dist. House Regulators	\$0	\$0	\$0	\$0
49	384.00 T&D Gas Reg Installs	\$0	\$0	\$0	\$0
50	385.00 Industrial Measuring And Regulating Station Equipment	\$0	\$0	\$0	\$0
51	385.01 Industrial Measuring And Regulating Station Equipment	\$0	\$0	\$0	\$0
52	386.00 Other Property On Customer Premises	\$0	\$0	\$0	\$0
53	386.02 Dist. Consumer Prem Equipment	\$0	\$0	\$0	\$0
54	387.00 Dist. Other Equipment	\$0	\$0	\$0	\$0
55	388.00 1/ ARO	\$0	\$0	\$0	\$0
56	Total Distribution Plant	\$0	\$0	\$0	\$0
<u>General Plant</u>					
59	389.01 General Plant Land and Land Right	\$0	\$0	\$0	\$0
60	390.00 Structures And Improvements	\$0	\$0	\$0	\$0
61	391.01 Gas Office Furn & Fix	\$0	\$0	\$0	\$0
62	394.00 General Plant Tools Sh	\$0	\$0	\$0	\$0
63	395.00 General Plant Laborato	\$0	\$0	\$0	\$0
64	397.30 Commun Radio Site Spe	\$0	\$0	\$0	\$0
65	397.42 Commun Equip Tel Site	\$0	\$0	\$0	\$0
66	398.10 Power And Supervisory	\$0	\$0	\$0	\$0
67	399.10 1/ ARO	\$0	\$0	\$0	\$0
68	Total General Plant	\$0	\$0	\$0	\$0
70	Grand Total - All Categories	\$0	\$0	\$0	\$0
71	Grand Total - Exclude Intangibles	\$0	\$0	\$0	\$0

Column Notes:

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

Line Notes:

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

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

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 7-ELEC
Page 1 of 1

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

	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments to Test Year (b)	Test Year Ended June 30, 2017 (as Adjusted) (a) + (b) =(c)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e)
1 National Grid USA Service Compa	\$0	\$0	\$0	\$0	\$0
2					
3 Total Municipal Taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 7-GAS
Page 1 of 1

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

	Test Year Ended June 30, 2017 (Per Books)	Normalizing Adjustments to Test Year	Test Year Ended June 30, 2017 (as Adjusted)	Proforma Adjustments	Rate Year Ending August 31, 2019
	(a)	(b)	(a) + (b) =(c)	(d)	(e)
1 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0
2					
3 Total Municipal Taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 8
Page 1 of 3

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

		Test Year Ended June 30, 2017			Test Year Ended June 30, 2017		
		(Per Books)			(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)
Provider Company:							
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$5,646,749	\$3,816,827	\$1,829,922	(\$552,786)	(\$551,205)	(\$1,581)
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$5,646,749</u>	<u>\$3,816,827</u>	<u>\$1,829,922</u>	<u>(\$552,786)</u>	<u>(\$551,205)</u>	<u>(\$1,581)</u>
		\$0	\$0	\$0	(\$0)	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 8
Page 2 of 3

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 8
Page 3 of 3

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

		Explanation of Adjustments:	Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year):</u>				
2						
3						
4		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$521,379)	(\$521,379)	\$0
5						
6						
7						
8		Inspection & Maintenance	National Grid USA Service Company	(\$213)	(\$213)	\$0
9						
10		Major Storm Normalization	National Grid USA Service Company	(\$24,694)	(\$24,694)	\$0
11						
12						
13		RI Government Relations and Federal Affairs	National Grid USA Service Company	(\$6,500)	(\$4,920)	(\$1,581)
14						
15			TOTAL	<u>(\$552,786)</u>	<u>(\$551,205)</u>	<u>(\$1,581)</u>
16						
17						
18	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/30/19)</u>				
19		To increase costs for:				
20						
21		Recalculated Payroll Tax Expense Adjustment				
22			National Grid USA Service Company	\$307,810	\$219,214	\$88,596
23						
24						
25		TOTAL	<u>\$307,810</u>	<u>\$219,214</u>	<u>\$88,596</u>	

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 9
Page 1 of 3

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

		Test Year Ended June 30, 2017 (Per Books)			Normalizing Adjustments			Test Year Ended June 30, 2017 (as Adjusted)		
		Total (a) = (b) + (c)	Electric (b)	Gas (c)	Total (d) = (e) + (f)	Electric (e)	Gas (f)	Total (g) = (h) + (i)	Electric (h)	Gas (i)
Taxes Other Than Income Taxes:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$634,409	\$421,111	\$213,298	\$0	\$0	\$0	\$634,409	\$421,111	\$213,298
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total Other Taxes	<u>\$634,409</u>	<u>\$421,111</u>	<u>\$213,298</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$634,409</u>	<u>\$421,111</u>	<u>\$213,298</u>
Check		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax:										
5	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Total Gross Receipts Tax	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Check		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

(b) and (c) Per Company Books

(e) Page 5, Line 2 to Line 10, Column (b)

(f) Page 5, Line 2 to Line 10, Column (c)

(h) Column (b) + Column (e)

(i) Column (c) + Column (f)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 9
Page 2 of 3

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

Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
(as Adjusted)								
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Taxes Other Than Income Taxes:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$634,409	\$421,111	\$213,298	\$29,373	\$19,497	\$9,876	\$663,782	\$440,609
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total Other Taxes	<u>\$634,409</u>	<u>\$421,111</u>	<u>\$213,298</u>	<u>\$29,373</u>	<u>\$19,497</u>	<u>\$9,876</u>	<u>\$663,782</u>	<u>\$440,609</u>
Check	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax:								
5 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Total Gross Receipts Tax	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Check	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

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

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 9
Page 3 of 3

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

Explanation of Adjustments:		Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Taxes Other Than Income Taxes Adjustments: (to normalize Historic Year)</u>			
2			\$0	\$0	\$0
3			\$0	\$0	\$0
4			\$0	\$0	\$0
5		TOTAL Taxes Other Than Income Taxes Normalization Adjustments:	\$0	\$0	\$0
6					
7		<u>Gross Receipts Tax Adjustments: (to normalize Historic Year)</u>			
8		Narragansett Electric Company	\$0	\$0	\$0
9		National Grid USA Service Company	\$0	\$0	\$0
10		All Other Companies	\$0	\$0	\$0
11		TOTAL Gross Receipts Tax Normalization Adjustments:	\$0	\$0	\$0
12					
13					
14					
15	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2019)</u>			
16					
17		General inflation %			
18		4.63%			
19					
20					
21		National Grid USA Service Company	\$29,373	\$19,497	\$9,876
22					
23		TOTAL	\$29,373	\$19,497	\$9,876
24					

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 10-ELEC
Page 1 of 1

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

	Reference	Rate Year Ending August 31, 2019 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2019 with Revenue Increase (c)
1 Revenues	Schedule 1-ELEC	\$0	\$0	\$0
2 Expenses	Schedule 1-ELEC	(\$69,465,196)	\$0	(\$69,465,196)
3 Pre-tax operating income before interest		(\$69,465,196)	\$0	(\$69,465,196)
4				
5 <u>Synchronized Interest Expense</u>				
6 Rate Base	Schedule 11-ELEC	\$0		\$0
7 Weighted Debt Component	2.24%	2.24%	2.24%	2.24%
8 Synchronized Interest Expense		\$0		\$0
9				
10 Pre-tax income- State		(\$69,465,196)	\$0	(\$69,465,196)
11 State statutory tax rate	0.00%	0.00%	0.00%	0.00%
12 Normalized State income tax expense		\$0	\$0	\$0
13				
14 Pre-tax income- State		(\$69,465,196)	\$0	(\$69,465,196)
15 Normalized State income tax expense		\$0	\$0	\$0
16 Pre-tax income- Federal		(\$69,465,196)	\$0	(\$69,465,196)
17 Federal statutory tax rate	21.00%	21.00%	21.00%	21.00%
18 Normalized Federal income tax expense		(\$14,587,691)	\$0	(\$14,587,691)
19 Effective combined statutory tax rate	21.00%	21.00%	0.00%	21.00%
20 Excess Deferred Tax		(\$5,066,000)	\$0	(\$5,066,000)
21 Deferred income tax deficiency from Docket 4065		\$650,000	\$0	\$650,000
22 Amortization of Investment Tax Credits		(\$4,540)	\$0	(\$4,540)
23 ITC Basis Reduction Depreciation		\$15,210	\$0	\$15,210
24 Equity AFUDC		\$0	\$0	\$0
25 AFUDC Amortization		\$44,446	\$0	\$44,446
26 Normalized State income tax expense		\$0	\$0	\$0
27 Normalized Federal income tax expense		(\$14,587,691)	\$0	(\$14,587,691)
28 Normalized Federal plus State income tax expense revised		(\$18,948,575)	\$0	(\$18,948,575)
29				
30 After-tax income		(\$50,516,621)	\$0	(\$50,516,621)

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 10-GAS
Page 1 of 1

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

	Reference	Rate Year Ending August 31, 2019 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2019 with Revenue Increase (c)
1	Revenues	Schedule 1-GAS	\$0	\$0
2	Expenses	Schedule 1-GAS	(\$40,562,228)	(\$40,562,228)
3	Pre-tax operating income before interest		(\$40,562,228)	(\$40,562,228)
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-GAS	\$0	\$0
7	Weighted Debt Component	2.42%	2.42%	2.42%
8	Synchronized Interest Expense		\$0	\$0
9				
10	Pre-tax income- State		(\$40,562,228)	(\$40,562,228)
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		(\$40,562,228)	(\$40,562,228)
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		(\$40,562,228)	(\$40,562,228)
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		(\$8,518,068)	(\$8,518,068)
19	Effective combined statutory tax rate	21.00%	0.00%	21.00%
20	Excess Deferred Tax		(1,998,000)	(\$1,998,000)
21	Equity AFUDC		\$0	\$0
22	AFUDC Amortization		\$23,070	\$23,070
23	Normalized State income tax expense		\$0	\$0
24	Normalized Federal income tax expense		(\$8,518,068)	(\$8,518,068)
25	Normalized Federal plus State income tax expense revised		(\$10,492,998)	(\$10,492,998)
26				
27	After-tax income		(\$30,069,230)	(\$30,069,230)

Line Notes

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 12
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

		Test Year Ended June 30, 2017			Normalizing Adjustments to Test Year			Test Year Ended June 30, 2017		
		(Per Books)			(as Adjusted)					
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$50,101,582	\$33,639,835	\$16,461,747	(\$13,794,274)	(\$11,071,583)	(\$2,722,690)	\$36,307,308	\$22,568,252	\$13,739,056
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$50,101,582</u>	<u>\$33,639,835</u>	<u>\$16,461,747</u>	<u>(\$13,794,274)</u>	<u>(\$11,071,583)</u>	<u>(\$2,722,690)</u>	<u>\$36,307,308</u>	<u>\$22,568,252</u>	<u>\$13,739,056</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$40	\$0	\$40	(\$7)	\$0	(\$7)	\$33	\$0	\$33
10	Natural Gas Storage, Terminating and Processing Exp.	\$818,215	\$0	\$818,215	(\$135,329)	\$0	(\$135,329)	\$682,887	\$0	\$682,887
12	Transmission Expenses	\$4,020,896	\$4,015,422	\$5,473	(\$1,322,466)	(\$1,321,561)	(\$905)	\$2,698,430	\$2,693,862	\$4,568
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$9,805,489	\$5,195,329	\$4,610,159	(\$2,472,390)	(\$1,709,893)	(\$762,497)	\$7,333,098	\$3,485,436	\$3,847,662
15	Customer Accounts Expenses	\$4,880,676	\$3,131,700	\$1,748,976	(\$1,319,981)	(\$1,030,709)	(\$289,272)	\$3,560,696	\$2,100,991	\$1,459,704
16	Customer Service and	\$1,304,812	\$893,483	\$411,329	(\$362,096)	(\$294,064)	(\$68,032)	\$942,716	\$599,419	\$343,297
17	Informational Expenses									
18	Sales Expenses	\$932,626	\$396,258	\$536,368	(\$219,130)	(\$130,417)	(\$88,713)	\$713,497	\$265,841	\$447,655
19	Administrative & General Expenses	\$25,676,142	\$18,283,875	\$7,392,267	(\$7,240,255)	(\$6,017,611)	(\$1,222,644)	\$18,435,887	\$12,266,264	\$6,169,623
20	Sub Total	<u>\$47,438,896</u>	<u>\$31,916,069</u>	<u>\$15,522,828</u>	<u>(\$13,071,653)</u>	<u>(\$10,504,255)</u>	<u>(2,567,398)</u>	<u>\$34,367,243</u>	<u>\$21,411,814</u>	<u>\$12,955,430</u>
Maintenance:										
23	Transmission Expenses	\$545,719	\$483,215	\$62,504	(\$169,374)	(\$159,036)	(\$10,338)	\$376,345	\$324,179	\$52,166
24	Distribution Expenses	\$1,998,565	\$1,127,355	\$871,210	(\$515,130)	(\$371,037)	(\$144,094)	\$1,483,435	\$756,319	\$727,116
25	Administrative & General Expenses	\$118,401	\$113,196	\$5,205	(\$38,116)	(\$37,255)	(\$861)	\$80,285	\$75,941	\$4,344
26	Sub Total	<u>\$2,662,686</u>	<u>\$1,723,767</u>	<u>\$938,919</u>	<u>(\$722,621)</u>	<u>(\$567,328)</u>	<u>(\$155,292)</u>	<u>\$1,940,065</u>	<u>\$1,156,438</u>	<u>\$783,626</u>
27										
28	TOTAL	<u>\$50,101,582</u>	<u>\$33,639,835</u>	<u>\$16,461,747</u>	<u>(\$13,794,274)</u>	<u>(\$11,071,583)</u>	<u>(\$2,722,690)</u>	<u>\$36,307,308</u>	<u>\$22,568,252</u>	<u>\$13,739,056</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

(b)-(c) Per Company Books

Line Notes

- 1(e)-(f) Sum of Page 5, Lines 2, 6, 9, 12, 15, 18, 21, 25, and 28
2(e)-(f) Sum of Page 5, Lines 3, 5, 7, 10, 13, 16, 19, 22, 24, 26, and 29
3(e)-(f) Sum of Page 5, Lines 4, 8, 11, 14, 17, 20, 23, 27, and 30

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 12
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

		Test Year Ended June 30, 2017			Pro forma Adjustments			Rate Year Ending August 31, 2019		
		(as Adjusted)								
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$36,307,308	\$22,568,252	\$13,739,056	\$4,257,545	\$2,647,090	\$1,610,455	\$40,564,853	\$25,215,342	\$15,349,511
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$36,307,308</u>	<u>\$22,568,252</u>	<u>\$13,739,056</u>	<u>\$4,257,545</u>	<u>\$2,647,090</u>	<u>\$1,610,455</u>	<u>\$40,564,853</u>	<u>\$25,215,342</u>	<u>\$15,349,511</u>
5										
6										
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$33	\$0	\$33	\$4	\$0	\$4	\$37	\$0	\$37
10	Natural Gas Storage, Terminating	\$682,887	\$0	\$682,887	\$80,046	\$0	\$80,046	\$762,933	\$0	\$762,933
11	and Processing Exp.									
12	Transmission Expenses	\$2,698,430	\$2,693,862	\$4,568	\$316,506	\$315,970	\$535	\$3,014,935	\$3,009,832	\$5,104
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$7,333,098	\$3,485,436	\$3,847,662	\$859,829	\$408,816	\$451,013	\$8,192,927	\$3,894,252	\$4,298,675
15	Customer Accounts Expenses	\$3,560,696	\$2,100,991	\$1,459,704	\$417,533	\$246,431	\$171,103	\$3,978,229	\$2,347,422	\$1,630,807
16	Customer Service and	\$942,716	\$599,419	\$343,297	\$110,548	\$70,307	\$40,240	\$1,053,263	\$669,726	\$383,537
17	Informational Expenses									
18	Sales Expenses	\$713,497	\$265,841	\$447,655	\$83,654	\$31,181	\$52,473	\$797,151	\$297,022	\$500,128
19	Administrative & General Expenses	\$18,435,887	\$12,266,264	\$6,169,623	\$2,161,929	\$1,438,742	\$723,187	\$20,597,816	\$13,705,007	\$6,892,809
20	Sub Total	<u>\$34,367,243</u>	<u>\$21,411,814</u>	<u>\$12,955,430</u>	<u>\$4,030,048</u>	<u>\$2,511,448</u>	<u>\$1,518,600</u>	<u>\$38,397,292</u>	<u>\$23,923,262</u>	<u>\$14,474,030</u>
21										
Maintenance:										
23	Transmission Expenses	\$376,345	\$324,179	\$52,166	\$44,139	\$38,024	\$6,115	\$420,484	\$362,203	\$58,281
24	Distribution Expenses	\$1,483,435	\$756,319	\$727,116	\$173,941	\$88,711	\$85,231	\$1,657,376	\$845,029	\$812,347
25	Administrative & General Expenses	\$80,285	\$75,941	\$4,344	\$9,417	\$8,907	\$509	\$89,702	\$84,848	\$4,854
26	Sub Total	<u>\$1,940,065</u>	<u>\$1,156,438</u>	<u>\$783,626</u>	<u>\$227,496</u>	<u>\$135,642</u>	<u>\$91,855</u>	<u>\$2,167,561</u>	<u>\$1,292,080</u>	<u>\$875,481</u>
27										
28	TOTAL	<u>\$36,307,308</u>	<u>\$22,568,252</u>	<u>\$13,739,056</u>	<u>\$4,257,545</u>	<u>\$2,647,090</u>	<u>\$1,610,455</u>	<u>\$40,564,853</u>	<u>\$25,215,342</u>	<u>\$15,349,511</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

(b)-(c) Page 1, Columns (h)-(i)
(e)-(f) Page 5, Lines 43(b) through 45(c)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 12
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

	<u>Explanation of Adjustments:</u>	<u>Provider Company</u>	<u>Total</u> (a)	<u>Electric</u> (b)	<u>Gas</u> (c)
1	<u>Page 1</u>				
2	<u>Adjustments: (to normalize Historic Year)</u>				
3	(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$6,844,426)	(\$6,844,426)	\$0
4					
5	Vegetation Management expense	National Grid USA Service Company	(\$277,467)	(\$277,467)	\$0
6					
7	Inspection & Maintenance	National Grid USA Service Company	(\$2,827)	(\$2,827)	\$0
8					
9					
10	Elevate portion of Variable Pay paid at 160% of target; reduce to target	National Grid USA Service Company	(\$851,889)	(\$531,973)	(\$319,916)
11					
12					
13	Normalize Union Variable Pay to target	National Grid USA Service Company	(\$33,281)	(\$13,711)	(\$19,570)
14					
15					
16	Reclass Misc Pay (to)/from Affiliates	National Grid USA Service Company	(\$621,523)	(\$471,442)	(\$150,081)
17					
18					
19	Record IFA Impact of Miscellaneous Pay reclasses (to)/from Affiliates	National Grid USA Service Company	\$64,394	\$64,394	\$0
20					
21					
22	Major Storm Normalization	National Grid USA Service Company	(\$370,308)	(\$370,308)	\$0
23					
24	Standard Offer Service (SOS) Admin Costs	National Grid USA Service Company	(\$217,804)	(\$217,804)	\$0
25					
26	Segment Reclassification	National Grid USA Service Company	(\$0)	\$646,585	(\$646,585)
27					
28					
29	GCR Labor Adjustment	National Grid USA Service Company	(\$256,209)	\$0	(\$256,209)
30					
31	Service Company A&G Overhead Study Adjustment - Base Labor Union	National Grid USA Service Company	(\$429,740)	(\$270,274)	(\$159,466)
32	Service Company A&G Overhead Study Adjustment - Base Labor Non-Un	National Grid USA Service Company	(\$2,947,935)	(\$1,992,654)	(\$955,281)
33	Service Company A&G Overhead Study Adjustment - Variable Pay Union	National Grid USA Service Company	(\$10,825)	(\$5,942)	(\$4,883)
34	Service Company A&G Overhead Study Adjustment - Variable Pay Non-U	National Grid USA Service Company	(\$505,965)	(\$348,354)	(\$157,611)
35	Service Company A&G Overhead Study Adjustment - Overtime Union	National Grid USA Service Company	(\$68,746)	(\$40,506)	(\$28,240)
36	Service Company A&G Overhead Study Adjustment - Overtime Non-Unio	National Grid USA Service Company	(\$24,875)	(\$20,002)	(\$4,874)
37					
38	RI Government Relations and Federal Affairs	National Grid USA Service Company	(\$82,128)	(\$62,154)	(\$19,974)
39	Exclude ReGrowth Program Costs	National Grid USA Service Company	(\$312,719)	(\$312,719)	\$0
40					
41		TOTAL	<u>(\$13,794,274)</u>	<u>(\$11,071,583)</u>	<u>(\$2,722,690)</u>
42					
43	<u>Page 2</u>				
44	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2019)</u>				
45					
46					
47	Adjustments to Rate Year	National Grid USA Service Company	\$4,257,545	\$2,647,090	\$1,610,455
48					
49					
50		TOTAL	<u>\$4,257,545</u>	<u>\$2,647,090</u>	<u>\$1,610,455</u>

PUBLIC

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

Docket No. D-21-09

Attachment NG-DIV 4-1-2

Schedule 13

Page 1 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Health Care

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$6,887,847	\$4,751,409	\$2,136,438	(\$709,067)	(\$706,258)	(\$2,810)	\$6,178,780	\$4,045,151	\$2,133,628
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	\$6,887,847	\$4,751,409	\$2,136,438	(\$709,067)	(\$706,258)	(\$2,810)	\$6,178,780	\$4,045,151	\$2,133,628
5										
6										
7										
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$6,887,847	\$4,751,409	\$2,136,438	(\$709,067)	(\$706,258)	(\$2,810)	\$6,178,780	\$4,045,151	\$2,133,628
20	Sub Total	\$6,887,847	\$4,751,409	\$2,136,438	(\$709,067)	(\$706,258)	(\$2,810)	\$6,178,780	\$4,045,151	\$2,133,628
21										
Maintenance:										
22	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26										
27										
28	TOTAL	\$6,887,847	\$4,751,409	\$2,136,438	(\$709,067)	(\$706,258)	(\$2,810)	\$6,178,780	\$4,045,151	\$2,133,628
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (b) and (c) Per Company Books
- (h) Column (b) + Column (e)
- (i) Column (c) + Column (f)

Line Notes

- 1(e) Page 5, Line 2(b) + Line 6(b) + Line 10(b)
- 2(c) Page 5, Line 3(b) + Line 7(b) + Line 11(b)
- 3(c) Page 5, Line 4(b) + Line 8(b) + Line 12(b)
- 1(f) Page 5, Line 2(c) + Line 6(c) + Line 10(c)
- 2(f) Page 5, Line 3(c) + Line 7(c) + Line 11(c)
- 3(f) Page 5, Line 4(c) + Line 8(c) + Line 12(c)
- 19 Equals Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 13
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

Test Year Ended June 30, 2017				Proforma Adjustments			Rate Year Ending August 31, 2019			
(as Adjusted)										
	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	
	(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)	
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2	National Grid USA Service Company	\$6,178,780	\$4,045,151	\$2,133,628	(\$1,637,896)	(\$1,219,336)	(\$418,561)	\$4,540,884	\$2,825,816	\$1,715,068
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Total	<u>\$6,178,780</u>	<u>\$4,045,151</u>	<u>\$2,133,628</u>	<u>(\$1,637,896)</u>	<u>(\$1,219,336)</u>	<u>(\$418,561)</u>	<u>\$4,540,884</u>	<u>\$2,825,816</u>	<u>\$1,715,068</u>
5										
6										
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
19	Administrative & General Expenses	\$6,178,780	\$4,045,151	\$2,133,628	(\$1,637,896)	(\$1,219,336)	(\$418,561)	\$4,540,884	\$2,825,816	\$1,715,068
20	Sub Total	<u>\$6,178,780</u>	<u>\$4,045,151</u>	<u>\$2,133,628</u>	<u>(\$1,637,896)</u>	<u>(\$1,219,336)</u>	<u>(\$418,561)</u>	<u>\$4,540,884</u>	<u>\$2,825,816</u>	<u>\$1,715,068</u>
21										
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
27										
28	TOTAL	<u>\$6,178,780</u>	<u>\$4,045,151</u>	<u>\$2,133,628</u>	<u>(\$1,637,896)</u>	<u>(\$1,219,336)</u>	<u>(\$418,561)</u>	<u>\$4,540,884</u>	<u>\$2,825,816</u>	<u>\$1,715,068</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Column Notes

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

Line Notes

- 1(e) Page 5, Line 21(b)
- 2(e) Page 5, Line 22(b)
- 1(f) Page 5, Line 21(c)
- 2(f) Page 5, Line 22(c)
- 19 Equals Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 13
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

Explanation of Adjustments:		Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year)</u>			
2		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$649,042)	\$0
3					
4		Inspection & Maintenance	National Grid USA Service Company	(\$389)	\$0
5					
6		Major Storm Activity	National Grid USA Service Company	(\$48,053)	\$0
7					
8		RI Government Relations and Federal Affairs	National Grid USA Service Company	(\$8,773)	(\$2,810)
9					
10		TOTAL	<u>(\$709,067)</u>	<u>(\$706,258)</u>	<u>(\$2,810)</u>
11					
12					
13					
14	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/19)</u>			
15		To increase costs for:			
16					
17					
18			National Grid USA Service Co.	(\$1,219,336)	(\$418,561)
19					
20					
21		TOTAL	<u>(\$1,637,896)</u>	<u>(\$1,219,336)</u>	<u>(\$418,561)</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 14
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Group Life Insurance

Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
(Per Books)			(as Adjusted)					
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$379,283	\$262,057	\$117,226	(\$37,336)	(\$37,176)	(\$160)	\$341,946	\$224,880
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$379,283</u>	<u>\$262,057</u>	<u>\$117,226</u>	<u>(\$37,336)</u>	<u>(\$37,176)</u>	<u>(\$160)</u>	<u>\$341,946</u>	<u>\$224,880</u>
5								
6								
7								
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	<u>\$379,283</u>	<u>\$262,057</u>	<u>\$117,226</u>	<u>(\$37,336)</u>	<u>(\$37,176)</u>	<u>(\$160)</u>	<u>\$341,946</u>	<u>\$224,880</u>
20 Sub Total	<u>\$379,283</u>	<u>\$262,057</u>	<u>\$117,226</u>	<u>(\$37,336)</u>	<u>(\$37,176)</u>	<u>(\$160)</u>	<u>\$341,946</u>	<u>\$224,880</u>
21								
22								
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27								
28 TOTAL	<u>\$379,283</u>	<u>\$262,057</u>	<u>\$117,226</u>	<u>(\$37,336)</u>	<u>(\$37,176)</u>	<u>(\$160)</u>	<u>\$341,946</u>	<u>\$224,880</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (b) and (c) Per Company Books
(h) Column (b) + Column (e)
(i) Column (c) + Column (f)

Line Notes

- 1(e) Page 5, Line 2(b) + Line 6(b) + Line 10(b) + Line 12(b)
2(e) Page 5, Line 3(b) + Line 7(b) + Line 13(b)
3(e) Page 5, Line 4(b) + Line 8(b) + Line 14(b)
19 Equals Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 14
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Group Life Insurance

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$341,946	\$224,880	\$117,066	\$55,422	\$30,686	\$24,736	\$397,368	\$255,566	\$141,801
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$341,946</u>	<u>\$224,880</u>	<u>\$117,066</u>	<u>\$55,422</u>	<u>\$30,686</u>	<u>\$24,736</u>	<u>\$397,368</u>	<u>\$255,566</u>	<u>\$141,801</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling and Processing Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$341,946</u>	<u>\$224,880</u>	<u>\$117,066</u>	<u>\$55,422</u>	<u>\$30,686</u>	<u>\$24,736</u>	<u>\$397,368</u>	<u>\$255,566</u>	<u>\$141,801</u>
20	Sub Total	<u>\$341,946</u>	<u>\$224,880</u>	<u>\$117,066</u>	<u>\$55,422</u>	<u>\$30,686</u>	<u>\$24,736</u>	<u>\$397,368</u>	<u>\$255,566</u>	<u>\$141,801</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28	TOTAL	<u>\$341,946</u>	<u>\$224,880</u>	<u>\$117,066</u>	<u>\$55,422</u>	<u>\$30,686</u>	<u>\$24,736</u>	<u>\$397,368</u>	<u>\$255,566</u>	<u>\$141,801</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

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

Line Notes

- 1(c) Page 5, Line 16(b) + Line 24(b)
- 2(c) Page 5, Line 17(b) + Line 25(b)
- 3(c) Page 5, Line 18(b) + Line 26(b)
- 1(f) Page 5, Line 16(c) + Line 24(c)
- 2(f) Page 5, Line 17(c) + Line 25(c)
- 3(f) Page 5, Line 18(c) + Line 26(c)
- 19 Equals Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 14
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Group Life Insurance

		Explanation of Adjustments:	Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year)</u>					
2		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Input-Hist-IFA Calculation.xlsx	(\$35,797)	(\$35,797)	\$0
3							
4		Inspection & Maintenance	National Grid USA Service Company		(\$27)	(\$27)	\$0
5							
6							
7		Major Storm Activity	National Grid USA Service Company		(\$853)	(\$853)	\$0
8							
9		RI Government Relations and Federal Affairs	National Grid USA Service Company		(\$660)	(\$499)	(\$160)
10							
11			TOTAL		<u>(\$37,336)</u>	<u>(\$37,176)</u>	<u>(\$160)</u>
12							
13	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2019)</u>					
14							
15		<u>General inflation %</u>					
16		4.63%					
17			National Grid USA Service Co.		\$2,290	\$1,506	\$784
18							
19							
20		<u>Pavroll Escalator</u>					
21		15.17%	Electric				
22		10.37%	Gas				
23			National Grid USA Service Company		\$39,564	\$29,180	\$10,384
24							
25							
26							
27			GRAND TOTAL		<u>\$41,854</u>	<u>\$30,686</u>	<u>\$11,168</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 15
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Thrift Plan

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$2,324,833	\$1,602,041	\$722,791	(\$235,514)	(\$234,560)	(\$954)	\$2,089,319	\$1,367,481	\$721,838
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$2,324,833</u>	<u>\$1,602,041</u>	<u>\$722,791</u>	<u>(\$235,514)</u>	<u>(\$234,560)</u>	<u>(\$954)</u>	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$2,324,833</u>	<u>\$1,602,041</u>	<u>\$722,791</u>	<u>(\$235,514)</u>	<u>(\$234,560)</u>	<u>(\$954)</u>	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>
20	Sub Total	<u>\$2,324,833</u>	<u>\$1,602,041</u>	<u>\$722,791</u>	<u>(\$235,514)</u>	<u>(\$234,560)</u>	<u>(\$954)</u>	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$2,324,833</u>	<u>\$1,602,041</u>	<u>\$722,791</u>	<u>(\$235,514)</u>	<u>(\$234,560)</u>	<u>(\$954)</u>	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- b) and (c) Per Company Books
(h) Column (b) + Column (e)
(i) Column (c) + Column (f)

Line Notes

- 1(e) Page 5, Line 2 (b) + Line 6 (b) + Line 10 (b)
2(e) Page 5, Line 3(b) + Line 7(b) + Line 13(b)
3(e) Page 5, Line 4(b) + Line 8(b) + Line 14(b)
1(f) Page 5, Line 2(c) + Line 6(c) + Line 10(c)
2(f) Page 5, Line 3(c) + Line 7(c) + Line 13(c)
3(f) Page 5, Line 4(c) + Line 8(c) + Line 14(c)
19 Equals Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 15
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Thrift Plan

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$2,089,319	\$1,367,481	\$721,838	\$282,302	\$207,447	\$74,855	\$2,371,620	\$1,574,928	\$796,692
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>	<u>\$282,302</u>	<u>\$207,447</u>	<u>\$74,855</u>	<u>\$2,371,620</u>	<u>\$1,574,928</u>	<u>\$796,692</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating and Processing Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>	<u>\$282,302</u>	<u>\$207,447</u>	<u>\$74,855</u>	<u>\$2,371,620</u>	<u>\$1,574,928</u>	<u>\$796,692</u>
20	Sub Total	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>	<u>\$282,302</u>	<u>\$207,447</u>	<u>\$74,855</u>	<u>\$2,371,620</u>	<u>\$1,574,928</u>	<u>\$796,692</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28	TOTAL	<u>\$2,089,319</u>	<u>\$1,367,481</u>	<u>\$721,838</u>	<u>\$282,302</u>	<u>\$207,447</u>	<u>\$74,855</u>	<u>\$2,371,620</u>	<u>\$1,574,928</u>	<u>\$796,692</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

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

Line Notes

- 1(e) Page 5, Line 22 (b)
- 2(e) Page 5, Line 23 (b)
- 3(e) Page 5, Line 24 (b)
- 1(f) Page 5, Line 22 (c)
- 2(f) Page 5, Line 23 (c)
- 3(f) Page 5, Line 24 (c)
- 19 Equals Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 15
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Thrift Plan

Explanation of Adjustments:	Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
<u>Adjustments: (to normalize Historic Year)</u>				
(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$218,845)	(\$218,845)	\$0
Inspection & Maintenance	National Grid USA Service Company	(\$128)	(\$128)	\$0
Major Storm Activity	National Grid USA Service Company	(\$12,620)	(\$12,620)	\$0
RI Government Relations and Federal Affairs	National Grid USA Service Company	(\$3,921)	(\$2,967)	(\$954)
	TOTAL	<u>(\$235,514)</u>	<u>(\$234,560)</u>	<u>(\$954)</u>
<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2019)</u>				
<u>Payroll inflator</u>				
15.17% Electric				
10.37% Gas	National Grid USA Service Company	\$282,302	\$207,447	\$74,855
	TOTAL	<u>\$282,302</u>	<u>\$207,447</u>	<u>\$74,855</u>

Page 1

Page 2

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 16
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
FAS112 /ASC712

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	(\$203,152)	(\$142,852)	(\$60,299)	\$203,152	\$142,852	\$60,299	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>(\$203,152)</u>	<u>(\$142,852)</u>	<u>(\$60,299)</u>	<u>\$203,152</u>	<u>\$142,852</u>	<u>\$60,299</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>(\$203,152)</u>	<u>(\$142,852)</u>	<u>(\$60,299)</u>	<u>\$203,152</u>	<u>\$142,852</u>	<u>\$60,299</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
20	Sub Total	<u>(\$203,152)</u>	<u>(\$142,852)</u>	<u>(\$60,299)</u>	<u>\$203,152</u>	<u>\$142,852</u>	<u>\$60,299</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>(\$203,152)</u>	<u>(\$142,852)</u>	<u>(\$60,299)</u>	<u>\$203,152</u>	<u>\$142,852</u>	<u>\$60,299</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (b) and (c) Per Company Books
(h) Column (b) + Column (e)
(i) Column (c) + Column (f)

Line Notes

- 1(e) Page 3 of 3 Column (b) Sum of Lines , , and
1(f) Page 3 of 3 Column (c) Sum of Lines , , and
2(e) Page 3 of 3 Column (b) Sum of Lines 2, 3, 4 and 6
2(f) Page 3 of 3 Column (c) Sum of Lines 2, 3, 4 and 6
3(e) Page 3 of 3 Column (b) Sum of Lines , , and
3(f) Page 3 of 3 Column (c) Sum of Lines , , and
19 Equals Row 4

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 16
Page 2 of 3

Test Year Ended June 30, 2017
(as Adjusted)

Rate Year Ending August 31, 2019

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 16
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
FAS112 /ASC712

Explanation of Adjustments:		Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year)</u>			
2		(IFA) Integrated Facilities Agreement	\$19,514	\$19,514	\$0
3		Inspection & Maintenance	(\$2)	(\$2)	\$0
4		Major Storm Activity	\$9,911	\$9,911	\$0
5		RI Government Relations and Federal Affairs	\$233	\$177	\$56
6		To set balance to lower than \$0 for Service Company	\$173,497	\$113,253	\$60,243
7					
8		TOTAL	<u>\$203,152</u>	<u>\$142,852</u>	<u>\$60,299</u>

Line Notes

- 2 Workpaper 1, Line 5
- 3 Schedule 3, Page 6, Line 10(e)
- 4 Schedule 3, Page 6, Line 10(f)
- 5 RR PUC 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 17
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Service Company Rents

Test Year Ended June 30, 2017						Test Year Ended June 30, 2017				
(Per Books)			Normalizing Adjustments			(as Adjusted)				
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas		
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)		
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
2	National Grid USA Service Company	\$17,062,952	\$13,985,369	\$3,077,583	(\$6,995,280)	(\$6,644,381)	(\$350,899)	\$10,067,672	\$7,340,988	\$2,726,684
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Total	\$17,062,952	\$13,985,369	\$3,077,583	(\$6,995,280)	(\$6,644,381)	(\$350,899)	\$10,067,672	\$7,340,988	\$2,726,684
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
11	and Processing Exp.		\$0							
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
17	Informational Expenses		\$0							
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
19	Administrative & General Expenses	\$17,062,952	\$13,985,369	\$3,077,583	(\$6,995,280)	(\$6,644,381)	(\$350,899)	\$10,067,672	\$7,340,988	\$2,726,684
20	Sub Total	\$17,062,952	\$13,985,369	\$3,077,583	(\$6,995,280)	(\$6,644,381)	(\$350,899)	\$10,067,672	\$7,340,988	\$2,726,684
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
26	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
28	TOTAL	\$17,062,952	\$13,985,369	\$3,077,583	(\$6,995,280)	(\$6,644,381)	(\$350,899)	\$10,067,672	\$7,340,988	\$2,726,684
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Column Notes										
(b) Per Company Books										
(c) Per Company Books										
(e) Page 5, Line 12										
(f) Page 5, Line 12										

Column Notes

- (b) Per Company Books
- (e) Per Company Books
- (e) Page 5, Line 12
- (f) Page 5, Line 12

Line Notes

- 19 Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 17
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Service Company Rents

Test Year Ended June 30, 2017				Proforma Adjustments			Rate Year Ending August 31, 2019			
(as Adjusted)										
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$10,067,672	\$7,340,988	\$2,726,684	\$7,585,117	\$5,776,023	\$1,809,094	\$17,652,789	\$13,117,011	\$4,535,777
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	\$10,067,672	\$7,340,988	\$2,726,684	\$7,585,117	\$5,776,023	\$1,809,094	\$17,652,789	\$13,117,011	\$4,535,777
5										
6										
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storag, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.						\$0			
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses						\$0			
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$10,067,672	\$7,340,988	\$2,726,684	\$7,585,117	\$5,776,023	\$1,809,094	\$17,652,789	\$13,117,011	\$4,535,777
20	Sub Total	\$10,067,672	\$7,340,988	\$2,726,684	\$7,585,117	\$5,776,023	\$1,809,094	\$17,652,789	\$13,117,011	\$4,535,777
21										
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27										
28	TOTAL	\$10,067,672	\$7,340,988	\$2,726,684	\$7,585,117	\$5,776,023	\$1,809,094	\$17,652,789	\$13,117,011	\$4,535,777
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) Page 1, Column (g)
- (b) Page 1, Column (h)
- (c) Page 1, Column (i)
- (e) Page 5, Line 26
- (f) Page 5, Line 26
- (h) (b) + (e)
- (i) (c) + (f)

Line Notes

- 19 Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 17
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Service Company Rents

Explanation of Adjustments:			Provider Company	Source Workpaper	Total (a)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)					
2		Normalizing Adjustment	National Grid USA Service Co.	Page 6	(\$3,910,750)	(\$3,537,772)	(\$372,978)
3							
4							
5		Normalizing Adjustment - CWIP	National Grid USA Service Company	Workpaper 6	\$91,100	\$69,021	\$22,079
7		(IFA) Integrated Facilities Agreement	Narragansett Electric Company	Workpaper 1	(\$2,146,385)	(\$2,146,385)	\$0
8		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper 1	(\$396,630)	(\$396,630)	\$0
9							
10		Reclass IFA Rents	Narragansett Electric Company	Workpaper 1	(\$632,614)	(\$632,614)	\$0
11							
12		TOTAL			<u>(\$6,995,280)</u>	<u>(\$6,644,381)</u>	<u>(\$350,899)</u>
13							
14							
15							
16							
17							
18							
19	Page 2	Adjustments: (to reflect conditions in the Rate Year 2019)					
20							
21							
22							
23							
24		Rate Year Adjustment	National Grid USA Service Co.	Page 6	7,585,117	5,776,023	1,809,094
25					<u>7,585,117</u>	<u>5,776,023</u>	<u>1,809,094</u>
26							

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 18
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Joint Facilities

		Test Year Ended June 30, 2017 (Per Books)			Normalizing Adjustments			Test Year Ended June 30, 2017 (as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$868,284	\$513,503	\$354,781	\$0	\$0	\$0	\$868,284	\$513,503	\$354,781
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$868,284</u>	<u>\$513,503</u>	<u>\$354,781</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$868,284</u>	<u>\$513,503</u>	<u>\$354,781</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$868,104</u>	<u>\$513,323</u>	<u>\$354,781</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$868,104</u>	<u>\$513,323</u>	<u>\$354,781</u>
20	Sub Total	<u>\$868,104</u>	<u>\$513,323</u>	<u>\$354,781</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$868,104</u>	<u>\$513,323</u>	<u>\$354,781</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$180	\$180	\$0	\$0	\$0	\$0	\$180	\$180	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	<u>\$180</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>	<u>\$180</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$868,284</u>	<u>\$513,503</u>	<u>\$354,781</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$868,284</u>	<u>\$513,503</u>	<u>\$354,781</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (b) Per Company Books
- (c) Per Company Books
- (h) (b) + (e)
- (i) (c) + (f)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 18
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Joint Facilities

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$868,284	\$513,503	\$354,781	\$40,202	\$23,775	\$16,426	\$908,485	\$537,279	\$371,207
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$868,284</u>	<u>\$513,503</u>	<u>\$354,781</u>	<u>\$40,202</u>	<u>\$23,775</u>	<u>\$16,426</u>	<u>\$908,485</u>	<u>\$537,279</u>	<u>\$371,207</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$868,104</u>	<u>\$513,323</u>	<u>\$354,781</u>	<u>\$40,193</u>	<u>\$23,767</u>	<u>\$16,426</u>	<u>\$908,297</u>	<u>\$537,090</u>	<u>\$371,207</u>
20	Sub Total	<u>\$868,104</u>	<u>\$513,323</u>	<u>\$354,781</u>	<u>\$40,193</u>	<u>\$23,767</u>	<u>\$16,426</u>	<u>\$908,297</u>	<u>\$537,090</u>	<u>\$371,207</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$180	\$180	\$0	\$8	\$8	\$0	\$188	\$188	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$180</u>	<u>\$180</u>	<u>\$0</u>	<u>\$8</u>	<u>\$8</u>	<u>\$0</u>	<u>\$188</u>	<u>\$188</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$868,284</u>	<u>\$513,503</u>	<u>\$354,781</u>	<u>\$40,202</u>	<u>\$23,775</u>	<u>\$16,426</u>	<u>\$908,485</u>	<u>\$537,279</u>	<u>\$371,207</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) Page 1, Column, g
- (b) Page 1, Column h
- (c) Page 1, Column i
- (e) Page 5, Line 25
- (f) Page 5, Line 25
- (h) (b) + (e)
- (i) (c) + (f)

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 18
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Joint Facilities

		Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
Explanation of Adjustments:						
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3						
4						
5						
6						
7						
8						
9		TOTAL		\$0	\$0	\$0
10						
11						
12						
13						
14						
15						
16	Page 2	Adjustments: (to reflect conditions in the Rate Year 2019)				
17						
18						
19		General Inflation	4.63%			
20						
21		National Grid USA Service Company		\$40,202	\$23,775	\$16,426
22						
23						
24		TOTAL		\$40,202	\$23,775	\$16,426
25						

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 19
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Uninsured Claims

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$1,055,329	\$781,142	\$274,187	(\$109,887)	(\$109,753)	(\$134)	\$945,442	\$671,389	\$274,054
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$1,055,329</u>	<u>\$781,142</u>	<u>\$274,187</u>	<u>(\$109,887)</u>	<u>(\$109,753)</u>	<u>(\$134)</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$1,055,329</u>	<u>\$781,142</u>	<u>\$274,187</u>	<u>(\$109,887)</u>	<u>(\$109,753)</u>	<u>(\$134)</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
20	Sub Total	<u>\$1,055,329</u>	<u>\$781,142</u>	<u>\$274,187</u>	<u>(\$109,887)</u>	<u>(\$109,753)</u>	<u>(\$134)</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$1,055,329</u>	<u>\$781,142</u>	<u>\$274,187</u>	<u>(\$109,887)</u>	<u>(\$109,753)</u>	<u>(\$134)</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1(a) Per Company Books
- 2(a) Per Company Books
- 3(a) Per Company Books
- 1(e) Page 5, Line 38
- 2(c) Page 5, Line 40
- 3(e) Page 5, Line 4 + Page 5, Line 7 + Page 5, Line 11
- 19(a) Page 5, Line 31
- 19(b) Line 4(b)
- 19(c) Line 4(c)
- 28(a) - (i) Line 20(a) - (i)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 19
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Uninsured Claims

		Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
		(as Adjusted)								
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$945,442	\$671,389	\$274,054	\$0	\$0	\$0	\$945,442	\$671,389	\$274,054
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
20	Sub Total	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27	TOTAL	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$945,442</u>	<u>\$671,389</u>	<u>\$274,054</u>
28		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1(b) Page 1, Line 1 (h)
- 2(b) Page 1, Line 2 (h)
- 3(b) Page 1, Line 3 (h)
- 1(e) Page 1, Line 1 (i)
- 2(e) Page 1, Line 2 (i)
- 3(e) Page 1, Line 3 (i)
- 1(e) Page 5, Line 31(a)
- 1(f) Page 5, Line 31(b)
- 19(a) - (i) Line 4(a) - (i)
- 28(a) - (i) Line 19(a) - (i)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 19
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Uninsured Claims

Explanation of Adjustments:			Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)					
2							
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper MAL-1 Line 26(b)	(\$106,704)	(\$106,704)	\$0
4							
5							
6		Inspection & Maintenance	National Grid USA Service Company	Schedule MAL-3 Page 6, Line 13(e)	(\$21)	(\$21)	\$0
7							
8							
9							
10		Major Storm Fund adjustment	National Grid USA Service Company	Schedule MAL-3 Page 6, Line 13(f)	(\$2,550)	(\$2,550)	\$0
11							
12		FCM Adjustment	National Grid USA Service Company	Schedule MAL-3 Page 6, Line 13(f)	(\$59)	(\$59)	\$0
13							
14		RI Government Relations and Federal Affairs	National Grid USA Service Company		(\$553)	(\$419)	(\$134)
15		TOTAL			(\$109,887)	(\$109,753)	(\$134)
16							
17							
18							
19							
20							
21							
22	Page 2	Adjustments: (to reflect conditions in the Rate Year 2019)					
23							
24		General inflation %			(a) = (b) + (c)	(b)	(c)
25			4.63%				
26							
27				National Grid USA Service Co.		\$0	\$0
28							
29							
30							
31							
32							
33		TOTAL			\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 20
Page 1 of 3

[illegible]

1(a) Per Company Books
1(b) Page 3, Line 2
1(c) Line 1(a) plus Line 1(b)
2(a) Per Company Books
2(c) Line 2(a) plus Line 2(b)
19(a) Per Company Books
19(b) Page 3, Line 19
19(c) Line 19(a) plus Line 19(b)
28(a) Per Company Books
28(b) Page 3, Line 19
28(c) Line 19(a) plus Line 19(b)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 20
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Insurance Premium

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$2,635,802	\$1,809,909	\$825,893	\$373,090	\$280,149	\$92,940	\$3,008,892	\$2,090,058	\$918,833
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$2,635,802</u>	<u>\$1,809,909</u>	<u>\$825,893</u>	<u>\$373,090</u>	<u>\$280,149</u>	<u>\$92,940</u>	<u>\$3,008,892</u>	<u>\$2,090,058</u>	<u>\$918,833</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$2,635,802</u>	<u>\$1,809,909</u>	<u>\$825,893</u>	<u>\$373,090</u>	<u>\$280,149</u>	<u>\$92,940</u>	<u>\$3,008,892</u>	<u>\$2,090,058</u>	<u>\$918,833</u>
20	Sub Total	<u>\$2,635,802</u>	<u>\$1,809,909</u>	<u>\$825,893</u>	<u>\$373,090</u>	<u>\$280,149</u>	<u>\$92,940</u>	<u>\$3,008,892</u>	<u>\$2,090,058</u>	<u>\$918,833</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28	TOTAL	<u>\$2,635,802</u>	<u>\$1,809,909</u>	<u>\$825,893</u>	<u>\$373,090</u>	<u>\$280,149</u>	<u>\$92,940</u>	<u>\$3,008,892</u>	<u>\$2,090,058</u>	<u>\$918,833</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1(a) Per Company Books
1(b) Page 3, Line 51 divided by (Line 1(a) divided Line 4(a))
1(c) Line 1(a) plus Line 1(b)
2(a) Per Company Books
2(b) Page 3, Line 51 divided by (Line 1(b) divided Line 4(b))
2(c) Line 2(a) plus Line 2(b)
19(a) Per Company Books
19(b) Page 3, Line 27
19(c) Line 19(a) plus Line 19(b)
28(a) Line 4(a)
28(b) Page 3, Line 27
28(c) Line 19(a) plus Line 19(b)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 20
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Insurance Premium

Explanation of Adjustments:		Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper 1 Line 10(b)	(\$286,349)	\$0
4				\$0	\$0	\$0
5				\$0	\$0	\$0
6				\$0	\$0	\$0
7				\$0	\$0	\$0
8						
9		TOTAL		(\$286,349)	(\$286,349)	\$0
10						
11						
12						
13	Page 2	Adjustments: (to reflect conditions in the Rate Year)				
14						
15				(a) = (b) + (c)	(b)	(c)
16		4.63%				
17			National Grid USA Service Co.	\$373,090	\$280,149	\$92,940
18				\$0	\$0	\$0
19						
20		TOTAL		\$373,090	\$280,149	\$92,940

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 21
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Regulatory Commission Expenses

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes:

- (a) Per Company Books
- (b) Per Company Books
- (c) Per Company Books
- (e) Page 5 Line 8(c)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 21
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Regulatory Commission Expenses

Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
(as Adjusted)								
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Co.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27 TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes:

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

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 21
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Regulatory Commission Expenses

Explanation of Adjustments:		Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2		Integrated Facility Agreement				
3		National Grid USA Service Company		\$0	\$0	\$0
4						
5						
6						
7						
8				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
9						
10						
11	Page 2	Adjustments: (to reflect conditions in the Rate Year)				
12						
13						
14						
15						
16						
17						
18						
19						
20				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21		TOTAL				

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 22
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Uncollectible Accounts

		Test Year Ended June 30, 2017						Test Year Ended June 30, 2017		
		(Per Books)			Normalizing Adjustments			(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.							\$0	\$0	\$0
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses							\$0	\$0	\$0
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Sub Total	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27										
28	TOTAL	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1 (e) Page 5, Line 4, Column (b)
1 (f) Page 5, Line 4, Column (c)
4 Sum of Lines 1 through 3
20 Sum of Lines 8 through 19
26 Sum of Lines 23 through 25
28 Line 20 + Line 26

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 22
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Uncollectible Accounts

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Sub Total	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	TOTAL	(\$43,048)	(\$32,707)	(\$10,341)	\$0	\$0	\$0	(\$43,048)	(\$32,707)	(\$10,341)
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1 (e) Page 5, Line 16, Column (b)
- 1 (f) Page 5, Line 16, Column (c)
- 4 Sum of Lines 1 through 3
- 20 Sum of Lines 8 through 19
- 26 Sum of Lines 23 through 25
- 28 Line 20 + Line 26

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 22
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Uncollectible Accounts

Explanation of Adjustments	Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)			
2					
3					
4					
5					
6		TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
7					
8					
9					
10					
11					
12					
13	Page 2	Adjustments: (Known and Measurable Adjustment)			
14					
15					
16					
17			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
18					

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 23
Page 1 of 3

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

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$3,769,462	\$2,453,825	\$1,315,636	(\$23,507)	(\$16,171)	(\$7,337)	\$3,745,955	\$2,437,655	\$1,308,300
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$3,769,462</u>	<u>\$2,453,825</u>	<u>\$1,315,636</u>	<u>(\$23,507)</u>	<u>(\$16,171)</u>	<u>(\$7,337)</u>	<u>\$3,745,955</u>	<u>\$2,437,655</u>	<u>\$1,308,300</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$45	\$0	\$45	\$0	\$0	\$0	\$45	\$0	\$45
11	and Processing Exp.									
12	Transmission Expenses	\$1,018	\$1,018	\$0	(\$1,037)	(\$1,037)	\$0	(\$19)	(\$19)	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$2,362	\$2,283	\$79	\$0	\$0	\$0	\$2,362	\$2,283	\$79
15	Customer Accounts Expenses	\$3,744,955	\$2,436,287	\$1,308,668	(\$21,103)	(\$13,749)	(\$7,354)	\$3,723,852	\$2,422,537	\$1,301,314
16	Customer Service and	\$397	\$192	\$205	\$0	\$0	\$0	\$397	\$192	\$205
17	Informational Expenses									
18	Sales Expenses	\$52	\$34	\$18	\$0	\$0	\$0	\$52	\$34	\$18
19	Administrative & General Expenses	\$20,580	\$13,959	\$6,621	(\$1,264)	(\$1,331)	\$67	\$19,316	\$12,627	\$6,688
20	Sub Total	<u>\$3,769,409</u>	<u>\$2,453,772</u>	<u>\$1,315,636</u>	<u>(\$23,404)</u>	<u>(\$16,118)</u>	<u>(\$7,287)</u>	<u>\$3,746,005</u>	<u>\$2,437,655</u>	<u>\$1,308,350</u>
Maintenance:										
23	Transmission Expenses	\$53	\$53	\$0	(\$53)	(\$53)	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	(\$50)	\$0	(\$50)	(\$50)	\$0	(\$50)
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	<u>\$53</u>	<u>\$53</u>	<u>\$0</u>	<u>(\$103)</u>	<u>(\$53)</u>	<u>(\$50)</u>	<u>(\$50)</u>	<u>\$0</u>	<u>(\$50)</u>
27										
28	TOTAL	<u>\$3,769,462</u>	<u>\$2,453,825</u>	<u>\$1,315,636</u>	<u>(\$23,507)</u>	<u>(\$16,171)</u>	<u>(\$7,337)</u>	<u>\$3,745,955</u>	<u>\$2,437,655</u>	<u>\$1,308,300</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 4 Sum of Lines 1 through 3
20 Sum of Lines 8 through 19
26 Sum of Lines 23 through 25
28 Line 20 + Line 28

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 23
Page 2 of 3

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

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$3,745,955	\$2,437,655	\$1,308,300	\$173,438	\$112,863	\$60,574	\$3,919,392	\$2,550,518	\$1,368,874
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$3,745,955</u>	<u>\$2,437,655</u>	<u>\$1,308,300</u>	<u>\$173,438</u>	<u>\$112,863</u>	<u>\$60,574</u>	<u>\$3,919,392</u>	<u>\$2,550,518</u>	<u>\$1,368,874</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling and Processing Exp.	\$45	\$0	\$45	\$2	\$0	\$2	\$47	\$0	\$47
12	Transmission Expenses	(\$19)	(\$19)	\$0	(\$1)	(\$1)	\$0	(\$20)	(\$20)	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$2,362	\$2,283	\$79	\$109	\$106	\$4	\$2,472	\$2,388	\$83
15	Customer Accounts Expenses	\$3,723,852	\$2,422,537	\$1,301,314	\$172,414	\$112,163	\$60,251	\$3,896,266	\$2,534,701	\$1,361,565
16	Customer Service and Informational Expenses	\$397	\$192	\$205	\$18	\$9	\$10	\$416	\$201	\$215
18	Sales Expenses	\$52	\$34	\$18	\$2	\$2	\$1	\$54	\$36	\$18
19	Administrative & General Expenses	\$19,316	\$12,627	\$6,688	\$894	\$585	\$310	\$20,210	\$13,212	\$6,998
20	Sub Total	<u>\$3,746,005</u>	<u>\$2,437,655</u>	<u>\$1,308,350</u>	<u>\$173,440</u>	<u>\$112,863</u>	<u>\$60,577</u>	<u>\$3,919,445</u>	<u>\$2,550,518</u>	<u>\$1,368,926</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	(\$50)	\$0	(\$50)	(\$2)	\$0	(\$2)	(\$52)	\$0	(\$52)
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	<u>(\$50)</u>	<u>\$0</u>	<u>(\$50)</u>	<u>(\$2)</u>	<u>\$0</u>	<u>(\$2)</u>	<u>(\$52)</u>	<u>\$0</u>	<u>(\$52)</u>
28	TOTAL	<u>\$3,745,955</u>	<u>\$2,437,655</u>	<u>\$1,308,300</u>	<u>\$173,438</u>	<u>\$112,863</u>	<u>\$60,574</u>	<u>\$3,919,392</u>	<u>\$2,550,518</u>	<u>\$1,368,874</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes:

- 4 Sum of Lines 1 through 3
- 20 Sum of Lines 8 through 19
- 26 Sum of Lines 23 through 25
- 28 Line 20 + Line 28

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 23
Page 3 of 3

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

		Explanation of Adjustments	Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)					
2							
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper 1	(\$2,455)	(\$2,455)	\$0
4							
5		Segment Reclassification	National Grid USA Service Company		(\$0)	\$6	(\$6)
6							
7		Postal rate change	National Grid USA Service Company		(\$21,052)	(\$13,721)	(\$7,331)
8		Postal rate change	National Grid USA Service Company		\$0	\$0	\$0
9							
10			Total		<u>(\$23,507)</u>	<u>(\$16,171)</u>	<u>(\$7,337)</u>
11							
12	Page 2	Adjustments: (to reflect conditions in the Rate Year 2019)					
13							
14		General Inflation%	4.63%				
15			National Grid USA Service Company		\$173,438	\$112,863	\$60,574
16							
17		TOTAL			<u>\$173,438</u>	<u>\$112,863</u>	<u>\$60,574</u>
18							
19							
20							

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 24
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Strike Contingency Costs

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$175	\$175	\$0	\$0	\$0	\$0	\$175	\$175	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>
20	Sub Total	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) (b) + (c)
- (b) Per Company Books
- (c) Per Company Books
- (d) (e) + (f)
- (g) (h) + (i)
- (h) (b) + (e)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 24
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Strike Contingency Costs

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$175	\$175	\$0	\$8	\$8	\$0	\$183	\$183	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$8</u>	<u>\$8</u>	<u>\$0</u>	<u>\$183</u>	<u>\$183</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$8</u>	<u>\$8</u>	<u>\$0</u>	<u>\$183</u>	<u>\$183</u>	<u>\$0</u>
20	Sub Total	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$8</u>	<u>\$8</u>	<u>\$0</u>	<u>\$183</u>	<u>\$183</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$175</u>	<u>\$175</u>	<u>\$0</u>	<u>\$8</u>	<u>\$8</u>	<u>\$0</u>	<u>\$183</u>	<u>\$183</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) Page 1, Column (g)
- (b) Page 1, Column (h)
- (d) (e) + (f)
- (e) Page 5, Line 26
- (g) (h) + (i)
- (h) (b) + (e)

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-2

Schedule 24

Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Strike Contingency Costs

	<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u> (a) = (b) + (c)	<u>Electric</u> (b)	<u>Gas</u> (c)
Explanation of Adjustments:					
1	Page 1	Adjustments: (to normalize Historic Year)			
2			\$0	\$0	\$0
3			\$0	\$0	\$0
4			\$0	\$0	\$0
5			\$0	\$0	\$0
6			\$0	\$0	\$0
7			\$0	\$0	\$0
8			\$0	\$0	\$0
9		TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
10					
11					
12					
13					
14					
15					
16	Page 2	Adjustments: (to reflect conditions in the Rate Year 2019)			
17					
18					
19		General inflation %			
20		4.63%	\$0	\$0	\$0
21		National Grid USA Service Company	\$8	\$8	\$0
22			\$0	\$0	\$0
23			\$0	\$0	\$0
24			\$0	\$0	\$0
25			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26		TOTAL	<u>\$8</u>	<u>\$8</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 25
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Environmental Response Fund

Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
(Per Books)			(as Adjusted)			(as Adjusted)		
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28 TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1 Per Company's book
- 4 Sum of Lines 1 through 3
- 20 Sum of Lines 8 through 19
- 26 Sum of Lines 23 through 25
- 28 Line 20 + Line 26

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 25
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Environmental Response Fund

Test Year Ended June 30, 2017									
(as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019			
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)	
Provider Company:									
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5									
6									
7 Operation:									
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.									
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses									
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21									
22 Maintenance:									
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27									
28 TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1 Per RIPUC Docket No. 2930
- 4 Sum of Lines 1 through 3
- 20 Sum of Lines 8 through 19
- 26 Sum of Lines 23 through 25
- 28 Line 20 + Line 26

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 25
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Environmental Response Fund

Explanation of Adjustments		Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2			Narragansett Electric Company	\$0	\$0	\$0
3			National Grid USA Service Company	\$0	\$0	\$0
4			All Other Companies	\$0	\$0	\$0
5				\$0	\$0	\$0
6				\$0	\$0	\$0
7				\$0	\$0	\$0
8						
9		TOTAL		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
10						
11						
12						
13	Page 2	Adjustments: (to reflect conditions in the Rate Year)				
14						
15		General inflation %				
16		4.6300%	Narragansett Electric Company	\$0	\$0	\$0
17			National Grid USA Service Company	\$0	\$0	\$0
18			All Other Companies			
19	Forecast specific initiatives - amount different from general inflation					
20						
21		TOTAL		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 26
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Paperless Bill Credit

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
20	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1 (e) Page 5, Line 3, Column (b)
1 (f) Page 5, Line 3, Column (c)
4 Sum of Lines 1 through 3
20 Sum of Lines 8 through 19
26 Sum of Lines 23 through 25
28 Line 20 + Line 26

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 26
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Paperless Bill Credit

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
20	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 4 Sum of Lines 1 through 3
- 20 Sum of Lines 8 through 19
- 26 Sum of Lines 23 through 25
- 28 Line 20 + Line 26

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 26
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Paperless Bill Credit

Explanation of Adjustments		Workpaper Reference	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)			
2					
3					
4					
5					
6					
7					
8		TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
9					
10					
11	Page 2	Adjustments: (to reflect conditions in the Rate Year)			
12		General inflation %			
13		4.63%			
14		National Grid USA Service Co.	\$0	\$0	\$0
15					
16					
17	Forecast specific initiatives - amount different from general inflation				
18		TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 27
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
FAS 106 - Post-Retirement Benefits Other Than Pensions (PBOP)

Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
(Per Books)			(as Adjusted)					
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$3,133,185	\$2,163,854	\$969,332	(\$295,582)	(\$295,582)	\$0	\$2,837,603	\$1,868,271
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$3,133,185</u>	<u>\$2,163,854</u>	<u>\$969,332</u>	<u>(\$295,582)</u>	<u>(\$295,582)</u>	<u>\$0</u>	<u>\$2,837,603</u>	<u>\$1,868,271</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	<u>\$3,133,185</u>	<u>\$2,163,854</u>	<u>\$969,332</u>	<u>(\$295,582)</u>	<u>(\$295,582)</u>	<u>\$0</u>	<u>\$2,837,603</u>	<u>\$1,868,271</u>
20 Sub Total	<u>\$3,133,185</u>	<u>\$2,163,854</u>	<u>\$969,332</u>	<u>(\$295,582)</u>	<u>(\$295,582)</u>	<u>\$0</u>	<u>\$2,837,603</u>	<u>\$1,868,271</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28 TOTAL	<u>\$3,133,185</u>	<u>\$2,163,854</u>	<u>\$969,332</u>	<u>(\$295,582)</u>	<u>(\$295,582)</u>	<u>\$0</u>	<u>\$2,837,603</u>	<u>\$1,868,271</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1(b) PerCompany Books
1(c) Per Company Books
1(e) Page 5, Line 2(b)
2(e) Page 5, Line 3(b)
3(e) Page 5, Line 4(b)
19(a) - (i) Line 4(a) - (i)
28(a) - (i) Line 20(a) - (i)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 27
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
FAS 106 - Post-Retirement Benefits Other Than Pensions (PBOP)

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$2,837,603	\$1,868,271	\$969,332	(\$1,330,794)	(\$925,828)	(\$404,966)	\$1,506,809	\$942,443	\$564,366
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$2,837,603</u>	<u>\$1,868,271</u>	<u>\$969,332</u>	<u>(\$1,330,794)</u>	<u>(\$925,828)</u>	<u>(\$404,966)</u>	<u>\$1,506,809</u>	<u>\$942,443</u>	<u>\$564,366</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$2,837,603</u>	<u>\$1,868,271</u>	<u>\$969,332</u>	<u>(\$1,330,794)</u>	<u>(\$925,828)</u>	<u>(\$404,966)</u>	<u>\$1,506,809</u>	<u>\$942,443</u>	<u>\$564,366</u>
20	Sub Total	<u>\$2,837,603</u>	<u>\$1,868,271</u>	<u>\$969,332</u>	<u>(\$1,330,794)</u>	<u>(\$925,828)</u>	<u>(\$404,966)</u>	<u>\$1,506,809</u>	<u>\$942,443</u>	<u>\$564,366</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$2,837,603</u>	<u>\$1,868,271</u>	<u>\$969,332</u>	<u>(\$1,330,794)</u>	<u>(\$925,828)</u>	<u>(\$404,966)</u>	<u>\$1,506,809</u>	<u>\$942,443</u>	<u>\$564,366</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1(b) Page 1, Line 1(h)
2(b) Page 1, Line 2(h)
3(b) Page 1, Line 3(h)
1(c) Page 1, Line 1(i)
2(c) Page 1, Line 2(i)
3(c) Page 1, Line 3(i)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 27
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
FAS 106 - Post-Retirement Benefits Other Than Pensions (PBOP)

Explanation of Adjustments:	Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
Page 1 Adjustments: (to normalize Historic Year)					
(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper 1 Page 1, Line 16(b)	(\$295,582)	(\$295,582)	\$0
TOTAL			<u>(\$295,582)</u>	<u>(\$295,582)</u>	<u>\$0</u>
Page 2 Adjustments: (to reflect conditions in the Rate Year)					
General inflation % 4.6300%	National Grid USA Service Co.		\$0	\$0	\$0
Adjustment for Rate Year estimate	National Grid USA Service Co.	Page 6 Line 26(f)	<u>(\$1,330,794)</u>	<u>(\$925,828)</u>	<u>(\$404,966)</u>
TOTAL			<u>(\$1,330,794)</u>	<u>(\$925,828)</u>	<u>(\$404,966)</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 28
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Pension Expense

Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
(Per Books)			(as Adjusted)					
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$9,794,597	\$6,757,380	\$3,037,218	(\$923,058)	(\$923,058)	\$8,871,539	\$5,834,322	\$3,037,218
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$9,794,597</u>	<u>\$6,757,380</u>	<u>\$3,037,218</u>	<u>(\$923,058)</u>	<u>(\$923,058)</u>	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	<u>\$9,794,597</u>	<u>\$6,757,380</u>	<u>\$3,037,218</u>	<u>(\$923,058)</u>	<u>(\$923,058)</u>	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>
20 Sub Total	<u>\$9,794,597</u>	<u>\$6,757,380</u>	<u>\$3,037,218</u>	<u>(\$923,058)</u>	<u>(\$923,058)</u>	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28 TOTAL	<u>\$9,794,597</u>	<u>\$6,757,380</u>	<u>\$3,037,218</u>	<u>(\$923,058)</u>	<u>(\$923,058)</u>	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>
	\$0	\$0	\$0	\$0	\$0	(\$0)	(\$0)	\$0

Line Notes

- 1(b) PerCompany Books
1(c) Per Company Books
1(e) Page 5, Line 2(b) + Line 5(b)+Line 8(b)
2(e) Page 5, Line 3(b)
3(e) Pa Page 5, Line 4(b)
19(a) - (i) Line 4(a) - (i)
28(a) - (i) Line 20(a) - (i)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 28
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Pension Expense

		Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
		(as Adjusted)								
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$8,871,539	\$5,834,322	\$3,037,218	(\$2,881,749)	(\$2,074,630)	(\$807,119)	\$5,989,790	\$3,759,691	\$2,230,099
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>	<u>(\$2,881,749)</u>	<u>(\$2,074,630)</u>	<u>(\$807,119)</u>	<u>\$5,989,790</u>	<u>\$3,759,691</u>	<u>\$2,230,099</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>	<u>(\$2,881,749)</u>	<u>(\$2,074,630)</u>	<u>(\$807,119)</u>	<u>\$5,989,790</u>	<u>\$3,759,691</u>	<u>\$2,230,099</u>
20	Sub Total	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>	<u>(\$2,881,749)</u>	<u>(\$2,074,630)</u>	<u>(\$807,119)</u>	<u>\$5,989,790</u>	<u>\$3,759,691</u>	<u>\$2,230,099</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$8,871,539</u>	<u>\$5,834,322</u>	<u>\$3,037,218</u>	<u>(\$2,881,749)</u>	<u>(\$2,074,630)</u>	<u>(\$807,119)</u>	<u>\$5,989,790</u>	<u>\$3,759,691</u>	<u>\$2,230,099</u>
		(\$0)	(\$0)	\$0	\$0	\$0	\$0	(\$0)	(\$0)	\$0

Line Notes

- 1(b) Page 1, Line 1(h)
2(b) Page 1, Line 2(h)
3(b) Page 1, Line 3(h)
1(c) Page 1, Line 1(i)
2(c) Page 1, Line 2(i)
3(c) Page 1, Line 3(i)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 28
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Pension Expense

Explanation of Adjustments:		Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)	
1	Page 1	Adjustments: (to normalize Historic Year)					
2							
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	Workpaper 1 Page 1 Line 19(b)	(\$923,058)	(\$923,058)	\$0
4							
5							
6							
7							
8							
9							
10		TOTAL		(\$923,058)	(\$923,058)	\$0	
11							
12							
13							
14	Page 2	Adjustments: (to reflect conditions in the Rate Year)					
15							
16				(a) = (b) + (c)	(b)	(c)	
17		4.6300%					
18		National Grid USA Service Co.		\$0	\$0	\$0	
19							
20		Adjustment for Rate Year estimate	National Grid USA Service Co.	Page 6, Line 26(f)	(\$2,881,749)	(\$2,074,630)	(\$807,119)
21		TOTAL		(\$2,881,749)	(\$2,074,630)	(\$807,119)	

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 29
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Energy Efficiency Program

		Test Year Ended June 30, 2017 (Per Books)			Normalizing Adjustments			Test Year Ended June 30, 2017 (as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$4,596,137	\$3,414,077	\$1,182,060	(\$4,596,137)	(\$3,414,077)	(\$1,182,060)	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$4,596,137</u>	<u>\$3,414,077</u>	<u>\$1,182,060</u>	<u>(\$4,596,137)</u>	<u>(\$3,414,077)</u>	<u>(\$1,182,060)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storag. Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.		\$0	\$0						
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$4,596,137	\$3,414,077	\$1,182,060	(\$4,596,137)	(\$3,414,077)	(\$1,182,060)	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Sub Total	<u>\$4,596,137</u>	<u>\$3,414,077</u>	<u>\$1,182,060</u>	<u>(\$4,596,137)</u>	<u>(\$3,414,077)</u>	<u>(\$1,182,060)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$4,596,137</u>	<u>\$3,414,077</u>	<u>\$1,182,060</u>	<u>(\$4,596,137)</u>	<u>(\$3,414,077)</u>	<u>(\$1,182,060)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes:

- (a) Per Company Books
(c) (a) + (b)

Line Notes:

- 1-3 Column (e), Page 5, Line 2 through Line 4, Column (b)
1-3 Column (f), Page 5, Line 2 through Line 4, Column (c)
16 Column (e), Page 5, Line 8, Column (b)
16 Column (f), Page 5, Line 8, Column (c)

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 29
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Energy Efficiency Program

Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storag, Terminaling and Processing Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27								
28 TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 29
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Energy Efficiency Program

		<u>Provider Company</u>	<u>Source Work</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
Explanation of Adjustments:				(a) = (b) + (c)	(b)	(c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3		National Grid USA Service Company		(\$4,596,137)	(\$3,414,077)	(\$1,182,060)
4						
5						
6						
7						
8		TOTAL		<u>(\$4,596,137)</u>	<u>(\$3,414,077)</u>	<u>(\$1,182,060)</u>
9						
10						
11						
12						
13						
14						
15	Page 2	Adjustments: (to reflect conditions in the Rate Year 2017)				
16				\$0	\$0	\$0
17				\$0	\$0	\$0
18				\$0	\$0	\$0
19				\$0	\$0	\$0
20						
21						
22						
23						
24						
25		TOTAL		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 30
Page 1 of 5

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Other Operation and Maintenance Expenses

Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
(Per Books)						(as Adjusted)		
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$30,160,400	\$17,974,935	\$12,185,465	(\$7,954,619)	(\$5,839,227)	(\$2,115,392)	\$22,205,780	\$12,135,708
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$30,160,400</u>	<u>\$17,974,935</u>	<u>\$12,185,465</u>	<u>(\$7,954,619)</u>	<u>(\$5,839,227)</u>	<u>(\$2,115,392)</u>	<u>\$22,205,780</u>	<u>\$12,135,708</u>
5								
6								
Operation:								
8 Production Expenses	\$0	\$0	\$0	(\$6,178)	(\$6,178)	\$0	(\$6,178)	\$0
9 Power Production Expenses	\$3,118	\$0	\$3,118	(\$773)	\$0	(\$773)	\$2,345	\$2,345
10 Natural Gas Storage, Terminating	\$32,061	\$0	\$32,061	(\$6,432)	\$0	(\$6,432)	\$25,628	\$25,628
11 and Processing Exp.								
12 Transmission Expenses	\$777,738	\$775,985	\$1,753	(\$680,316)	(\$676,679)	(\$3,637)	\$97,421	\$99,306
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$3,893,951	\$1,409,705	\$2,484,246	(\$4,489,517)	(\$417,314)	(\$4,072,203)	(\$595,567)	\$992,391
15 Customer Accounts Expenses	\$5,802,582	\$3,522,128	\$2,280,454	(\$739,564)	(\$579,124)	(\$160,440)	\$5,063,018	\$2,943,004
16 Customer Service and	\$830,298	\$395,895	\$434,403	(\$245,563)	(\$111,114)	(\$134,449)	\$584,735	\$284,781
17 Informational Expenses								
18 Sales Expenses	\$494,216	\$368,567	\$125,649	(\$270,518)	(\$212,910)	(\$57,608)	\$223,698	\$155,657
19 Administrative & General Expenses	\$18,105,513	\$11,355,534	\$6,749,979	(\$1,538,223)	(\$3,176,392)	\$1,638,169	\$16,567,290	\$8,179,142
20 Sub Total	<u>\$29,939,475</u>	<u>\$17,827,814</u>	<u>\$12,111,662</u>	<u>(\$7,977,085)</u>	<u>(\$5,179,712)</u>	<u>(\$2,797,373)</u>	<u>\$21,962,391</u>	<u>\$12,648,102</u>
21								
Maintenance:								
23 Transmission Expenses	\$40,791	\$33,965	\$6,826	(\$114,192)	(\$114,433)	\$241	(\$73,401)	\$7,067
24 Distribution Expenses	\$111,843	\$49,187	\$62,657	\$138,414	(\$543,397)	\$681,810	\$250,257	(\$494,210)
25 Administrative & General Expenses	\$68,290	\$63,970	\$4,320	(\$1,756)	(\$1,686)	(\$70)	\$66,534	\$62,284
26 Sub Total	<u>\$220,924</u>	<u>\$147,121</u>	<u>\$73,803</u>	<u>\$22,465</u>	<u>(\$659,516)</u>	<u>\$681,981</u>	<u>\$243,390</u>	<u>(\$512,394)</u>
27								
28 TOTAL	<u>\$30,160,400</u>	<u>\$17,974,935</u>	<u>\$12,185,465</u>	<u>(\$7,954,619)</u>	<u>(\$5,839,227)</u>	<u>(\$2,115,392)</u>	<u>\$22,205,780</u>	<u>\$12,135,708</u>
	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	(\$0)

Column Notes

- (b) Per Company Books
- (c) Per Company Books
- (e) Page 4 of 5
- (f)

PUBLIC

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

Docket No. D-21-09

Attachment NG-DIV 4-1-2

Schedule 30

Page 2 of 5

The Narragansett Electric Company d/b/a National Grid

Operating Expenses by Component

Other Operation and Maintenance Expenses

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$22,205,780	\$12,135,708	\$10,070,073	(\$294,750)	(\$289,665)	(\$5,084)	\$21,911,031	\$11,846,042	\$10,064,988
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$22,205,780</u>	<u>\$12,135,708</u>	<u>\$10,070,073</u>	<u>(\$294,750)</u>	<u>(\$289,665)</u>	<u>(\$5,084)</u>	<u>\$21,911,031</u>	<u>\$11,846,042</u>	<u>\$10,064,988</u>
5										
6										
7	Operation:									
8	Production Expenses	(\$6,178)	(\$6,178)	\$0	(\$286)	(\$286)	\$0	(\$6,464)	(\$6,464)	\$0
9	Power Production Expenses	\$2,345	\$0	\$2,345	\$109	\$0	\$109	\$2,453	\$0	\$2,453
10	Natural Gas Storage, Terminating	\$25,628	\$0	\$25,628	\$1,187	\$0	\$1,187	\$26,815	\$0	\$26,815
11	and Processing Exp.									
12	Transmission Expenses	\$97,421	\$99,306	(\$1,884)	\$4,115	\$4,202	(\$87)	\$101,536	\$103,508	(\$1,971)
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	(\$595,567)	\$992,391	(\$1,587,958)	(\$27,642)	\$45,880	(\$73,522)	(\$623,209)	\$1,038,271	(\$1,661,480)
15	Customer Accounts Expenses	\$5,063,018	\$2,943,004	\$2,120,014	\$234,418	\$136,261	\$98,157	\$5,297,435	\$3,079,265	\$2,218,171
16	Customer Service and	\$584,735	\$284,781	\$299,954	\$27,073	\$13,185	\$13,888	\$611,808	\$297,966	\$313,842
17	Informational Expenses									
18	Sales Expenses	\$223,698	\$155,657	\$68,042	\$10,357	\$7,207	\$3,150	\$234,056	\$162,864	\$71,192
19	Administrative & General Expenses	\$16,567,290	\$8,179,142	\$8,388,148	(\$555,236)	(\$472,279)	(\$82,957)	\$16,012,053	\$7,706,863	\$8,305,190
20	Sub Total	<u>\$21,962,391</u>	<u>\$12,648,102</u>	<u>\$9,314,289</u>	<u>(\$305,906)</u>	<u>(\$265,829)</u>	<u>(\$40,077)</u>	<u>\$21,656,484</u>	<u>\$12,382,273</u>	<u>\$9,274,212</u>
21										
22	Maintenance:									
23	Transmission Expenses	(\$73,401)	(\$80,468)	\$7,067	(\$3,510)	(\$3,837)	\$327	(\$76,911)	(\$84,305)	\$7,394
24	Distribution Expenses	\$250,257	(\$494,210)	\$744,467	\$11,586	(\$22,883)	\$34,469	\$261,843	(\$517,093)	\$778,936
25	Administrative & General Expenses	\$66,534	\$62,284	\$4,250	\$3,081	\$2,884	\$197	\$69,615	\$65,168	\$4,447
26	Sub Total	<u>\$243,390</u>	<u>(\$512,394)</u>	<u>\$755,784</u>	<u>\$11,157</u>	<u>(\$23,836)</u>	<u>\$34,993</u>	<u>\$254,546</u>	<u>(\$536,230)</u>	<u>\$790,777</u>
27										
28	TOTAL	<u>\$22,205,780</u>	<u>\$12,135,708</u>	<u>\$10,070,073</u>	<u>(\$294,750)</u>	<u>(\$289,665)</u>	<u>(\$5,084)</u>	<u>\$21,911,031</u>	<u>\$11,846,042</u>	<u>\$10,064,988</u>
		\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	(\$0)

Column Notes

- (b) Page 1 of 5, Column (h)
- (c) Page 1 of 5, Column (i)
- (e) Page 3 of 5, Column (h)
- (f) Page 3 of 5, Column(i)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Other Operation and Maintenance ExpensesTest Year Ended June 30, 2017
(Per Books)

	Total			Normalizing Adjustments			Proforma Adjustments			Rate Year Ending August 31, 2019		
	(a) = (b) + (c)			(d) = (e) + (f)			(g) = (h) + (i)			(j) = (k) + (l)		
	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
Other Operation & Maintenance Expenses:												
Consultants	\$13,115,236	\$8,284,170	\$4,831,066	(\$2,873,858)	(\$1,462,965)	(\$1,410,893)	\$474,176	\$315,822	\$158,354	\$10,715,554	\$7,137,026	\$3,578,527
Contractors	\$15,848,362	\$10,616,914	\$5,231,448	(\$1,288,573)	(\$1,214,222)	(\$74,351)	(\$484,841)	(\$313,110)	(\$171,731)	\$14,074,948	\$9,089,582	\$4,985,366
Donations	\$25,198	\$19,678	\$5,520	(\$25,198)	(\$19,678)	(\$5,520)	\$0	\$0	(\$0)	\$0	\$0	(\$0)
Employee Expenses	\$2,801,363	\$1,920,043	\$881,320	(\$742,092)	(\$624,888)	(\$117,204)	(\$68,574)	(\$43,129)	(\$25,445)	\$1,990,697	\$1,252,026	\$738,671
Hardware	\$204,475	\$163,476	\$40,999	(\$26,080)	(\$24,340)	(\$1,740)	\$82,600	\$6,442	\$1,818	\$186,654	\$145,577	\$41,077
Software	\$5,515,691	\$4,046,603	\$1,469,088	(\$2,114,811)	(\$1,709,544)	(\$405,267)	\$157,461	\$108,206	\$49,255	\$3,558,341	\$2,445,265	\$1,113,076
Other	\$5,450,163	\$3,729,099	\$1,721,064	(\$414,559)	(\$330,591)	(\$83,968)	\$233,148	\$157,351	\$75,798	\$3,268,753	\$3,555,859	\$1,712,894
Third Party Rent Expense	(\$13,954,246)	(\$11,630,670)	(\$2,323,575)	(\$83,895)	(\$74,960)	(\$8,935)	(\$649,966)	(\$541,971)	(\$107,995)	(\$14,688,107)	(\$12,247,601)	(\$2,440,506)
Construction Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials Outside Vendor	\$727,545	\$468,632	\$258,913	(\$45,799)	(\$47,870)	\$2,071	\$31,565	\$19,481	\$12,084	\$713,310	\$440,243	\$273,067
Materials from Inventory	\$295,298	\$263,335	\$31,963	(\$27,759)	(\$18,296)	(\$9,463)	\$12,387	\$11,345	\$1,042	\$279,926	\$256,384	\$23,542
Materials Stores Handling	\$1,533	\$377	\$1,156	(\$51)	(\$51)	\$0	\$69	\$15	\$54	\$1,551	\$341	\$1,210
Transportation	\$13,573	\$5,794	\$7,779	(\$82,352)	(\$82,229)	(\$123)	(\$31,844)	(\$3,539)	\$354	(\$71,963)	(\$79,973)	\$8,010
Paving	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Benefit	\$116,208	\$87,484	\$28,724	(\$229,591)	(\$229,591)	\$0	(\$5,250)	(\$6,580)	\$1,330	(\$118,633)	(\$148,687)	\$30,054
TOTAL	\$30,160,400	\$17,974,935	\$12,185,465	(\$7,954,619)	(\$5,839,227)	(\$2,115,392)	(\$294,750)	(\$289,665)	(\$5,084)	\$21,911,031	\$11,846,042	\$10,064,988

Column Notes
(b) Per Company books
(c) Per Company books
(e) Page 4 of 5, Column(i)
(f) , Column (e)
(h) Inflation Adjustment
(i) Inflation Adjustment

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

Line	Test Year Ended June 30, 2017 (Per Books)	IFA (b)	Re-Growth Program (c)	Vegetation Management (ISR) (d)	Inspection & Maintenance (ISR) (e)	Parent Company Initiative (f)	Storms (g)	Other (h)	Total Normalizing Adjustments (i) sum (b through i)	Test Year Ended June 30, 2017 (as Adjusted) (j) = (a) + (i)
1	Operating & Maintenance Expense									
2	Consultants	\$8,284,170	(\$1,102,428)	\$0	\$0	\$0	\$0	(\$76,299)	(\$1,462,965)	\$6,821,204
3	Contractors	\$10,616,914	(\$1,134,980)	\$0	\$0	\$0	\$0	\$16,811	(\$1,214,222)	\$9,402,691
4	Donations	\$19,678	(\$4,436)	\$0	\$0	\$0	\$0	(\$15,242)	(\$19,678)	\$0
5	Employee Expenses	\$1,920,043	(\$435,352)	\$0	(\$478)	\$0	\$0	(\$184,416)	(\$624,888)	\$1,295,155
6	Hardware	\$163,476	(\$26,080)	\$0	\$0	\$0	\$0	\$1,740	(\$24,340)	\$139,135
7	Software	\$4,046,603	(\$619,116)	\$0	\$0	\$0	\$0	(\$1,865)	(\$620,982)	\$3,425,621
8	Other	\$3,729,099	(\$441,022)	(\$1,454)	\$0	\$0	\$0	\$119,105	(\$330,591)	\$3,398,508
9	Third Party Rent Expense	(\$11,630,670)	\$0	\$0	\$0	\$0	\$0	(\$86,327)	(\$86,327)	(\$11,716,998)
10	Construction Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Materials Outside Vendor	\$468,632	(\$45,799)	\$0	\$0	\$0	\$0	(\$2,071)	(\$47,870)	\$420,762
12	Materials from Inventory	\$263,335	(\$18,329)	\$0	\$0	\$0	\$0	\$33	(\$18,296)	\$245,039
13	Materials Stores Handling	\$377	(\$51)	\$0	\$0	\$0	\$0	\$0	(\$51)	\$326
14	Transportation	\$5,794	\$7	(\$233)	(\$82,002)	\$0	\$0	\$0	(\$82,229)	(\$76,434)
15	Paving	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Misc. Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Other Benefit	\$87,484	(\$11,950)	\$0	\$0	\$0	\$0	\$0	(\$229,591)	(\$142,107)
18										
19										
20										
21										
22	Total Operating & Maintenance Expense	\$17,974,935	(\$3,839,537)	(\$6,330)	(\$82,481)	\$0	\$0	(\$228,531)	(\$4,762,031)	\$13,212,903
	Check Totals	\$17,974,935	(\$3,839,537)	(\$6,330)	(\$82,481)	\$0	\$0	(\$1,305,728)	(\$5,839,227)	\$12,135,708
	Difference	\$0	\$0	\$0	\$0	\$0	\$0	\$1,077,197	\$1,077,196	\$1,077,196

Line Notes

4(i)
 The balance has been removed
 per the PUC order.

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 30
Page 5 of 5

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

	Test Year Ended June 30, 2017		Gas Business Enablement (GBE) (b)	Gas Cost Recovery (GCR) (c)	Other (d)	Total Normalizing Adjustments (e) = sum (b through d)	Test Year Ended June 30, 2017 (as Adjusted) (f) = (a) + (e)
	(Per Books)	(a)					
Operating & Maintenance Expense							
1 Consultants	\$4,831,066	(\$1,347,583)	\$0	(\$63,310)	(\$1,410,893)	\$3,420,173	
2 Contractors	\$5,231,448	(\$57,539)	\$0	(\$16,811)	(\$74,351)	\$5,157,098	
3 Donations	\$5,520	\$0	\$0	(\$5,520)	(\$5,520)	(\$0)	
4 Employee Expenses	\$881,320	(\$58,596)	\$0	(\$58,608)	(\$117,204)	\$764,116	
5 Hardware	\$40,999	\$0	\$0	(\$1,740)	(\$1,740)	\$39,259	
6 Software	\$1,469,088	\$0	\$0	\$1,865	\$1,865	\$1,470,953	
7 Other	\$1,721,064	(\$38,652)	\$0	\$137,971	\$99,319	\$1,820,383	
8 Third Party Rent Expense	(\$2,323,575)	\$0	\$0	(\$8,935)	(\$8,935)	(\$2,332,510)	
9 Construction Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	
10 Materials Outside Vendor	\$258,913	\$0	\$0	\$2,071	\$2,071	\$260,984	
11 Materials from Inventory	\$31,963	(\$9,430)	\$0	(\$33)	(\$9,463)	\$22,500	
12 Materials Stores Handling	\$1,156	\$0	\$0	\$0	\$0	\$1,156	
13 Transportation	\$7,779	(\$123)	\$0	\$0	(\$123)	\$7,656	
14 Paving	\$0	\$0	\$0	\$0	\$0	\$0	
15 Misc. Other	\$0	\$0	\$0	\$0	\$0	\$0	
16 Other Benefit	\$28,724	\$0	\$0	\$0	\$0	\$28,724	
17							
18 Total Operating & Maintenance Expense	\$12,185,465	(\$1,511,923)	\$0	(\$13,051)	(\$1,524,973)	\$10,660,492	
Check Totals	\$12,185,465	(\$1,511,923)	\$0	(\$13,051)	(\$1,524,973)	\$10,070,073	
Difference	\$0	\$0	\$0	\$0	\$0	\$590,419	

Line Notes
4(c)

The balance has been removed per the PUC order.

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 31
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Storm Cost Recovery

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
20	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1 (e) Page 5, Line 2
4 Sum of Lines 1 through 3
20 Sum of Lines 8 through 19
26 Sum of Lines 23 through 25
28 Line 20 + Line 28

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 31
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid Operating Expenses by Component Storm Cost Recovery

		Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
		(as Adjusted)								
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
20	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes:

- 1 (e) Page 5, Line 17
4 Sum of Lines 1 through 3
20 Sum of Lines 8 through 19
26 Sum of Lines 23 through 25
28 Line 20 + Line 28

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 31
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Storm Cost Recovery

		Explanation of Adjustments	Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	Adjustments: (to normalize Historic Year)				
2						
3						
4						
5						
6						
7						
8						
9		TOTAL		\$0	\$0	\$0
10						
11						
12						
13						
14						
15	Page 2	Adjustments: (to reflect conditions in the Rate Year)				
16						
17						
18						
19						
20						
21						
22						
23		TOTAL		\$0	\$0	\$0
24						

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 32
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
GCR-Related Operation & Maintenance

	Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
	(Per Books)						(as Adjusted)		
	Total (a) = (b) + (c)	Electric (b)	Gas (c)	Total (d) = (e) + (f)	Electric (e)	Gas (f)	Total (g) = (h) + (i)	Electric (h) = (b) + (e)	Gas (i) = (c) + (f)
Provider Company:									
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5									
6									
7 Operation:									
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.			\$0						\$0
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses	\$0	\$0	\$0						
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21									
22 Maintenance:									
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27									
28 TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

- 4 Sum of Line 1 through Line 3
- 20 Sum of Line 8 through Line 19
- 26 Sum of Line 23 through Line 25
- 28 Sum of Line 20 Line 28

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 32
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
GCR-Related Operation & Maintenance

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes:

- 4 Sum of Line 1 through Line 3
- 20 Sum of Line 8 through Line 19
- 26 Sum of Line 23 through Line 25
- 28 Sum of Line 20 Line 28

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 32
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
GCR-Related Operation & Maintenance

Explanation of Adjustments:		Provider Company	Source Workpaper	Total	Electric	Gas
				(a)	(b)	(c)
1	HTY Adjustment	Page 1	Adjustments: (to normalize Historic Year)	\$0	\$0	
2				\$0	\$0	
3				\$0	\$0	
4				\$0	\$0	
5				\$0	\$0	
6			Total	\$0	\$0	\$0
7						
8	Page 2		Adjustments: (to reflect conditions in the Rate Year 2019)			
9				0		
10			General Inflation%			
11			4.63% Narragansett Electric Company	\$0	\$0	\$0
12			National Grid USA Service Company	\$0	\$0	\$0
13			All Other Companies	\$0	\$0	\$0
14			Adjustment to remove GCR Costs	\$0	\$0	\$0
15			TOTAL	\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 33
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
NEP IFA Credit

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company	(\$35,603,153)	(\$35,603,153)	\$0	\$35,603,153	\$35,603,153	\$0	\$0	\$0	\$0
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total	<u>(\$35,603,153)</u>	<u>(\$35,603,153)</u>	<u>\$0</u>	<u>\$35,603,153</u>	<u>\$35,603,153</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storag, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	(\$35,603,153)	(\$35,603,153)	\$0	\$35,603,153	\$35,603,153	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Sub Total	<u>(\$35,603,153)</u>	<u>(\$35,603,153)</u>	<u>\$0</u>	<u>\$35,603,153</u>	<u>\$35,603,153</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>(\$35,603,153)</u>	<u>(\$35,603,153)</u>	<u>\$0</u>	<u>\$35,603,153</u>	<u>\$35,603,153</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 33
Page 2 of 3

Test Year Ended June 30, 2017
(as Adjusted)[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 33
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
NEP IFA Credit

<u>Explanation of Adjustments:</u>			<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u> <u>(a) = (b) + (c)</u>	<u>Electric</u> <u>(b)</u>	<u>Gas</u> <u>(c)</u>
1	BU	HTY Adjustment Page 1	Adjustments: (to normalize Historic Year)				
2							
3			Remove IFA revenue from National Grid USA Service Company		\$35,603,153	\$35,603,153	\$0
4							
5							
6							
7							
8							
9			TOTAL		<u>\$0</u>	<u>\$35,603,153</u>	<u>\$0</u>
10							
11							
12							
13		Page 2	Adjustments: (to reflect conditions in the Rate Year)				
14							
15			General inflation %				
16			4.6300%				
17			National Grid USA Service Co.		\$0	\$0	\$0
18		Forecast specific initiatives - amount different from general inflation					
19							
20			TOTAL		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 34
Page 2 of 3

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 34
Page 3 of 3

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

Explanation of Adjustments:				Provider Company	Source Workpaper	Total	Electric	Gas
						(a)	(b)	(c)
1	BU	HTY Adjustment Page 1	Adjustments: (to normalize Historic Year)					
2								
3				National Grid USA Service Company		(\$47,420,820)	(\$47,420,820)	\$0
4								
5								
6								
7								
8								
9			TOTAL			<u>(\$47,420,820)</u>	<u>(\$47,420,820)</u>	<u>\$0</u>
10								
11								
12								
13		Page 2	Adjustments: (to reflect conditions in the Rate Year)					
14								
15			General inflation %					
16			4.6300%					
17				National Grid USA Service Co.		\$0	\$0	\$0
18	Forecast specific initiatives - amount different from general inflation							
19								
20			TOTAL			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 35
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
New Initiative
Energy Innovation Hub

Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
(Per Books)						(as Adjusted)		
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27								
28 TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 35
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
New Initiative
Energy Innovation Hub

Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
(as Adjusted)								
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$287,379	\$186,193	\$101,186	\$287,379	\$186,193	\$101,186
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	\$0	\$0	\$287,379	\$186,193	\$101,186	\$287,379	\$186,193	\$101,186
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$287,379	\$186,193	\$101,186	\$287,379	\$186,193	\$101,186
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	\$0	\$0	\$287,379	\$186,193	\$101,186	\$287,379	\$186,193	\$101,186
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27								
28 TOTAL	\$0	\$0	\$287,379	\$186,193	\$101,186	\$287,379	\$186,193	\$101,186

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 35
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
New Initiative
Energy Innovation Hub

				<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
Explanation of Adjustments:						(a) = (b) + (c)	(b)	(c)
1	BU	HTY Adjustment	Page 1	Known and Measurable				
2								
3			Page 2	Adjustments: (to reflect conditions in the Rate Year)				
4								
5				General inflation %				
6				4.6300%				
7					National Grid USA Service Co.	\$0	\$0	\$0
8	Forecast specific initiatives - amount	different from general inflation						
9					National Grid USA Service Company	\$287,379	\$186,193	\$101,186
10				TOTAL		<u>\$287,379</u>	<u>\$186,193</u>	<u>\$101,186</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 36
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
New Initiative
Gas Business Enablement

			Test Year Ended June 30, 2017			Test Year Ended June 30, 2017		
			(Per Books)			Normalizing Adjustments		
			Total	Electric	Gas	Total	Electric	Gas
			(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)
						(as Adjusted)		
			(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)			
Provider Company:								
1	Narragansett Electric Company		\$0	\$0	\$0	\$0	\$0	\$0
2	National Grid USA Service Company		\$0	\$0	\$0	\$0	\$0	\$0
3	All Other Companies		\$0	\$0	\$0	\$0	\$0	\$0
4	Total		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5								
6								
7	Operation:							
8	Production Expenses		\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses		\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling		\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.							
12	Transmission Expenses		\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses		\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses		\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses		\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and		\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses							
18	Sales Expenses		\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
20	Sub Total		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21								
22	Maintenance:							
23	Transmission Expenses		\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses		\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27								
28	TOTAL		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
			\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

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

Docket No. D-21-09

Attachment NG-DIV 4-1-2

Schedule 36

Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
New Initiative
Gas Business Enablement

Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
(as Adjusted)								
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$ -	\$ -	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28 TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Notes

4 Page 5, Line 15
19 Line 4

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 36
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
New Initiative
Gas Business Enablement

				Provider Company	Source Workpaper	Total (a) = (b) + (c)	Electric (b)	Gas (c)
Explanation of Adjustments:								
1	BU	HTY Adjustment	Page 1	Known and Measurable				
2				Gas Business Enablement	National Grid USA Service Comp	\$0	\$0	\$0
3	99				Workpaper 1	\$0	\$0	\$0
4					Workpaper 1	\$0	\$0	\$0
5						\$0	\$0	\$0
6						\$0	\$0	\$0
7						\$0	\$0	\$0
8						\$0	\$0	\$0
9						\$0	\$0	\$0
10						<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
11								
12								
13								
14			Page 2	Adjustments: (to reflect conditions in the Rate Year 2019)				
15			Forecast specific initiatives - amount different from general inflation					
16								
17								
18						\$0	-	\$0
19					National Grid USA Service Co.	\$0	\$0	\$0
20						\$0	\$0	\$0
21						<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
22				TOTAL		<u>\$0</u>	<u>\$ -</u>	<u>\$ -</u>
23								
24			Page 2	Adjustments: (to reflect conditions in the Rate Year 2020)				

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 37
Page 1 of 3

[illegible]

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 37
Page 2 of 3

Test Year Ended June 30, 2017
(as Adjusted)

Rate Year Ending August 31, 2019

[illegible]

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Electric Operations

				<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Total</u>
						(a) = (b) + (c)	(b)	(c)
Explanation of Adjustments:								
1	BU	HTY Adjustment Page 1	Normalizing Adjustments					
2						<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
3		Page 2	Adjustments: (to reflect conditions in the Rate Year)					
4								
5								
6								
7								
8								
9			TOTAL			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 38
Page 1 of 3

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 38
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid Gas Operations

Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
(as Adjusted)								
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (c)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

The Narragansett Electric Company d/b/a National Grid
Gas Operations

		<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Total</u>
				(a)	(b)	(c)
Explanation of Adjustments:						
1	HTY Adjustment	Page 1	Normalizing Adjustments			
2				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
3		Page 2	Adjustments: (to reflect conditions in the Rate Year)			
4						
5						
6						
7						
8						
9			TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 39
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Customer Affordability Program

[illegible]

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 39
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid Customer Affordability Program

Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
(as Adjusted)								
Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:								
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operation:								
8 Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.								
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses								
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Maintenance:								
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28 TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 39
Page 3 of 3

The Narragansett Electric Company d/b/a National Grid
Customer Affordability Program

			<u>Provider Company</u>	<u>Source Workpaper</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
					(a)	(b)	(c)
Explanation of Adjustments:							
1	HTY Adjustment Page 1	Normalizing Adjustments					
2					<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
3	Page 2	Adjustments: (to reflect conditions in the Rate Year)					
4	Customer Affordability Program Rate Year 1				\$0	\$0	\$0
5					\$0	\$0	\$0
6					\$0	\$0	\$0
7					\$0	\$0	\$0
8					\$0	\$0	\$0
9		TOTAL			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 40
Page 1 of 3

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Purchased Power (and Gas) Expenses

Test Year Ended June 30, 2017			Test Year Ended June 30, 2017		
(Per Books)			Normalizing Adjustments		
Total	Electric	Gas	Total	Electric	Gas
(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)
Provider Company:			(g) = (h) + (i)		
			(as Adjusted)		
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0
4 Total	\$0	\$0	\$0	\$0	\$0
5					
6					
7 Operation:					
8 Production Expenses	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0
11 and Processing Exp.					
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0
16 Customer Service and	\$0	\$0	\$0	\$0	\$0
17 Informational Expenses					
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0
20 Sub Total	\$0	\$0	\$0	\$0	\$0
21					
22 Maintenance:					
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0
26 Sub Total	\$0	\$0	\$0	\$0	\$0
27					
28 TOTAL	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-1-2
Schedule 40
Page 2 of 3

Test Year Ended June 30, 2017
(as Adjusted)

Proforma Adjustments

Rate Year Ending August 31, 2019

[illegible]

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Purchased Power (and Gas) Expenses

			<u>Provider Company</u>	<u>Source</u>	<u>Weight</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
	Explanation of Adjustments:							
1	HTY Adjustment	Page 1	Adjustments: (to normalize Historic Year)					
2								
3								
4								
5								
6								
7						<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
8								
9								
10								
11								
12								
13								
14		Page 2	Adjustments: (to reflect conditions in the Rate Year)					
15								
16								
17								\$0
18								
19								
20								
21								
22						<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
23			TOTAL					

PUBLIC
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 Division's Fourth Set of Data Requests
Issued on July 30, 2021

National Grid USA and The Narragansett Electric Company
Division 4-2

Request:

Referencing the estimated TSA costs provided in Confidential Attachment NG-DIV-1-29-1 at pages 75-87, state whether these charges represent the best available current estimate of year 1 transition costs that would be billed by National Grid to Narragansett Electric Co. under the proposed transition services agreement. If not, please provide the latest current estimate of these costs. If an estimate of year 2 transition costs is available, please provide it as well.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 4-2.

National Grid USA and The Narragansett Electric Company
Division 4-3

Request:

Please provide a schedule that shows the cost estimates provided in response to DIV 4-1 and DIV 4-2 aligned by category of expense and capital so that they may be viewed for comparison purposes. To the extent that certain services currently provided by National Grid USA Service Company are expected to be transitioned to PPL on Day 1, please note these as appropriate. We note that PPL's response to DIV 2-1 indicates that these may include "local electric distribution control, gas control, customer call center, and dispatch operations."

Response:

Please see Attachment NG-DIV 4-3 for a schedule showing the estimated operating and capital costs as reflected in the responses to Division 4-1 and Division 4-2, aligned by business function. Please note the costs in the response to Division 4-2 are premature and purely speculative at this point and the costs in each response were derived using different methodologies and cost components, explained in more detail below. For example, these different cost components include Demand Side Management costs and Transition Services Agreement ("TSA") adders included in the response to Division 4-2 that are not included in the response to Division 4-1. Therefore, Attachment NG-DIV 4-3 creates confusion and does not, and cannot, provide a like-for-like comparison between the responses to Division 4-1 and Division 4-2. Accordingly, Attachment NG-DIV 4-3 provides no material value for the review of such costs.

Division 4-1 requested that National Grid USA and The Narragansett Electric Company ("Narragansett") (together, "National Grid") develop a cost of service for National Grid USA Service Company, Inc. ("Service Company") charges to Narragansett in a format similar to its last base distribution rate filing in Rhode Island Public Utilities Commission Docket No. 4770. National Grid began with calendar year 2020 expenses set forth in its books and applied generally accepted ratemaking principles to normalize those costs, such as removing program-specific items and Integrated Facilities Agreement ("IFA") credits. The normalizing adjustments for the Narragansett electric and gas businesses are detailed in Attachment NG-DIV 4-3, at pages 5 and 6, respectively.

Division 4-2 requested updated estimated transition costs that would be billed by the Service Company to Narragansett under the proposed TSA. National Grid developed the TSA estimates by querying all charges to Narragansett during fiscal year-ending March 31, 2021 and eliminating Narragansett-direct charges. Next, National Grid made various adjustments to account for a post-transition state, such as normalizing COVID-19 costs and removing various business functions, such as the Legal, Corporate Affairs, Audit, and Jurisdictional departments,

PUBLIC
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 Division's Fourth Set of Data Requests
Issued on July 30, 2021

and also removing and/or recalculating fleet and inventory management, facilities, and third-party costs. These TSA estimates are based on information currently available and are certain to change as National Grid USA and PPL continue their integration planning process and more information becomes available.

In this response, National Grid has endeavored to align its Division 4-1 data with the Division 4-2 data by removing the same business functions and reversing the IFA credits. Pages 2 through 4 of Attachment NG-DIV 4-2 show the step change from the normalized calendar year reported in response to Division 4-1 to the revised numbers shown on Attachment NG-DIV 4-2, page 1.

PPL Corporation, PPL Rhode Island Holdings, LLC (together, "PPL"), and National Grid are still in the process of drafting and refining the TSAs, and the numbers and details will change. Therefore, at this time, the parties cannot state with sufficient detail in developing Attachment NG-DIV 4-2 which services currently provided by the Service Company are expected to be transitioned to PPL on Day 1.

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-3

Page 1 of 6

Function	DIV 4-2 TSA			DIV 4-1 COS				
	FY21 Opex	FY21 Capex	FY21 Totex	CY20 O&M	CY20 Other	CY20 Total	CY20 Total	CY20 Total
	(\$M)	(\$M)	(\$M)	(\$M)	Opex (\$M)	Opex (\$M)	Capex (\$M)	(\$M)
	(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)	(g)	(h)=(f)+(g)
Direct functions								
1 Electricity Operations	\$26.1	\$49.5	\$75.6	\$19.2	\$1.0	\$20.2	\$33.5	\$53.7
2 Gas Operations	\$12.4	\$21.1	\$33.5	\$15.2	\$0.7	\$15.9	\$23.6	\$39.5
Indirect functions								
4 Billing & Collections	\$11.7	\$0.0	\$11.7	\$7.5	\$0.2	\$7.7	\$0.0	\$7.8
5 Procure to Pay	\$1.2	\$0.1	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
6 Employee Services	\$1.4	\$0.4	\$1.7	\$2.0	\$0.1	\$2.2	\$0.1	\$2.3
7 Finance	\$10.6	\$0.5	\$11.1	\$12.9	\$0.4	\$13.2	\$0.8	\$14.0
8 Inventory/Warehouse and Fleet management	\$1.7	\$4.1	\$5.8	(\$0.3)	\$0.0	(\$0.3)	\$2.8	\$2.6
9 Customer Service	\$41.3	\$3.0	\$44.3	\$21.1	\$0.9	\$21.9	\$4.3	\$26.3
10 Facilities & Property Services	\$11.4	\$4.8	\$16.1	\$8.3	\$0.0	\$8.3	\$0.5	\$8.8
11 HSE (incl. Environment, Compliance, Training & Security)	\$4.1	\$0.7	\$4.8	\$2.7	\$0.1	\$2.7	\$0.2	\$2.9
12 Regulatory support	\$3.4	\$0.0	\$3.4	\$2.7	\$0.2	\$2.9	\$0.0	\$2.9
13 Procurement	\$1.9	\$0.2	\$2.0	\$1.7	\$0.1	\$1.8	\$0.2	\$1.9
14 IT	\$71.0	\$0.0	\$71.1	\$65.1	\$0.7	\$65.8	\$3.1	\$68.9
15 HR	\$2.3	\$0.1	\$2.4	\$2.0	\$0.1	\$2.1	\$2.2	\$4.3
16 Total	\$200.5	\$84.5	\$284.8	\$160.1	\$4.5	\$164.6	\$71.3	\$235.9

39	O&M TOTAL
40	

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-3
Page 3 of 6

Provider Company: National Grid USA Service Co.

	Year Ended Dec 31, 2020				Year Ended Dec 31, 2020				Year Ended Dec 31, 2020				Year Ended Dec 31, 2020			
	(Per Books)				(as Adjusted)				(Adjusted for TSA)				(Adjusted for TSA)			
	Total	Electric	Gas		Total	Electric	Gas		Total	Electric	Gas		Total	Electric	Gas	
	(a)-(b)+(c)	(b)	(c)		(g)-(h)+(i)	(h)-(b)+(e)	(i)-(g)+(f)		(j)-(k)+(l)	(k)	(l)		(m)-(n)+(o)	(n)-(h)+(k)	(o)-(i)+(j)	
41																
42	Amortization, Depreciation, Taxes, Revenue, and Below the Line:															
41	310-US Human Resources	\$29,433	\$47,059		\$67,411	\$22,658	\$44,754		\$4,668	\$4,668	\$0		\$72,080	\$27,326	\$44,754	
42	320-US Finance	\$76,492			\$243,290	\$173,514	\$71,777		\$35,751	\$35,751	\$0		\$281,041	\$209,265	\$71,777	
43	330-US Finance	(\$2,392,331)	(\$639,025)		\$243,290	\$173,514	\$71,777		\$35,751	\$35,751	\$0		\$281,041	\$209,265	\$71,777	
44	340-US Finance	\$562,977	\$163,160		\$243,290	\$173,514	\$71,777		\$35,751	\$35,751	\$0		\$281,041	\$209,265	\$71,777	
45	340-US Legal	\$102,861	\$39,598		\$123,413	\$84,048	\$39,366		(\$123,413)	(\$84,048)	(\$39,366)		\$560,184	\$397,717	\$162,467	
46	400-US Human Resources	\$348,727	\$247,161		\$123,413	\$84,048	\$39,366		(\$123,413)	(\$84,048)	(\$39,366)		\$560,184	\$397,717	\$162,467	
47	410-US Finance	\$332,042	\$215,095		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
48	420-US Finance	\$20,685	\$15,172		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
49	430-US Finance	\$281,745	\$209,128		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
50	440-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
51	450-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
52	460-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
53	470-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
54	480-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
55	490-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
56	500-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
57	510-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
58	520-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
59	530-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
60	540-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
61	550-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
62	560-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
63	570-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
64	580-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
65	590-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
66	600-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
67	610-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
68	620-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
69	630-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
70	640-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
71	650-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
72	660-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
73	670-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
74	680-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
75	690-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
76	700-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
77	710-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
78	720-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
79	730-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	
80	740-US Finance	\$25,433	\$25,530		\$115,889	\$66,289	\$49,600		\$13,658	\$13,658	\$0		\$129,547	\$79,948	\$49,600	

PUBLIC

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

Docket No. D-21-09
Attachment NG-DIV 4-3
Page 4 of 6

Provider Company: National Grid USA Service Co.

	Year Ended Dec 31, 2020				Year Ended Dec 31, 2020				Year Ended Dec 31, 2020				Year Ended Dec 31, 2020				Year Ended Dec 31, 2020			
	(Per Books)				(as Adjusted)				(as Adjusted)				(as Adjusted)				(as Adjusted)			
	Total	Electric	Gas	(a)-(b)+(c)	Total	Electric	Gas	(d)-(e)+(f)	Total	Electric	Gas	(g)-(h)+(i)	Total	Electric	Gas	(j)-(k)+(l)	Total	Electric	Gas	(m)-(n)+(o)
81 Capital:																				
82 310-US Human Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
83 320-US Finance	\$1,144,763	\$749,400	\$395,364	\$1,144,763	\$92,016	\$92,016	\$34,263	\$92,016	\$841,416	\$0	\$0	\$0	\$1,271,043	\$0	\$0	\$841,416	\$0	\$0	\$429,627	\$0
84 330-US Finance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
85 330-Total US IT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
86 340-US Legal	\$187,039	\$174,478	\$12,561	\$187,039	\$21,423	\$21,423	\$1,089	\$21,423	\$195,902	\$0	\$0	\$0	\$209,551	(\$195,902)	(\$13,649)	\$0	\$0	\$0	\$0	\$0
87 410-Global Human Resources	\$1,995,583	\$1,411,851	\$583,732	\$1,995,583	\$173,356	\$173,356	\$50,588	\$173,356	\$1,585,207	\$0	\$0	\$0	\$2,219,527	\$0	\$0	\$1,585,207	\$0	\$0	\$634,320	\$0
88 420-Global Finance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
89 440-Global Legal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
90 460-Corporate Affairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91 470-Audit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92 Business Services	\$124,330	\$124,330	(\$0)	\$124,330	\$15,266	\$15,266	(\$0)	\$15,266	\$139,066	\$0	\$0	\$0	\$139,066	\$0	\$0	\$139,066	\$0	\$0	(\$0)	\$0
93 Capital Delivery	\$5,280,846	\$3,419,273	\$1,861,574	\$5,280,846	\$881,169	\$419,839	\$161,330	\$881,169	\$3,839,112	\$0	\$0	\$0	\$5,862,015	\$0	\$0	\$3,839,112	\$0	\$0	\$2,022,904	\$0
94 Customer Operations	\$3,881,253	\$2,770,294	\$1,110,959	\$3,881,253	\$436,433	\$340,153	\$96,279	\$436,433	\$3,110,447	\$0	\$0	\$0	\$4,317,685	\$0	\$0	\$3,110,447	\$0	\$0	\$1,207,238	\$0
95 Electric Business Unit	\$20,350,126	\$20,327,113	\$23,013	\$20,350,126	\$2,493,886	\$1,994	\$1,994	\$2,493,886	\$22,848,006	\$0	\$0	\$0	\$22,848,006	\$0	\$0	\$22,848,006	\$0	\$0	\$25,008	\$0
96 Exec Director-US	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97 Gas Business Unit	\$19,998,829	\$200,536	\$19,798,293	\$19,998,829	\$1,740,406	\$24,623	\$1,715,782	\$1,740,406	\$225,159	\$0	\$0	\$0	\$21,739,235	\$0	\$0	\$225,159	\$0	\$0	\$21,514,076	\$0
98 Global SHE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
99 MA JDX	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100 NGV Jurisdiction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
101 NY JDX	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
102 Other Actuals	\$2,418,510	\$2,332,526	\$85,984	\$2,418,510	\$293,853	\$286,402	\$7,452	\$293,853	\$2,712,364	\$0	\$0	\$0	\$2,712,364	\$0	\$0	\$2,712,364	\$0	\$0	\$93,436	\$0
103 RIJDX	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
104 Safety, Health & Environment	\$156,637	\$93,325	\$63,311	\$156,637	\$16,946	\$11,459	\$5,487	\$16,946	\$104,784	\$0	\$0	\$0	\$173,582	\$0	\$0	\$104,784	\$0	\$0	\$68,798	\$0
105 Strategy & Regulation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
106 Transformation Office	\$380,518	\$266,408	\$114,110	\$380,518	\$42,600	\$32,711	\$9,889	\$42,600	\$299,119	\$0	\$0	\$0	\$423,118	\$0	\$0	\$299,119	\$0	\$0	\$123,999	\$0
107 Transmission, Gen & Energy Procurement	\$5,879,344	\$5,879,344	\$0	\$5,879,344	\$721,901	\$721,901	\$0	\$721,901	\$6,601,245	\$0	\$0	\$0	\$6,601,245	\$0	\$0	\$6,601,245	\$0	\$0	\$0	\$0
108 US Procurement Consolidated	\$2,720,441	\$1,474,221	\$1,246,219	\$2,720,441	\$289,015	\$181,014	\$108,001	\$289,015	\$3,009,456	\$0	\$0	\$0	\$3,009,456	\$0	\$0	\$1,655,235	\$0	\$0	\$1,354,221	\$0
109 320-US Finance	(\$407,430)	(\$323,907)	(\$83,523)	(\$407,430)	(\$47,010)	(\$39,771)	(\$7,238)	(\$47,010)	(\$454,439)	\$0	\$0	\$0	(\$454,439)	\$0	\$0	(\$363,678)	\$0	\$0	(\$90,761)	\$0
110 Property Services	\$407,430	\$323,907	\$83,523	\$407,430	\$47,010	\$39,771	\$7,238	\$47,010	\$454,439	\$0	\$0	\$0	\$454,439	\$0	\$0	\$363,678	\$0	\$0	\$90,761	\$0
112 Business Services	(\$124,330)	(\$124,330)	\$0	(\$124,330)	(\$15,266)	(\$15,266)	\$0	(\$15,266)	(\$139,066)	\$0	\$0	\$0	(\$139,066)	\$0	\$0	(\$139,066)	\$0	\$0	(\$0)	\$0
114 Business Services Exec	\$98,371	\$98,371	(\$0)	\$98,371	\$12,079	\$12,079	(\$0)	\$12,079	\$110,449	\$0	\$0	\$0	\$110,449	\$0	\$0	\$110,449	\$0	\$0	(\$0)	\$0
115 Fleet Management	\$4,611	\$4,611	\$0	\$4,611	\$566	\$566	\$0	\$566	\$5,177	\$0	\$0	\$0	\$5,177	\$0	\$0	\$5,177	\$0	\$0	\$0	\$0
116 Revenue Cycle Management	\$21,349	\$21,349	\$0	\$21,349	\$2,621	\$2,621	\$0	\$2,621	\$23,970	\$0	\$0	\$0	\$23,970	\$0	\$0	\$23,970	\$0	\$0	\$0	\$0
117																				
118 US Procurement Consolidated	(\$2,557,149)	(\$1,387,012)	(\$1,170,137)	(\$2,557,149)	(\$271,713)	(\$170,306)	(\$101,408)	(\$271,713)	(\$2,828,862)	\$0	\$0	\$0	(\$2,828,862)	\$0	\$0	(\$1,557,318)	\$0	\$0	(\$1,271,545)	\$0
119 Inventory Mgmt & Warehouse Mgmt	\$2,557,149	\$1,387,012	\$1,170,137	\$2,557,149	\$271,713	\$170,306	\$101,408	\$271,713	\$2,828,862	\$0	\$0	\$0	\$2,828,862	\$0	\$0	\$1,557,318	\$0	\$0	\$1,271,545	\$0
120																				
121 CAPEX TOTAL	\$64,518,220	\$39,223,100	\$25,295,119	\$64,518,220	\$7,008,204	\$4,816,949	\$2,192,155	\$7,008,204	\$71,526,423	(\$195,902)	(\$13,649)	(\$209,551)	\$71,316,873	(\$195,902)	(\$13,649)	\$27,473,625				

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-3
Page 5 of 6

Year Ended Dec 31, 2020 (Per Books)	Recovered out of Base Rates	IFA	ReGrowth Program	Vegetation Management (ISR)	Inspection & Maintenance (ISR)	Gas Business Enablement (GBE)	EV	Other PST
(a)	(b)	(c)	(d)	(c)	(f)	(g)	(h)	(i)

				Total Normalizing Adjustments (m)	Test Year Ended Dec 31, 2020 (as Adjusted) (n) = (a)+(m)	Remove Cost Centers from TSA (o)	Add Energy Efficiency (p)	Add IFA to remaining cost centers (q)	Year Ended Dec 31, 2020 (Adjusted for TSA) (s)
	Storms (j)	Reclassification (k)	Other (l)	sum (b through l)					sum (n through r)
310-US Human Resources	\$0	(\$61,766)	(\$9,051)	(\$246,523)	\$345,740	\$0	\$0	\$175,705	\$521,445
320-US Finance	\$0	(\$785,312)	(\$57,857)	(\$2,831,001)	\$9,535,895	\$0	\$0	\$1,987,833	\$11,523,738
330-Total US IT	\$0	(\$1,658,765)	(\$108,755)	(\$6,127,459)	\$15,022,997	\$0	\$0	\$4,359,939	\$19,382,936
340-US Legal	\$0	(\$178,508)	(\$9,594)	(\$629,230)	\$2,123,384	(\$2,123,384)	\$0	\$0	\$0
410-Global Human Resources	\$0	(\$65,401)	\$(1,452)	(\$150,752)	\$264,047	\$0	\$0	\$83,899	\$347,946
420-Global Finance	\$0	(\$153,963)	\$750,897	\$63,595	\$3,207,534	\$0	\$0	\$533,340	\$3,740,873
440-Global Legal	\$0	(\$28,592)	\$180	(\$74,937)	\$220,418	(\$220,418)	\$0	\$0	\$0
460-Corporate Affairs	\$0	(\$67,019)	(\$9,448)	(\$186,382)	\$494,705	(\$494,705)	\$0	\$0	\$0
470-Audit	\$0	(\$53,204)	\$(4,021)	(\$160,222)	\$480,317	(\$480,317)	\$0	\$0	\$0
Business Services	\$0	(\$192,052)	(\$5,026)	(\$587,773)	\$5,969,761	\$0	\$0	\$390,695	\$6,360,456
Capital Delivery	\$0	(\$12,689)	(\$299)	(\$414,224)	\$406,303	\$0	\$0	\$401,236	\$807,539
Customer Operations	\$0	(\$255,816)	(\$290,570)	(\$6,902,427)	\$9,212,060	\$0	\$4,961,161	\$573,589	\$14,746,810
Electric Business Unit	(\$5,215,077)	(\$209,653)	(\$29,130)	(\$10,274,476)	\$10,023,550	\$0	\$0	\$4,220,817	\$14,244,367
Exec Director-US	\$0	(\$36,227)	(\$16,134)	(\$191,125)	\$702,658	(\$702,658)	\$0	\$0	\$0
Gas Business Unit	\$0	(\$34,181)	\$(11,658)	(\$629,321)	\$189,489	\$0	\$0	\$583,482	\$772,971
Global SHE	\$0	\$1,746	(\$3,321)	\$462	(\$13,536)	\$13,536	\$0	\$0	\$0
MA JDX	\$0	(\$3,341)	(\$6,094)	(\$20,607)	\$41,406	(\$41,406)	\$0	\$0	\$0
NGV Jurisdiction	\$0	(\$20,788)	\$0	(\$45,513)	\$123,280	(\$123,280)	\$0	\$0	\$0
NY JDX	\$0	(\$2,219)	(\$2,044)	(\$7,431)	\$11,355	(\$11,355)	\$0	\$0	\$0
Other Actuals	\$0	(\$128,411)	\$11,648,890	\$6,993,451	\$17,640,748	\$0	\$0	\$3,950,445	\$21,591,192
RI JDX	\$0	(\$29,662)	(\$68,953)	(\$208,393)	\$948,278	(\$948,278)	\$0	\$0	\$0
Safety, Health & Environment	\$0	(\$139,581)	(\$5,303)	(\$470,105)	\$1,168,209	\$0	\$0	\$325,221	\$1,493,429
Strategy & Regulation	\$0	(\$233,580)	(\$32,281)	(\$631,445)	\$1,734,711	\$0	\$0	\$365,584	\$2,100,295
Transmission Office	\$0	(\$145,493)	(\$30,160)	(\$778,831)	\$1,231,308	\$0	\$0	\$245,745	\$1,477,053
Transmission, Gen & Energy Procurement	\$0	(\$174,374)	(\$35,205)	(\$2,027,887)	\$1,570,494	\$0	\$0	\$1,818,308	\$3,388,801
US Procurement Consolidated	\$0	(\$147,198)	(\$7,604)	(\$376,370)	\$1,033,173	\$0	\$0	\$221,568	\$1,254,741
320-US Finance	\$0	\$313,917	\$4,546	\$1,329,213	(\$5,005,685)	\$0	\$0	(\$1,010,750)	(\$6,016,435)
Property Services	\$0	(\$313,917)	(\$4,546)	(\$1,329,213)	\$5,005,685	\$0	\$0	\$1,010,750	\$6,016,435
Business Services	\$0	\$192,052	\$5,026	\$587,773	(\$5,969,761)	\$0	\$0	(\$390,695)	(\$6,360,456)
Business Services Exec	\$0	(\$180,312)	(\$6,505)	(\$484,880)	\$1,138,877	\$0	\$0	\$298,063	\$1,436,940
Fleet Management	\$0	(\$740)	\$0	\$33,475	\$39,408	\$0	\$0	\$245,745	\$5,193
Revenue Cycle Management	\$0	(\$11,001)	\$1,480	(\$136,368)	\$4,791,476	\$0	\$0	\$126,847	\$4,918,323
US Procurement Consolidated	\$0	\$21	\$0	\$21	(\$144)	\$0	\$0	\$0	(\$144)
Inventory Mgmt & Warehouse Mgmt	\$0	(\$21)	\$0	(\$21)	\$144	\$0	\$0	\$0	\$144
TOTAL	\$0	(\$4,816,049)	\$11,656,008	(\$26,914,927)	\$83,688,282	(\$5,132,266)	\$4,961,161	\$20,237,406	\$103,754,583

PUBLIC

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
Attachment NG-DIV 4-3
Page 6 of 6

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

	Year Ended Dec 31, 2020 (Per Books)	Recovered out of Base Rates (Energy Efficiency & GCR)	Gas Business Enablement (GBE)	Sales Expenses	Financial Variable Pay	Servco EDIT Amortization	Aquidneck
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1 Test Year Amounts that are Specifically Adjusted:							
2							
3 Operating & Maintenance Expense							
4 310-US Human Resources	\$897,482	\$0	\$0	\$0	(\$17,789)	\$0	\$0
5 320-US Finance	\$4,659,888	\$0	\$0	\$0	(\$26,559)	\$0	\$0
6 330-Total US IT	\$15,487,246	\$0	\$0	\$0	(\$40,730)	\$0	\$0
7 340-US Legal	\$1,047,935	\$0	\$0	\$0	(\$3,907)	\$0	\$0
8 410-Global Human Resources	\$339,250	\$0	\$0	\$0	(\$3,647)	\$0	\$0
9 420-Global Finance	\$1,506,202	\$0	\$0	\$0	(\$3,872)	\$0	(\$36,936)
10 440-Global Legal	\$99,236	\$0	\$0	\$0	(\$11)	\$0	\$0
11 460-Corporate Affairs	\$244,044	\$0	\$0	\$0	(\$3,798)	\$0	\$0
12 470-Audit	\$243,174	\$0	\$0	\$0	(\$1,543)	\$0	\$0
13 Business Services	\$2,990,193	\$0	\$0	\$0	(\$2,623)	\$0	\$0
14 Capital Delivery	\$118,718	\$0	\$0	\$0	(\$156)	\$0	\$0
15 Customer Operations	\$6,644,933	(\$1,794,599)	\$0	(\$249,177)	(\$13,208)	\$0	\$0
16 Electric Business Unit	\$240,070	\$0	\$0	\$0	(\$833)	\$0	\$0
17 Exec Director-US	\$318,652	\$0	\$0	\$0	(\$5,537)	\$0	\$0
18 Gas Business Unit	\$14,339,984	(\$952,674)	\$0	\$0	(\$47,220)	\$0	(\$29,579)
19 Global SHE	(\$4,468)	\$0	\$0	\$0	(\$1,191)	\$0	\$0
20 MA JDx	\$31,267	\$0	\$0	\$0	(\$300)	\$0	\$0
21 NGV Jurisdiction	\$55,387	\$0	\$0	\$0	\$0	\$0	\$0
22 NY JDx	\$12,667	\$0	\$0	\$0	(\$1,631)	\$0	\$0
23 * Other Actuals	\$4,063,642	\$0	(\$1,488,477)	(\$2,688)	\$0	(\$722,508)	\$0
24 RI JDx	\$595,859	\$0	\$0	\$0	(\$36,196)	\$0	\$0
25 Safety, Health & Environment	\$1,289,239	\$0	\$0	\$0	(\$2,089)	\$0	\$0
26 Strategy & Regulation	\$696,096	\$0	\$0	\$0	(\$12,080)	\$0	\$0
27 Transformation Office	\$568,798	\$0	\$0	\$0	(\$11,384)	\$0	\$0
28 Transmission, Gen & Energy Procurement	\$902,148	\$0	\$0	\$0	(\$3,142)	\$0	\$0
29 US Procurement Consolidated	\$472,669	\$0	\$0	\$0	(\$2,855)	\$0	\$0
30							
31 320-US Finance	(\$2,368,925)	\$0	\$0	\$0	\$1,749	\$0	\$0
32 Property Services	\$2,368,925	\$0	\$0	\$0	(\$1,749)	\$0	\$0
33							
34 Business Services	(\$2,990,193)	\$0	\$0	\$0	\$2,623	\$0	\$0
35 Business Services Exec	\$673,221	\$0	\$0	\$0	(\$2,623)	\$0	\$0
36 Fleet Management	(\$316,236)	\$0	\$0	\$0	\$0	\$0	\$0
37 Revenue Cycle Management	\$2,633,208	\$0	\$0	\$0	\$0	\$0	\$0
38							
39 US Procurement Consolidated	(\$55)	\$0	\$0	\$0	\$0	\$0	\$0
40 Inventory Mgmt & Warehouse Mgmt	\$55	\$0	\$0	\$0	\$0	\$0	\$0
41							
42 TOTAL	\$57,860,310	(\$2,747,272)	(\$1,488,477)	(\$251,865)	(\$242,300)	(\$722,508)	(\$66,515)

	Reclassification	Other	Total Normalizing Adjustments	Test Year Ended Dec 31, 2020 (as Adjusted)	Remove Cost Centers from TSA	Add Energy Efficiency & GCR	Year Ended Dec 31, 2020 (Adjusted for TSA)
	(h)	(i)	(j)	(k) = (a) + (j)	(l)	(m)	(n)
			sum (b through i)				sum (k through m)
46 310-US Human Resources	(\$84,040)	(\$890)	(\$102,719)	\$794,763	\$0	\$0	\$794,763
47 320-US Finance	(\$274,383)	\$1,565	(\$299,377)	\$4,360,511	\$0	\$0	\$4,360,511
48 330-Total US IT	(\$871,833)	\$2,291	(\$910,272)	\$14,576,973	\$0	\$0	\$14,576,973
49 340-US Legal	(\$62,532)	\$570	(\$65,868)	\$982,067	(\$982,067)	\$0	\$0
50 410-Global Human Resources	(\$29,237)	\$740	(\$32,144)	\$307,106	\$0	\$0	\$307,106
51 420-Global Finance	(\$85,197)	\$137,596	\$11,591	\$1,517,793	\$0	\$0	\$1,517,793
52 440-Global Legal	(\$8,715)	\$80	(\$8,647)	\$90,589	(\$90,589)	\$0	\$0
53 460-Corporate Affairs	(\$21,854)	\$464	(\$25,189)	\$218,855	(\$218,855)	\$0	\$0
54 470-Audit	(\$19,005)	\$134	(\$20,414)	\$222,760	(\$222,760)	\$0	\$0
55 Business Services	(\$38,915)	\$1,408	(\$40,130)	\$2,950,063	\$0	\$0	\$2,950,063
56 Capital Delivery	(\$1,805)	(\$693)	(\$2,654)	\$116,064	\$0	\$0	\$116,064
57 Customer Operations	(\$52,160)	\$228	(\$2,108,916)	\$4,536,017	\$0	\$1,794,599	\$6,330,616
58 Electric Business Unit	(\$4,653)	(\$23)	(\$5,509)	\$234,561	\$0	\$0	\$234,561
59 Exec Director-US	(\$11,042)	(\$296)	(\$16,874)	\$301,777	(\$301,777)	\$0	\$0
60 Gas Business Unit	(\$190,526)	\$8,017	(\$1,211,982)	\$13,128,002	\$0	\$952,674	\$14,080,675
61 Global SHE	\$505	\$0	(\$686)	(\$5,154)	\$5,154	\$0	\$0
62 MA JDx	(\$1,570)	(\$3,647)	(\$5,517)	\$25,749	(\$25,749)	\$0	\$0
63 NGV Jurisdiction	(\$6,183)	\$0	(\$6,183)	\$49,203	(\$49,203)	\$0	\$0
64 NY JDx	(\$865)	\$12	(\$2,484)	\$10,182	(\$10,182)	\$0	\$0
65 Other Actuals	(\$56,331)	\$5,740,432	\$3,470,428	\$7,534,070	\$0	\$0	\$7,534,070
66 RI JDx	(\$13,154)	\$750	(\$48,600)	\$547,259	(\$547,259)	\$0	\$0
67 Safety, Health & Environment	(\$122,293)	\$479	(\$123,904)	\$1,165,335	\$0	\$0	\$1,165,335
68 Strategy & Regulation	(\$62,281)	(\$289)	(\$74,649)	\$621,447	\$0	\$0	\$621,447
69 Transformation Office	(\$47,570)	\$397	(\$58,557)	\$510,242	\$0	\$0	\$510,242
70 Transmission, Gen & Energy Procurement	(\$81,737)	\$728	(\$84,151)	\$817,997	\$0	\$0	\$817,997
71 US Procurement Consolidated	(\$44,777)	\$124	(\$47,507)	\$425,162	\$0	\$0	\$425,162
72							
73 320-US Finance	\$106,080	(\$66)	\$107,763	(\$2,261,162)	\$0	\$0	(\$2,261,162)
74 Property Services	(\$106,080)	\$66	(\$107,763)	\$2,261,162	\$0	\$0	\$2,261,162
75							
76 Business Services	\$38,915	(\$1,408)	\$40,130	(\$2,950,063)	\$0	\$0	(\$2,950,063)
77 Business Services Exec	(\$63,313)	\$409	(\$65,527)	\$607,694	\$0	\$0	\$607,694
78 Fleet Management	\$35,788	(\$1)	\$35,786	(\$280,449)	\$0	\$0	(\$280,449)
79 Revenue Cycle Management	(\$11,390)	\$1,000	(\$10,390)	\$2,622,819	\$0	\$0	\$2,622,819
80							
81 US Procurement Consolidated	\$0	\$0	\$0	(\$55)	\$0	\$0	(\$55)
82 Inventory Mgmt & Warehouse Mgmt	\$0	\$0	\$0	\$55	\$0	\$0	\$55
83							
84 TOTAL	(\$2,192,155)	\$5,890,177	(\$1,820,916)	\$56,039,395	(\$2,443,289)	\$2,747,272	\$56,343,378

PUBLIC
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 Division's Seventh Set of Data Requests
Issued on August 31, 2021

National Grid USA and The Narragansett Electric Company
Division 7-60

Request:

Transmission and primary distribution revenue requirements for Narragansett Electric-owned facilities utilized for purposes of providing wholesale transmission service by New England Power Company d/b/a National Grid (NEP) to Narragansett are currently determined under Schedule III-B to NEP's FERC Tariff No. 1. Please provide estimates of these charges for the periods noted below by category of costs as identified in Schedule III-B. Additionally, please identify any incremental charges to those amounts as a result of the Transaction, including during the transition period or any period thereafter.

- a. Actual year-to-date 2021
- b. Forecast for the balance of 2021 before the assumed transaction close date
- c. Forecast for the remainder of 2021 post the assumed transaction close date
- d. Annual forecasts thereafter for the period 2022 through 2025

Response:

Transmission and primary distribution facilities owned by The Narragansett Electric Company ("Narragansett") are utilized by New England Power for the purpose of providing wholesale transmission service to wholesale customers in the New England region; not solely to Narragansett.

- a. Please see Attachment NG-DIV 7-60-1a and Attachment NG-DIV 7-60-1b, which provide the actual year-to-date 2021 Transmission and Primary Distribution Revenue Requirement charges through July 31, 2021, respectively, for Narragansett-owned facilities.
- b. Please see Attachment NG-DIV 7-60-2a and Attachment NG-DIV 7-60-2b, which provide the forecasted charges for the balance of 2021. The forecast assumes PPL Rhode Island Holdings, LLC's ("PPL Rhode Island") acquisition of Narragansett from National Grid USA (the "Transaction") will close in early 2022, and therefore covers the remaining months of calendar year 2021. National Grid USA and Narragansett currently do not have an estimate of the incremental charges to the transmission or distribution facilities used in support of transmission functions resulting from the Transaction, including during or after the transition period.

PUBLIC
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 Division's Seventh Set of Data Requests
Issued on August 31, 2021

- c. The assumed Transaction close date is in early 2022; therefore, the forecast for the remainder of calendar year 2021 is detailed in the response to subpart (b), above.
- d. Please refer to PPL Corporation and PPL Rhode Island's response to Data Request Division 7-60, subpart (d).

PUBLIC

Attachment 1
PPL Corporation, PPL Rhode Island Holdings LLC
National Grid USA, and The Narragansett Electric Company
Docket No. D-21-09
DIV 7-60-1a
Page 1 of 1

**Narragansett Electric Company
Integrated Facilities Agreement
Annual Transmission Revenue Requirement
For Year-to-Date Charges in Calendar Year 2021 - July 2021**

Line	Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	YTD Average (a)
Transmission Investment Base									
1	Transmission Plant	983,782,470	984,920,924	991,172,491	996,737,799	998,324,391	999,500,057	1,000,182,452	993,517,226
2	Transmission General Plant	7,314,531	7,467,444	7,396,502	7,434,588	7,443,683	7,665,909	6,954,251	7,382,416
3	Transmission Plant Held for Future Use	12,532,019	12,532,019	12,532,019	12,532,019	12,532,019	12,532,019	12,532,019	12,532,019
4	Transmission Related CWIP - NEEWS	-	-	-	-	-	-	-	-
5	Subtotal Transmission Plant	1,003,629,020	1,004,920,388	1,011,101,012	1,016,704,406	1,018,300,093	1,019,697,985	1,019,668,722	1,013,431,661
6	Transmission Depreciation Reserve	(164,423,172)	(166,585,117)	(168,471,464)	(170,611,398)	(172,835,602)	(174,569,613)	(176,412,315)	(170,558,383)
7	Transmission Accumulated Deferred Taxes	(133,491,140)	(139,764,365)	(139,457,204)	(139,745,679)	(139,745,679)	(139,333,571)	(139,745,679)	(138,754,760)
8	Transmission Loss on Reacquired Debt	737,717	732,060	725,123	726,623	716,182	708,864	705,740	721,759
9	Transmission Prepayments	1,241,681	991,076	862,564	864,348	499,091	263,388	323,976	720,875
10	Transmission Materials & Supplies	2,557,358	2,572,619	2,634,446	2,639,895	2,687,300	2,754,275	2,826,088	2,667,426
11	Transmission Cash Working Capital	3,001,124	3,067,111	4,220,865	2,934,924	3,218,793	3,329,211	3,989,105	3,394,447
12	Total Transmission Investment Base	713,252,588	705,933,772	711,615,343	713,513,120	712,840,177	712,850,539	711,355,636	711,623,025
Transmission Revenue Requirement									
13	Return and Associated Income Taxes	5,703,492	5,644,883	5,689,378	5,591,024	5,548,778	5,549,717	5,537,936	39,265,208
14	Transmission Depreciation & Amortization Expense	2,326,417	2,328,576	2,357,441	2,355,670	2,364,745	2,368,943	2,368,574	16,470,366
15	Transmission Amortization of Loss on Reacquired Debt	5,225	5,222	5,210	5,221	5,221	5,205	5,221	36,526
16	Transmission Amortization of Investment Tax Credit	-	(9)	-	-	-	-	-	(9)
17	Transmission Municipal Tax Expense	1,796,664	1,796,664	640,154	1,365,349	1,301,652	1,381,513	1,270,333	9,552,326
18	Transmission Payroll Taxes	80,726	45,508	72,977	30,481	48,155	49,395	83,916	411,157
19	Transmission Operation and Maintenance Expenses	554,072	592,996	1,073,807	837,178	883,156	838,058	1,296,178	6,075,445
20	Transmission Administration and General Expenses	1,446,677	1,451,745	1,740,103	1,119,437	1,262,706	1,381,416	1,363,225	9,765,310
21	Distribution Surcharge Credit	133,880	133,880	133,880	133,880	133,880	133,880	133,880	937,160
22	Transmission Taxes & Fees	-	-	-	-	-	-	-	-
23	Annual BITS Surcharge	1,470,505	1,470,393	1,470,428	1,470,553	1,470,557	1,470,518	1,369,506	10,192,460
24	Billing Adjustment	-	-	-	-	-	-	-	-
25	Annual True Up	-	-	-	-	-	(1,177,299)	-	(1,177,299)
26	Subtotal Transmission Revenue Requirement	13,517,658	13,469,858	13,183,377	12,908,792	13,018,849	12,001,346	13,428,769	91,528,650
27	Less: Prior Period Adjustments	-	-	-	-	-	(1,177,299)	-	(1,177,299)
28	Total Transmission Revenue Requirement	\$ 13,517,658	\$ 13,469,858	\$ 13,183,377	\$ 12,908,792	\$ 13,018,849	\$ 13,178,645	\$ 13,428,769	\$ 92,705,949

Notes

(a) Actual year-to-date revenue requirements represent actual billed amount based on monthly general ledger data that is subject to true-up based on FERC Form 1 data

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-2

Request:

Please provide a copy of all Documents including any correspondence, analyses, presentations, reports, or memoranda, that constitute or are related to the “comprehensive strategic review,” undertaken by PPL’s Board of Directors and referenced in the Direct Testimony of Vincent Sorgi at 8:1-2.

Response:

Counsel for PPL and PPL RI, National Grid USA (“National Grid”), The Narragansett Electric Company (“Narragansett”), and The Rhode Island Division of Public Utilities and Carriers Advocacy Section (the “Division Advocacy Section”) met and conferred regarding the breadth and scope of certain data requests. After that meet and confer, the Division Advocacy Section sent a letter, dated June 22, 2021, advising that PPL, PPL RI, National Grid, and Narragansett can “use sound judgment and the rule of reason in crafting responses and providing responsive documents.” The Division Advocacy Section also advised in the June 22, 2021 letter PPL, PPL Rhode Island, National Grid, and Narragansett to “consider the Advocacy Section’s goal of protecting ratepayers when determining scope and relevancy.” Based on the scope and breadth of this request, PPL and PPL RI have applied the rule of reason and used sound judgment in limiting the breadth and scope of documents produced in response to this request, and have considered the Division Advocacy Section’s goal of protecting ratepayers in determining which documents it will produce.

PPL and PPL RI (collectively, “PPL”) also object to this data request because it seeks irrelevant information and documents and exceeds the scope of this proceeding. This joint petition seeks Division approval for PPL RI’s purchase of all shares of common stock of The Narragansett Electric Company (“Narragansett”) under R.I. Gen. Laws s. 39-3-24 and 39-3-25. Those statutes and previous decisions by the Division establish the standard of review applicable to this proceeding: they require a finding that the proposed transaction will neither cause a detriment to the public nor diminish the provision of Narragansett’s electric and gas distribution service. As the Division has held previously, this review is narrow. First, “the Division must conclude, before approving a R.I.G.L. § 39-3-24 petition, that there will be no degradation of utility services after the transaction is consummated.” *In re Joint Pet. For Purchase & Sale of Assets by the Narragansett Elec. Co. & the S. Union Co.*, Dkt. No. D-06-13, 52 (R.I.D.P.U.C. July 25, 2006). Second, the Division must find “that the proposed transaction will not unfavorably impact the general public (including ratepayers).” *Id.* The information requested in this data request will not inform the Division’s application of the standard.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Other state utility commissions to consider the issue presented by this data request have concluded that the information is not relevant to the scope of this proceeding. The Public Service Commission of the District of Columbia, for example, has stated the following:

We find further that any evaluation and/or comparisons of this proposed merger with other “proposed” mergers would be speculative at best. While the inquiries would produce information about other potential mergers, that information would contain matters unique to the other “potential” mergers. As we stated in Order No. 17530, “each merger is a unique combination of companies at a distinct time in the development of the electricity market.” The requested discovery would, in our opinion result largely in “comparing apples to oranges.”

Formal Case No. 1119, In re Joint Application of Exelon Corp., Pepco Holdings, Inc., Potomac Elec. Power Co., Exelon Energy Delivery Co., LLC, & New Special Purpose Entity, LLC for Authorization & Approval of Proposed Merger Transaction, Order No. 17619, 10-11 (D.C. Pub. Serv. Comm'n Sept. 4, 2014) (denying motion to compel response to data request).

This data request seeks information that does not bear on the two-pronged standard the Division applies to evaluate this transaction. Rather, it is an unnecessary exploration into the thought processes and business strategy PPL employed in deciding to enter into this transaction or in considering other transactions. PPL, like many companies, is constantly evaluating strategic options. The internal analysis it employs in analyzing potential transactions is not relevant and will not inform the evaluation of whether PPL can continue to operate Narragansett in a manner that provides an equivalent level of service. Nor does this request seek any information that bears on the impact the transaction will have on the public. Rather, this request seeks irrelevant and proprietary information regarding PPL's analysis of potential transactions. That is beyond the scope of this proceeding.

PPL and PPL RI refer to the following documents, some of which have been redacted to protect information about other potential transactions based on the foregoing objections:

- Attachment PPL-DIV-1-2-1 – Presentation to the Finance Committee dated 1-29-2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-2 – Presentation to the Finance Committee dated 3-25-2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-3 – Finance Committee Discussion Materials dated 3-11-2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-4 – Finance Committee Meeting Minutes dated 3-11-2021 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-5 – Board Meeting Minutes dated 3-15-2021-CONFIDENTIAL

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

- Attachment PPL-DIV-1-2-6 – Executive Committee Meeting Minutes dated 3-17-2021-
CONFIDENTIAL
- Attachment PPL-DIV-1-2-7 – Confidential Message from Vince Sorgi dated 7-17-2020 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-8 – Board Update re Investor Reaction to UK Announcement
dated 8-11-2020 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-9 – Communications and Next Steps dated 3-12-2021-
CONFIDENTIAL
- Attachment PPL-DIV-1-2-10 – Delegation of Transaction Approval to Executive
Committee dated 3-15-2021 - -CONFIDENTIAL
- Attachment PPL-DIV-1-2-11 – Draft Strategic Repositioning of PPL Corporation dated
3-18-2021 - -CONFIDENTIAL
- Attachment PPL-DIV-1-2-12 – JP Morgan Statement re Fairness Opinion dated 3-17-
2021 - -CONFIDENTIAL
- Attachment PPL-DIV-1-2-13 – Update re Vortex and Rover Transaction Agreements
dated 3-17-2021 - -CONFIDENTIAL
- Attachment PPL-DIV-1-2-14 – PPL Draft News Release dated 3-17-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-15 – Skadden Updated dated 3-17-2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-16 – Updated Financial Committee Discussion Materials dated
3-17-2021 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-17 – Report of Executive Committee dated 6-19-2020 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-18 – Report of Executive Committee dated 3-17-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-19 – Investor Relations Updated dated 1-22-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-20 – Investor Presentation with Rover dated 3-12-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-21 – Legal Matters Presentation dated 3-12-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-22 – Overview of Rover Transaction Agreements and
Regulatory Matters dated 3-12-2021 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-23 – Overview of Vortex Transaction Agreements and
Regulatory Matters dated 3-12-2021 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-24 – PPL Corporate Strategy July 2020 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-25 – BOD Discussion Materials dated 3-12-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-26 – BOD Discussion Materials dated 12-18-2020 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-27 – Project Vortex Updated 1-22-2021 -CONFIDENTIAL

Prepared by or under the supervision of: Legal Department

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

- Attachment PPL-DIV-1-2-28 – BOD Discussion Materials dated 10-23-2020 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-29 – Report of Finance Committee dated 3-25-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-30 – Report of Finance Committee dated 1-29-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-31 – Report of Finance Committee dated 3-11-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-32 – Project Vortex Final Bids and Recommendations dated 3-
15-2021 - CONFIDENTIAL
- Attachment PPL-DIV-1-2-33 – Update re Rover Transaction Agreements dated 3-15-
2021 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-34 – Rover Due Diligence Review dated 3-12-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-35 – BOD Discussion Materials dated 3-26-2021 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-36 – BOD Discussion Materials dated 7-24-2020 -
CONFIDENTIAL
- Attachment PPL-DIV-1-2-37 – PPL Strategy Update – CEO's Perspective dated 10-23-
2020 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-38 – Update re Vortex Transaction Agreements dated 3-15-
2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-39 – Vortex Note to the Board dated 3-17-2021 -
CONFIDENTIAL

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Attachments PPL-DIV 1-2-1 to 1-2-39

Confidential Attachments PPL-DIV 1-2-1 to 1-2-39 contain confidential commercial or financial information. PPL and PPL RI have requested protective treatment of these confidential attachments in their entirety.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-8

Request:

Please state the date by which PPL anticipates that Narragansett will file its next base distribution rate case with the Rhode Island Public Utilities Commission. If PPL has not yet identified a target date for such submission, please explain the reason PPL has not yet done so.

Response:

PPL and PPL RI have not yet identified a target date to file the next base distribution rate case for The Narragansett Electric Company ("Narragansett") with the Rhode Island Public Utilities Commission (the "Commission"). PPL and PPL RI have not identified the target date because they plan to work in collaboration with the Rhode Island Division of Public Utilities and Carriers (the "Division") to determine best timing to file a base distribution rate case that will reflect the costs associated with PPL and PPL RI's ownership and operation of Narragansett after closing the Transaction.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-9

Request:

Please state whether PPL or PPL RI anticipate pursuing a multi-year rate plan for Narragansett post-Transaction.

Response:

PPL and PPL RI have not yet determined whether they will pursue a multi-year rate plan for The Narragansett Electric Company ("Narragansett") after closing the Transaction. PPL will consider pursuing a multi-year rate plan. As described in PPL and PPL RI's response to data request Division 1-8, PPL and PPL RI plan to consult with the Rhode Island Division of Public Utilities and Carriers in advance of filing a new base distribution rate case and to evaluate whether to pursue a multi-year rate plan as part of that process.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-15

Request:

Please state all corporate actions taken by PPL, its Shareholders, or its subsidiaries to authorize the Transaction, and please provide any Documents confirming those actions were taken.

Response:

1. At a meeting held on March 15, 2021, the Board of Directors of PPL authorized the Executive Committee of the Board of Directors of PPL to review, assess, evaluate, and if deemed advisable, approve the Transaction.
2. At a meeting held on March 17, 2021, the Executive Committee of the Board of Directors of PPL authorized PPL and its subsidiaries to approve, adopt, ratify, confirm and authorize in all respects any resolutions required to permit such subsidiaries to enter into and perform any all actions under the Rover Agreements, and the transaction agreements contemplated thereby, and to consume the Transaction.
3. By Unanimous Written Consent dated March 17, 2021, PPL Energy Holdings, LLC approved entry into the Share Purchase Agreement ("SPA") and Transition Services Agreement ("TSA"). PPL and PPL RI refer to Attachment PPL-DIV 1-15-1, Unanimous Written Consent of Managers, Exhibit A, Share Purchase Agreement, dated March 17, 2021; Attachment PPL-DIV 1-15-2, Unanimous Written Consent of Managers, Exhibit B, Form of Transition Services Agreement; and Attachment PPL-DIV 1-15-3, PPL Energy Holdings, LLC, Unanimous Written Consent of Managers, dated March 17, 2021.
4. By Unanimous Written Consent dated March 22, 2021, PPL Energy Holdings, LLC assigned its right, title and interest in, to and under Article I and Sections 3.2(a) and (b) of the SPA, the TSA and the transaction agreements contemplated thereby, to its wholly owned subsidiary, PPL Rhode Island Holdings, LLC.
5. By Unanimous Written Consent dated March 22, 2021, PPL RI, the new acquisition entity, approved the assumption of the SPA and TSA.
6. PPL and PPL RI also refer to the following documents:
 - Attachment PPL-DIV 1-15-4, PPL Energy Holdings, LLC, Unanimous Written Consent of Managers, dated May 2, 2021;
 - Attachment PPL-DIV 1-15-5, May 2, 2021 Unanimous Written Consent of Managers, Exhibit A, Share Purchase Agreement;
 - Attachment PPL-DIV 1-15-6, May 2, 2021 Unanimous Written Consent of Managers, Exhibit B, Form of Transition Services Agreement; and

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

- Attachment PPL-DIV 1-15-7, PPL Energy Holdings, LLC, Unanimous Written Consent of Managers, Acquisition of The Narragansett Electric Company, dated May 2, 2021.

PUBLIC

Exhibit A

**FORM OF
TRANSITION SERVICES AGREEMENT**

by and among

NATIONAL GRID USA SERVICE COMPANY, INC.,

**NATIONAL GRID USA
(solely with respect to Section 4.6)**

and

THE NARRAGANSETT ELECTRIC COMPANY

Dated as of [●]

PUBLIC

TABLE OF CONTENTS

Page

ARTICLE I

TRANSITION SERVICES

Section 1.1	General Intent.....	1
Section 1.2	Provision and Purchase of Transition Services.....	2
Section 1.3	Omitted and Additional Services	2
Section 1.4	Service Standards.....	3
Section 1.5	Premises Access Rights	4
Section 1.6	Points of Contact.....	4
Section 1.7	Cooperation.....	4
Section 1.8	Subcontracting; Third-Party Warranties	4
Section 1.9	Third-Party Consents	5
Section 1.10	Limitation on Transition Services.....	6
Section 1.11	Operations Protocols	6

ARTICLE II

FEES AND EXPENSES

Section 2.1	Fees for Transition Services.....	6
Section 2.2	Invoicing and Payment	7
Section 2.3	Taxes	8
Section 2.4	No Right to Suspend Performance; Interest.....	9

ARTICLE III

TERM AND TERMINATION

Section 3.1	Duration of the Transition Services	10
Section 3.2	Effectiveness; Term	10
Section 3.3	Termination for Material Breach	10
Section 3.4	Survival	11

ARTICLE IV

CONFIDENTIALITY AND INTELLECTUAL PROPERTY; ADDITIONAL AGREEMENTS

Section 4.1	Confidentiality	11
Section 4.2	Disclosure of Confidential Information	12
Section 4.3	Ownership of Intellectual Property	12
Section 4.4	Non-Solicitation; Offers of Employment.....	12
Section 4.5	Security, Privacy and Data Use	13
Section 4.6	Newquay Guarantee.....	13

PUBLIC

ARTICLE V

LIMITATION OF LIABILITY; INDEMNIFICATION; DISCLAIMER OF WARRANTY

Section 5.1	LIMITATION OF LIABILITY	14
Section 5.2	Indemnification	14
Section 5.3	Indemnification Procedures	15
Section 5.4	Claims	15
Section 5.5	LIMITED WARRANTY; DISCLAIMER OF WARRANTIES.	15

ARTICLE VI

MISCELLANEOUS

Section 6.1	Force Majeure	15
Section 6.2	Incorporation by Reference.....	16
Section 6.3	Notices	16
Section 6.4	Successors and Assigns; No Third-Party Beneficiaries.....	17
Section 6.5	Independent Contractors; No Relationship.....	17
Section 6.6	Governing Law	17
Section 6.7	Jurisdiction; Venue; Specific Performance; Waiver of Trial by Jury.....	17
Section 6.8	Entire Agreement	18
Section 6.9	Consents; Waivers; Amendment.....	18
Exhibit A	Transition Services	
Exhibit B	Coordinators	

PUBLIC

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (including all Exhibits and any other attachments hereto, this “Agreement”), is entered into as of [●], by and among National Grid USA Service Company, Inc., a Massachusetts corporation (“Service Provider”), The Narragansett Electric Company, a Rhode Island corporation (“Rover” and together with Service Provider, the “Parties” and each individually a “Party”), and, solely with respect to Section 4.6, National Grid USA, a Delaware corporation (“Newquay”). Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings ascribed to them in that certain Share Purchase Agreement (as it may be amended, modified or supplemented from time to time in accordance with its terms, the “Share Purchase Agreement”), dated as of March 17, 2021, by and among PPL Energy Holdings, LLC, a Delaware limited liability company (“Pluto”), Newquay, and PPL Corporation, a Pennsylvania corporation.

W I T N E S S E T H:

WHEREAS, pursuant to the Share Purchase Agreement, Pluto agreed, among other things, to purchase from Newquay, and Newquay agreed to sell to Pluto, one hundred percent (100%) of the outstanding shares of common stock of Rover;

WHEREAS, Newquay and its Affiliates will derive a substantial benefit from the transactions contemplated by the Share Purchase Agreement; and

WHEREAS, in connection with the transactions contemplated by the Share Purchase Agreement, Newquay and Pluto desire that Service Provider, an Affiliate of Newquay, provide Rover with certain transitional services as set forth in this Agreement; and

WHEREAS, the Parties have agreed to enter into such transitional arrangements to be effective as of the Closing under the Share Purchase Agreement on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for valid consideration, the sufficiency of which is hereby acknowledged and in consideration of the foregoing and the mutual agreements contained herein, the Parties hereby agree as follows:

ARTICLE I

TRANSITION SERVICES

Section 1.1 General Intent. Each Party acknowledges and understands that the services provided hereunder are transitional in nature and are furnished by Service Provider solely for the purpose of facilitating the transactions contemplated by the Share Purchase Agreement and the operation of Rover and its Affiliates for a limited period of time, as set forth herein, and in furtherance thereof each Party expresses its intention to cooperate in good faith to provide information and assistance as reasonably requested by the other Party to effectuate a smooth transition. For the duration of the Transition Period (as defined in Section 3.2), to the extent not otherwise acquired by Pluto pursuant to the Share Purchase Agreement, Pluto and Rover shall have access during regular business hours and upon reasonable advance notice to such documents,

PUBLIC

books and manuals as are reasonably necessary to obtain the benefit of the use of the Transition Services and to transition away from the use of the Transition Services by the end of the Transition Period. As part of each of the Transition Services, Service Provider will (a) cooperate with and use commercially reasonable efforts to assist Rover and its Affiliates in effectuating an orderly transition of each Transition Service to Pluto's or Rover's own internal organization or other third-party suppliers no later than the expiration of the term set forth herein applicable to such Transition Service, including by making employees of Service Provider and its Affiliates reasonably available during normal business hours for knowledge transfer to Pluto, Rover or its designee, and each Party shall otherwise reasonably cooperate with the other Party to facilitate such orderly transition, (b) transfer, or cause to be transferred, the books, records, files, information and data held, received or created by Service Provider or its Affiliates for the benefit of Pluto, Rover, or each of their Affiliates as reasonably requested by Pluto or Rover as related to the Rover Business, subject to reasonable mutually agreed transfer timetables and staging and (c) provide to Rover, subject to reasonable mutually agreed transfer timetables and staging or as otherwise more specifically set forth on Exhibit A, copies of data generated by Service Provider in providing the Transition Services that relate to Pluto's, Rover's or each of their Affiliates' businesses, including its customers, products, technologies and assets, subject to any third-party confidentiality or other use restrictions (with Service Provider to use commercially reasonable efforts to communicate the applicable information to Rover in a way that would not violate such restrictions); provided, for the avoidance of doubt, that costs and expenses of Service Provider with respect to the foregoing will be charged to Rover consistent with Section 2.1.

Section 1.2 Provision and Purchase of Transition Services. Subject to and upon the terms and conditions set forth in this Agreement and on Exhibit A annexed hereto, Service Provider agrees to provide, or cause to be provided, to Pluto and Rover, and Rover agrees to purchase from Service Provider, each of the services set forth on Exhibit A (collectively the "Transition Services") and separately a "Transition Service") for the applicable service period for such Transition Service set forth on Exhibit A. For the avoidance of doubt, each of the Transition Services shall include all of the underlying services and tasks that are necessary for the proper performance of, or that are inherent to or necessarily part of, the provision of such Transition Service.

Section 1.3 Omitted and Additional Services.

(a) In the event that within twelve (12) months after the date hereof, Pluto identifies a service that Service Provider or any of its Affiliates provided to Rover in the twelve (12) months prior to the Closing, and that Pluto reasonably needs in order to continue to operate the business operations of Rover in substantially the same manner in which Rover operated prior to the Closing, and such service was not included (and not otherwise expressly excluded) in Exhibit A (each, an "Omitted Service"), then Rover may submit a written request to Service Provider to provide such Omitted Service. Upon receipt of such written request for an Omitted Service, Service Provider will, so long as Service Provider has not ceased performing services substantially similar to the Omitted Service for the benefit of itself or its Affiliates, respond in writing within ten (10) days of the written request, notifying Rover (i) whether Service Provider is able, through the use of commercially reasonable efforts, to provide such Omitted Service and (ii) the earliest date upon which Service Provider expects it can begin providing such Omitted Service through the use of commercially reasonable efforts, which date shall be within a reasonable period after

PUBLIC

Rover's request; provided that, Service Provider shall inform Rover (which may be through communication between the Coordinators) as promptly as possible if it anticipates that it will not be able to commence providing such Omitted Service within fifteen (15) days after Rover's request and the Parties shall cooperate in good faith to attempt to expedite commencement or implement earlier partial provision of such Omitted Service. Within ten (10) days of Service Provider's notice, the Parties shall negotiate in good faith to execute amendments to Exhibit A, as applicable, for such Omitted Service to be provided that shall set forth, among other things, (A) a description of such Omitted Service in reasonable detail, (B) the applicable service period for such Omitted Service, (C) the fees and expenses for such Omitted Service (it being agreed that the fees for such service shall be determined on a basis consistent with Article II unless otherwise mutually agreed) and (D) any additional reasonable terms and conditions specific to such Omitted Service. For clarity, each Omitted Service that Service Provider commences providing pursuant to the foregoing provisions will thereafter be deemed to be a Transition Service hereunder.

(b) In the event that within twelve (12) months after the Closing, Rover requests a service that was not included (and not otherwise expressly excluded) in Exhibit A (each, an "Additional Service"), Service Provider shall consider such request in good faith and, to the extent that the Parties reach an agreement on the provision of such Additional Service, the Parties shall cooperate to amend Exhibit A, as applicable, for such Additional Service that shall set forth, among other things, (i) a description of such Additional Service in reasonable detail, (ii) the applicable service period for such Additional Service, (iii) the fees and expenses for such Additional Service (it being agreed that the charge for such service to the extent performed by Service Provider or its Affiliates for Rover in the ordinary course of business prior to the Closing shall be determined on a basis consistent with Article II unless otherwise mutually agreed) and (iv) any additional reasonable terms and conditions specific to such Additional Service. For clarity, each Additional Service that is agreed to be provided by Service Provider pursuant to the foregoing provisions thereafter will be deemed to be a Transition Service hereunder. Notwithstanding anything to the contrary herein, the provision of any Additional Services shall be subject to the receipt of any required regulatory approvals in connection therewith.

Section 1.4 Service Standards. Subject to any limitations expressly set forth in Exhibit A, Service Provider shall provide and perform, or cause to be provided and performed, the Transition Services that it is required to provide under this Agreement using the same degree of care and skill as it utilizes in rendering such services for its own utility Affiliates' operations, and in any event, in accordance with Good Utility Practice; provided that nothing in this Agreement shall require Service Provider to favor the business of Pluto or Rover over Service Provider's own or its Affiliates' business operations. Nothing in this Agreement shall restrict or prohibit Service Provider from, with reasonable advance notice to Rover with respect to material changes made to a Transition Service, modifying the manner in which it provides, or systems utilized in providing, any Transition Service, in order to (a) automate, update, upgrade or enhance the provision of such Transition Service or the provision of similar services to Service Provider's Affiliates or (b) otherwise satisfy a legitimate business purpose, so long as such change does not materially adversely impact Rover's receipt of the Transition Service. The quantity of each Transition Service to be provided shall be that which Rover may reasonably require for the operation of Rover in the ordinary course of business consistent in all material respects with the operation of Rover prior to the Closing and, in any event, in accordance with Good Utility Practice. Service Provider

PUBLIC

agrees to assign sufficient resources and qualified personnel as are reasonably required to perform the Transition Services in accordance with the standards set forth in this Section 1.4.

Section 1.5 Premises Access Rights. During the Transition Period, Rover shall grant to the employees, agents and authorized third-party vendors of Service Provider access to Rover's premises and equipment as may be reasonably necessary for Service Provider to perform its obligations under this Agreement, subject to (a) Rover's existing premises and equipment access policies and (b) Rover's subsequently updated premises and equipment access policies of which Service Provider has been informed and given reasonable advance notice and that do not unreasonably interfere with the provision of Transition Services consistent with past practice.

Section 1.6 Points of Contact. Each of Service Provider and Rover shall designate one individual to serve as principal transaction coordinator (each a "Coordinator") with regard to this Agreement, and such Coordinators, including addresses and email addresses for notices, shall be identified on Exhibit B. Each Coordinator shall be responsible for the overall implementation of this Agreement between Service Provider and Rover, including resolution of any issues that may arise during the performance hereunder on a day-to-day basis. The Coordinators may designate by written notice to the other Party additional sub-coordinators to be primarily responsible for the implementation of this Agreement with respect to specific functional areas. To ensure overall coordination and administration of this Agreement on a consistent basis, the Coordinators and sub-coordinators shall report to each other regarding any ongoing implementation issues, including any disputes. Either Party may change its designated Coordinator or sub-coordinators upon written notice to the other Party. The Coordinators and sub-coordinators shall communicate with each other on an as-needed basis, including participating in a telephone conference regarding the Transition Services at least once a month, with specific sub-coordinators designated to meet more frequently.

Section 1.7 Cooperation. Each Party will perform all of its obligations under this Agreement in good faith and reasonably cooperate with the other Party in all matters relating to the provision and receipt of the Transition Services in order to facilitate the provision and receipt of the Transition Services and effect a smooth and orderly transition of the Transition Services provided hereunder. Each Party shall provide updates to the other Party regarding the achievement of key transition milestones or any delays or expected delays with respect to transitioning any Transition Service by the expiration of the applicable service period for such Transition Service. The Parties will reasonably cooperate with each other in making information available as needed in the event of any and all internal or external audits, including regulatory audits. From time to time after the date hereof, each Party shall use reasonable efforts to take, or cause to be taken, all appropriate action, do or cause to be done all things reasonably necessary, proper or advisable under applicable Requirements of Law, and execute and deliver such documents as may be required or appropriate to carry out the provisions of this Agreement and to consummate, perform and make effective the transactions contemplated hereby.

Section 1.8 Subcontracting; Third-Party Warranties.

(a) Subject to any limitations expressly set forth in Exhibit A, Service Provider may in its discretion provide the Transition Services either through its own resources or the resources of its Affiliates or by contracting with third-party subcontractors (each a

PUBLIC

“Subcontractor”) consistent with Service Provider’s practices in rendering such services for its own utility Affiliates’ operations. Notwithstanding the foregoing, (i) such delegation or subcontracting shall not relieve Service Provider of any of its obligations under the Agreement and (ii) Service Provider shall be responsible for the actions or inactions of its Affiliates, and for the Specified Subcontractor Acts (as defined below), to the same extent it would have been responsible had Service Provider itself provided or failed to provide the applicable Transition Services (or portion thereof). Except as set forth on Exhibit A, to the extent Service Provider has during the twelve (12) months prior to the Closing provided certain services to Rover through Service Provider’s own resources or the resources of its Affiliates, Service Provider shall use commercially reasonable efforts to maintain such practice with respect to the same Transition Services, except (A) as consistent with changes in Service Provider’s practices in rendering similar services for its own utility Affiliates operations, (B) for changes to adjust for personnel that previously supported such services being hired by or transferred to Rover, Pluto or their Affiliates or (C) for changes that otherwise satisfy a legitimate business purpose, so long as such change does not materially adversely impact Rover’s receipt of the applicable Transition Service. In the event Service Provider fails to comply with the preceding sentence in contracting with a Subcontractor to provide Transition Services, Service Provider shall be responsible for the actions or inactions of such Subcontractor in providing the applicable Transition Service (or portion thereof) that Service Provider previously provided through its own resources or the resources of its Affiliates during the twelve (12) months prior to the Closing (such actions or inactions, the “Specified Subcontractor Acts”) in accordance with clause (ii) above.

(b) Notwithstanding Section 1.8(a), to the extent that a Subcontractor is performing Transition Services: (i) Service Provider’s sole liability (other than with respect to Specified Subcontractor Acts) shall be to transfer or otherwise pass through to Rover the benefit of any warranties or remedies available under Services Provider’s contracts with such Subcontractor in a manner that is equitable given the value of services, goods, inventory or equipment received by Rover; and (ii) Service Provider shall negotiate such contracts with Subcontractors that perform Transition Services using the same degree of care and skill as it utilizes in negotiating similar contracts for its own utility Affiliates’ operations, and in any event, using Good Utility Practice, including with respect to the negotiation of available warranties and remedies.

Section 1.9 Third-Party Consents. This Agreement shall not constitute an agreement by Service Provider to provide any Transition Service or portion thereof if the provision thereof, without the consent of a third party, would constitute a breach of a third party contract or a violation of any Requirements of Law. Service Provider shall use commercially reasonable efforts to timely obtain all third-party consents and licenses necessary to provide the Transition Services to Pluto, Rover or each of its Affiliates, with any out-of-pocket third-party consent fees (collectively, “Consent Expenses”) incurred since the date of the Share Purchase Agreement to be borne by Rover. Service Provider shall keep Rover informed of the status of such negotiations and the amount of such Consent Expenses on a reasonably current basis and shall not, without Rover’s written consent, incur Consent Expenses in excess of \$100,000 individually or \$1,000,000 in the aggregate in connection with obtaining any individual or series of related third-party consents or licenses. Rover shall provide assistance as Service Provider may reasonably require to obtain such third-party consents or licenses, including assistance with negotiating the terms of consents with third-party suppliers and, as Service Provider or Rover may request, being

PUBLIC

responsible for negotiations with respect to any additional licenses required for Pluto, Rover or their Affiliates to use third-party software. If any such consents or licenses are not obtained, Service Provider shall cooperate with Rover and use commercially reasonable efforts to determine and implement alternative equivalent services, as necessary for the Transition Services to be provided to or obtained by Pluto, Rover or their Affiliates, and Rover shall reasonably cooperate in good faith in connection therewith. To the extent that any such consents or licenses are not obtained or alternative arrangements made by Service Provider, the Parties shall cooperate in good faith to arrange for alternative services from a third-party provider and Service Provider shall, at Rover's request, use commercially reasonable efforts to purchase substantially similar services from a third party provider as a Transition Service (subject to Rover paying the fees and expenses for such Transition Service consistent with ARTICLE II), and shall use commercially reasonable efforts to ensure there is no material disruption to the business operations of Rover.

Section 1.10 Limitation on Transition Services. In connection with the performance of the Transition Services, unless otherwise expressly required to be performed by Service Provider as set forth on Exhibit A or agreed to by the Parties as an Additional Service in accordance with Section 1.3, Service Provider shall have no obligation to (a) upgrade, enhance or otherwise modify any computer hardware, software or network environment currently used by Rover; provided that, subject to the second sentence of Section 1.4, the foregoing clause (a) shall not relieve Service Provider from its obligation to maintain its computer hardware, software or network environment in a manner, consistent with Good Utility Practice, to avoid a material degradation in Transition Services as compared to the functionality provided during the twelve (12) months prior to the Closing; (b) convert from one format to another any data of Rover for use by Rover or any other person in connection with the Transition Services or otherwise, so long as the data and electronic files are readable to Rover through commercially reasonable means; (c) prepare financial statements, financial information or related certifications to be attributed to Service Provider or its Affiliates for incorporation in any reporting required by the U.S. Securities and Exchange Commission; or (d) provide legal advice to Rover or its Affiliates (it being understood that any analysis or recommendations provided by Service Provider or its Affiliates with respect to legal or regulatory matters shall not be construed as legal advice or create any professional client relationship and Rover shall be responsible for obtaining its own legal advice from internal or external legal counsel).

Section 1.11 Operations Protocols. If, from time to time, the Parties reasonably determine any Transition Service, the more general terms of which are set forth on Exhibit A, requires a more detailed operations protocol pursuant to which Service Provider will provide such Transition Service to Rover, the Parties will cooperate in good faith to document the terms of an appropriate operations protocol for such Transition Service, provided that such terms shall be consistent with the terms for such Transition Service as provided on Exhibit A.

ARTICLE II

FEES AND EXPENSES

Section 2.1 Fees for Transition Services. In consideration for receiving the Transition Services, Rover shall pay to Service Provider an amount equal to (a) the Fully Loaded Costs (as defined below) plus (b) a five percent (5%) mark-up on such Fully Loaded Costs (the

PUBLIC

“Mark-up”); provided, that the Mark-up shall not be charged on the costs and expenses of third-party services, goods (including gas and electricity sales arranged by Service Provider), inventory or equipment (collectively, “Third-Party Expenses”). For purposes hereof, “Fully Loaded Costs” shall mean fully loaded direct and indirect costs and expenses of providing the Transition Services (including employee salaries, wages, pensions, benefits and health insurance, office supplies and expenses, property insurance, injuries and damages, miscellaneous general expenses, administrative, supervisory and support costs, rents, maintenance of structures and equipment, capital expenditures, depreciation and amortization, payroll and other taxes, and compensation for the use of capital). Subject to the terms of this Agreement, Fully Loaded Costs shall be charged to Rover on the same general basis as has been in effect prior to the date hereof, as may be more specifically set forth on Exhibit A with respect to individual Transition Services. In the event that Rover requests that any Transition Services continue beyond the end of the Transition Period, if Service Provider agrees to provide such Transition Services and the Parties mutually agree to extend the Transition Period, the Mark-up shall be increased by an additional five percent (5%) for the first three (3) months after the expiration of the original Transition Period and thereafter shall be increased by an additional five percent (5%) for each subsequent three (3) month period.

Section 2.2 Invoicing and Payment.

(a) Unless otherwise specified in Exhibit A and subject to Section 2.3, Service Provider shall render to Rover within fifteen (15) days of the beginning of each month an invoice that includes estimates of all fees payable to it and all charges and expenses incurred by it for the then-current calendar month of the Transition Period, itemizing all such fees, charges and expenses in reasonable detail. These estimated amounts subsequently will be adjusted by Service Provider to reflect final amounts and included on the subsequent monthly invoice. Rover shall pay, or cause to be paid, any undisputed amounts set forth in each such invoice from Service Provider within fifteen (15) days after receipt by it of each such invoice. Payment to Service Provider of all invoices in respect of the Transition Services shall be made in United States dollars (\$). Neither Party shall offset any amounts owing to it by the other Party or under the Share Purchase Agreement against amounts payable hereunder. Service Provider and Rover shall reasonably cooperate to develop a form of monthly report itemizing the fees, costs and expenses to Rover for each calendar month of the Transition Period to be included with the invoices to be delivered under this Section 2.2(a).

(b) If there is a dispute between the Parties regarding the amounts shown as billed to Rover on any invoice, Rover shall pay the full amount of such invoice that is not in dispute within the time periods set forth herein for such payment, and Service Provider shall, where applicable and practicable, furnish to Rover such additional supporting documentation to substantiate the amounts billed as Rover shall reasonably request. Upon delivery of such additional documentation, the Parties shall cooperate in good faith and use their commercially reasonable efforts to resolve such dispute. If the Parties are unable to resolve such dispute within twenty (20) Business Days after the delivery of such additional supporting documentation by Service Provider or notice from Service Provider that additional supporting documentation will not be provided, as applicable, with respect to a final amount included on an invoice then the dispute shall be referred for resolution to a firm of independent accountants mutually agreed upon in good faith by the Parties in writing (the “Accounting Referee”). If the parties are unable to agree on an Accounting Referee, the matter shall be referred for resolution to KPMG, which will

PUBLIC

serve as the Accounting Referee. The Accounting Referee shall be instructed to determine the validity of the disputed amounts within thirty (30) days of the referral of such dispute to the Accounting Referee. The determination of the Accounting Referee shall be binding on the Parties; provided that such determination shall not require Rover to pay more than the amount in dispute (except as provided herein with respect to interest and fees and expenses of the Accounting Referee). The fees and expenses of the Accounting Referee shall be borne by the Parties based on the percentage which the portion of the disputed amount not awarded to each Party bears to the amount actually contested by such Party.

(c) For a period of seven (7) years after the Closing, each Party shall keep and maintain books, records, accounts and other documents related to the provision of the Transition Services consistent with historical practices. Such records shall include receipts, invoices, memoranda, vouchers, inventories, timesheets and accounts pertaining to the Transition Services, as well as complete copies of all written contracts, purchase orders, service agreements and other such written arrangements entered into in connection therewith.

(d) Notwithstanding the payment by Rover of any charges, Rover shall have the right, by written notice given to Service Provider no later than six (6) months following the delivery of the applicable invoice (including any invoice adjusting the applicable estimated amounts to reflect final amounts), to review and contest the charges. Rover shall have the right to audit Service Provider or any of its Affiliate's relevant books, records, documents, accounting practices or internal controls; provided that such audit (i) relates solely to the Transition Services and (ii) shall not unreasonably interrupt the business or operations of Service Provider and its Affiliates. Subject to the foregoing limitations, upon written request by Rover, Service Provider shall, or shall cause its Affiliates to, within a reasonable period of time, provide, at the sole cost and expense of Rover, assistance, records and access reasonably requested by Rover in responding to such audit (including documents related to testing methodologies, test results, audit reports of significant findings, and remediation plans with respect to any material deficiencies in Service Provider's or its Affiliates' internal controls or procedures), to the extent that such assistance, records or access is within the reasonable control of Service Provider or its Affiliates and relates to the Transition Services provided hereunder by Service Provider.

Section 2.3 Taxes.

(a) All charges and fees to be paid by Rover under this Agreement are exclusive of any sales Tax, goods and services Tax, value added Tax or any other similar Tax or assessment that is required to be paid in connection with the Transition Services (each a "Sales and Services Tax", and collectively, "Sales and Services Taxes"). If any Sales and Services Taxes are assessed on the provision of any Transition Services under this Agreement, (i) Service Provider shall deliver to Rover an invoice (or other valid and customary documentation) reflecting such Sales and Services Taxes in accordance with applicable Requirements of Law, (ii) Rover shall pay to Service Provider the amount shown as due on such invoice in accordance with Section 2.2, and (iii) Service Provider shall timely remit to the applicable Governmental Authority any Sales and Services Taxes that are paid by Rover to Service Provider pursuant to clause (ii) hereof or that are otherwise required to be collected and remitted to the applicable Governmental Authority under applicable Law; provided that, for the avoidance of doubt, except to the extent reflected in Fully Loaded Costs charged pursuant to Section 2.1, each of Rover and Service Provider shall be

PUBLIC

responsible for (A) any real or personal property Taxes on property it owns or leases, (B) franchise, margin, privilege and similar Taxes on its business, (C) the employment Taxes or contributions imposed on it or required from it with respect to its employees and (D) Taxes based on its income, gross receipts or capital.

(b) Notwithstanding any other provision in this Agreement to the contrary, Rover and each of its Affiliates shall be entitled to deduct and withhold (or cause to be deducted and withheld) from amounts otherwise payable to any person pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of any U.S. federal, state, local or non-U.S. Tax law (“Withholding Taxes”). To the extent that amounts are so withheld by Rover or any of its Affiliates and remitted to the appropriate Governmental Authority, such withheld and remitted amounts shall be treated for all purposes of this Agreement as having been paid to the relevant person in respect of which such deduction and withholding was made. Each of the Parties agrees to use reasonable best efforts to mitigate the imposition of any Withholding Taxes.

(c) Rover shall be entitled to any refund of any Sales and Services Tax for which it is responsible under this Section 2.3, and if Service Provider or any of its Affiliates receives a refund of such Sales and Services Taxes borne by Rover, Service Provider shall remit, or cause to be remitted, to Rover within ten (10) days, the amount of such refund.

(d) Each Party shall, and shall cause its Affiliates to, reasonably cooperate with the other Party (in accordance with Section 1.7) in connection with (i) mitigating the imposition of any Sales and Services Taxes required to be paid or collected, including by the provision of documentation necessary to support Sales and Services Tax exemptions, and (ii) the reporting of, or any audit, assessment, refund, claim or proceeding relating to, any such Sales and Services Taxes, including by the provision of information or data (including any resale certificate, other exemption certificates, and information regarding out-of-state use of materials, services or sale) as reasonably requested from time to time. Each Party shall promptly notify the other Party of any material deficiency claim or similar notice by a Governmental Authority connected to the provision of any Transition Services under this Agreement.

(e) Notwithstanding anything to the contrary contained in this Agreement, this Section 2.3 shall survive expiration or termination of this Agreement.

Section 2.4 No Right to Suspend Performance; Interest.

(a) Neither Party shall suspend the performance of its obligations hereunder notwithstanding any dispute that may be pending between the Parties or their Affiliates, whether under this Agreement or otherwise. If it is mutually agreed by the Parties or otherwise determined pursuant to Section 2.2 that Service Provider has incorrectly invoiced or billed Rover for excess fees or insufficient fees, as applicable, Service Provider shall remit any excess amounts to Rover or Rover shall remit such insufficient amount, in each case, within fifteen (15) days following such determination.

(b) Any amounts payable by a Party to the other Party shall accrue interest at a rate of [•]% per annum as of the date payment was due until the date such payment is

PUBLIC

made. Neither Party may deduct from or set off against any amounts such Party or any Affiliate of such Party may owe to the other Party or its Affiliates.

ARTICLE III

TERM AND TERMINATION

Section 3.1 Duration of the Transition Services.

(a) Each Transition Service described in Exhibit A shall continue until the earlier of (i) the expiration of the applicable service period for such Transition Service set forth in Exhibit A, (ii) the termination of this Agreement, and (iii) such time as Rover terminates such Transition Service in accordance with Section 3.1(b).

(b) Rover may terminate all or a portion of any Transition Service that is being provided by Service Provider, subject to any limitations on the termination of individual Transition Services described in Exhibit A, upon written notice to Service Provider identifying the Transition Service to be terminated and the effective date of termination, which date shall not be earlier than ninety (90) days after receipt of such notice unless either (i) Service Provider otherwise agrees or (ii) Rover reimburses Service Provider for Service Provider's incremental costs in connection with such earlier termination along with payment of all remaining Fully Loaded Costs in accordance with Section 2.1 that Service Provider cannot reasonably eliminate for the period beginning on the the effective date of termination until the ninetieth (90th) day after receipt of such notice. Effective upon the termination of such Transition Service, Service Provider shall have no further obligation under this Agreement to provide such Transition Service and the fees associated with such Transition Service shall be equitably reduced to reflect the removal of the terminated Transition Services (if such terminated Transition Services are not reasonably required to be performed by Service Provider to continue to provide other Transition Services that are not terminated in accordance herewith to Rover) with respect to any period commencing on or after the effective date of such termination.

Section 3.2 Effectiveness; Term. The effectiveness of this Agreement and the Parties' rights and obligations hereunder is conditioned upon the occurrence of the Closing under the Share Purchase Agreement. The term of this Agreement (the "Transition Period") shall commence upon Closing and end, subject to earlier termination, on the earlier of (a) [●]¹ and (b) the cessation by Rover of the purchase of all of the Transition Services under this Agreement. Upon the termination of the Share Purchase Agreement, this Agreement shall immediately and automatically terminate and shall be of no further force and effect, and the Parties shall have no rights or obligations hereunder from and after any such termination.

Section 3.3 Termination for Material Breach. Rover may terminate this Agreement or any specific Transition Service upon any material breach of this Agreement by Service Provider that remains uncured for thirty (30) days after written notice thereof. Service Provider may terminate its obligations to provide any Transition Service if Rover fails to pay any sum due and payable to Service Provider with respect to such Transition Services within

¹ NTD: To insert the two-year anniversary of the Closing Date.

PUBLIC

fifteen (15) days after written notice thereof of such failure to pay a payment when due, unless such amount is being disputed by Rover in good faith in accordance herewith.

Section 3.4 Survival. Notwithstanding any termination or expiration of this Agreement (whether terminated by Service Provider or Rover) or any Transition Service, each Party will remain liable to the other Party for the payment of fees and expenses accruing to the other Party for the period prior to such termination or expiration even though such fees may not become due until after termination or expiration. Further, the provisions of Section 2.3 (Taxes), Section 2.4(b) (Interest), Section 4.1 (Confidentiality), Section 4.2 (Disclosure of Confidential Information), Section 4.3 (Ownership of Intellectual Property), Section 4.4 (Non-Solicitation; Offers of Employment), Article V (Limitation of Liability; Indemnification; Disclaimer of Warranty) and Article VI (Miscellaneous) shall survive any termination or expiration of this Agreement or any Transition Service.

ARTICLE IV

CONFIDENTIALITY AND INTELLECTUAL PROPERTY; ADDITIONAL AGREEMENTS

Section 4.1 Confidentiality. All confidential or proprietary information or documentation, regardless of its form ("Confidential Information"), of either Party which is disclosed to, is acquired by or comes into the possession of, the other Party through operation of this Agreement shall be held in confidence by the other Party (including its Affiliates) and shall be protected against unauthorized disclosure to the same extent and in the same manner as such Party protects its own confidential or proprietary information of like nature. Neither Party shall disclose, publish, release, transfer or otherwise make available Confidential Information of the other Party in any form to, or for the use or benefit of, any person or entity, or duplicate or reproduce the same, without such other Party's prior written approval. Each Party shall, however, be permitted to disclose relevant aspects of the other Party's Confidential Information to its officers, agents, employees and authorized representatives and to the officers, agents, employees and authorized representatives of its Affiliates, only to the extent that such disclosure is reasonably necessary to the performance of its duties and obligations under this Agreement; provided, that such Party shall take all reasonable measures to ensure that Confidential Information of the other Party is not disclosed or duplicated in contravention of the provisions of this Agreement by any such officer, agent, employee or authorized representative (it being understood that each Party shall be responsible for any breach of such Party's obligations caused by the acts or omissions of its Affiliates, officers, agents, employees or authorized representatives). Notwithstanding the foregoing, information of a Party disclosed to the other Party shall not be deemed Confidential Information if such information (a) is at the time of such disclosure in the public domain, or thereafter comes into the public domain from a third party and through no fault of the receiving Party; (b) can be demonstrably shown to have been in the possession of the receiving Party at the time of disclosure by the disclosing Party or to have been independently developed by the receiving Party; or (c) shall have become legally available to the receiving Party from a third party having no obligation of confidentiality with respect thereto. To the extent practicable, upon request of any disclosing Party, the other Party will, and will cause its Affiliates, agents and authorized representatives to, promptly return to such disclosing Party (or, if requested by the disclosing Party, destroy) all copies of the Confidential Information received from the disclosing Party and will destroy all memoranda, notes and other writings prepared by such Party based on the Confidential

PUBLIC

Information. No Party shall use Confidential Information for any purpose other than in connection with performing its obligations under this Agreement. The rights and obligations of the Parties hereunder with respect to any Confidential Information disclosed or obtained prior to termination shall survive for a period of three (3) years following any termination or expiration of this Agreement.

Section 4.2 Disclosure of Confidential Information. Notwithstanding Section 4.1, either Party may disclose Confidential Information in the following circumstances (or as otherwise provided by the provisions of this Agreement): (a) in response to a court order or formal discovery request, (b) in compliance with the order of any governmental or regulatory authority of competent jurisdiction (including a reasonable request by a Governmental Authority), or (c) as otherwise required by applicable Requirements of Law; provided, in each such case, that the disclosing Party may only disclose such information if (i) it shall first have used commercially reasonable efforts to obtain, and, if practicable, shall have afforded the other Party the opportunity to obtain, an appropriate protective order or other satisfactory assurance of confidential treatment of the information required to be so disclosed, and (ii) if such protective order or other remedy is not obtained, or the other Party waives such person's compliance with the provisions of this Section 4.2, it will only furnish that portion of the Confidential Information which is legally required to be so disclosed.

Section 4.3 Ownership of Intellectual Property. Except as expressly set forth in this Agreement, no provision of this Agreement is intended to, or will, (a) assign or otherwise transfer any title in any goods, equipment or software, or any associated Intellectual Property rights, from any Party to any Party, or (b) assign any contract, or rights under contracts, from any Party to any other Party. Notwithstanding any materials, deliverables or other products that may be created or developed by Service Provider or its Affiliates during the Transition Period, no title, right or interest in such related Intellectual Property shall be obtained by Rover, unless Service Provider specifically agrees otherwise in response to a request from Rover. All rights not expressly granted in this Agreement by a Party are expressly reserved to such Party and its licensors and information, content and software providers. Notwithstanding the foregoing, solely to the extent required for the provision or receipt of the Transition Services (as applicable) in accordance with this Agreement, each Party (the "Licensor"), for itself and on behalf of its Affiliates, hereby grants to the other party (the "Licensee") (and the Licensee's Affiliates) a non-exclusive, non-transferable (other than in accordance with Section 6.4), royalty-free, worldwide license to use the Intellectual Property rights (and any and all improvements, modifications, enhancements or derivative works thereof) of the Licensor only to the extent and for the duration necessary for the Licensee to provide or receive (as applicable) the applicable Transition Services under this Agreement. Upon the expiration or termination of a Transition Service in accordance with this Agreement, the license to the relevant Intellectual Property rights shall automatically and immediately terminate, and all licenses granted hereunder shall automatically and immediately terminate upon the expiration or earlier termination of this Agreement in accordance with the terms hereof.

Section 4.4 Non-Solicitation; Offers of Employment. For the duration of the Transition Period and for a period of one year thereafter, neither Rover, nor any of its Affiliates or Representatives shall, directly or indirectly, solicit for employment or hire any employee of Service Provider or its Affiliates or otherwise initiate any offer or promise of employment with any employee of Service Provider or its Affiliates without Service Provider's prior written consent;

PUBLIC

provided, that this prohibition does not apply to solicitations or hiring as the result of solicitations made to the public or the industry generally, and Rover is not prohibited from employing any such individual who (a) ceases to be employed by Service Provider or any of its Affiliates or (b) reaches out to Rover on his or her own initiative, in either case without prior solicitation or encouragement to terminate such employment from Rover or its Affiliates or Representatives in violation of this Agreement, provided, further, that during the Transition Period, Pluto, Rover or one of their Affiliates may (but shall not be required to) offer employment to one or more of the TSA Employees as permitted by Section 6.9(a)(vi) of the Share Purchase Agreement.

Section 4.5 Security, Privacy and Data Use. If Rover or any of its Affiliates gains access to Service Provider's, or any of its Affiliates' computer, electronic or data storage systems in connection with Service Provider's provision of the Transition Services, Rover shall use such access solely for the purpose of using the Transition Services. Rover shall (a) limit such access to Rover's employees who reasonably require such access in connection with the Transition Services being used, and (b) follow Service Provider's security, privacy and data use rules and procedures regarding the use of Service Provider's computer, electronic or data storage systems of which Rover has been informed and is given reasonable advance notice.² Any employees, contractors or other representatives of Rover or any of its Affiliates gaining access hereunder shall as a condition precedent to gaining such access or use be directed to comply with the procedures that Service Provider requires for third party access pursuant to Service Provider's security, privacy and data use rules and procedures of which Rover has been informed and is given reasonable advance notice. All user names and passwords disclosed to, or discovered by, Rover and any information of Service Provider or its Affiliates obtained by Rover or its Affiliates as a result of Rover's access to Service Provider's computer, electronic or data storage systems (other than Rover's Confidential Information) shall be deemed to be, and shall be treated as, Service Provider's Confidential Information.

Section 4.6 Newquay Guarantee. Newquay shall cause Service Provider to comply with all Service Provider's agreements, covenants and obligations under this Agreement and hereby unconditionally and irrevocably guarantees to Rover the full and complete performance of all of Service Provider's agreements, covenants and obligations under this Agreement on a timely basis, including the due and punctual payment by Service Provider of Service Provider's payment obligations and liabilities under this Agreement (the "Guaranteed Obligations"). The foregoing sentence is an absolute, unconditional and continuing guarantee of the full and punctual discharge and performance of the Guaranteed Obligations. If Service Provider defaults in the discharge and performance of all or any portion of its payment obligations under this Agreement, the obligations of Newquay hereunder shall become immediately due and payable. Newquay hereby waives diligence, presentment, demand of performance, filing of any claim, any right to require any proceeding first against Service Provider, protest, notice and all demands whatsoever in connection with the performance of its obligations set forth in this Section 4.6 or elsewhere in this Agreement.

² NTD: Newquay to provide a copy of such existing rules and procedures prior to execution hereof, which shall be subject to revision in the ordinary course.

PUBLIC

ARTICLE V

LIMITATION OF LIABILITY; INDEMNIFICATION; DISCLAIMER OF WARRANTY

Section 5.1 **LIMITATION OF LIABILITY.** EXCEPT IN THE CASE OF ACTUAL FRAUD OR WILLFUL MISCONDUCT, OR AMOUNTS DUE AND PAYABLE PURSUANT TO SECTION 5.2, NEITHER PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY FOR ANY PUNITIVE, INCIDENTAL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING ANY SUCH DAMAGES FOR LOST REVENUE, INCOME OR PROFITS, DIMINUTION IN VALUE OF THE BUSINESS OR ASSETS OF THE OTHER PARTY OR ANY OF ITS AFFILIATES, ARISING FROM ANY CLAIM RELATING TO THIS AGREEMENT OR ANY OF THE TRANSITION SERVICES TO BE PROVIDED HEREUNDER OR THE PERFORMANCE OF OR FAILURE TO PERFORM SUCH PARTY'S OBLIGATIONS UNDER THIS AGREEMENT, WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, AND REGARDLESS OF WHETHER SUCH DAMAGES ARE FORESEEABLE OR AN AUTHORIZED REPRESENTATIVE OF SUCH PARTY IS ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES. EXCEPT IN THE CASE OF (A) SERVICE PROVIDER'S OR ITS AFFILIATES' WILLFUL MISCONDUCT, GROSS NEGLIGENCE OR ACTUAL FRAUD, (B) WILLFUL MISCONDUCT, GROSS NEGLIGENCE OR ACTUAL FRAUD IN THE PERFORMANCE OF A SPECIFIED SUBCONTRACTOR ACT BY THE APPLICABLE SUBCONTRACTOR OR (C) INDEMNIFICATION CLAIMS UNDER Section 5.2, THE AGGREGATE DAMAGES FOR ANY CAUSE WHATSOEVER FOR WHICH SERVICE PROVIDER SHALL BE LIABLE UNDER THIS AGREEMENT SHALL NOT EXCEED THE TOTAL OF ALL FEES RECEIVED BY SERVICE PROVIDER UNDER THIS AGREEMENT (EXCLUDING, FOR THE AVOIDANCE OF DOUBT, ANY THIRD-PARTY EXPENSES) IN THE [TWELVE (12) MONTH] PERIOD IMMEDIATELY PRECEDING THE DATE OF THE APPLICABLE EVENT OR ACTION GIVING RISE TO SUCH DAMAGES.

Section 5.2 **Indemnification.**

(a) Rover shall indemnify Service Provider and each of its Affiliates from, and defend and hold Service Provider and each of its Affiliates harmless from and against, any and all damages, losses, liabilities, costs and expenses (including reasonable fees and expenses of counsel) (collectively referred to as "Damages") paid to third parties in connection with any claims arising from or relating to this Agreement or the Transition Services, except to the extent that such Damages are the direct result of Service Provider's or its Affiliates' (i) gross negligence or willful misconduct or (ii) breach of Section 4.1 or Section 4.2 of this Agreement.

(b) Service Provider shall indemnify Rover and each of its Affiliates from, and defend and hold Rover and each of its Affiliates harmless from and against, any and all Damages paid to third parties in connection with any claims arising from or relating to this Agreement or the Transition Services to the extent that such Damages are the direct result of Service Provider's or its Affiliates' (i) gross negligence or willful misconduct or (ii) breach of Section 4.1 or Section 4.2 of this Agreement.

PUBLIC

Section 5.3 Indemnification Procedures. The provisions of Section 10.4 of the Share Purchase Agreement shall govern the procedures for indemnification under this Article V; provided that each reference in Section 10.4 of the Share Purchase Agreement to Article X of the Share Purchase Agreement shall be deemed a reference to this Article V.

Section 5.4 Claims. Should either Party or its Affiliates be named as defendant in any third-party claim or cause of action arising out of or relating to the Transition Services, the Parties will reasonably cooperate with each other in the joint defense of their common interests to the extent permitted by law.

Section 5.5 LIMITED WARRANTY; DISCLAIMER OF WARRANTIES.

(a) EXCEPT AS OTHERWISE PROVIDED HEREIN, THE TRANSITION SERVICES ARE FURNISHED AS IS, WHERE IS, WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY OF NON-INFRINGEMENT.

(b) SERVICE PROVIDER IS ACTING AS ROVER'S PURCHASING AGENT OR OTHERWISE AS A RESELLER WITH RESPECT TO ALL THIRD PARTY SERVICES, GOODS, INVENTORY AND EQUIPMENT PROVIDED HEREUNDER BY THIRD PARTIES OTHER THAN SERVICE PROVIDER'S AFFILIATES, AND, AS SUCH, DOES NOT PROVIDE ANY WARRANTY FOR SUCH THIRD PARTY SERVICES, GOODS, INVENTORY OR EQUIPMENT PROVIDED TO ROVER HEREUNDER. ALL SUCH THIRD PARTY SERVICES, GOODS, INVENTORY AND EQUIPMENT ARE PROVIDED AS IS, WHERE IS, WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY OF NON-INFRINGEMENT. ROVER'S SOLE REMEDY IN CONNECTION WITH ANY DEFECTS IN OR FAILURES OF SUCH THIRD PARTY SERVICES, GOODS, INVENTORY OR EQUIPMENT (WHETHER A CLAIM FOR SUCH DEFECT ARISES UNDER CONTRACT, TORT, STRICT LIABILITY, STATUTE, OR ANY OTHER LEGAL OR EQUITABLE THEORY OR PRINCIPLE INCLUDING NEGLIGENCE) SHALL BE TO SEEK RECOURSE EXCLUSIVELY FROM THE COUNTERPARTIES TO THE THIRD PARTY CONTRACTS, UNLESS THE DEFECT WAS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SERVICE PROVIDER OR ITS AFFILIATES. ROVER SHALL PASS THESE TERMS TO SUBSEQUENT BUYERS AND USERS OF GOODS, INVENTORY AND EQUIPMENT.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Force Majeure. No Party shall be liable or deemed to be in breach of or default under this Agreement or any provisions thereof to the extent resulting from any delay or failure in performance under this Agreement resulting from acts of God, civil or military authority, acts of a public enemy, war, terrorism, fires and explosions (other than to the extent

PUBLIC

resulting from the gross negligence or willful misconduct of a Party), earthquakes, floods, the elements, pandemics (including the COVID-19 virus or any COVID-19 Measures), labor disputes, strikes, lockouts, disruption of supplies or transportation, delays by unaffiliated suppliers or carriers (to the extent delayed by a force majeure event with respect to such supplier or carrier), and acts, omissions or delays in acting by any Government Entity, impossibility due to operation of Requirements of Law (including without limitation by decree of a court of competent jurisdiction) or any cause beyond the Party's reasonable control (each, a "Force Majeure Event"); provided that (a) the foregoing may not be raised as a defense or excuse for the failure of Rover to pay any amount due and payable to Service Provider pursuant to this Agreement and (b) in connection with the delay, reduction or failure in, or suspension or resumption of, performance of the Transition Services, Service Provider shall treat Rover on a non-discriminatory basis as compared to Service Provider's utility Affiliates. Upon the occurrence of a Force Majeure Event, the affected Party shall promptly give written notice to the other Party of the Force Majeure Event upon which it intends to rely to excuse its performance, and of the expected duration of such Force Majeure Event. The duties and obligations of such Party hereunder shall be tolled for the duration of the Force Majeure Event, but only to the extent that the Force Majeure Event prevents such Party from performing its duties and obligations hereunder. During the duration of a Force Majeure Event, the affected Party shall use commercially reasonable efforts to avoid, mitigate, remedy or remove such Force Majeure Event as promptly as practicable and resume its performance under this Agreement with the least practicable delay.

Section 6.2 Incorporation by Reference. Sections 11.1, 11.2, 11.8 and 11.11 of the Share Purchase Agreement are hereby incorporated by reference in this Agreement in all respects as though fully set forth herein. In the event of a conflict between any provision contained herein and Sections 11.1, 11.2, 11.8 and 11.11 of the Share Purchase Agreement, the provision of the Share Purchase Agreement shall supersede and replace such conflicting provision of this Agreement.

Section 6.3 Notices. Except as otherwise provided in this Agreement, all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and, in the case of delivery in person or by overnight courier, shall be deemed to have been duly given upon receipt) by delivery in person or overnight courier to the respective Parties at the following addresses, delivery by electronic mail transmission to the respective Parties at the following email addresses, or at such other address or email address for a Party as shall be specified in a notice given in accordance with this Section 6.3; provided, however, that delivery by electronic mail transmission shall be deemed to have been duly given upon receipt only if promptly confirmed by reply electronic mail transmission or telephone:

If to Rover:

The Narragansett Electric Company
[●]
Attn: [●]
Email: [●]

If to Service Provider:

PUBLIC

National Grid USA Service Company, Inc.
[●]
Attn: [●]
Email: [●]

Section 6.4 Successors and Assigns; No Third-Party Beneficiaries. Subject to the terms of this Section 6.4, this Agreement and all its provisions shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns. Nothing in this Agreement, whether expressed or implied, will confer on any Person, other than the Parties or their respective permitted successors and assigns, any rights, remedies or liabilities; provided that the provisions of Article V will inure to the benefit of the Affiliates of the indemnified Party. No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party and any purported assignment without such consent shall be void.

Section 6.5 Independent Contractors; No Relationship. The Parties to this Agreement are independent contractors. Neither Party hereto is an agent or representative of the other Party. Nothing in this Agreement shall be deemed to create a partnership, joint venture or other relationship between or among any of the Parties (other than a vendor-customer relationship), including their Affiliates, employees, officers, directors or agents. In no event shall either Party's personnel be deemed to be employees of the other Party.

Section 6.6 Governing Law. This Agreement, and all claims or causes of action (whether at law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the Requirements of Law of the State of Delaware, without regard to any choice or conflict of law principles or rules (whether of the State of Delaware or any other jurisdiction) that would mandate or permit the application of the Requirements of Law of any jurisdiction other than the State of Delaware.

Section 6.7 Jurisdiction; Venue; Specific Performance; Waiver of Trial by Jury.

(a) Each Party agrees that all claims arising out of or in connection with this Agreement shall be brought in the United States District Court for the District of Delaware or, if under applicable Requirement of Law exclusive jurisdiction is vested in state courts, in the Chancery Courts of the State of Delaware located in Wilmington, Delaware. In connection with any action or proceeding in any such court, each Party (i) consents to the service of process or other papers in connection with such action or proceeding in the manner provided in Section 6.3 or in such other manner as permitted by Requirements of Law, (ii) submits with regard to any such action or proceeding, generally and unconditionally, to the personal jurisdiction of any such court, and (iii) irrevocably waives, to the fullest extent permitted by Requirements of Law, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement in such court, any claim that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement, or the subject matter hereof, may not be enforced in or by such court pursuant to this Section 6.7.

PUBLIC

(b) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties acknowledge and agree that, to prevent breaches or threatened breaches by the Parties of any of their respective covenants or obligations set forth in this Agreement and to enforce specifically the terms and provisions of this Agreement, the Parties shall be entitled to seek an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled in law or in equity. In connection with any request for specific performance or equitable relief by any Party, each of the other Parties waives any requirement for the security or posting of any bond in connection with such remedy.

(c) EACH PARTY HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE TRANSACTIONS TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, OR ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF ANY LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 6.7.

Section 6.8 Entire Agreement. This Agreement, including Exhibit A and Exhibit B, together with the Share Purchase Agreement and all annexes and exhibits hereto and thereto, embody the entire agreement of the Parties with respect to the subject matter hereof and supersede all prior agreements with respect thereto.

Section 6.9 Consents; Waivers; Amendment. All waivers and consents given hereunder shall be in writing. No waiver by any Party of any breach or anticipated breach of any provision hereof by any other Party shall be deemed a waiver of any other contemporaneous, preceding or succeeding breach or anticipated breach, whether or not similar. Except as provided in this Agreement, no action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance by any other Party with any representations, warranties, covenants or agreements contained in this Agreement. The failure of any Party to assert any rights under this Agreement or otherwise shall not constitute a waiver of such rights. Any amendment to this Agreement shall be in writing and signed by both Parties.

PUBLIC

IN WITNESS WHEREOF, the Parties have caused this Transition Services Agreement to be duly executed as of the date first written above.

THE NARRAGANSETT ELECTRIC
COMPANY

By _____
Name:
Title:

NATIONAL GRID USA SERVICE
COMPANY, INC.

By _____
Name:
Title:

NATIONAL GRID USA
(solely with respect to Section 4.6)

By _____
Name:
Title:

[Transition Services Agreement Signature Page]

PUBLIC

Exhibit A

Transition Services

[The service descriptions included in the extracts of the “separation blueprint” provided by Newquay to Pluto on February 21, 2021 to be used as the commercial basis for negotiation of Exhibit A to be attached to the executed version of this Agreement]

PUBLIC

Exhibit B

Coordinators

The Service Provider Coordinator is:

Name: [●]
Address: [●]
Phone: [●]
Email: [●]

The Rover Coordinator is:

Name: [●]
Address: [●]
Phone: [●]
Email: [●]

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-20

Request:

Please provide all Documents, including internal corporate guidelines or protocols, that govern the relationship between PPL, PPL RI, and Narragansett, presently or post-Transaction.

Response:

PPL and PPL RI refer to Attachment PPL-DIV 1-20-1, PPL Amended Services Agreement, dated July 21, 2016; Attachment PPL-DIV 1-20-2, PUC Approval – PPL Services Agreement, dated October 12, 2016; and Attachment PPL-DIV 1-20-3, PPL Standards of Integrity 2021.

PUBLIC



Four Penn Center
1600 John F Kennedy Blvd.
Philadelphia, PA 19103
215-587-1000 Main
215-587-1444 Main Fax
www.postschell.com

David B. MacGregor

dmacgregor@postschell.com
215-587-1197 Direct
215-320-4879 Direct Fax

July 21, 2016

VIA ELECTRONIC FILING

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: PPL Electric Utilities Corporation - Amended Services Agreement with PPL Corporation and Certain Subsidiaries
Docket No. G-2016-

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric"), pursuant to Chapter 21 of the Public Utility Code, 66 Pa.C.S. Chapter 21, is a proposed Services Agreement between PPL Electric and PPL Corporation. This Services Agreement is intended to supersede and replace PPL Electric's existing Services Agreement dated November 1, 2014, that was previously approved by the Pennsylvania Public Utility Commission ("Commission").

PPL Electric is filing this Services Agreement primarily to add LG&E and KU Services Company, a PPL Corporation subsidiary, to the existing Services Agreement. This will allow PPL Electric to provide and receive services from LG&E and KU Services Company, and vice versa. The initial impetus for this Services Agreement is to accommodate the consolidation of certain information technology and related services among several PPL Corporation subsidiaries, but other services may be provided over time. Additionally, the proposed Services Agreement updates the list of current PPL Corporation subsidiaries, which is provided as Appendix A.

PPL Electric respectfully requests that the enclosed Services Agreement be considered as expeditiously as possible, consistent with the 30-day period for consideration of affiliate transactions set forth in Section 2102(b) of the Public Utility Code, 66 Pa.C.S. § 2102(b).

PUBLIC

Rosemary Chiavetta
July 21, 2016
Page 2

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David B. MacGregor". The signature is fluid and cursive, with the first name "David" and last name "MacGregor" clearly distinguishable.

David B. MacGregor
Principal

DBM/ctw
Enclosure

cc: Paul T. Diskin
Anthony J. Rametta

PUBLIC

Services Agreement

This Agreement is made as of _____, by and between PPL Corporation, a Pennsylvania corporation ("PPL Corporation"), and PPL Electric Utilities Corporation, a Pennsylvania corporation ("PPL Electric"). This Services Agreement supersedes and replaces the Services Agreement between PPL Electric and PPL Corporation dated November 1, 2014.

WHEREAS, PPL Corporation is an energy and utility holding company and, under its Articles of Incorporation, may engage in any lawful act concerning any lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law; and

WHEREAS, PPL Electric is a subsidiary of PPL Corporation and is engaged in providing electric distribution, transmission and default supply service to customers in portions of central eastern Pennsylvania subject to regulation by the Pennsylvania Public Utility Commission ("PaPUC") and the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, PPL Corporation and PPL Electric each possess knowledge and skill in various aspects of business operations; and

WHEREAS, the provision of certain services between PPL Corporation and PPL Electric will enable the parties to obtain these services effectively and efficiently; and

WHEREAS, PPL Corporation desires to procure services from PPL Electric on a non-exclusive basis, and PPL Electric is willing to provide these services; and

WHEREAS, PPL Electric desires to procure services from PPL Corporation on a non-exclusive basis, and PPL Corporation is willing to provide these services;

PUBLIC

NOW, THEREFORE, in consideration of the agreements set forth herein and intending to be legally bound hereby, PPL Corporation and PPL Electric agree as follows:

A. Services

1. PPL Corporation agrees to provide, on an as-available basis, such services as may from time to time be requested by PPL Electric. These services may include management, supervisory, construction, engineering, accounting, legal, financial or similar services, as necessary and appropriate to the safe, efficient and/or cost effective operation of PPL Electric's business. A non-exclusive list of services that may be provided to PPL Electric includes, but is not limited to:

- Management services.
- Supervisory services.
- Construction services.
- Engineering services.
- Restoration of utility services.
- Information Technology services.
- External Affairs services.
- Human Resources services.
- Environmental Management services.
- Financial services.
- Auditing services.
- Risk Management services.
- Insurance services.

PUBLIC

- Legal services.
- Call Center services.
- Billing services.
- Purchasing services.
- Supply Chain services.
- Real Estate services.
- Facilities Management services.
- Electronic data interchange ("EDI") services.
- Administrative services.
- Corporate Secretarial services.
- Other services that may be necessary for the safe, efficient and/or cost-effective operation of PPL Electric's business.

2. PPL Electric agrees to provide, on an as-available basis, such services as may from time to time be requested by PPL Corporation. These services may include management, supervisory, construction, engineering, accounting, legal, financial or similar services, as necessary and appropriate to the safe, efficient and/or cost effective operation of PPL Corporation's business, including, but not limited to, the non-exclusive list of services set forth in Paragraph A(1) above.

3. PPL Corporation and PPL Electric may obtain services of this nature from time to time on an as-needed basis. Neither PPL Corporation nor PPL Electric is under any obligation to procure a set amount of services pursuant to this Agreement.

B. Pricing

The price for services provided pursuant to Section A of this Agreement will be determined as set forth below; provided however that if a particular transaction is

PUBLIC

subject to regulation by the FERC or another federal regulatory agency, and the rules of these agencies require a pricing mechanism that is different than provided herein, the Parties will follow the rules required by the federal agency, as applicable.

1. Direct Assignment

Pricing under this Agreement will be based on a direct assignment or attribution to the affiliate receiving the service to the extent reasonably possible.

2. Allocation

If pricing cannot be determined based on a direct assignment or attribution, it will be based on an allocation between the parties based on a reasonable approximation of the costs attributable to each party(ies).

If pricing cannot be determined as provided above, costs will be allocated using a three-factor methodology. The three factors are: (1) invested capital, (2) operation and maintenance expense, and (3) number of employees. The first factor will be calculated based upon each subsidiary's proportion of invested capital relative to its affiliates. The second factor will be based on each subsidiary's proportion of operation and maintenance expenses relative to its affiliates. The third factor will be based on each subsidiary's number of employees relative to its affiliates.

Each of the three factors will be weighted equally in importance. Therefore, the sum of the three factors will be divided by three to obtain the average multi-factor allocation percentage for each subsidiary. To reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1 percent will not receive an allocation.

PUBLIC

PPL Corporation and/or its subsidiaries maintain Support Groups which may provide services to PPL Corporation and its subsidiaries. Support Groups will periodically analyze their indirect costs to determine which PPL Corporation subsidiaries do not receive a significant portion of their services. If these services and related costs are significant, the Support Groups will isolate them from other indirect costs to ensure that the PPL Corporation subsidiaries that do not receive a benefit from the costs are not allocated costs applicable to those services. Support Groups will identify either specific costs to be excluded or an appropriate percentage of services to be excluded based on the operation and the expenses incurred.

After the Support Groups determine which PPL subsidiaries benefit from their services (or a percentage of them if applicable), the allocation rate for each Support Group will be calculated. If all of a particular Support Group's costs benefit the same set of PPL Corporation subsidiaries equally, the appropriate allocation method for that Support Group will be obtained by using the average multi-factor allocation percentage for each subsidiary as discussed above. If, however, a portion of the costs only benefit certain subsidiaries, while the balance of the costs benefit another set of subsidiaries, then a Support Group blended multi-factor allocation factor will be calculated for that Support Group and used for allocating all the costs of that Support Group.

C. General

1. Subsidiary Participation

"PPL Corporation" as used in this Agreement includes all subsidiary and affiliated companies of PPL Corporation other than PPL Electric and LG&E and KU Energy, LLC's ("LKE") utility subsidiaries Louisville Gas and Electric Company and Kentucky

PUBLIC

Utilities Company. A current list of PPL Corporation's subsidiaries is provided as Appendix A to this Agreement. PPL Electric will file an update of this list annually with the PaPUC. New PPL Corporation subsidiaries that are added before each annual update will be subject to this Agreement in the meantime. As set forth above, LKE's subsidiaries, Kentucky Utilities Company ("KU"), Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP"), Louisville Gas and Electric Company ("LG&E") are not parties to this Agreement. This Agreement does not bind or otherwise obligate KU or LG&E. In the event that PPL Electric seeks to enter into a services contract with LKE's subsidiaries KU or LG&E, PPL Electric will file a separate affiliate agreement to cover those services.

2. Term

The term of this Agreement shall commence on the date first set forth above or the date on which the PaPUC approves this Agreement, whichever is later. Thereafter, this Agreement shall continue in full force and effect until terminated by either of the parties upon 15 days' written notice to the other party of its election to do so.

3. Billing

The party providing services under Section A of this Agreement shall bill on a monthly or more frequent basis the party receiving such services. Such bills shall reference the service provided and the associated prices, which shall be determined in accordance with Section B of this Agreement.

4. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

PUBLIC

IN WITNESS WHEREOF, the parties have executed this Agreement as set forth
below.

PPL Corporation

By: Stephen K. Pappalardo

PPL Electric Utilities Corporation

By: Marlene C. Burns

PUBLIC

Appendix A

PPL CORPORATION SUBSIDIARIES AND AFFILIATES

Airborne Clean Energy Ltd.	PPL EU Services Corporation
Airborne Pollution Control, Inc.	PPL Foundation
Aztec Insurance Limited	PPL Global, LLC
Central Networks Trustees Limited	PPL Infrastructure Services, LLC
CEP Commerce, LLC	PPL Island Limited
CEP Lending, Inc.	PPL Midlands Limited
CEP Reserves, Inc.	PPL Power Insurance Ltd.
DCUSA Limited	PPL Services Corporation
DHA, LLC	PPL Strategic Development, LLC
Downtown Commercial Loan Fund, LLC	PPL TransLink, Inc.
Ebusiness South West Limited	PPL UK Holdings, LLC
Electralink Limited	PPL UK Investments Limited
Electric Energy, Inc.	PPL UK Resources Limited
Electricity Association Services Limited	PPL UK Distribution Holdings Limited
Electricity Pensions Limited	PPL WEM Limited
Electricity Pensions Trustee Limited	PPL WPD Limited
Energy Networks Association Limited	Smart Energy Code Company Limited
FCD LLC	South Wales Electricity Share Scheme
Gemserv Limited	Trustees Limited
Hyder Limited	South Western Helicopters Limited
Hyder Profit Sharing Trustee Limited	Spinnaker Quay Management Company Limited
Hyder Share Scheme Trustee (2) Limited	Surf Telecoms Limited
Hyder Share Scheme Trustee Limited	The Ombudsman Service Limited
Indiana-Kentucky Electric Corporation	Victory Park Management Company Limited
Infralec 1992 Pension Trustee Limited	Western Kentucky Energy Corp.
Joppa & Eastern Railroad Company	Western Power Distribution (East Midlands) plc
Kelston Properties Limited	Western Power Distribution (West Midlands) plc
Kelston Properties 2 Limited	Western Power Distribution (South Wales) plc
Kentucky Utilities Company	Western Power Distribution (South West) plc
Lexington Utilities Company	Western Power Distribution Investments Limited
LG&E and KU Capital LLC	Western Power Distribution pic
LG&E and KU Energy LLC	Western Power Generation Limited
LG&E and KU Foundation Inc.	Western Power Pension Trustee Limited
LG&E and KU Hydro I LLC	Willow Farm Management Company Limited
LG&E and KU Services Company	WPD Foundation
LG&E Energy Inc.	WPD Investments Limited
LG&E Energy Marketing Inc.	WPD Limited
Louisville Development Bancorp, Inc.	WPD Limited (Guernsey)
Louisville Gas and Electric Company	WPD Midlands Networks Contracting Limited
Merchants Landing (Amenities) Limited	WPD Midlands Properties Limited
Met-South, Inc.	WPD Distribution Networks Holdings Limited
Meter Operator Services Limited	WPD Property Developments Limited
Meter Reading Services Limited	WPD Property Investments Limited
Metro Bank, Inc.	WPD Property Limited
Midwest Electric Power, Inc.	WPD Share Scheme Trustees Limited
MRA Service Company Limited	WPD Smart Metering Limited
Northmere Limited	WW Share Schemes Trustees Limited
Ohio Valley Electric Corporation	
PMDC Chile, LLC	
PMDC International Holdings, Inc.	
PP&L Residual Corporation	
PPL Capital Funding, Inc.	
PPL Cayman, LLC	
PPL Electric Utilities Corporation	
PPL Energy Funding Corporation	

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-30

Request:

Please explain the meaning of the statement in the testimony of Mr. Dudkin (at 29:19-20) that “[a]s a practical matter, the transition services will not impact the cost structure to customers.”

Response:

PPL and PPL RI understand The Narragansett Electric Company's ("Narragansett") current cost structure. PPL will incur costs for operations and services provided by National Grid USA and National Grid USA Service Company, Inc. under the Transition Services Agreement. Additionally, PPL and PPL RI will incur costs related to setting up their organization to serve Narragansett's customers. PPL will track these transition costs (including internal costs of employees spending time working on transition issues, and external costs paid to consultants to reorganize and consolidate functions) and will not pass these costs on to Narragansett customers. Instead, such costs will remain at the PPL corporate level. PPL expects that it will serve Narragansett customers with an improved cost structure after the transition is complete.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-33

Request:

Please confirm that PPL will not seek recovery of merger-related costs, including any acquisition premium, in Narragansett's base electric or gas rates.

Response:

PPL and PPL RI (collectively, "PPL") confirm that they will not seek recovery of merger-related costs, including any acquisition premium, that would result in increases in The Narragansett Electric Company's ("Narragansett") base electric or gas rates. In the event that any merger-related costs, such as system implementation costs, result in the potential for lower base electric or gas rates, PPL may consult with the Rhode Island Division of Public Utilities and Carriers or the Public Utilities Commission on these costs as mentioned in the Federal Energy Regulatory Commission's Policy Statement issued on May 19, 2016 to provide guidance regarding future implementation of hold harmless commitments offered by applicants as ratepayer protection mechanisms to mitigate adverse effects on rates. See Attachment PPL-DIV 1-33-1.

PUBLIC

155 FERC ¶ 61,189
DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission

[Docket No. PL15-3-000]

(Issued May 19, 2016)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Policy Statement

SUMMARY: The Commission adopts the following policies regarding future implementation of hold harmless commitments offered by applicants as ratepayer protection mechanisms to mitigate adverse effects on rates that may result from transactions subject to section 203 of the Federal Power Act (FPA). First, the Commission clarifies the scope and definition of the costs that should be subject to hold harmless commitments. Second, the Commission adopts the proposal that applicants offering hold harmless commitments should implement controls and procedures to track the costs from which customers will be held harmless. The Commission identifies the types of controls and procedures that applicants offering hold harmless commitments should implement. Third, the Commission declines to adopt its proposal to no longer accept hold harmless commitments that are limited in duration. Fourth, the Commission clarifies that, in connection with certain types of FPA section 203 transactions, an applicant may be able to demonstrate that the transaction will not have an adverse effect on rates without the need to make any hold harmless commitment.

Docket No. PL15-3-000

PUBLIC

ii

EFFECTIVE DATE: This policy statement will become effective **[90 days after**

publication in the FEDERAL REGISTER]

FOR FURTHER INFORMATION CONTACT:

Eric Olesh (Technical Information)
Office of Energy Market Regulation
888 First Street, NE
Washington, DC 20426
(202) 502-6524
eric.olesh@ferc.gov

Noah Monick (Legal Information)
Office of the General Counsel
888 First Street, NE
Washington, DC 20426
(202) 502-8299
noah.monick@ferc.gov

Olga Anguelova (Accounting Information)
Office of Enforcement
888 First Street, NE
Washington, DC 20426
(202) 502-8098
olga.anguelova@ferc.gov

SUPPLEMENTARY INFORMATION

PUBLIC

155 FERC ¶ 61,189
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Policy Statement on Hold Harmless Commitments

Docket No. PL15-3-000

POLICY STATEMENT

(Issued May 19, 2016)

1. The Commission issues this Policy Statement to provide guidance regarding future implementation of hold harmless commitments offered by applicants as ratepayer protection mechanisms to mitigate adverse effects on rates that may result from transactions that are subject to section 203 of the Federal Power Act (FPA).¹
2. On January 22, 2015, the Commission proposed guidance in four areas pertaining to hold harmless commitments: (1) the scope and definition of the costs that should be subject to hold harmless commitments; (2) controls and procedures to track the costs from which customers will be held harmless; (3) whether to no longer accept hold harmless commitments that are limited in duration; and (4) clarification that, in certain cases, an applicant may be able to demonstrate that a proposed transaction will not have an adverse effect on rates without the need to make any hold harmless commitment or

¹ 16 U.S.C. 824b (2012).

offer any other form of ratepayer protection mechanism.² We adopt, clarify, and withdraw, in part, the proposals in the Proposed Policy Statement as explained in further detail below.

3. First, we adopt, as general guidance, the lists of transaction-related costs and transition costs that should be subject to any hold harmless commitment, as proposed in the Proposed Policy Statement, and provide additional clarifications regarding transition costs, capital costs, labor costs, and the costs of transactions that are not consummated. Second, we adopt, in part, the proposal regarding establishing controls and procedures for transaction-related costs subject to any hold harmless commitment. Third, we withdraw our proposal to no longer accept hold harmless commitments that are limited in duration and clarify that we will continue to accept hold harmless commitments that are time limited to support a Commission finding that a proposed transaction will have no adverse effect on rates. Fourth, we clarify that consistent with the Merger Policy Statement, a hold harmless commitment is one of several forms of ratepayer protection that an applicant can offer to address any potential adverse effect on rates, and that hold harmless commitments may be unnecessary for some categories of transactions if an applicant can otherwise demonstrate that a proposed transaction will have no adverse effect on rates.

² *Policy Statement on Hold Harmless Commitments*, Proposed Policy Statement, 80 FR 4231 (Jan. 27 2015), 150 FERC ¶ 61,031 (2015) (Proposed Policy Statement).

I. Background

A. The Commission's Analysis of Proposed Transactions Under FPA Section 203

4. FPA section 203(a)(4) requires the Commission to approve proposed dispositions, consolidations, acquisitions, or changes in control if it determines that the proposed transaction will be consistent with the public interest.³ The Commission's analysis of whether a transaction will be consistent with the public interest generally involves consideration of three factors: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation.⁴ Before granting authorization, FPA section 203(a)(4) also requires the Commission to find that the transaction "will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the

³ 16 U.S.C. 824b(a)(4) (2012).

⁴ See *Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, 61 FR 68595 (Dec. 30, 1996), FERC Stats. & Regs. ¶ 31,044, at 30,111 (1996) (Merger Policy Statement), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321 (1997). See also *FPA Section 203 Supplemental Policy Statement*, 72 FR 42277 (Aug. 2, 2007), FERC Stats. & Regs. ¶ 31,253 (2007). See also *Revised Filing Requirements Under Part 33 of the Commission's Regulations*, Order No. 642, 65 FR 70983 (Nov. 28, 2000), FERC Stats. & Regs. ¶ 31,111 (2000), *order on reh'g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001). See also *Transactions Subject to FPA Section 203*, Order No. 669, 71 FR 1348 (Jan. 6, 2006), FERC Stats. & Regs. ¶ 31,200 (2005), *order on reh'g*, Order No. 669-A, 71 FR 28422 (May 16, 2006), FERC Stats. & Regs. ¶ 31,214, *order on reh'g*, Order No. 669-B, 71 FR 42579 (July 27, 2006), FERC Stats. & Regs. ¶ 31,225 (2006).

benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest.”⁵

5. The Proposed Policy Statement focused on the second prong of the Commission’s FPA section 203 analysis, specifically, the effect of a proposed transaction on rates. As explained in the Proposed Policy Statement, the Commission has stated that, when considering a proposed transaction’s effect on rates, the Commission’s focus “is on the effect that a proposed transaction itself will have on rates, whether that effect is adverse, and whether any adverse effect will be offset or mitigated by benefits that are likely to result from the proposed transaction.”⁶ As relevant here, the Commission considers whether the transaction could result in an adverse effect on rates to wholesale requirements or transmission customers.

6. Generally, the Commission may find that a transaction will have no adverse effect on rates if an applicant demonstrates that there is no mechanism that would enable the applicant to recover costs related to the transaction in wholesale power or transmission rates, either because existing contracts would not allow such costs to be passed through to customers or, in the case of market-based rates, the transaction can have no adverse

⁵ 16 U.S.C. 824b(a)(4). The Commission’s regulations establish verification and information requirements for applicants that seek a determination that a transaction will not result in inappropriate cross-subsidization or a pledge or encumbrance of utility assets. *See* 18 CFR 33.2(j).

⁶ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 3 (quoting *ITC Midwest LLC*, 140 FERC ¶ 61,125, at P 19 (2012)).

impact on wholesale rates.⁷ In addition, in cases in which the proposed transaction may have an effect on rates, the Commission may nevertheless be able to find that the transaction will not have an adverse effect on rates if the applicant has demonstrated that there are offsetting benefits. Finally, the Commission may base its finding that a transaction will not have an adverse effect on rates in whole or in part on an applicant's offer of specific ratepayer protections, such as a hold harmless commitment.

7. If an applicant's only customers are wholesale power sales customers served under market-based rates, then the transaction will have no adverse effect on rates for such customers.⁸ Similarly, if an applicant is unable to pass through transaction-related costs because its existing contracts do not allow for such pass through, then the transaction will have no adverse effect on rates for such customers.⁹ If, however, the transaction could result in an increase in rates and the wholesale power sales customers of the applicants are not served exclusively under market-based rates, or if the applicants have wholesale requirements or transmission customers, the Commission evaluates whether there are sufficient benefits to ratepayers that would offset any potential rate impact. If such

⁷ See *Exelon Corp.*, 149 FERC ¶ 61,148, at P 105 (2014).

⁸ *Cinergy Corp.*, 140 FERC ¶ 61,180, at P 41 (2012) (citing *Duquesne Light Holdings, Inc.*, 117 FERC ¶ 61,326, at P 25 (2006)) ("The Commission has previously stated that, when there are market-based rates, the effect on rates is not of concern. The effect on rates is not of concern in these circumstances because market-based rates will not be affected by the seller's cost of service and, thus, will not be adversely affected by the Proposed Transaction.").

⁹ See, e.g., *Public Service Co. of New Mexico*, 153 FERC ¶ 61,377, at P 39 (2015); *NRG Energy Holdings, Inc.*, 146 FERC ¶ 61,196, at P 87 (2014).

benefits exist, the analysis of the effect on rates ends with a finding that there is no adverse effect on rates because of those offsetting economic benefits.¹⁰

8. If a proposed transaction has the potential to increase wholesale rates, but there is no showing of quantifiable offsetting economic benefits, the Commission must determine whether ratepayers are sufficiently protected from the potential rate increase, or whether there are other non-quantifiable, offsetting benefits that would, nevertheless, support a finding that the proposed transaction is consistent with the public interest, regardless of the potential for a rate increase.¹¹ When the Commission has considered such non-quantifiable offsetting benefits, it has often been in the context of transactions that increase competition or enable more competitive markets, such as transactions resulting

¹⁰ The Commission has found that there is no adverse effect on rates where, although costs may increase in one area of the utility's operations, lower costs are expected elsewhere. *See, e.g., Bluegrass Generation Co., L.L.C.*, 139 FERC ¶ 61,094, at P 41 (2012) (finding no adverse effect on rates because increases in capacity charges would be offset by a savings in energy rates).

¹¹ An increase in rates "can still be consistent with the public interest if there are countervailing benefits that derive from the merger." Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,114; *see also ALLETE, Inc.*, 129 FERC ¶ 61,174, at P 19 (2009) ("Our focus here is on the effect that the Proposed Transaction itself will have on rates, whether that effect is adverse, and whether any adverse effect will be offset or mitigated by benefits likely to result from the Proposed Transaction.").

in the expansion of regional transmission organizations or the increase in transmission ownership by independent transmission companies.¹²

9. Prior to the issuance of the Merger Policy Statement, the Commission had required applicants and intervenors to estimate the future costs and benefits of a transaction and then litigate the validity of those estimates. The Commission, however, eliminated those requirements in the Merger Policy Statement and, instead, established various ratepayer protection mechanisms that an applicant could offer to insulate customers from any possible rate effects attributable to a proposed transaction.¹³

10. The Commission then explained that it had previously accepted “a variety of hold harmless provisions,” and that parties could consider those as well as “other mechanisms if they appropriately address ratepayer concerns.”¹⁴ Among the types of protection the

¹² See, e.g., *ITC Midwest LLC*, 133 FERC ¶ 61,169, at P 23 (2010) (finding offsetting benefits because of the transfer of transmission assets to a standalone transmission company); *ALLETE*, 129 FERC ¶ 61,174 at P 20 (finding that the advantages created in joining a regional transmission organization outweighed potential rate increase created by the different tax treatment of the assets after transfer); *Ameren Servs. Co.*, 103 FERC ¶ 61,121, at P 23 (2003) (finding that increasing a regional transmission organization’s footprint would offset a rate increase); *Rockland Elec. Co.*, 97 FERC ¶ 61,357, at 62,651 (2001) (finding that attracting more bidders and encouraging more competition offset a potential rate increase for locational marginal prices along a seam at times of peak demand).

¹³ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,111 (“[I]n assessing the effect of a proposed merger on rates, we will no longer require applicants and intervenors to estimate the future costs and benefits of a merger and then litigate the validity of those estimates. Instead, we will require applicants to propose appropriate rate protection for customers.”).

¹⁴ *Id.* at 30,124.

Commission stated applicants could propose were the following:

- Open season for wholesale customers—applicants agree to allow existing wholesale customers a reasonable opportunity to terminate their contracts (after notice) and switch suppliers. This allows customers to protect themselves from merger-related harm.
- General hold harmless provision—a commitment from the applicant that it will protect wholesale customers from any adverse rate effects resulting from the merger for a significant period of time following the merger. Such a provision must be enforceable and administratively manageable.
- Moratorium on increases in base rates (rate freeze)—applicants commit to freezing their rates for wholesale customers under certain tariffs for a significant period of time.
- Rate reduction—applicants make a commitment to file a rate decrease for their wholesale customers to cover a significant period of time.¹⁵

11. The Commission concluded that, although each mechanism would provide some benefit to ratepayers, in the majority of circumstances the most meaningful (and the most likely to give wholesale customers the earliest opportunity to take advantage of emerging competitive wholesale markets) was an open season provision.¹⁶

12. Subsequently, in Order No. 642, the Commission promulgated regulations governing FPA section 203 applications and described the information applicants must submit regarding the effect of a proposed transaction on rates. In relevant part, the Commission stated:

In the [Merger] Policy Statement, we determined that ratepayer protection mechanisms (e.g., open seasons to allow early termination of existing service contracts or rate freezes) may be necessary to protect the wholesale customers of merger applicants. ...

Thus, in the [Notice of Proposed Rulemaking] we proposed that all merger

¹⁵ *Id.* (footnotes omitted).

¹⁶ *Id.*

applicants demonstrate how wholesale ratepayers will be protected and that applicants will have the burden of proving that their proposed ratepayer protections are adequate. Specifically, we proposed that applicants must clearly identify what customer groups are covered (e.g., requirements customers, transmission customers, formula rate customers, etc.), what types of costs are covered, and the time period for which the protection will apply.¹⁷

13. The Commission adopted the proposals set forth in the Notice of Proposed Rulemaking and emphasized that if applicants did not offer any ratepayer protection mechanisms, they must explain how the proposed merger would provide adequate ratepayer protection.¹⁸

B. Current Commission Practice Regarding Hold Harmless Commitments

14. Over the last decade hold harmless commitments have become a common feature of FPA section 203 applications involving mergers of traditional franchised utilities or their upstream holding companies.¹⁹ More recently, hold harmless commitments have been made in connection with transactions by traditional franchised utilities to acquire

¹⁷ Order No. 642, FERC Stats. & Regs. ¶ 31,111 at 31,914.

¹⁸ *Id.*

¹⁹ The Commission has also accepted other forms of ratepayer protection in lieu of or in addition to hold harmless commitments. *See, e.g., Cinergy Services, Inc.*, 102 FERC ¶ 61,128, at P 33 (2003) (accepting rate freeze as rate mitigation); *Vermont Yankee Nuclear Power Corp.*, 91 FERC ¶ 61,325, at 62,125 (2000) (accepting rate cap and an open season provision as mitigation); *Cajun Elec. Power Coop., Inc.*, 90 FERC ¶ 61,309, at 62,005-06 (2000) (approving a transaction where current customers were allowed to keep their current contracts or choose from three different power purchasing agreements).

jurisdictional facilities in order to satisfy resource adequacy requirements at the state level, to improve system reliability and/or meet other regulatory requirements.²⁰

15. The Commission has consistently accepted hold harmless commitments in which FPA section 203 applicants commit not to seek recovery of transaction-related costs in jurisdictional rates except to the extent that such costs are offset by transaction-related savings.²¹ Thus, hold harmless commitments typically focus on preventing recovery in rates of the costs incurred that are “related” to the transaction.²² Although the Commission has relied on commitments to hold customers harmless from transaction-

²⁰ See, e.g., *FirstEnergy Generation Corp.*, 141 FERC ¶ 61,239, at PP 1, 16, 27-30 (2012) (*FirstEnergy*) (accepting a hold harmless commitment in an asset transaction where generation assets would be turned into assets to support transmission system upgrades in order to meet needs identified in a study by PJM Interconnection, L.L.C. following the retirement of other generating facilities); *ITC Midwest*, 140 FERC ¶ 61,125 at P 15; *Int’l Transmission Co.*, 139 FERC ¶ 61,003, at P 16 (2012).

²¹ *NSTAR Advanced Energy Sys., Inc.*, 131 FERC ¶ 61,098, at P 24 (2010) (“The Commission looks for assurances from public utilities that they hold customers harmless from these transaction-related costs, to the extent they are not exceeded by cost savings arising from the transaction, for a significant period of time following the merger, not an indefinite period of time.”) (internal citation omitted); see also *Cinergy*, 140 FERC ¶ 61,180 at P 42; *ITC Midwest*, 140 FERC ¶ 61,125 at PP 21-22; *Int’l Transmission*, 139 FERC ¶ 61,003 at P 17; *BHE Holdings Inc.*, 133 FERC ¶ 61,231, at P 37 (2010); cf. *Sierra Pacific Power Co.*, 133 FERC ¶ 61,017, at P 14 (2010) (accepting a commitment not to include any transaction-related costs in its Commission-accepted open access transmission tariff).

²² An applicant may seek to recover transaction-related costs incurred prior to consummating a proposed transaction or those transaction-related costs incurred within the time period during which the hold harmless commitment applies by making certain filings. Specifically, an applicant must submit a new filing under FPA section 205 and a concurrent informational filing in the relevant FPA section 203 docket. In the FPA section 205 filing, an applicant must: (1) specifically identify the transaction-related costs they are seeking to recover; and (2) demonstrate that those costs are exceeded by the savings produced by the transaction. *Exelon Corp.*, 149 FERC ¶ 61,148 at PP 105-107.

related costs to support findings of no adverse effects on rates, these commitments generally have not included detailed definitions of the transaction-related costs that are covered by the applicant's hold harmless commitment or identified the categories of savings that the transaction is expected to produce.²³

C. Proposed Policy Statement

16. On January 22, 2015, the Commission issued a Proposed Policy Statement on Hold Harmless Commitments to attempt to address: (1) concerns of parties that may believe hold harmless commitments offer insufficient protection; (2) instances in which hold harmless commitments may not be necessary; and (3) confusion over the scope and coverage of hold harmless commitments.

17. The Proposed Policy Statement focused on the matter of what should constitute an acceptable hold harmless commitment to demonstrate that ratepayers will be adequately protected from any rate effects of a transaction. The Commission identified several general areas to address including: (1) the scope and definition of the costs that should be subject to hold harmless commitments; (2) controls and procedures to track the costs from which customers will be held harmless; (3) the acceptance of hold harmless commitments that are limited in duration; and (4) clarification that, if applicants are

²³ See, e.g., *Puget Energy*, 123 FERC ¶ 61,050 at P 27 (“We accept Applicants’ hold harmless commitment, which we interpret to include all merger-related costs, not only costs related to consummating the transaction. If Applicants seek to recover any merger-related costs in a subsequent section 205 filing, they must show quantifiable offsetting benefits.”) (citations and footnotes omitted); *National Grid plc*, 117 FERC ¶ 61,080, at P 54 (2006) (“Applicants have committed to hold ratepayers harmless from transaction-related costs in excess of transaction savings for a period of five years.”).

otherwise able to demonstrate that a proposed transaction will not have an adverse effect on rates, then there is no need for applicants to make hold harmless commitments or offer other ratepayer protection mechanisms. The Proposed Policy Statement did not propose to provide guidance on what categories of savings related to a proposed transaction may be used in a subsequent section 205 filing to justify recovery of transaction-related costs. These issues will be considered on a case-by-case basis.

D. Comments

18. Comments were filed by American Electric Power Company, Inc. (AEP); American Public Power Association and the National Rural Electric Cooperative Association (collectively, APPA and NRECA); Edison Electric Institute (EEI); Electric Power Supply Association (EPSA); Louisville Gas and Electric Company and Kentucky Utilities Company (collectively, Kentucky Utilities); South Central MCN, LLC and Midcontinent MCN, LLC (collectively, Transmission-Only Companies); Southern Company Services, Inc. as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively, Southern Company); Transmission Access Policy Study Group; and Transmission Dependent Utility Systems (Transmission Dependent Utilities).
19. We discuss specific concerns raised by commenters below.

II. Discussion

A. Scope and Definition of Transaction-Related Costs

1. Proposal

20. The Commission's experience has been that applicants generally do not attempt to define what costs are subsumed in the term "transaction-related costs," and that this may lead to later disagreement over which costs are or are not covered by the applicant's hold harmless commitment. In the Proposed Policy Statement, therefore, the Commission set forth guidelines for costs subject to hold harmless commitments offered by FPA section 203 applicants.²⁴ Specifically, the Commission proposed that the costs set out below are those transaction-related costs from which customers must be held harmless and that may not be recovered from customers except to the extent exceeded by demonstrated transaction-related savings.²⁵ The Commission proposed to provide guidance in the Proposed Policy Statement regarding how to identify transaction-related costs, and acknowledged that attempts to precisely articulate all such costs are not feasible.

21. First, the Commission proposed that transaction-related costs include, but are not limited to, the following costs incurred to explore, agree to, and consummate a transaction:

²⁴ See Proposed Policy Statement, 150 FERC ¶ 61,031 at PP 21-28.

²⁵ We expect that applicants proposing to recover these costs would track and record them pursuant to the procedures established below. See *infra* PP 66-69.

- the costs of securing an appraisal, formal written evaluation, or fairness opinions related to the transaction;
- the costs of structuring the transaction, negotiating the structure of the transaction, and obtaining tax advice on the structure of the transaction;
- the costs of preparing and reviewing the documents effectuating the transaction (e.g., the costs to transfer legal title of an asset, building permits, valuation fees, the merger agreement or purchase agreement and any related financing documents);
- the internal labor costs of employees²⁶ and the costs of external, third-party, consultants and advisors to evaluate potential merger transactions, and once a merger candidate has been identified, to negotiate merger terms, to execute financing and legal contracts, and to secure regulatory approvals;²⁷
- the costs of obtaining shareholder approval (e.g., the costs of proxy solicitation and special meetings of shareholders);
- professional service fees incurred in the transaction (e.g., fees for accountants, surveyors, engineers, and legal consultants); and

²⁶ If the duties of employees are not solely dedicated to activities related to a transaction, internal labor costs deemed merger-related should be determined in a manner that is proportionally equal to the amount of time spent on the merger compared to other activities of the utility and tracked accordingly.

²⁷ Some of these costs are typically incurred prior to the announcement of a merger.

- installation, integration, testing, and set up costs related to ensuring the operability of facilities subject to the transaction.

22. Moreover, the Commission stated that, for transactions that are pursued but never completed (transactions that ultimately fail), transaction-related costs should not be recovered from ratepayers. The Commission also recognized that not every cost listed above will be found in every transaction,²⁸ and that the final determination of what transaction-related costs may be recovered by applicants will remain subject to case-by-case analysis.

23. The Commission stated that there is a second category of transaction-related costs related to mergers, where, in addition to the costs to consummate the transaction described above, parties typically also incur costs to integrate the operations and assets of the merging companies in order to achieve merger synergies.²⁹ These costs, which are sometimes referred to collectively as “transition” costs, are incurred after the transaction is consummated, often over a period of several years. These costs include both the internal costs of employees spending time working on transition issues, and external costs paid to consultants and advisers to reorganize and consolidate functions of the merging entities to achieve merger synergies. These costs may also include both capital items (e.g., a new computer system or software, or costs incurred to carry out mitigation

²⁸ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 23.

²⁹ Entities engaging in certain internal corporate restructuring and reorganizations, unrelated to complying with state law restructuring requirements, may seek to achieve similar cost savings or increased efficiencies as merging entities.

commitments accepted by the Commission in approving the transaction to address competition issues, such as the cost of constructing new transmission lines) and expense items (e.g., costs to eliminate redundancies, combine departments, or maximize contracting efficiencies). The Commission proposed that such transition costs incurred to integrate the operations of merging companies include, but are not limited to, the following:

- engineering studies needed both prior to and after closing the merger;
- severance payments;
- operational integration costs;
- accounting and operating systems integration costs;
- costs to terminate any duplicative leases, contracts, and operations; and
- financing costs to refinance existing obligations in order to achieve operational and financial synergies.³⁰

24. The Commission stated that this list of transition costs is not exhaustive, and may include other categories of costs incurred or paid in connection with the integration of two utilities after a merger. Thus, the Commission proposed to consider transition costs as transaction-related costs that should be subject to hold harmless commitments on a case-by-case basis and that such transaction-related costs should be covered under hold harmless protection, although noting that applicants will have an opportunity to show why certain of those costs should not be considered transaction-related costs under their

³⁰ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 24.

hold harmless commitment based on their particular circumstances. Also, the Commission proposed to consider, on a case-by-case basis, whether other costs not discussed herein should be subject to hold harmless commitments.

25. Additionally, the Commission noted that accounting journal entries related to a merger transaction may affect expense, asset, liability, or proprietary capital accounts used in the development of a public utility's rates.³¹ These accounting journal entries may originate from transaction-related costs recorded as an expense or capitalized as an asset. Additional accounting journal entries may originate from goodwill and fair value adjustments related to the purchase price paid for the acquired company. Merger transactions are accounted for by applying purchase accounting, which adjusts the assets and liabilities of the acquired entity to fair value and recognizes goodwill for the amount paid in excess of fair value.³² If the acquired company is a holding company, purchase accounting also provides for the fair value adjustments and goodwill to be recorded on the books of some, or all, of the acquired holding company's subsidiaries, which is commonly referred to as "push-down" accounting. Under appropriate circumstances, the Commission has allowed the fair value accounting adjustments and goodwill to be

³¹ *Id.* P 26.

³² Purchase accounting is also commonly referred to as acquisition accounting under generally accepted accounting principles in the United States. Purchase accounting is a formal accounting method for merger transactions which measures the assets and liabilities of the acquired entity at fair value and establishes goodwill for amounts paid in excess of fair value. *See* Accounting Standard Codification Section 805-10 (Fin. Accounting Standards Bd. 2014), <http://asc.fasb.org>.

recorded on a public utility's books and reported in the FERC Form No. 1. Additionally, the Commission has required public utilities to maintain detailed accounting records and disclosures associated with such amounts so as to facilitate the evaluation of the effects of the transaction on common equity and other accounts in future periods if needed for ratemaking purposes.³³ The Commission stated that it believed that ratepayers should continue to be protected from adverse effects on rates stemming from accounting entries recording goodwill and fair value adjustments on a public utility's books and reported in FERC Form Nos. 1 or 1-F. This is consistent with our long-standing policy that acquisition premiums, including goodwill, must be excluded from jurisdictional rates absent a filing under FPA section 205 and Commission authorization granting recovery of specific costs.

26. Finally, the Commission stated, in the context of FPA section 203 transactions involving the acquisition of discrete assets (e.g., an existing power plant) by a utility, under the Commission's accounting regulations and rate precedent the excess purchase cost of utility plant over its depreciated original cost is an acquisition premium and is excluded from recovery through rates unless a showing of offsetting benefits is demonstrated in an FPA section 205 filing.³⁴ The Commission stated that it has not, and does not, consider acquisition premiums to be part of transaction-related costs and, as

³³ *PPL Corp.*, 133 FERC ¶ 61,083, at P 39 (2010); *Michigan Electric Transmission Co., LLC*, 116 FERC ¶ 61,164, at PP 29-30 (2006); *Niagara Mohawk Holdings Inc.*, 95 FERC ¶ 61,381, at 62,415, *reh'g denied*, 96 FERC ¶ 61,144 (2001).

³⁴ Proposed Policy Statement, 150 FERC ¶ 61, 031 at P 27.

such, it did not believe that the proposed treatment of transaction-related costs required a change in the Commission's current practice with respect to acquisition premiums. Therefore, the Commission stated it will continue to preclude recovery of acquisition premiums as part of transaction-related costs, and reminded applicants that a showing of "specific, measurable, and substantial benefits to ratepayers" must be made in a subsequent FPA section 205 proceeding in order to recover an acquisition premium, whether or not a hold harmless commitment has been made.³⁵

2. Comments

a. General Comments

27. As a general matter, many commenters support the Commission's intent to provide additional guidance and clarity to the costs covered by hold harmless commitments.³⁶ For example, EEI generally supports the list of costs that the Commission proposes to consider as transaction-related costs covered by a hold harmless commitment as long as individual applicants continue to have the flexibility to tailor what

³⁵ *Id.* (citing *Duke Energy Progress, Inc.*, 149 FERC ¶ 61,220, at PP 67-68 (2014) (reviewing Commission precedent requiring that acquisition adjustments may be recovered if the acquisition provides "measurable benefits" that are "tangible and nonspeculative," and allowing recovery of an acquisition adjustment where "the acquisition provides specific, measurable, and substantial benefits to ratepayers") (internal citations omitted)).

³⁶ See AEP Comments at 2; APPA and NRECA Comments at 8; EEI Comments at 2; Kentucky Utilities Comments at 2; Southern Company Comments at 5; Transmission Access Policy Study Group Comments at 1; Transmission Dependent Utilities Comments at 3.

is covered by the hold harmless commitment to their individual circumstances.³⁷ EEI also states that the Commission should explicitly confirm that hold harmless commitments only apply to transaction-related costs.³⁸

28. Several commenters support the full list of transaction-related costs the Commission enumerated.³⁹ For example, APPA and NRECA support the scope of the costs outlined in the Proposed Policy Statement. APPA and NRECA list the following benefits likely to emerge from the Commission's clarifications including: (1) fewer protests of FPA section 203 applications; (2) more streamlined FPA section 203 proceedings; (3) improved ratepayer protections; (4) more consistent Commission orders; (5) easier enforcement and administration in Commission orders; (6) fewer compliance issues and complaints regarding cost recovery; (7) greater assurance of recovery of costs; and (8) lower financing costs due to more regulatory certainty.⁴⁰

29. At the same time, APPA and NRECA agree that the proposed list of costs is not definitive or determinative and that "because each transaction is unique, the final determination of what transaction-related costs may be recovered by applicants will

³⁷ EEI Comments at 13.

³⁸ *Id.*

³⁹ APPA and NRECA Comments at 9; Transmission Access Policy Study Group Comments at 3; Transmission Dependent Utilities Comments at 3-4.

⁴⁰ APPA and NRECA Comments at 7-8.

remain subject to a case-by-case analysis.”⁴¹ APPA and NRECA and the Transmission Dependent Utilities suggest that applicants should bear the ultimate burden to show the adequacy of their hold harmless commitment.⁴² The Transmission Dependent Utilities request that the Commission confirm that, in making its case-by-case determinations as to additional costs that will be subject to particular hold harmless commitments, the Commission will not limit its consideration only to consummation and transition costs but it will consider “any rate increase that results from a transaction.”⁴³

30. APPA and NRECA also state that they remain skeptical that utility mergers benefit customers in the form of lower wholesale energy prices or lower transmission rates and assert that empirical evidence supports their view.⁴⁴ They state that the evidence for the electric industry mergers is mixed at best and shows that merger benefits do not pan out and are not passed on to consumers.⁴⁵ Therefore, APPA and NRECA state that the Commission should be vigilant in enforcing hold harmless commitments.⁴⁶

⁴¹ *Id.* at 8 (citing Proposed Policy Statement, 150 FERC ¶ 61,031 at P 21). *See also* Transmission Dependent Utilities Comments at 4.

⁴² APPA and NRECA Comments at 9; Transmission Dependent Utilities Comments at 4.

⁴³ Transmission Dependent Utilities Comments at 4.

⁴⁴ APPA and NRECA Comments at 6-7 (citing JOHN KWOKA, MERGER CONTROL, AND REMEDIES: A RETROSPECTIVE ANALYSIS OF U.S. POLICY 104, 126, 148, 155-56, 231 (2015)).

⁴⁵ *Id.*

⁴⁶ *Id.* at 7.

31. Other commenters suggest the Commission take a different approach than an enumerated list of transaction-related and transition costs. For example, the Kentucky Utilities state that the Proposed Policy Statement should utilize “a more neutral” approach in its guidance as to whether transaction-related costs should be subject to a hold harmless commitment and that, if the transaction meets direct operating or regulatory compliance needs, any offered hold harmless commitment should not be assumed to cover “nearly all” transaction/transition costs.⁴⁷ Instead, the Kentucky Utilities suggest that the Commission should recognize that covered costs should be based on a fair and reasonable analysis of the specific facts or circumstances of the transaction.⁴⁸

32. Several commenters support the Commission’s current policy regarding treatment of acquisition premiums.⁴⁹ Finally, Transmission Access Policy Study Group states that the Commission should not be dissuaded from adopting its proposal based on speculative contentions that these measures will chill investment.⁵⁰

⁴⁷ Kentucky Utilities Comments at 6.

⁴⁸ *Id.*

⁴⁹ APPA and NRECA Comments at 9; Transmission Access Policy Study Group Comments at 3-4; Transmission Dependent Utilities Comments at n.8.

⁵⁰ Transmission Access Policy Study Group Comments at 4.

b. Transition Costs

33. EEI and AEP request that the Commission provide greater clarity as to the scope and definition of transition costs. Both caution that the Proposed Policy Statement does not distinguish transition costs from other ongoing business activities that merging entities may undergo that are unrelated to the merger but are also seeking to increase efficiency.⁵¹ EEI notes that the lack of distinction could lead companies to postpone otherwise beneficial investments to avoid those investments being viewed as transaction-related costs.⁵²

34. Furthermore, AEP states that over time the costs of ongoing business as a public utility and transition costs will become harder to differentiate,⁵³ and EEI cautions that a broad definition risks creating uncertainty about recovery of prudently-incurred costs.⁵⁴ Both are specifically concerned that post-integration engineering studies will be included

⁵¹ AEP Comments at 5-6 (giving the examples of “engineering studies,” “operating systems integration costs,” and “operational integration costs”); EEI Comments at 13-14 (giving the example of investments in new information technology systems, which could be timed coincidentally with a merger and not incurred primarily for the purpose of integration, and, therefore, should not be considered subject to a hold harmless commitment). *See also* Kentucky Utilities Comments at 7 (cautioning that entities may also engage in non-transaction related refinancing and renegotiation of vendor contracts that could be considered transition costs under a broad definition and that only an incremental or non-utility component of those costs should be considered a transaction-related cost).

⁵² EEI Comments at 14.

⁵³ *See* AEP Comments at 5 (stating that over time these costs “will have an increasingly diminished nexus to the merger itself”).

⁵⁴ *See* EEI Comments at 14.

as transition costs and they assert that doing so will discourage utilities from undertaking studies that are prudent or beneficial to ratepayers.⁵⁵ Finally, AEP questions the Commission's basis for generally including transition costs as transaction-related costs because: (1) applicants generally commit to hold customers harmless from costs directly incurred to effectuate the transaction and (2) the Proposed Policy Statement does not cite a case in which the Commission has formally adopted a rule requiring the inclusion of transition costs as transaction-related costs.⁵⁶

c. Capital Costs

35. AEP and EEI assert that the costs of any assets used to provide utility service on an ongoing basis belong in rate base and should not be excluded from the rate base because they may be a transaction cost.⁵⁷ Both assert that capital assets could be built to increase efficiencies, they will benefit customers, and the costs should be fully recoverable.⁵⁸ AEP asserts that the test for whether these capital costs should be included should be the same as it has always been: "are the facilities used and useful by the utility's customers and were the costs of the facilities prudently incurred in connection

⁵⁵ See AEP Comments at 6; EEI Comments at 18.

⁵⁶ See AEP Comments at 4-5.

⁵⁷ See *id.* at 7; EEI Comments at 16.

⁵⁸ See AEP Comments at 7 (giving the example of new more efficient facilities enabled by the combined entities' larger size); EEI Comments at 16-17 (giving the example of a new operations center).

with the provision of utility service.”⁵⁹ AEP states that this is consistent with the general principle that ratepayers should bear the cost of utility service.⁶⁰

36. AEP states that making capital costs subject to a hold harmless commitment raises further issues of how the policy will be implemented, including tracking and recovery of costs and future interconnection of generating facilities.⁶¹ AEP states that the Commission has approved settlements in the past that did not include new transmission as a transition cost; instead, the Commission waited to address it in a future proceeding, which AEP asserts is the appropriate course for capital costs.⁶²

37. Furthermore, EEI and AEP state that hold harmless commitments should not apply to costs related to new facilities that are constructed at the Commission’s direction or approval to mitigate market power concerns raised by a merger transaction.⁶³ Both assert that these assets provide utility service, and therefore benefits, to customers and should not be excluded from recovery as transaction costs just because the assets were included in mitigation strategies.⁶⁴ EEI suggests that new facilities that raise competition or rate concerns may be addressed through protection mechanisms other than a hold harmless

⁵⁹ AEP Comments at 7.

⁶⁰ *Id.* (citing Proposed Policy Statement, 150 FERC ¶ 61,031 at P 39).

⁶¹ *Id.* at 8, n.1.

⁶² *Id.* at 8 (citing *Pub. Serv. Co. of Colo.*, 78 FERC ¶ 61,267, at 62,139 (1997)).

⁶³ *See id.*; EEI Comments at 11, 17.

⁶⁴ *See* AEP Comments at 8; EEI Comments at 16.

commitment and that doing so would reduce implementation problems regarding the tracking of costs and recovery of related costs.⁶⁵

38. EEI asserts that the Commission should recognize that costs related to transactions undertaken as part of normal operations, such as to align ownership of an asset with a maintenance or reliability compliance obligation, or a transaction involving acquisition of a small, discrete transmission asset from a distribution-only entity, should not be subject to exclusion from rates under a hold harmless commitment.⁶⁶

d. Internal Labor Costs

39. AEP, EEI, and Southern Company all suggest that the Commission should clarify that internal labor costs that are subject to a hold harmless commitment should include only incremental costs caused by the merger that would not otherwise be incurred.⁶⁷ They contend that, if an employee was already employed by the merging or acquiring entities at the time the transaction was announced, the employee's salary should not be

⁶⁵ EEI Comments at 17-18 (suggesting providing customers with a first call right on the increased available transmission capacity).

⁶⁶ *Id.* at 17.

⁶⁷ *See* AEP Comments at 11; EEI Comments at 15-16; Southern Company Comments at 6-8. *See also* Kentucky Utilities Comments at 7 (cautioning that hold harmless commitments should only apply to incremental costs in general).

treated as a transaction-related cost because any assignments related to the transaction would be performed in addition to other duties, with no additional compensation.⁶⁸

Furthermore, EEI contends that the full cost of an employee's salary should continue be fully recoverable because the salary is prudently incurred to serve existing customers.⁶⁹

AEP and Southern Company assert that excluding non-incremental employee costs would result in unmerited rate reductions for customers of merging entities⁷⁰ and state that tracking labor costs will be burdensome and subject employees to endless tracking requirements.⁷¹ Finally, AEP and Southern Company both state that the Proposed Policy Statement cites no precedent to support including non-incremental internal labor costs as transaction-related costs subject to a hold harmless commitment.⁷² AEP asserts that Commission precedent can reasonably be read to mean that hold harmless commitments only apply to incremental internal costs.⁷³

⁶⁸ See AEP Comments at 11-12; EEI Comments at 16; Southern Company Comments at 7. Southern Company recognizes that some employees may receive additional compensation due to a merger and does not object to incremental compensation or the costs of new staff brought on to effectuate the transaction being treated as incremental transaction costs. Southern Company Comments at 7-8.

⁶⁹ EEI Comments at 16.

⁷⁰ See AEP Comments at 11-12; Southern Company Comments at 7.

⁷¹ See AEP Comments at 13; Southern Company Comments at 9.

⁷² AEP Comments at 12; Southern Company Comments at 8.

⁷³ AEP Comments at 12 (citing *Ameren Energy Generating Co.*, 145 FERC ¶ 61,034, at P 97 n.99 (2013) (*Ameren*)).

e. **Costs of Transactions That Are Not Completed and Costs Incurred Prior to Announcement**

40. AEP and EEI do not agree with the Commission's statement that costs related to transactions that are never completed should not be recovered from ratepayers.⁷⁴ Both assert that there are sound business reasons that a firm may choose not to pursue a transaction and that excluding recovery of such costs may improperly punish a firm for abandoning a transaction that was not ultimately in the best interest of its customers or discourage a firm from exploring transactions.⁷⁵ EEI asserts that past Commission policy did not exclude recovery of such costs and that it is difficult to ascertain when "normal business decisions" become transactions that are being "pursued."⁷⁶ Furthermore, EEI asserts that the proposal will require tracking of costs with more specificity than is required by the Commission's current accounting rules.⁷⁷

41. Southern Company asks for a clarification of the treatment of costs related to failed acquisitions. It states that a clarification that this statement is applicable only to the merger context would be useful because transaction-related costs relating to failed

⁷⁴ *Id.* at 14 (citing Proposed Policy Statement, 150 FERC ¶ 61,031 at P 23); EEI Comments at 15.

⁷⁵ *See* AEP Comments at 14-15 (stating that a utility may not have completed a transaction for which it incurred preliminary costs: (1) because the current owner decides to abandon the transaction; (2) based on the results of due diligence review; (3) because it determined a self-built project could be built at lower cost; or (4) because a lower-cost option becomes available from another seller); EEI Comments at 15.

⁷⁶ EEI Comments at 15.

⁷⁷ *Id.*

attempts to acquire specific generation and transmission facilities to fulfill a need, such as a need to serve load reliably, should be recoverable in a utility's cost-of-service.⁷⁸

Southern Company provides an example of a Request For Proposals (RFP) for long-term capacity that results in ten bidders and negotiations are pursued with two of the bidders, one offering a 20-year power purchase agreement and another offering to sell an existing generating unit. If negotiations fail with the bidder that happens to be an existing generator, Southern states that transaction-related costs associated with the potential purchase should not be deemed "unrecoverable," as the threat of such an action could skew the RFP results.⁷⁹ Southern states that such costs are merely the routine costs of capacity procurement efforts. Therefore, Southern Company states that "[t]he Commission should clarify that such costs, to the extent prudently-incurred, are permitted to be recovered in wholesale power rates."⁸⁰

42. EEI and EPSA contend that the Commission should not require inclusion of costs incurred prior to the announcement of a transaction because doing so would be premature, burdensome, and costly.⁸¹ EEI states that long-term strategic planning, including investigating potential transactions, is part of the routine daily operations of

⁷⁸ Southern Company Comments at 4-5.

⁷⁹ *Id.* at 5.

⁸⁰ *Id.*

⁸¹ *See* EEI Comments at 14; EPSA Comments at 4-6 ("Such a requirement is tantamount to asking a couple who are only on a second date to pick out their wedding china pattern.").

any company and should not be singled out for separate tracking, which it asserts would be unwieldy and misleading because staff would conceivably have to bill their time separately for every potential project or transaction they analyze, just in case that project or transaction came to fruition.⁸² EEI states that the burden of this proposal exceeds the benefits due to the number of transactions that may be explored and could provide a disincentive for companies to investigate transactions that could ultimately benefit customers.⁸³

f. Request for Guidance on Savings

43. EEI suggests that the Commission should provide useful guidance by adding some discussion to the Policy Statement regarding the scope and definition of transaction-related savings or benefits.⁸⁴ EEI states that, as part of this guidance, the Commission should specify “that hold harmless costs from a purchase can be netted against benefits from a future sale, so that if the future sale produces net benefits those can be used to offset the prior purchase’s costs, thereby reducing or eliminating costs to be tracked under a hold harmless commitment for the prior sale.”⁸⁵ EEI states that “[t]his would

⁸² EEI Comments at 14.

⁸³ *Id.* at 14-15.

⁸⁴ *Id.* at 18.

⁸⁵ *Id.*

allow companies that engage in multiple transactions over time to ensure that customers are not charged the costs net of the benefits of [multiple] transactions taken together.”⁸⁶

3. Commission Determination

44. We adopt in part the policy set forth in the Proposed Policy Statement regarding what kinds of costs are typically transaction-related costs covered by a hold harmless commitment. As described above, comments received in response to the Proposed Policy Statement were generally supportive of the Commission’s proposals. Accordingly, we adopt, and will consider, as general guidance, the proposed list of transaction-related costs including:

- the costs of securing an appraisal, formal written evaluation, or fairness opinions related to the transaction;
- the costs of structuring the transaction, negotiating the structure of the transaction, and obtaining tax advice on the structure of the transaction;
- the costs of preparing and reviewing the documents effectuating the transaction (e.g., the costs to transfer legal title of an asset, building permits, valuation fees, the merger agreement or purchase agreement and any related financing documents);

⁸⁶ *Id.*

- the internal labor costs of employees⁸⁷ and the costs of external, third-party, consultants and advisors to evaluate potential merger transactions, and once a merger candidate has been identified, to negotiate merger terms, to execute financing and legal contracts, and to secure regulatory approvals;⁸⁸
- the costs of obtaining shareholder approval (e.g., the costs of proxy solicitation and special meetings of shareholders);
- professional service fees incurred in the transaction (e.g., fees for accountants, surveyors, engineers, and legal consultants); and
- installation, integration, testing, and set up costs related to ensuring the operability of facilities subject to the transaction.

45. Further, we will adopt, and will consider, as general guidance, the proposed subset of transaction-related costs – transition costs – to include the following when incurred to integrate operations:

- engineering studies needed both prior to and after closing the merger;
- severance payments;
- operational integration costs;
- accounting and operating systems integration costs;

⁸⁷ If the duties of employees are not solely dedicated to activities related to a transaction, internal labor costs deemed merger-related should be determined in a manner that is proportionally equal to the amount of time spent on the merger compared to other activities of the utility and tracked accordingly.

⁸⁸ Some of these costs are typically incurred prior to the announcement of a merger.

- costs to terminate any duplicative leases, contracts, and operations; and
- financing costs to refinance existing obligations in order to achieve operational and financial synergies.

46. We will continue to consider hold harmless commitments on a case-by-case basis and, as such, applicants may propose that their hold harmless commitment cover specific transaction-related costs in addition to those listed above, if they can demonstrate that those certain cost categories may be properly included or excluded from their hold harmless commitment without an adverse effect on rates. The burden remains on applicants to show that any offered hold harmless commitment will meet the Commission's standard that the proposed transaction does not have an adverse effect on rates.

47. We decline to adopt the Transmission Dependent Utilities' request that we consider any rate increase that results from a transaction to be a transaction-related cost subject to an applicant's hold harmless commitment. This goes beyond our standard on adverse effects on rates as an increase in rates "can still be consistent with the public interest if there are countervailing benefits that derive from the merger."⁸⁹ The adoption of the Transmission Dependent Utilities request would curtail an applicant's ability to craft suitable ratepayer protection mechanisms and limit the Commission's ability to

⁸⁹ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,114; *see, e.g., Bluegrass Generation Co., L.L.C.*, 139 FERC ¶ 61,094 at P 41 (finding no adverse effect on rates because increases in capacity charges would be offset by a savings in energy rates).

authorize transactions where rate increases are offset by the benefits of the transaction.

We continue to believe that the guidance related to transaction-related costs set out in this Policy Statement does not require a change in the Commission's current practice with respect to acquisition premiums. Therefore, we will continue to preclude recovery of acquisition premiums as part of transaction-related costs, and remind applicants that a showing of "specific, measurable, and substantial benefits to ratepayers" must be made in a subsequent FPA section 205 proceeding in order to recover an acquisition premium, whether or not a hold harmless commitment has been made.

48. To provide further clarity, we discuss below, in detail, the following topics: (a) transition costs; (b) capital costs; (c) internal labor costs; (d) costs of transactions that are not completed and costs incurred prior to announcement; and (e) requests for guidance on savings.

a. Transition Costs

49. We will continue to consider transition costs as a subset of transaction-related costs. We are unconvinced by commenters' assertions that the line distinguishing costs incurred in connection with the normal business activities of a public utility and costs incurred to integrate operations and assets of two previously unaffiliated companies is difficult to discern or too burdensome to track. We acknowledge that the classification of a specific cost is fact specific and requires judgment in some cases. Nevertheless, to the extent there are categories of transition costs listed herein that applicants do not consider transaction-related based on transaction specific circumstances, applicants are free to demonstrate in the FPA section 203 proceeding that these costs should not be considered

transaction-related. We acknowledge AEP's concern that the Commission has not adopted a formal rule regarding the treatment and definition of transition costs for purposes of a hold harmless commitment. However, the Commission has stated that transaction-related costs, in the context of a hold harmless commitment, include transition costs.⁹⁰ In this Policy Statement, we provide additional guidance as to what those costs are. Further, if an applicant categorizes costs as transaction-related out of an abundance of caution because there is uncertainty regarding the nexus between the cost and the transaction, the Commission's policy provides for the recovery of such costs with a demonstration of offsetting benefits should the transaction produce savings or other synergies.⁹¹ This policy should not discourage beneficial investment by applicants following completion of a Commission-authorized transaction, but rather should encourage documentation and tracking of those costs and related savings.

⁹⁰ See, e.g., *Union Power Partners, L.P.*, 154 FERC ¶ 61,149, at P 63 (2016) ("We interpret Purchaser's hold harmless commitment to apply to *all transaction-related costs, including* costs related to consummating the Proposed Transaction and *transition costs*, incurred prior to the consummation of the Proposed Transaction, or in the five years after the Proposed Transaction's consummation.") (emphasis added); *Exelon Corp.*, 138 FERC ¶ 61,167, at P 118 (2012) ("We interpret Applicants' hold harmless commitment to *apply to all transaction-related costs, including* costs related to consummating the Proposed Transaction and *transition costs* (both capital and operating) incurred to achieve merger related synergies.") (emphasis added).

⁹¹ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,123 (noting that an increase in rates "can be consistent with the public interest if there are countervailing benefits that derive from the transaction"); *Pennsylvania Electric Co.*, 154 FERC ¶ 61,109 at P 48 ("The Commission has established that, where applicants make hold harmless commitments in the context of FPA section 203 transactions, in order to recover transaction-related costs, applicants must demonstrate offsetting benefits at the time they apply to recover those costs.").

b. Capital Costs

50. We also clarify that whether or not capital costs, including capital costs related to mitigation, should be considered transaction-related costs that should be subject to an applicant's hold harmless commitment can be considered on a case-by-case basis either upfront in the FPA section 203 proceeding, or when an applicant seeks to recover such costs in an FPA section 205 proceeding.⁹² In this regard, we recognize that it would be inappropriate to adopt a general policy that all capital costs, including capital costs related to mitigation, are subject to an applicant's hold harmless commitment. Applicants may incur capital costs for facilities that are used and useful and provide service to customers. Conversely, applicants may also incur capital costs as a direct requirement of the transaction, which are not used and useful until a later point in time. An inquiry into whether these costs are used and useful or otherwise prudently incurred would require a fact specific inquiry, which is more appropriately handled on a case-by-case basis rather than under a generally applicable policy.

51. In general, capital costs unrelated to the transaction are not subject to an applicant's hold harmless commitment. For example, applicants may be able to demonstrate that certain capital projects were already in the preliminary stages of construction or development prior to the merger announcement and would be completed whether or not the transaction is ever consummated. If adequately documented, we agree that such capital costs should not be subject to an applicant's hold harmless commitment.

⁹² Proposed Policy Statement, 150 FERC ¶ 61,031 at PP 21-25.

52. As guidance, we are principally concerned about three categories of capital costs directly tied to the transaction that may negatively impact customer rates: (1) the capital costs of facilities that are constructed as part of an applicant's commitment to mitigate competition concerns that have been identified in the Commission's authorization; (2) the costs of replacing any equipment or facility of merging companies, prior to the end of its useful life, if such action was the direct consequence of a transaction; and (3) the transition costs of integrating the previously separate systems. Generally, these costs will be considered transaction-related costs subject to an applicant's hold harmless commitment unless applicants demonstrate offsetting benefits, or offer ratepayer protections other than a hold harmless commitment, in their FPA section 203 application.

53. While applicants may present their case-by-case analysis when they seek to recover capital costs in an FPA section 205 proceeding, we advise applicants to present a clear case in their FPA section 203 application to avoid uncertainty when possible. Therefore, we advise applicants to clearly state which known capital costs related to the transaction will be included or excluded from a hold harmless commitment at the time of their FPA section 203 application. Further, we advise applicants to clearly explain a process for determining which capital costs—that may be unknown at the time of the application but are related to the transaction and determined at a future date—will be included or excluded from a hold harmless commitment at the time of their FPA section 203 application. Similarly, we advise applicants to explain the treatment of operation and maintenance costs incurred in relation to transaction-related capital costs if the related plant asset meets the used and useful criterion in providing utility service, the

Commission may consider exclusion of such costs from the hold harmless commitment.

A clear explanation in the FPA section 203 application of the treatment of capital costs will aid the Commission and third parties in understanding how a transaction will not have an adverse effect on rates both in considering the application and in future related proceedings, including any future FPA section 205 filing to show transaction-related savings.

54. Finally, we note that capital costs incurred for documented utility need, including those for reliability, such as transmission upgrades, that are related to a transaction may offer similar benefits to the transactions discussed below where a hold harmless commitment may not be necessary for a showing of no adverse effect on rates.⁹³ In such cases, applicants may demonstrate that such capital costs are not transaction-related costs subject to their hold harmless commitment by showing such costs have offsetting benefits or otherwise showing that these capital costs have no adverse effect on rates.

c. Internal Labor Costs

55. We will adopt the proposal to include both internal and external labor costs related to a transaction as transaction-related costs. The Commission's concern is that an applicant will use its existing employees to both perform normal utility activities as well as transaction-related activities and not make a distinction between the two activities. As a result, the applicant would recover transaction-related labor costs without demonstrating that they are offset by benefits. Thus, an appropriate labor cost allocation

⁹³ See *infra* PP 92-95.

is needed to ensure the applicant's ratepayers are not paying for transaction-related activities without a showing of offsetting benefits.

56. The Commission declines to adopt AEP's reading of Commission precedent in *Ameren* as limiting transaction-related internal labor costs to incremental internal labor costs.⁹⁴ In *Ameren* the Commission stated that the applicant must file its accounting for any costs incurred to effectuate the transaction which "may include, but are not limited to, internal labor costs, legal, consulting, and professional services incurred to effectuate the transaction."⁹⁵ This statement directing accounting entries to be filed does not impact the scope of transaction-related costs subject to the applicant's hold harmless commitment, and thus, cannot be construed to mean that hold harmless commitments only apply to incremental labor costs.

57. Commenters' arguments that labor costs for existing employees that perform additional transaction-related tasks but receive no additional incremental salary should not be subject to hold harmless commitment are misplaced. Imposing additional transaction-related tasks on existing employees without additional compensation does not relieve applicants from general ratemaking principles, which require that employee costs

⁹⁴ *Ameren*, 145 FERC ¶ 61,034 at P 97, n.99.

⁹⁵ *Id.*

follow the employees' assigned tasks.⁹⁶ Employees' time should be allocated in proportion to the tasks performed. Otherwise, ratepayers will bear transaction-related costs without offsetting benefits. Therefore, it is the Commission's policy that applicants support the allocation of the labor costs for salaried employees who work on both normal business activities in providing utility service and on transaction-related activities with appropriate supporting documentation (e.g., approved time sheets detailing the allocation of actual time worked on utility, transaction, and other non-utility activities). To the extent applicants are unable or unwilling to track internal employees time related to a transaction, applicants should consider and propose other ratepayer protection mechanisms.

d. Costs of Transactions That Are Not Completed and Costs Incurred Prior to Announcement

58. As for costs related to transactions that are pursued but never completed, we clarify our statement that such "costs should not be recovered from ratepayers."⁹⁷ Instead those costs are subject to the Commission's general rate-making principles under FPA

⁹⁶ See, e.g., Final Audit Report: Audit of Formula Rates, Transmission Incentives, and Demand Response at Baltimore Gas and Electric Company, Docket No. FA13-13-000 at 17-18 (2015) (noting inappropriate recovery of internal labor costs in transmission rates).

⁹⁷ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 23.

sections 205 and 206 and the Commission's accounting precedent.⁹⁸ With respect to EEI's comment regarding activities in the early stages of a transaction that are undertaken in the course of normal business, we note that only those activities related to the transaction for which the hold harmless commitment was made necessitate separate tracking. In terms of tracking expenses prior to the announcement of a transaction, we note that a hold harmless commitment only applies where the Commission issues an order accepting such a commitment. Expenses for transactions that do not reach that point are subject to the Commission's ordinary ratemaking principles. Moreover, if a transaction that is the subject of a hold harmless commitment is not consummated, there would presumably never be any transaction-related savings that could offset transaction-related costs.

59. In addition, we clarify that while all costs related to the acquisition of an existing facility required to serve load or transmission customers, including costs associated with bids for other facilities that were incurred as a part of routine capacity procurement efforts, will be considered transaction-related costs if an applicant makes a hold harmless commitment, as we have noted in the preceding paragraphs, capital costs of facilities that are used and useful and provide service to customers would normally be recoverable in rates under general ratemaking principles,

⁹⁸ The costs incurred to consummate a merger transaction are considered to be nonoperational in nature and, to the extent recorded on a jurisdictional entity's books, should be included in a non-operating expense account - Account 426.5, Other Deductions. 18 CFR pt. 101 (2015).

unless the capital costs fall within one of the categories discussed above (e.g., capital costs related to mitigation measures), in which case they would be subject to the applicant's hold harmless commitment. Moreover, under our accounting rules, when electric plant constituting an operating system is purchased, the costs of acquisition, including expenses incidental thereto, are properly includible in electric plant and charged to Account 102, Electric Plant Purchased or Sold.⁹⁹ Thus, in the situation Southern Company posits, the real question is what portion of the costs associated with an RFP process, including costs incurred pursuing bids that are ultimately unsuccessful, would be properly includible in the costs of the facility that is acquired. To the extent all or some portion of those costs are included in the cost of the facility that is acquired, and assuming that the facility is used and useful and provides service to customers, they would normally be recoverable as capital costs associated with that facility and, therefore, not be subject to any hold harmless commitment that is made.

e. Request for Guidance on Savings

60. Regarding transaction-related savings, we decline to allow the netting of benefits from future transactions against the transaction-related costs of past transactions, as EEI suggests. The Commission has previously confined its analysis regarding the effect on rates to the transaction that is the subject of the application.¹⁰⁰ Applicants are not

⁹⁹ 18 CFR pt. 101 (2015).

¹⁰⁰ See *BHE Holdings, Inc.*, 133 FERC ¶ 61,231 at P 40 (focusing on “costs related to the instant transaction for purposes of the Commission’s section 203 analysis”).

required to create separate records to measure savings if they do not intend to recover transaction-related costs from ratepayers. Furthermore, we decline to speculate on the scope and definition of transaction-related savings that applicants may offer in a subsequent FPA section 205 filing in order to recover transaction-related costs covered by a hold harmless commitment given that we have received a limited number of FPA section 205 filings seeking to recover transaction-related costs by showing offsetting savings. Applicants may choose the most appropriate method to calculate savings so long as the savings can be shown to result from the transaction. We will review these filings on a case-by-case basis.

B. Controls and Procedures to Track and Record Costs Related to Hold Harmless Commitments

1. Proposal

61. In the Proposed Policy Statement the Commission proposed to clarify that all applicants offering hold harmless commitments should implement appropriate internal controls and procedures to ensure the proper identification, accounting, and rate treatment of all transaction-related costs incurred prior to and subsequent to the announcement of a proposed transaction, including all transition costs.¹⁰¹

62. Specifically, the Commission noted that applicants are required to describe in their FPA section 203 applications how they intend to protect ratepayers from transaction-related costs, consistent with their obligation to show that their transaction is consistent

¹⁰¹ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 29.

with the public interest.¹⁰² As contemplated in the Merger Policy Statement, a hold harmless commitment offered by applicants must be “enforceable and administratively manageable.”¹⁰³ Therefore the Commission proposed that in creating an enforceable and administratively manageable commitment, applicants should provide assurances that transaction-related costs will be quantified, documented, and verified, and may not be recovered from ratepayers until applicants can demonstrate that savings, if any, offset the transaction-related costs they seek to recover. To this end, the Commission has required that applicants offering hold harmless commitments establish internal controls and/or tracking mechanisms.¹⁰⁴ In the Proposed Policy Statement, the Commission proposed the following additional guidance regarding these requirements.

63. First, the Commission proposed to clarify that all applicants offering hold harmless commitments should implement appropriate internal controls and procedures to ensure the proper identification, accounting, and rate treatment of all transaction-related costs incurred prior to and subsequent to the announcement of a proposed transaction, including all transition costs.¹⁰⁵

¹⁰² See Order No. 642, FERC Stats. & Regs. ¶ 31,111 at 31,914.

¹⁰³ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,124.

¹⁰⁴ See *Silver Merger Sub, Inc.*, 145 FERC ¶ 61,261, at P 78 (2013); *ITC Holdings Corp.*, 143 FERC ¶ 61,256, at P 168 (2013).

¹⁰⁵ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 30.

64. Second, the Commission proposed that applicants offering hold harmless commitments should include, as part of their FPA section 203 applications and any separate FPA section 205 filings seeking to recover transaction-related costs, a detailed description of how they define, designate, accrue, and allocate transaction-related costs, and explain the criteria used to determine which costs are transaction-related. Applicants should specifically identify and describe their direct and indirect cost classifications, and the processes they use to functionalize, classify and allocate transaction-related costs. In addition, applicants should explain the types of transaction-related costs that will be recorded on their public utilities' books; how they determined the portion of these costs assigned to their public utilities; and how they classify these costs as non-operating, transmission, distribution, production, and other. Applicants should also describe their accounting procedures and practices, and how they maintain the underlying accounting data so that the allocation of transaction-related costs to the operating and non-operating accounts of their public utilities is readily available and easily verifiable.¹⁰⁶

65. The Commission noted that it had, in the past, required applicants to submit their final accounting entries associated with transactions within six months of the date that the transaction is consummated.¹⁰⁷ The Commission proposed to require applicants subject to the Commission's accounting regulations to provide, as a part of this accounting filing,

¹⁰⁶ *Id.* P 31.

¹⁰⁷ See, e.g., *Central Vermont Public Service Corp.*, 138 FERC ¶ 61,161, at P 55 (2012).

the accounting entries and amounts related to all transaction-related costs incurred as of the date of the accounting filing, along with narrative explanations describing the entries.¹⁰⁸

2. Comments

66. EEI requests clarifications and changes related to the Commission's proposed accounting treatment. EEI encourages the Commission to have applicants "simply identify succinctly how they plan to categorize and handle the costs, in conformance with the Uniform System of Accounts"¹⁰⁹ EEI asserts that applicants should be able to rely on the accounting systems they already have in place without having to explain the design and use of those systems, as their accounting practices are already overseen by the Commission.¹¹⁰ EEI asserts the Commission should specify that if transaction costs are reasonably projected to be minor or below a certain threshold, the costs need not be tracked, as the cost of tracking them would exceed the benefit.¹¹¹ EEI also encourages the Commission to extend the deadline for submitting accounting to one year rather than six months as the information may take more than six months to be verified and the extra time would lead to a more complete filing.¹¹²

¹⁰⁸ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 32.

¹⁰⁹ EEI Comments at 19.

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.*

67. Noting that the Commission seeks to require applicants to track and record costs that may be incurred even prior to a public announcement of any proposed transaction, EPSA states it does not understand how the Commission can recognize that it can be challenging to accurately track, record and categorize all transaction-related costs but also require applicants to keep accurate accounting of such information, particularly in the early stages of a negotiation.¹¹³ EPSA states the proposed requirement is not only premature, but extremely difficult to implement, administratively burdensome, and costly.¹¹⁴ EPSA states that this requirement is more appropriate after a public announcement of a transaction. Therefore, EPSA requests that the Commission not require tracking of transaction-related costs incurred prior to the announcement of a transaction.¹¹⁵

68. APPA and NRECA, Transmission Access Policy Study Group, and Transmission Dependent Utilities support the Commission's proposed tracking requirements.¹¹⁶ Specifically, APPA and NRECA support the Commission's proposal that the internal controls and procedures should be detailed in the FPA section 203 applications and any

¹¹³ EPSA Comments at 6.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ APPA and NRECA Comments at 10-11; Transmission Access Policy Study Group Comments at 1, 4; Transmission Dependent Utilities Comments at 7.

related FPA section 205 rate filing.¹¹⁷ Transmission Access Policy Study Group states that internal controls are both feasible and essential and are good housekeeping, consistent with the practice of regulated utilities to operate pursuant to systems of accounts and fundamental to honoring hold harmless commitments.¹¹⁸ Transmission Dependent Utilities support the tracking requirements because the clarifications will help ensure that transaction-related costs will be quantified, documented, and verified and ensure that transaction-related costs will not be recovered from ratepayers until applicants demonstrate offsetting savings.¹¹⁹ Transmission Dependent Utilities assert that these requirements will result in fewer compliance difficulties, will reduce disputes about cost recovery, and will simplify the Commission's administration of hold harmless conditions by providing a clearer picture of each public utility's compliance efforts.¹²⁰

3. Commission Determination

69. We will withdraw the Commission's proposal requiring applicants to describe their accounting procedures and practices, and how they maintain the underlying accounting data for the transaction. As EEI suggested, applicants should be able to rely on their accounting systems without having to explain the design and use of those systems in the FPA section 203 filing. However, we will adopt the Commission's

¹¹⁷ APPA and NRECA Comments at 10.

¹¹⁸ Transmission Access Policy Study Group Comments at 4.

¹¹⁹ Transmission Dependent Utilities Comments at 7.

¹²⁰ *Id.*

proposal regarding establishing controls and procedures for transaction-related costs subject to the hold harmless commitment, regardless of the projected amount of the costs of the transaction. We will also adopt the proposal that applicants offering hold harmless commitments should include in the FPA section 203 application a description of how they define, designate, accrue, and allocate transaction-related costs. Applicants should also explain the criteria used to determine which costs are transaction-related.

70. Applicants that make a hold harmless commitment must make clear, at minimum, what they are committing to and have the ability to record and track such costs. A well-documented methodology and system to account for such costs also facilitates uniformity in practice and reduces confusion in how the hold harmless commitments are applied. Additionally, if applicants choose to seek recovery of those costs in a separate FPA section 205 filing, proper documentation is necessary for determining the appropriateness of the recovery. Moreover, proper documentation of these costs will provide for the avoidance of ongoing litigation which has been voiced as a concern by commenters.¹²¹

71. We will continue to require that applicants submit their final accounting entries associated with transactions within six months of the date that the transaction is consummated. We will also adopt the Commission's proposal to require applicants subject to the Commission's accounting regulations to provide, as a part of this accounting filing, the amounts related to all transaction-related costs incurred as of the

¹²¹ See, e.g., AEP Comments at 10; EEI Comments at 7, 10; Southern Company Comments at 9, 12.

date of the accounting filing. The final accounting entries and amounts related to transaction-related costs allow the Commission to scrutinize how applicants record the transaction at the time of consummation and apply the criteria to identify transaction-related costs as of the accounting filing date. The filing does not necessarily reflect all transaction-related costs as they typically continue to be incurred well after the merger. Given that applicants should have controls and procedures in place to track these costs in a timely manner, six months should be adequate for filing the accounting entries. If additional time is needed, applicants may file a request for extension including the reasons for the requested additional time.

72. We clarify that irrespective of the date that a transaction is announced, companies required to follow the Commission's accounting regulations must have appropriate controls and procedures in place to track transaction-related costs to ensure compliance. Specifically, the Commission's long-standing policy is that costs incurred to effectuate a merger are non-operating in nature, and they should be recorded in Account 426.5, Other Deductions. Accordingly, absent a change in the Commission's accounting requirements, these costs should be tracked when they are incurred.

C. Time Limits on Hold Harmless Commitments

1. Proposed Policy Statement Recommendations

73. The Commission proposed to reconsider whether a hold harmless commitment that is limited to five years or another specified time period adequately protects

ratepayers from an adverse effect on rates.¹²² Specifically, in light of the proposed treatment of certain categories of costs as transaction-related for purposes of any hold harmless commitment, the Commission's experience auditing utilities that have made hold harmless commitments, and concerns of protestors in previous FPA section 203 applications,¹²³ the Commission proposed to reconsider whether hold harmless commitments that are limited to five years (or another specified period) adequately protect ratepayers from any adverse effect on rates. As part of this reconsideration, the Commission stated that it believed that time-limited hold harmless commitments may not adequately protect ratepayers from transaction-related costs. Therefore, the Commission proposed that there be no time limit on hold harmless commitments and that costs subject to hold harmless commitments cannot be recovered from ratepayers at any time (regardless of when such costs are incurred), absent a showing of offsetting savings in order to demonstrate no adverse effect on rates.¹²⁴ The Commission stated that this revised approach is consistent with the Merger Policy Statement, which emphasized that the burden of proof to demonstrate that customers will be protected should be on

¹²² Proposed Policy Statement, 150 FERC ¶ 61,031 at P 34.

¹²³ See, e.g., *PNM Resources, Inc.*, 124 FERC ¶ 61,019, at P 36 (2008) (protestor alleging that the five-year limitation on recovery will simply result in the deferred recovery of transaction-related costs).

¹²⁴ Evidence of offsetting merger-related savings cannot be based on estimates or projections of future savings, but must be based on a demonstration of actual merger-related savings realized by jurisdictional customers. *Exelon Corp.*, 149 FERC ¶ 61,148 at P 107 (citing *Audit Report of National Grid, USA*, Docket No. FA09-10-000 (Feb. 11, 2011) at 55; *Ameren Corp.*, 140 FERC ¶ 61,034, at PP 36-37 (2012)).

applicants, and that applicants should also bear the risk that benefits will not materialize.¹²⁵

2. Comments

74. Many commenters suggest that the Commission should continue to accept time limited hold harmless commitments.¹²⁶ They contend that the Commission has not shown that there is any evidence that applicants have purposely deferred costs past the end of the five-year period or otherwise evaded review that requires a change in current policy.¹²⁷ Furthermore, they assert that, if the Commission is concerned that time-limited hold harmless commitments may lead an applicant to delay incurring or recovering a transaction's costs until after the hold harmless period expires, the Commission already has tools and protections to adequately protect customers.¹²⁸ Furthermore, AEP states that the change in policy would be a reversal of the Merger Policy Statement and put the Commission back in the position of weighing the costs and benefits of mergers.¹²⁹

¹²⁵ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,123.

¹²⁶ See EEI Comments at 6; EPSA Comments at 4; Kentucky Utilities Comments at 3-4; Southern Company Comments at 9.

¹²⁷ See generally AEP Comments at 8-9; EEI Comments at 6; Southern Company Comments at 9-10.

¹²⁸ See generally AEP Comments at 9 (asserting current accounting, auditing, and ratemaking practices are adequate); EEI Comments at 9-10 (stating that current accounting rules address the Commission's concerns regarding deferral of recovery); Southern Company Comments at 11 (suggesting that the Commission's policy related to the recovery of regulatory assets is sufficient).

¹²⁹ See AEP Comments at 11.

Commenters contend that the Commission should not adopt this policy, which will unnecessarily burden applicants at the expense of transactions that benefit customers.¹³⁰

They generally assert that the change in policy will discourage mergers, which they believe will harm customers and deter infrastructure investment.¹³¹

75. Commenters explain that the Commission's concerns are unwarranted because it is in the applicant's financial interest to complete integration as soon as possible to ensure a quick transition and capture synergies.¹³² Furthermore, they assert that the integration of the operations of merging utilities generally occurs in the first few years after a merger.¹³³ They also assert that the costs associated with tracking these costs indefinitely will be burdensome and significant.¹³⁴ Commenters caution that an indefinite hold harmless commitment could incentivize entities to not pursue elimination of duplicative services and costs, which would reduce benefits to ratepayers, because the costs of such activity may be considered transition costs in perpetuity and, therefore, be unrecoverable.¹³⁵

¹³⁰ See EEI Comments at 6; EPSA Comments at 4.

¹³¹ See EEI Comments at 10-11; EPSA Comments at 4.

¹³² See *generally* AEP Comments at 9; EEI Comments at 8, 10.

¹³³ AEP Comments at 9; Southern Company at 10-11.

¹³⁴ EPSA Comments at 4; Southern Company Comments at 12 (stating that in addition to the cost of new systems, all current and future employees would have to be trained to recognize and track the costs).

¹³⁵ See EEI Comments at 8; EPSA Comments at 5.

76. Commenters also state that any change to the Commission's practice of accepting hold harmless commitments that are limited in duration will undermine regulatory certainty.¹³⁶ They state that without a time limit the Commission creates the unnecessary risk of future litigation in which there may be attempts by protesters or the Commission to link future costs back to a previous transaction, no matter how unrelated to a transaction, and that any entity that had a merger or transaction would then need to disprove that assertion.¹³⁷ Commenters assert that without regulatory certainty investors will be unwilling to commit funds or will increase the costs of the funds they do commit, which will have an adverse effect on the costs and on the viability of transactions and utility valuations.¹³⁸ As to transaction-related capital costs, Southern Company also asserts that one would expect that at some point in time, used and useful investments should and would be included in rates, and if the Commission wishes to exclude certain assets from recovery it should use a more targeted approach than extending the hold harmless period for all transaction-related costs.¹³⁹ Others state that a transaction must be considered closed at some point in order for there to be closure for both accounting and

¹³⁶ EEI Comments at 6.

¹³⁷ See AEP Comments at 10 (worrying that an open-ended commitment will spawn multiple look back proceedings); EEI Comments at 7, 10 (asserting that this will create an inappropriate evidentiary burden on applicants that may also be impossible to overcome); Kentucky Utilities Comments at 3; Southern Company Comments at 10, 12-13.

¹³⁸ See AEP Comments at 10, n.3; EEI Comments at 7.

¹³⁹ See Southern Company Comments at 11-12.

ratemaking purposes¹⁴⁰ and requiring an open ended hold harmless commitment could deter “beneficial consolidation.”¹⁴¹ EEI states that the Commission’s current standard provides ample protection for customers while also providing regulatory certainty, which is essential in a constantly changing industry.¹⁴²

77. Commenters further explain that it will be difficult to determine if costs are transaction-related the further in time entities get from the transaction because of intervening events¹⁴³ and a changing regulatory and technological environment,¹⁴⁴ and that it will be difficult to untangle these costs in rates from the entity’s general ongoing operations.¹⁴⁵ They caution that the further in time one gets from a transaction the more difficult it will become to determine what is and is not a transition cost.¹⁴⁶ AEP suggests that the Commission could remedy this problem either by accepting time-limited hold harmless provisions or limiting the scope of transition costs to the activities required to integrate the companies once their merger is consummated.¹⁴⁷

¹⁴⁰ See AEP Comments at 10; Southern Company Comments at 12.

¹⁴¹ Southern Company Comments at 12.

¹⁴² EEI Comments at 7.

¹⁴³ See *id.* at 6.

¹⁴⁴ See Kentucky Utilities Comments at 3.

¹⁴⁵ See AEP Comments at 10; EEI Comments at 7.

¹⁴⁶ See Kentucky Utilities Comments at 3; Southern Company Comments at 13.

¹⁴⁷ AEP Comments at 10.

78. AEP also notes that a hold harmless commitment with no limit on duration raises questions like: (1) how do you measure how much of a cost incurred 15 years after a merger was attributable to merger “integration” as opposed to normal utility operations; (2) if merger “integration” costs can still be incurred decades after the transaction closed, can merger “savings” still be accruing over that same period; (3) how do you measure those savings; and (4) would companies need to maintain shadow books for the unmerged companies for the rest of time to prove the savings that resulted from the merger?¹⁴⁸

79. EEI asserts that a time-limited commitment is consistent with U.S. generally accepted accounting principles, which recognize that transactions end when all costs, assets, and liabilities have been recorded.¹⁴⁹ EEI states that the Commission should recognize that there is a finite transition period following a transaction and five years is a reasonable time frame in which one could expect that a company would complete its transition and integration.¹⁵⁰ EEI asserts that the Commission should also recognize a commitment of less than five years may be appropriate for “relatively minor” transactions and that an indefinite hold harmless commitment is simply unreasonable.¹⁵¹

¹⁴⁸ *Id.*

¹⁴⁹ EEI Comments at 8.

¹⁵⁰ *Id.* at 9.

¹⁵¹ *Id.*

80. APPA and NRECA, Transmission Access Policy Study Group, and the Transmission Dependent Utilities support the Commission's proposal not to accept time-limited hold harmless commitments.¹⁵² These commenters state that the Commission should focus on whether a cost is transaction-related, not on when it was incurred or when recovery is sought.¹⁵³

81. APPA and NRECA state that unlimited duration hold harmless commitments will not impose a significant additional burden on applicants because most transition costs are incurred in the first few years after the merger is consummated.¹⁵⁴ Furthermore, to the extent that a longer commitment may lead to an additional burden on applicants, APPA and NRECA state that this burden is reasonable because it would mean that transaction-related costs continued to be incurred and offsetting merger savings failed to materialize.¹⁵⁵ Transmission Dependent Utilities state that time-limited commitments provide incentives for utilities to make inefficient spending and rate recovery decisions while failing to provide full protection to ratepayers.¹⁵⁶ Therefore, Transmission Dependent Utilities assert that eliminating any time limit on a hold harmless commitment

¹⁵² APPA and NRECA Comments at 11; Transmission Access Policy Study Group Comments at 2; Transmission Dependent Utilities Comments at 8.

¹⁵³ APPA and NRECA Comments at 11; Transmission Dependent Utilities Comments at 7-8.

¹⁵⁴ APPA and NRECA Comments at 11.

¹⁵⁵ *Id.*

¹⁵⁶ Transmission Dependent Utilities Comments at 7.

is in the public interest because it will bring greater certainty to the electric markets regarding costs subject to recovery in the future.¹⁵⁷

3. Commission Determination

82. After careful consideration of the comments, we withdraw our proposal to no longer accept time-limited hold harmless commitments and will continue to accept hold harmless commitments that are time limited as a method to show no adverse effect on rates. We agree with certain commenters that there is a tradeoff between the articulation of transaction-related costs adopted in section II.A above¹⁵⁸ and the duration of a hold harmless commitment, as there is less of a nexus between activities that are identified as transition costs and the transaction as time passes. While the Commission intends to ensure that ratepayers are adequately protected from potential adverse effects on rates, a hold harmless commitment must also be administratively manageable.

83. As some commenters note, as time passes, it becomes more difficult to distinguish actions taken, and related expenditures, to integrate the operations and assets of newly-merged companies from the conduct of an applicant's normal business activities, and it becomes more difficult to determine which costs share a nexus with the transaction and should thus be subject to an offered hold harmless commitment. Future actions, such as engineering studies, taken in the normal course of business need to be distinguished from those undertaken to effectuate the transaction for the duration of the hold harmless

¹⁵⁷ *Id.*

¹⁵⁸ *See supra* PP 44-58.

commitment. If we were to adopt the proposal to no longer accept time-limited hold harmless commitments, applicants may be required to make these distinctions years removed from a transaction. As both commenters who support and oppose time limits on any hold harmless commitment recognize, the majority of these costs are incurred in the first five years after the closing of the transaction. At this time we do not find that there is sufficient evidence to conclude that applicants are indeed incurring substantial transaction-related costs after five years.

84. Therefore, we find that the articulation of transaction-related costs set forth in section II.A above, paired with the incentive of applicants to achieve integration and transaction related synergies as soon as possible, adequately protect ratepayers while providing applicants with regulatory certainty that a time-limited hold harmless commitment will not result in endless litigation regarding costs incurred after a transaction is consummated. We intend hold harmless commitments to avoid protracted litigation while at the same time protecting customers from the uncertain costs incurred to complete transactions.

85. In response to EEI's view that a commitment of less than five years may be appropriate for what EEI terms "relatively minor" transactions, as we stated in the Proposed Policy Statement, the Commission has found hold harmless commitments under which applicants commit not to seek to recover transaction-related costs except to the extent that such costs are exceeded by demonstrated transaction-related savings for a

period of five years to be “standard.”¹⁵⁹ While applicants may nevertheless propose hold harmless commitments of any number of years, we caution that applicants retain the burden of demonstrating that proposed ratepayer protections are adequate.¹⁶⁰ Applicants must adequately support and demonstrate that any commitment they propose provides adequate ratepayer protection when compared to other ratepayer protection mechanisms, including the offer of a five year hold harmless period that has become the norm in the industry.

D. Transactions Without An Adverse Effect on Rates

1. Proposed Policy Statement Recommendations

86. The Commission noted in the Proposed Policy Statement that some applicants have made hold harmless commitments in connection with transactions involving the acquisition of existing jurisdictional facilities where the acquiring entity is a traditional franchised utility and is entering into the transaction in order to satisfy resource adequacy requirements at the state level, to improve system reliability, and/or meet other regulatory

¹⁵⁹ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 12 (citing *ITC Holdings Corp.*, 121 FERC ¶ 61,229, at P 128 (2007)). Although five-year hold harmless commitments are most common, the Commission has also accepted three-year hold harmless commitments. *Id.* n.21 (citing *Westar Energy, Inc.*, 104 FERC ¶ 61,170, at PP 16-17 (2003); *Long Island Lighting Co.*, 82 FERC ¶ 61,129, at 61,463-65 (1998)).

¹⁶⁰ Order No. 642, FERC Stats. & Regs. ¶ 31,111 at 31,914.

requirements.¹⁶¹ Furthermore, the Commission noted that, while customers in these examples may experience a rate increase due to the costs of the facilities, such rate effect may not necessarily be adverse because those costs were incurred to meet a governmental regulatory requirement. The Commission stated that it has held that, as a general matter of policy, ratepayers should bear the cost of utility service.¹⁶²

87. The Commission proposed to clarify that applicants undertaking certain types of transactions to fulfill documented utility service needs may not need to offer a hold harmless commitment in order to show that the transaction does not have an adverse effect on rates.¹⁶³ Specifically, the Commission stated that it believed that applicants engaging in these types of transactions can make the requisite showing that, even though the proposed transaction may have an effect on rates, such effect on rates is not adverse.

88. The Commission noted several examples of transactions in which applicants may demonstrate no adverse effect on rates without offering a hold harmless commitment or other ratepayer protection mechanism, including the purchase of an existing generating

¹⁶¹ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 39. *See, e.g., FirstEnergy*, 141 FERC ¶ 61,239 at PP 1, 16, 27-30 (accepting a hold harmless commitment in an asset transaction where generation assets would be turned into assets to support transmission system upgrades in order to meet needs identified in a study by PJM Interconnection, L.L.C. following the retirement of other generating facilities); *ITC Midwest*, 140 FERC ¶ 61,125 at P 15; *Int'l Transmission Co.*, 139 FERC ¶ 61,003 at P 16.

¹⁶² *See, e.g., Old Dominion Elec. Cooperative and N.C. Elec. Membership Corp. v. Va. Elec. and Power Co.*, 146 FERC ¶ 61,200 (2014).

¹⁶³ Proposed Policy Statement, 150 FERC ¶ 61,031 at P 40.

plant or transmission facility that is needed to serve the acquiring company's customers or forecasted load within a public utility's existing footprint, in compliance with a resource planning process, or to meet specified North American Electric Reliability Corporation (NERC) standards. The Commission proposed that applicants seeking to demonstrate that a transaction will not have an adverse effect on rates for these or other reasons should provide supporting evidence and documentation which could include an explanation that the transaction is intended to serve existing customers or forecasted load within an existing footprint; to address a state commission order or directive requiring acquisition of specific assets; to address a need for a transmission facility, as established through a regional transmission planning process or as required to satisfy a NERC standard; or to address other state or federal regulatory requirements.¹⁶⁴ Under the clarification proposed therein, however, the Commission stated that a hold harmless commitment would not need to be offered in order to show that the transaction would not have an adverse effect on rates.

89. The Commission proposed that applicants may make a showing that a particular transaction does not have an adverse effect on rates based on other grounds, but the burden remains on applicants to show in their application for authorization under FPA section 203 that the costs, or a portion of the costs, related to such a transaction should be passed on to ratepayers. Further, the Commission proposed that applicants may provide the Commission with information to show the need to meet other regulatory requirements

¹⁶⁴ *Id.* P 41.

as a means to demonstrate that the effect on rates due to the transaction is not adverse.

The Commission proposed that it would carefully review such a showing before determining that a proposed transaction without any proposed ratepayer protection mechanism has no adverse effect on rates.

2. Comments

90. Several commenters support the Commission's proposal that hold harmless commitments may not be necessary for certain categories of transactions when undertaken to provide utility service for which ratepayers should bear cost responsibility.¹⁶⁵ Several parties recommend that the Commission more directly and clearly acknowledge that hold harmless commitments are not always necessary and that the Proposed Policy Statement does not mandate their inclusion in every FPA section 203 application.¹⁶⁶ EEI states that each transaction is unique and suggests that the need for and role of a hold harmless commitment will vary.¹⁶⁷ Additionally, commenters request that the Commission clarify that the circumstances articulated in the Proposed Policy Statement for when a hold harmless commitment may not be necessary are not exclusive

¹⁶⁵ See AEP Comments at 13; EEI Comments at 12; EPSA Comments at 3; Kentucky Utilities Comments at 4; Southern Company Comments at 3; Transmission-Only Companies Comments at 1.

¹⁶⁶ See EEI Comments at 11 (contending that it is not clear how the different sections of the document interact); Kentucky Utilities Comments at 5.

¹⁶⁷ EEI Comments at 11-12 (suggesting additional exemptions such as a transaction where the benefits outweigh any potential negative effects, or those negative effects may be *de minimis*).

or comprehensive,¹⁶⁸ and that the examples given were intended to be illustrative and will be interpreted broadly.¹⁶⁹

91. Other commenters request that the Commission clarify that it does not intend to identify certain categories of transactions that do not have an adverse effect on rates or transactions that do not require ratepayer protection mechanisms.¹⁷⁰ These commenters seek confirmation that the Commission is stating only that applicants may make a showing for any FPA section 203 transaction that there is no adverse effect on rates based on case-specific evidence, and as such those applicants need not offer a hold harmless commitment if they have otherwise met their burden of proof to make such a demonstration.¹⁷¹ Furthermore, APPA and NRECA urge the Commission to proceed with caution and avoid reducing the requirement of showing no adverse effect on rates to an exercise where any claimed, non-quantifiable benefits from a transaction are determined to outweigh rate increases.¹⁷²

92. Similarly, the Transmission Dependent Utilities also urge the Commission not to exempt certain transactions from the requirement to adopt ratepayer protection

¹⁶⁸ EPSA Comments at 3; Southern Company Comments at 4.

¹⁶⁹ Kentucky Utilities Comments at 5.

¹⁷⁰ See APPA and NRECA Comments at 12; Transmission Access Policy Study Group Comments at 6.

¹⁷¹ See APPA and NRECA Comments at 12-13; Transmission Access Policy Study Group Comments at 8-9.

¹⁷² APPA and NRECA Comments at 14.

mechanisms and state that the proposal undercuts the other ratepayer protection mechanisms proposed in the Proposed Policy Statement.¹⁷³ They assert that the Commission should not adopt the proposal because: (1) practically any asset transaction could meet the Commission's proposed standard as nearly any such transaction could be deemed necessary to serve existing or forecasted load or to satisfy at least one federal or state regulatory requirement; (2) wholesale customers may derive no benefits from transactions that satisfy state resource adequacy requirements; (3) FPA section 215¹⁷⁴ prohibits reliability standards from including any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity and therefore, the Commission should not grant a special exemption from adopting ratepayer protection mechanisms to utilities that purchase facilities in order to comply with NERC standards; and (4) the premise that an increase in rates may not be adverse because of the reason for the transaction is flawed.¹⁷⁵ The Transmission Dependent Utilities state that no such exemption is needed because to the extent that such a transaction provides for benefits to wholesale ratepayers, applicants should be able to demonstrate such benefits or savings exceed the transaction-related costs.¹⁷⁶

¹⁷³ See Transmission Dependent Utilities Comments at 8-9.

¹⁷⁴ 16 U.S.C. § 824o(a)(3) (2012).

¹⁷⁵ See Transmission Dependent Utilities Comments at 9-10.

¹⁷⁶ See *id.* at 11.

93. Some commenters also identified other types of transactions that may have a rate impact, but not one that is adverse, and therefore should not require any additional ratepayer protection. These commenters request that the Commission clarify that, in addition to transactions involving purchases of existing generation facilities, a hold harmless commitment may also be unnecessary in connection with: (1) purchases of existing transmission facilities that provide benefits, such as added capacity or increased reliability;¹⁷⁷ (2) transactions consummated under a blanket authorization;¹⁷⁸ (3) transactions that involve necessary contract rights or other jurisdictional assets, rather than physical facilities;¹⁷⁹ (4) transactions undertaken in order to comply with any other federal or state regulatory framework;¹⁸⁰ (5) transactions with “no identified or reasonably *de minimis* costs, such as internal reorganizations or restructurings;”¹⁸¹ (6) transactions involving the transfer of non-energized turn-key facilities;¹⁸² and (7) acquisitions of non-jurisdictional transmission assets by a transmission-only company.¹⁸³

¹⁷⁷ Southern Company Comments at 3.

¹⁷⁸ EEI Comments at 12.

¹⁷⁹ Kentucky Utilities Comments at 5.

¹⁸⁰ *Id.* at 5-6 (including environmental, antitrust, market power regulation, energy efficiency standards, or portfolio standards).

¹⁸¹ *Id.* at 6.

¹⁸² *See* AEP Comments at 14; Southern Company Comments at 4.

¹⁸³ Transmission-Only Companies Comments at 1. The Transmission-Only Companies explain that their business model itself carries benefits and will further Commission policy. *Id.* at 5-6.

PUBLIC

Docket No. PL15-3-000

- 67 -

94. EPSA requests that the Commission reaffirm its policy that there is no adverse effect on rates and that no hold harmless commitment is required where an applicant's cost-based rates do not allow for automatic pass-through of transaction-related costs because applicants can only recover transaction-related costs through a filing under FPA section 205 in such circumstances.¹⁸⁴ EPSA also asks that the Commission recognize that particular types of rate schedules, including schedules and agreements for reliability must run, reactive power/voltage control, and restoration services, do not allow for automatic pass-through of costs.¹⁸⁵

3. Commission Determination

95. We clarify that the Commission does not intend to exempt classes of transactions that require authorization under FPA section 203 from the requirement to make a showing of no adverse effect on rates. Our intention is to make it clear that, under the Merger Policy Statement, a hold harmless commitment is just one of several ratepayer protection mechanisms that may be appropriate in a given case, but that a hold harmless commitment (or other ratepayer protection) may be unnecessary for some categories of

¹⁸⁴ EPSA Comments at 3 (citing *NRG Energy Holdings*, 146 FERC ¶ 61,196 at P 87).

¹⁸⁵ *Id.* at 3-4.

transactions.¹⁸⁶ In addition, we reaffirm that a hold harmless commitment is not a requirement for an FPA section 203 application; in cases in which some form of ratepayer protection may be appropriate, applicants may offer other forms of ratepayer protection to demonstrate that the transaction has no adverse effect on rates.¹⁸⁷ This observation does not relieve applicants of their obligation to demonstrate that the proposed transaction does not have an adverse effect on rates based on the circumstances of their transaction or to offer ratepayer protection mechanisms where appropriate.¹⁸⁸ Further, the burden of demonstrating that any given transaction presents no adverse effect on rates continues to lie with the applicants.¹⁸⁹

¹⁸⁶ See, e.g., *Pub. Serv. Co. of New Mexico*, 153 FERC ¶ 61,377 at P 39 (finding that there was no adverse effect on wholesale requirements customers because those customers receive service under long-term, Commission-approved contracts with stated rates whose terms would not change a result of the proposed transaction and cannot change absent a filing under FPA section 205 with the Commission to change those rates); *NRG Energy Holdings*, 146 FERC ¶ 61,196 at P 87 (finding that there was no adverse effect on wholesale rate because applicants would continue to make wholesale sales at market-based rates or at cost-based rates, under which applicants had no ability to pass through any increased costs resulting from the proposed transaction).

¹⁸⁷ Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,123-24.

¹⁸⁸ See *id.*

¹⁸⁹ *Id.* at 30,123.

96. For example, certain rate schedules do not contain a mechanism that would allow an applicant to pass on transaction-related costs.¹⁹⁰ Although it would be unnecessary to make any hold harmless commitment in connection with such a transaction, the applicant would nonetheless have to demonstrate how the rate schedule precludes passing on transaction-related costs to customers. Furthermore, if applicants believe the transaction for which they seek approval provides needed benefits to customers, they may choose to make such a showing.

97. The transactions we identified in the Proposed Policy Statement (i.e., documented utility needs such as the purchase of an existing generating plant or transmission facility that is needed to serve the acquiring company's customers or forecasted load within a public utility's existing footprint, in compliance with a resource planning process, or to meet specified NERC standards), were only illustrative, and not intended to be an all-inclusive list. As a result, we do not adopt the suggestion by some commenters that the Commission identify other types of transactions that may not require a hold harmless commitment. We emphasize that, in all cases, applicants have the burden of demonstrating that a proposed transaction will have no adverse effect on rates. A hold

¹⁹⁰ See, e.g., *Pub. Serv. Co. of New Mexico*, 153 FERC ¶ 61,377 at P 39 (finding that there was no adverse effect on wholesale requirements customers because those customers receive service under long-term, Commission-approved contracts with stated rates whose terms would not change a result of the proposed transaction and cannot change absent a filing under FPA section 205 with the Commission to change those rates).

harmless commitment or other form of ratepayer protection is only called for in those instances where an applicant cannot otherwise meet this burden.

98. Finally, we note that the Transmission Dependent Utilities misapprehend the statement in the Proposed Policy Statement regarding transactions involving acquisitions of existing facilities to fulfill a NERC reliability standard. Nothing in this Policy Statement requires an entity to acquire or invest in facilities. Instead, this Policy Statement states that if an entity acquires a facility to fulfill a requirement of a NERC reliability standard and it seeks approval under FPA section 203 for that transaction, the entity may present evidence that the transaction's effect on rates is not an adverse effect on rates instead of offering a hold harmless commitment.

E. Other Issues Raised

1. Comments

99. EEI states that the Commission's FPA section 203 analysis already protects customers well.¹⁹¹ EEI asserts that the Commission's current regulations and guidance already ensure that the proper information to examine and address potential effects on customers and markets is required to be provided to the Commission.¹⁹² EEI states that it appreciates the Commission's goal of providing clarity, but it encourages modification of the proposal so that any policy the Commission adopts "puts use of the commitments

¹⁹¹ EEI Comments at 3

¹⁹² *Id.* at 5.

in perspective within the [FPA] section 203 process and is fair and workable.”¹⁹³ EEI asserts that the structure of the Proposed Policy Statement does not clearly identify what the text of the proposed policy is, which it asserts is essential for readers to understand and comment on the proposal.¹⁹⁴ EEI further asserts that given the fundamental changes it suggested to the Proposed Policy Statement, the Commission should respond to those suggestions, re-notice the statement and provide a chance for entities to provide additional feedback.¹⁹⁵

100. EEI and EPSA ask the Commission to clarify that it will not apply any new requirements set out in this Policy Statement to pending or previously-approved section 203 transactions, even if there is a subsequent related FPA section 205 filing.¹⁹⁶ EEI states that parties have structured pending or previous transactions based on the then-applicable review process and it would be “manifestly unfair” to apply new conditions on parties after they have submitted their applications.¹⁹⁷ EPSA states that its members and other market participants seek clarity that any such filings would not be evaluated against

¹⁹³ *Id.* at 6.

¹⁹⁴ *Id.* at 20.

¹⁹⁵ *Id.*

¹⁹⁶ *Id.*; EPSA Comments at 6.

¹⁹⁷ EEI Comments at 20.

any new requirements or policies implemented in a final Policy Statement, but under the policies in existence at the time the relevant transaction was approved.¹⁹⁸

2. Commission Determination

101. We will apply all changes contained in this Policy Statement on a prospective basis, effective 90 days after publication of this Policy Statement in the Federal Register, for applications submitted on and after that effective date. The guidance herein does not alter existing hold harmless commitments accepted by the Commission nor does it modify hold harmless commitments in applications pending at the time of issuance of this Policy Statement. Finally, we decline EEI's request that the Commission refine and reissue the Proposed Policy Statement to allow for additional feedback. The Policy Statement has incorporated and addressed suggestions by commenters, clarifies the scope and definition of the costs that should be subject to hold harmless commitments, and provides general guidance to be implemented on a case-by-case basis.

III. Information Collection Statement

102. The Paperwork Reduction Act (PRA)¹⁹⁹ requires each federal agency to seek and obtain Office of Management and Budget (OMB) approval before undertaking a collection of information directed to ten or more persons or contained in a rule of general applicability. OMB regulations require approval of certain information collection

¹⁹⁸ EPSA Comments at 6-7.

¹⁹⁹ 44 U.S.C. 3501-3520.

requirements imposed by agency rules.²⁰⁰ Upon approval of a collection(s) of information, OMB will assign an OMB control number and an expiration date.

Respondents subject to the filing requirements of an agency rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control numbers. The following table shows the Commission's estimates for the additional burden and cost,²⁰¹ as contained in the Policy Statement:

Revisions, in the Policy Statement in Docket No. PL15-3					
Requirements	Number and Type of Respondents (1)	Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours & Cost Per Response (4)	Total Burden Hours & Total Cost (3)*(4)
FERC-519 (FPA Section 203 Filings) ²⁰²	18	1	18	20 hrs.; \$1,440	360 hrs.; \$25,920
FERC-516 (FPA Section 205, Rate and Tariff Filings)	1	1	1 ²⁰³	103.26 hrs.; \$7,434.72	103.26 hrs.; \$7,434.72

²⁰⁰ See 5 CFR 1320.

²⁰¹ The hourly cost figures are based on data for salary plus benefits. The Commission staff thinks that industry is similarly situated to FERC in terms of the average cost of a full time employee. Therefore, we are using the 2015 FERC hourly average for salary plus benefits of \$72 per hour.

²⁰² Commission staff estimates that, due to the Policy Statement, 18 of the FPA Section 203 filings will take 20 additional burden hours. The estimated number of filings is not changing.

²⁰³ Commission staff estimates that one FPA section 205 filing may be made annually subject to the Policy Statement.

Docket No. PL15-3-000

PUBLIC

- 74 -

FERC-555, Record Retention	18	1	18	4 hrs.; \$288	72 hrs.; \$5,184
TOTAL					535.26 hrs.; \$38,538.72

Title: FERC-519, Application under Federal Power Act Section 203; FERC-516, Electric Rate Schedules and Tariff Filings; and FERC-555, Preservation of Records for Public Utilities and Licensees, Natural Gas and Oil Pipeline Companies.

Action: Revised Collections of Information.

OMB Control No: 1902-0082 (FERC-519), 1902-0096 (FERC-516), and 1902-0098 (FERC-555).

Respondents: Business or other for profit, and not for profit institutions.

Frequency of Responses: As needed and ongoing.

Necessity of the Information: To protect ratepayers and to mitigate possible adverse effects on rates that may result from mergers or certain other transactions that are subject to section 203 of the FPA, we propose clarifications and additional information collection requirements related to hold harmless commitments offered by applicants.

Internal review: The Commission has reviewed the changes included in the Policy Statement and has determined that the additional reporting and recordkeeping requirements are necessary.

Docket No. PL15-3-000

PUBLIC

- 75 -

Interested persons may obtain information on the reporting requirements by contacting:

Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426

[Attention: Ellen Brown, Office of the Executive Director, e-mail:

DataClearance@ferc.gov, Phone: (202) 502-8663, fax: (202) 273-0873].

IV. Document Availability

103. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington DC 20426.

104. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

Docket No. PL15-3-000

PUBLIC

- 76 -

105. User assistance is available for eLibrary and the FERC's website during normal business hours from FERC Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202)502-8659. E-mail the Public Reference Room at public.referenceroom@ferc.gov.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

PUBLIC

Document Content(s)

PL15-3-000.DOCX.....1

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-42

Request:

Referencing Mr. Bellar's testimony at 11:4-6, please:

- a. Provide the date by which the PPL expects to have established the "Rhode Island-dedicated gas control center";
- b. Provide the most recent cost estimate for the PPL gas control center; and
- c. Please confirm that none of those costs will be charged to ratepayers. If that is not the case, please identify the cost components that PPL plans to recover from ratepayers, and state the basis for such recovery.

Response:

- a. PPL and PPL RI continue to develop schedules to establish the Rhode Island dedicated gas control center ("GCC"). The current estimate to establish the GCC no later than two years after closing. National Grid USA Service Company, Inc. will provide gas control center support under the Transition Service Agreement ("TSA") until the GCC is operational.
- b. PPL and PPL RI do not currently have cost estimates for the GCC. Once PPL and PPL RI have prepared such cost estimates, they will provide a supplemental response to this data request.
- c. PPL and PPL RI do not plan to seek recovery from ratepayers for the costs associated with the GCC that do not relate to new or improved technology capabilities to Narragansett, or for costs related to capital investments that would not have been made in the normal course of business for reasons including but not limited to obsolescence. These costs would be recoverable in the ordinary course of business in the absence of PPL RI's purchase of Narragansett, subject to ordinary regulatory and prudence review. PPL and PPL RI will seek recovery for any such costs pursuant to the appropriate cost recovery mechanisms Narragansett already has in place with the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers, under existing statutes, rules, and tariffs.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-49

Request:

Assuming PPL will need to pay comparatively higher salaries (or offer improved benefit packages) to retain employees of National Grid or its affiliates, including the Service Company, who currently provide services to Narragansett, please explain whether PPL will treat any such wage increases (or the costs of improved benefits) as part of acquisition premiums or transaction costs for which PPL has agreed in its petition not to seek to recover in customer rates.

Response:

PPL and PPL RI do not agree with the assumption that they will need to pay comparatively higher salaries or offer improved benefits packages to retain any employees of National Grid USA or its affiliates, including National Grid USA Service Company, Inc., who currently provide services to The Narragansett Electric Company (the "Potential Retained Employees"). The Share Purchase Agreement does not require PPL or PPL RI to pay higher salaries or offer improved benefits packages. Accordingly, PPL has not evaluated how it would treat any such wage increases or costs of improved benefits.

To the extent that PPL and/or PPL RI agrees to pay any increased salaries or to offer benefits that exceed those currently provided to any of the Potential Retained Employees, PPL and PPL RI will evaluate on a case-by-case basis: (1) the reason for the increased salary or benefit costs, (2) the overall impact on the labor and benefit costs to be incurred by The Narragansett Electric Company ("Narragansett"), and (3) whether PPL RI's purchase of Narragansett was the cause of such costs, and, on the basis of these and any other relevant factors, PPL and PPL RI will determine whether it will seek to recover such costs in customer rates, or whether it will treat them as part of acquisition premium or transaction costs and exclude them from any request for recovery in customer rates.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-54

Request:

Referencing the testimony of Mr. Sorgi's testimony at 9:10-12, in which he states: "We also believe that infrastructure investments and a more localized operating model under PPL's ownership will create jobs and support economic development in Rhode Island," please:

- a. Explain PPL's "localized operating model,"
- b. Provide any analyses or comparisons performed assessing the PPL model against how Narragansett is currently managed;
- c. Quantify the number of jobs PPL expects that will be created, including any supporting data, studies, workpapers, reports, and information; and
- d. Please provide any data, studies, workpapers, reports, and information to support PPL's claim that the Transaction will result in economic development.

Response:

- a. PPL's localized operating model can best be described as the people who are responsible to ensure the safe and reliable electric and gas service to customers will be present locally in Rhode Island and will have the appropriate decision making authority commensurate with those responsibilities. In addition, the President will work directly with the EVP and COO and other members of PPL's Executive team, as necessary, to ensure that Narragansett has the resources and support necessary to provide this service to Rhode Island customers as having the appropriate resources necessary to carry out that mission. Also see PPL and PPL RI's response to data request Division 1-19.
- b. No such analyses or comparisons have been performed or documented. PPL and National Grid continue to work out the details to ensure a smooth transition.
- c. As stated in b. above, PPL and National Grid continue to develop the organization structure and number of employees needed as we transition off the TSA over the two-year transition period. Certain functions that are currently provided by National Grid that are planned to be created in Rhode Island are Customer Contact and back office functions, Electric dispatch and control room operations, gas control and dispatch functions, gas and electric training operations and miscellaneous service company functions. Total number of employees in these areas has not been determined at this time.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

- d. We did not perform any studies or reports on the resulting economic impact of this transaction. A key component of utility operations is investments in infrastructure. If the Transaction is approved, PPL expect to submit plans for approval that increases the amount of infrastructure investments in Rhode Island, which will have a direct impact on the Rhode Island economy through direct and indirect purchases, use of contractors and service providers. In addition, PPL plans to create certain functions in Rhode Island that will require investments in facilities, construction, professional services and purchases (see item c. above) Also, PPL has a long history of investing in the communities they serve. In Pennsylvania & Kentucky for 2020 PPL provided more than \$12M in charitable giving, had 60-80K hours of volunteer work, supported over 300 nonprofits, had \$275M spend on diverse suppliers, had 60% of the corporate spend on locally based suppliers, provided over \$2M to support COVID relief, donated 20k N95 masks to health care workers and donated \$100K to support racial injustice initiatives.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-54

Request:

Referencing the testimony of Mr. Sorgi's testimony at 9:10-12, in which he states: "We also believe that infrastructure investments and a more localized operating model under PPL's ownership will create jobs and support economic development in Rhode Island," please:

- a. Explain PPL's "localized operating model,"
- b. Provide any analyses or comparisons performed assessing the PPL model against how Narragansett is currently managed;
- c. Quantify the number of jobs PPL expects that will be created, including any supporting data, studies, workpapers, reports, and information; and
- d. Please provide any data, studies, workpapers, reports, and information to support PPL's claim that the Transaction will result in economic development.

Response:

- a. PPL's localized operating model can best be described as the people who are responsible to ensure the safe and reliable electric and gas service to customers will be present locally in Rhode Island and will have the appropriate decision making authority commensurate with those responsibilities. In addition, the President will work directly with the EVP and COO and other members of PPL's Executive team, as necessary, to ensure that Narragansett has the resources and support necessary to provide this service to Rhode Island customers as having the appropriate resources necessary to carry out that mission. Also see PPL and PPL RI's response to data request Division 1-19.
- b. No such analyses or comparisons have been performed or documented. PPL and National Grid continue to work out the details to ensure a smooth transition.
- c. As stated in b. above, PPL and National Grid continue to develop the organization structure and number of employees needed as we transition off the TSA over the two-year transition period. Certain functions that are currently provided by National Grid that are planned to be created in Rhode Island are Customer Contact and back office functions, Electric dispatch and control room operations, gas control and dispatch functions, gas and electric training operations and miscellaneous service company functions. Total number of employees in these areas has not been determined at this time.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

- d. We did not perform any studies or reports on the resulting economic impact of this transaction. A key component of utility operations is investments in infrastructure. If the Transaction is approved, PPL expect to submit plans for approval that increases the amount of infrastructure investments in Rhode Island, which will have a direct impact on the Rhode Island economy through direct and indirect purchases, use of contractors and service providers. In addition, PPL plans to create certain functions in Rhode Island that will require investments in facilities, construction, professional services and purchases (see item c. above) Also, PPL has a long history of investing in the communities they serve. In Pennsylvania & Kentucky for 2020 PPL provided more than \$12M in charitable giving, had 60-80K hours of volunteer work, supported over 300 nonprofits, had \$275M spend on diverse suppliers, had 60% of the corporate spend on locally based suppliers, provided over \$2M to support COVID relief, donated 20k N95 masks to health care workers and donated \$100K to support racial injustice initiatives.

Supplemental Response:

- (b) PPL and PPL RI refer to Attachment PPL-DIV 1-54-1 for additional information responsive to this request.

Analysis of PPL's Cost to Operate The Narragansett Electric Company

- I. Introduction
- II. Assumptions and Approach
- III. National Grid's current costs to operate Narragansett
 - a. Direct Opex
 - b. Indirect Opex
 - c. Benefits Costs
 - d. Allocated Depreciation
 - e. Total National Grid Managed Cost Summary
- IV. PPL's expected costs to operate Narragansett
 - a. Rhode Island Direct Labor
 - b. Rhode Island Direct Non-Labor
 - c. PPL Allocations
 - d. Allocated Depreciation
 - e. Total PPL Managed Cost Summary
- V. Cost Summary Comparison
 - a. Total Cost Summary Comparison
 - b. Operational Cost Summary Comparisons
 - c. Corporate Cost Summary Comparisons
- VI. Conclusion
- VII. Appendix
 - 1. Complete FY21 National Grid Narragansett Cost Structure
 - 2. Reconciliation of FY21 National Grid Narragansett Cost Structure to Published Financial Statements
 - 3. PPL Rhode Island Direct Organizational Structure
 - 4. PPL Rhode Island Aligned Corporate Support

I. Introduction

PPL Corporation (“PPL”) has prepared an analysis of the anticipated costs to operate The Narragansett Electric Company (“Narragansett”) if the Rhode Island Division of Public Utilities and Carriers (the “Division”) approves the proposed acquisition of Narragansett (the “Transaction”). This analysis compares these anticipated costs to National Grid USA’s (“National Grid”) current costs to operate Narragansett. This analysis demonstrates that the Transaction will not result in increased costs to operate Narragansett and therefore will not increase rates for the current electric and gas distribution services.

II. Assumptions and Approach

PPL does not currently own and operate Narragansett and does not have the ability to fully assess each and every aspect of its future operations. When preparing this cost comparison, PPL thus relied on the information it received from National Grid – both with regard to its current costs to operate and with regard to the operations and functions necessary for PPL to operate Narragansett after the Transaction is approved and a closing occurs.

The purpose of this analysis is to provide a current view of PPL’s reasonable expectation of the comparison between National Grid’s current costs to operate Narragansett and PPL’s anticipated costs to operate Narragansett at the conclusion of the transition period. If the Division approves the Transaction, when PPL takes over control and operation of Narragansett and obtains firsthand knowledge of its operations the anticipated costs will change to some extent. This analysis, therefore, is not a budget for PPL costs in future years; it is a cost comparison based on the best information currently available and estimates generated from that information.

PPL made several structural assumptions preparing this analysis. First, PPL assembled National Grid’s actual Fiscal Year (“FY”) 2021 costs to operate Narragansett. PPL then developed its anticipated

PUBLIC

costs to operate Narragansett after the transition services¹ expire approximately two years after Transaction close. This approach allows PPL to compare its anticipated 'steady state' operating costs to National Grid's "steady state" operating costs as they exist today.

Second, PPL limited this analysis to operating and maintenance costs plus allocated depreciation from service company assets that support Narragansett. These costs are deemed "managed" costs. PPL excluded pass-through costs from the analysis because they do not reflect the cost of operating the core electric and gas businesses. These pass-through costs include purchased power and gas, transmission wheeling costs, asset depreciation, taxes and other non-operational related costs.² The comparison of "managed" operating costs provides a basis to compare the operating model differences resulting from the change in control. A detailed view of total costs is included in the Appendix.

Third, PPL evaluated and considered the impact of the structural differences between National Grid's and PPL's operating models. For example, as explained later, PPL intends to establish a dedicated Rhode Island organization to provide operational functions (i.e., electric and gas operations and maintenance) serving the customers of Rhode Island, while National Grid uses a shared services model across its jurisdictions for similar functions. Both PPL and National Grid have service companies that provide centralized corporate and administrative services functions, but they differ in their composition (e.g., certain subfunctions are categorized differently between PPL and National Grid) making functional cost comparisons difficult. As a result, PPL's analysis compares National Grid's current operating model and related costs to PPL's anticipated operating costs under its expected operating model.

¹ National Grid will continue to provide certain services ("Transition Services") to support Narragansett during the transition to PPL to allow PPL to establish the infrastructure required to operate Narragansett independently. It is expected that these transition services will not exceed two years in duration.

² PPL is an experienced operator of electric and gas companies and will apply its expertise to effectively and efficiently control these pass-through costs (e.g., effective procurement of electricity and gas, management of bad debt expense, and conduct of storm response), to the extent possible.

PUBLIC

For this analysis, National Grid provided its FY21 actual costs to operate Narragansett, including both direct and indirect operating costs assigned and allocated to Narragansett, as defined in National Grid's internal management reporting. Direct operating costs ("Direct Opex") are costs related to electric and gas operations, as well as directly associated support costs (e.g., Operations Support and Energy Procurement). Indirect operating costs ("Indirect Opex") are service company costs (e.g., Customer Operations, Legal, HR, Finance) assigned and allocated to Narragansett. National Grid accumulates benefits (e.g., medical, dental, pension, etc.) costs in aggregate; so, these amounts are shown separately rather than assigned to individual functional salary levels. The cost analysis also included depreciation costs from the service company to reflect shared assets (e.g., IT, facilities) that are allocated to Narragansett.

PPL integration teams developed a Rhode Island organizational structure by functional area that reflects the staffing levels expected to operate the business once fully transitioned from National Grid. PPL also developed the corporate and administrative services and associated costs necessary to operate Narragansett.

III. National Grid Narragansett Costs

a. Direct Opex

The Direct Opex costs assigned and allocated to the Narragansett utility are identified in **Table 1** below.

National Grid utilizes 17 cost centers, which PPL aggregated into functional categories (e.g., New England Electric costs and New York Electric costs (providing support to Narragansett) were consolidated to the Electric function). Cost types include Base Labor costs plus other nonlabor costs such as Contractors, Materials, Consultants, and Other Expenses). In total, National Grid's Direct Opex for Narragansett is \$113.6M, which includes \$51.0M in Base Labor Costs and \$62.6M in Non-Base Labor costs.

PUBLIC

Table 1. Direct Opex - Costs by Function and Cost Type									
	Base Labor	Contractors	Other Expenses	Transportation	Consultants	Materials	Overtime	Employee Expenses	Total
Electric	\$20.4M	\$13.4M	\$1.5M	\$3.2M	\$0.6M	\$2.6M	\$1.7M	\$0.7M	\$44.0M
Gas	\$22.7M	\$7.0M	\$2.7M	\$4.0M	\$0.9M	\$2.4M	\$4.4M	\$0.6M	\$44.7M
Transformation	\$2.5M	\$0.4M	\$0.3M	\$0.0M	\$1.4M	\$0.0M	\$0.0M	\$0.0M	\$4.6M
Operations Support	\$1.7M	\$4.0M	\$6.8M	\$0.3M	\$0.2M	\$0.4M	\$0.3M	\$0.0M	\$13.6M
Energy Procurement	\$1.0M	\$0.0M	\$0.0M	-	\$0.0M	\$0.0M	-	\$0.0M	\$1.1M
Safety, Health & Environment	\$0.6M	\$1.1M	\$0.1M	\$0.0M	\$0.1M	\$0.1M		\$0.0M	\$2.0M
Regulation	\$1.5M	\$0.0M	\$0.0M	-	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$1.5M
Business Planning & Perf	\$0.3M	-	\$0.0M	-	\$0.0M	\$0.0M	-	\$0.0M	\$0.3M
President	\$0.4M	\$0.9M	\$0.1M	-	\$0.1M	\$0.0M	-	\$0.0M	\$1.7M
Total	\$51.0M	\$26.8M	\$11.6M	\$7.6M	\$3.4M	\$5.5M	\$6.3M	\$1.4M	\$113.6M

b. Indirect Opex

National Grid’s Indirect Opex categories include the assigned and allocated costs for corporate and administrative services provided to Narragansett from National Grid’s service company. These services and associated costs include functions such as IT, Customer Operations, Finance, and Legal.

PPL summarized National Grid’s 12 Indirect Opex cost centers, as identified by National Grid, in **Table 2** below. This table summarizes the Indirect Opex cost types, which include Base Labor costs plus other nonlabor costs such as Consultants, Contractors, and Other Expenses. In total, National Grid’s Indirect Opex for Narragansett is \$86.9M which includes \$32.0M in Base Labor Costs and \$54.9M in Non-Base Labor costs.

PUBLIC

Table 2. Indirect Opex - Costs by Function and Cost Type									
	Base Labor	Contractors	Other Expenses	Transportation	Consultants	Materials	Overtime	Employee Expenses	Total
IT	\$8.0M	\$5.7M	\$10.8M	\$0.0M	\$9.5M	\$0.0M	\$0.8M	\$0.0M	\$34.9M
Customer Operations	\$8.7M	\$5.4M	\$5.6M	\$0.0M	\$1.7M	\$0.3M	\$0.7M	\$0.1M	\$22.5M
Audit	\$0.4M	\$0.1M	\$0.0M	-	\$0.1M	\$0.0M	-	\$0.0M	\$0.6M
Corporate Cost Center	\$0.0M		\$2.2M		\$0.2M	\$0.0M	\$0.0M	\$0.3M	\$2.6M
EBS, Procurement, Transformation	\$3.4M	\$0.6M	\$0.1M	-	\$0.3M	\$0.0M	\$0.0M	\$0.0M	\$4.4M
Finance	\$5.0M	\$0.5M	\$3.3M	-	\$2.0M	\$0.0M	\$0.0M	\$0.0M	\$10.8M
Global Legal	\$2.0M	\$0.4M	\$0.1M	-	\$1.3M	\$0.0M	\$0.0M	\$0.0M	\$3.9M
Human Resources	\$1.4M	\$0.2M	\$0.1M	\$0.0M	\$0.0M	\$0.1M	\$0.0M	\$0.0M	\$1.9M
NGV Jurisdiction	-	-	\$0.2M	-	\$0.0M	-	-	\$0.0M	\$0.2M
President US Utilities	\$0.2M	\$0.1M	\$0.3M	-	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.7M
Strategy & External Affairs	\$2.3M	\$0.1M	\$0.9M	\$0.0M	\$0.6M	\$0.0M	-	\$0.1M	\$4.0M
Transformation Office	\$0.3M	\$0.1M	\$0.0M	-	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.5M
Total	\$32.0M	\$13.0M	\$23.6M	\$0.0M	\$15.7M	\$0.4M	\$1.5M	\$0.6M	\$86.9M

c. Benefits Costs, Pension and OPEB

National Grid captures employee benefits and pension costs at the service company level and allocates those costs to Narragansett. These costs represent benefits such as medical insurance, retirement benefits, flexible spending accounts, etc. as well as pension, retiree medical and retiree life insurance costs, where applicable. As shown in **Table 3** below, these benefits costs assigned and allocated to Narragansett are \$55.4M.

Table 3. Employee Benefits	
	Total
Other Employee Benefits	\$45.1M
Pension & OPEB	\$10.3M
Total	\$55.4M

d. Allocated Depreciation

Allocated depreciation refers to depreciation related to National Grid corporate assets that has been assigned and allocated to Narragansett. This depreciation is primarily related to Information Technology assets, but also includes a portion of facilities-related assets as well. As described earlier,

PUBLIC

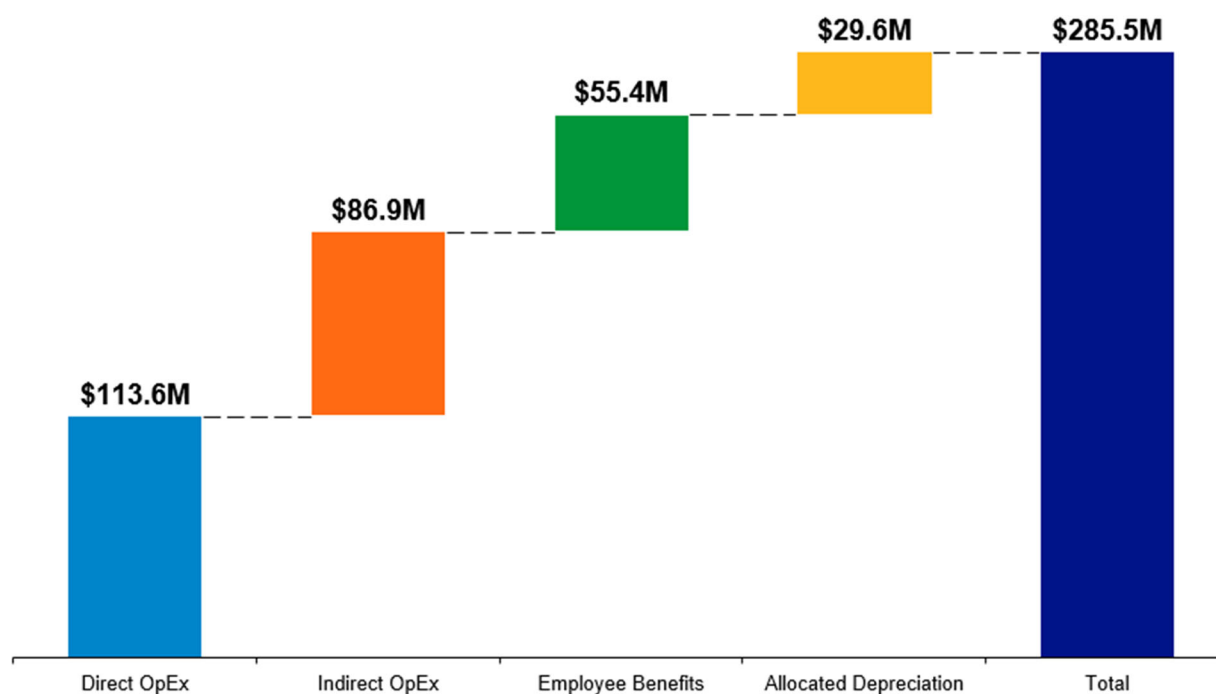
National Grid tracks depreciation and amortization related to Narragansett transmission and distribution infrastructure separately, and PPL did not consider those costs as part of this analysis as they reflect capital investment decisions made by National Grid in prior years. As shown in **Table 4** below, the depreciation National Grid assigned and allocated to Narragansett totals \$29.6M.

Table 4. Allocated Depreciation	
Allocated Depreciation	Total \$29.6M
Total	\$29.6M

e. Total Managed Cost Summary

National Grid's total managed costs assigned and allocated to Narragansett in Direct Opex, Indirect Opex, Employee Benefits, Pension and PBOP, and Allocated Depreciation are summarized in **Figure 1** below.

Figure 1. National Grid Managed Cost Structure, FY2021 Actuals



IV. PPL Narragansett Costs

In developing PPL's anticipated costs to operate Narragansett, PPL first refined its intended operating model for the Rhode Island utility. PPL will employ a dedicated Rhode Island organization to provide a high level of service focused on Rhode Island customers. This Rhode Island-focused operating model will also drive additional investment in the State. PPL will supplement this organization with appropriate centralized corporate and operations services.

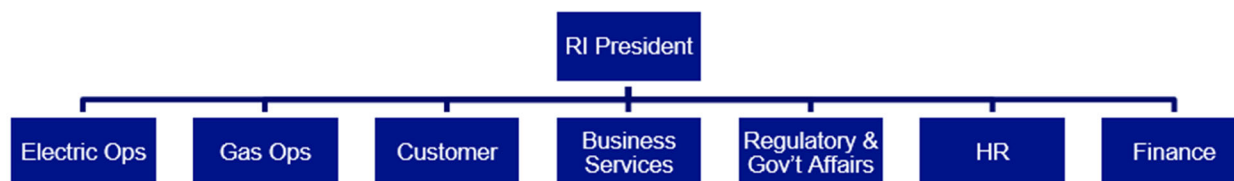
a. Rhode Island Direct Labor

In developing its Rhode Island organization, PPL collaborated with National Grid to ensure it understood the specific work, activities, and staffing levels required to operate Narragansett across electric, gas, customer and corporate functions. PPL then developed its own bottom-up staffing model, utilizing PPL's operating practices. In addition, PPL named its planned Rhode Island leadership team, and those leaders participated in these staffing decisions. These staffing levels are based on PPL's current understanding of Rhode Island requirements and could change as PPL operates Narragansett during the transition period. It is also important to note that the union labor force supporting Narragansett today will transition to PPL upon approval of the Transaction providing continuity in knowledge of electric and gas system operations.

Under PPL, Narragansett will be led by a local President with accountability for Rhode Island operations across Electric Operations, Gas Operations, Customer, Business Services, Regulatory and Government Affairs, Human Resources and Finance. PPL will locate leaders for each of these functions in Rhode Island. The high-level organizational structure for the Rhode Island business is highlighted in **Figure 2** below with a more detailed depiction provided in the Appendix.

PUBLIC

Figure 2. PPL RI Organizational Structure



A brief description of these functions, with associated headcount is provided below:

Electric Operations: A Senior Director will lead the electric operations organization, which will include 498 positions comprising the following subfunctions and staffing levels:

Subfunction	Description	Staffing
Asset Management & Engineering	Includes activities such as regional field engineering, protection & control, Telecom, metering engineering, distribution design, distribution planning & asset management	61
Field Operations	Includes overhead and underground crews, customer meter services, substation and relay test, resource coordination and forestry management	399
Project Management	Includes construction, supervision and project management for transmission, substation, and complex distribution capital projects	13
Distribution Control Center	Includes a stand-alone distribution control center	25

PPL's service company will provide certain operational support subfunctions like Transmission Control, and Transmission/Substation planning, engineering, and asset management.

Gas Operations: A Vice President level individual will lead the Gas Operations organization of 554 positions comprising the following subfunctions and staffing levels:

PUBLIC

Subfunction	Description	Staffing
Engineering & Asset Management	Includes support for gas engineering, asset information mapping (Geographic Information System), corrosion control, integrity planning and investment planning	42
Gas Construction & Complex Capital	Includes project management and planning, and contract management and cost control for large, complex capital projects	15
Gas Operations	This organization will lead the gas field operations, customer meter services, leak survey, damage prevention and construction and inspection teams	346
Gas System Control & LNG Operations	Includes gas control, instrumentation and regulation and LNG operations	66
Gas Procurement	Responsible for forecasting gas demand and ensuring gas supply to Narragansett customers.	14
Pipeline Safety & Compliance	This team is responsible for compliance programs and compliance assurance as well as quality assurance	24
Work & Resource Planning	Will include planning/scheduling and coordination as well as dispatch operations	47

Customer: A Senior Director will lead customer service / operations overseeing an organization of 153 positions comprising the following subfunctions and staffing levels:

Subfunction	Description	Staffing
Business Services	This team will manage electric and gas connections as well as interconnections	26
Customer Center Operations	Will include customer service representatives and exception management representatives	93
Operations Support	This team will provide a variety of activities, such as billing operations, credit and collections, billing, vendor management, workforce and configuration management as well as call center training / Quality Assurance and metrics and reporting	27
Programs	This organization will support the various programs in Rhode Island, such as energy efficiency and conservation, customer assistance programs and Distributed Energy Resources & electric vehicles	7 ¹

Note 1: Additional resources to support the energy efficiency and conservation programs are required but not represented here as their cost is captured through a separate regulatory mechanism

PPL's service company, working in conjunction with Rhode Island leadership, will support strategic programs, such as customer experience strategy and digital transformation.

PUBLIC

Business Services: A senior director will lead business services overseeing functions that support the core electric and gas operations in Rhode Island. This team of 61 positions includes the following subfunctions and staffing levels:

Subfunction	Description	Staffing
Fleet	Includes vehicle maintenance and asset performance	22
Property Services	This team will support facility operations and maintenance across the various sites in Rhode Island	12
Supply Chain	This team is responsible for procurement of materials as well as inventory and warehouse management	12
Emergency Response	This team will manage the Rhode Island emergency response plan and oversee the command structure	2
Environmental	This team will support environmental permitting, reporting, and manage site investigation & remediation efforts	2
Safety	This team will manage the Dig Safe and field safety programs	3
Security	Physical security operations across the various Rhode Island sites	2
Technical Training	This team will design and execute training programs for the Rhode Island operations	6

Regulatory and Government Affairs: This team will oversee local and regional government and community activities in Rhode Island. A senior director will lead this team overseeing 10 positions that will include the following subfunctions and staffing levels:

Subfunction	Description	Staffing
Regulatory Strategy	These teams will focus on overall regulatory strategy, supporting rate structuring / rate cases and proceedings	2
Rhode Island Community and Economic Development	This team will support development and execution of local community and economic development programs	4
Rhode Island External / Internal Communications	This team will manage both internal and external communications for PPL Rhode Island	2
Rhode Island State Government Relations	This function will manage relationships with Rhode Island state governmental bodies	1
Rhode Island State Regulatory Affairs	This function will manage interactions with Rhode Island state regulatory bodies	1

PUBLIC

Human Resources: Although PPL’s service company will provide many strategic and programmatic Human Resource functions, and PPL will charge the costs for those resources through allocations to Narragansett, there also will be dedicated resources to support the employees and operations in Rhode Island. This includes a local HR manager and 2 positions to support labor relations:

Finance: The Narragansett finance organization will provide management reporting to support leadership decision making across the Rhode Island business. A Director-level individual will lead this team and will oversee 12 positions, including the following subfunctions and staffing levels:

Subfunction	Description	Staffing
Finance Business Partnering & Key Performance Indicators	This team will manage Rhode Island business unit financial planning and analysis activities, and support financial performance reporting	7
Property Accounting	This team will support Rhode Island plant / asset accounting	5

In total, PPL has identified 1,298 positions that will support the Rhode Island utility, inclusive of both management (414) and union (884) employees. To derive a labor cost estimate, PPL grouped the positions by function and applied average PPL salaries for management and union positions. PPL also applied its average benefits loading rates for both management (64%) and union (36%) positions. PPL also applied labor capitalization rates for direct labor to reflect the estimated O&M portion based on a review of PPL and National Grid capitalization rates to determine the rates that best reflect the business and infrastructure requirements inherent in Rhode Island. The resulting labor and benefits O&M costs totaling \$107.0M are shown in **Table 5**, below.

PUBLIC

Table 5. Rhode Island Direct Labor								
	O&M %	Union			Management			Total
		Avg. Salary	FTEs	Fully Loaded Labor, O&M	Avg. Salary	FTEs	Fully Loaded Labor, O&M	Fully Loaded Labor, O&M
Management (VP+)	100%	-	-	-	\$316.0K	2	\$1.3M	\$1.3M
Customer	95%	\$72.9K	84	\$7.9M	\$109.3K	70	\$11.9M	\$19.8M
Electric	37%	\$99.4K	377	\$18.9M	\$112.8K	122	\$8.3M	\$27.2M
Finance	100%	-	-	-	\$117.4K	13	\$2.5M	\$2.5M
Gas	64%	\$82.7K	385	\$27.7M	\$101.4K	169	\$18.0M	\$45.7M
Human Resources	95%	-	-	-	\$123.0K	3	\$0.6M	\$0.6M
Business Services	85%	\$87.7K	38	\$3.9M	\$112.5K	24	\$3.8M	\$7.6M
Regulatory and Government Affairs	100%	-	-	-	\$126.3K	11	\$2.3M	\$2.3M
Total			884	\$58.4M		414	\$48.6M	\$107.0M

b. Rhode Island Direct Non-Labor

In addition to direct labor costs, under PPL Rhode Island Holdings, LLC ownership, Narragansett will have numerous non-labor costs, such as the use of outside contractors and/or consultants, supplies and materials, and transportation expenses. Although PPL anticipates it will have the ability to optimize these costs in the intermediate and long-term as it leverages its scale and operating practices,³ for purposes of this analysis PPL assumed that non-labor costs would closely mirror those currently incurred under National Grid ownership.

PPL utilized National Grid’s existing non-labor costs to operate Narragansett as a baseline. PPL held costs relating to National Grid’s “Direct” functions and its Customer Operations functions constant unless it identified specific costs that could be avoided or deemed a one-time cost. As an example, in Customer Operations, PPL eliminated costs related to Payment Processing because PPL will perform those activities at the service company and not directly charge them to Narragansett. PPL captured these costs in the PPL allocations. PPL will generally avoid costs relating to National Grid’s “Indirect” functions because PPL’s allocations of corporate and administrative costs will generally capture National Grid’s “Indirect”

³ This includes, but is not limited to, purchasing economies gained from consolidating common materials and contractor spend across Pennsylvania, Kentucky and Rhode Island and standardization of processes resulting in lower costs.

PUBLIC

functions. PPL reviewed the National Grid indirect nonlabor costs and confirmed that PPL’s own corporate allocations capture those costs as well. As an example, IT nonlabor costs were eliminated because they are accounted for in PPL’s IT allocations.

A summary of anticipated Rhode Island Direct Non-Labor costs of \$64.2M is shown in Table 6 , below. Table 6. PPL RI Non-Labor Cost Estimation, Summary by Function								
	Contractors	Other Expenses	Transportation	Consultants	Materials	Overtime	Employee Expenses	Total
Electric	\$13.1M	\$0.9M	\$3.0M		\$2.3M	\$1.1M	\$0.7M	\$20.8M
Gas	\$7.0M	\$2.7M	\$4.0M	\$0.9M	\$2.3M	\$4.1M	\$0.6M	\$21.7M
Operations Support	\$1.4M	\$0.2M	\$0.1M	\$0.1M	\$0.0M	\$0.2M	\$0.0M	\$2.1M
Other Direct Opex	\$0.4M	\$0.3M	\$0.0M	\$0.3M		\$0.0M	\$0.0M	\$1.0M
Customer Operations	\$5.3M	\$4.4M	\$0.0M	\$1.2M	\$0.3M	\$0.6M	\$0.1M	\$12.0M
Finance	\$0.3M	\$2.8M	-	\$0.3M	\$0.0M	\$0.0M	\$0.0M	\$3.3M
Global Legal	\$0.1M	\$0.1M	-	\$1.3M	\$0.0M	\$0.0M	\$0.0M	\$1.5M
Strategy & External Affairs	\$0.1M	\$0.9M	\$0.0M	\$0.6M	\$0.0M	-	\$0.1M	\$1.7M
Total	\$27.7M	\$12.3M	\$7.2M	\$4.4M	\$5.0M	\$6.0M	\$1.5M	\$64.2M

c. PPL Allocations

In addition to direct labor and non-labor costs, PPL will assign and allocate costs for activities performed by the PPL service company to support Narragansett. A description of the activities that PPL will perform on a centralized basis to support Narragansett is outlined below.

Information Technology: costs include PPL’s information technology infrastructure, applications, and related service and support.

Finance: costs include Budgeting and Planning Services, Tax Compliance and Planning, Tax Accounting and Reporting, Corporate Accounting, Regulatory Accounting and Reporting, Internal Reporting, Cash Management, Miscellaneous Billing, Remittance Processing, Employee Compensation and Benefits, Financial Training, and related activities.

Office of General Counsel: costs for all legal support, including but not limited to general corporate legal support, labor and employment legal support, state regulatory legal support, federal regulatory legal

support, supply chain support, environmental and real estate related legal support and claims/litigation legal support, as well as Corporate Compliance, Board Services, and related matters.

Transmission & Substation Operations: costs include electric transmission support costs, including asset strategy and management, line design, substation design, project development, and related costs.

Human Resources: costs include employee communications, corporate HR business partner services, HR regulatory/compliance, talent management and diversity, equity and inclusion services, employee training, security services (e.g., background checks), and related costs.

Supply Chain: costs include strategic sourcing, contract administration, supply programs and supplier diversity, staff augmentation, office supplies, printing, travel, investment recovery, and related costs.

Regulatory Affairs: costs include regulatory strategy, electric procurement, electric load forecasting and settlement, and related costs.

Corporate Operations and Integration: costs include data analytics capabilities, primarily related to applying predictive analytics to asset management.

Corporate Systems: costs primarily include finance-related information technology systems, including the UIP budget and model system, treasury systems, financial reporting systems, and related costs.

Communications: costs include market research, customer communications, external/internal communications and graphic design.

Transmission Control Center: costs include full transmission control center support for Narragansett.

Enterprise Security: costs include corporate cyber security risk management, as well as related business line support.

Public Affairs: costs include providing community relations functions, communicating public information to local organizations, and providing oversight for communications to employees.

Customer Service: costs include support for electric meter data and operations, as well as customer strategy and digital transformation.

PUBLIC

Corporate Audit Services: costs include Audit-SOX testing and compliance, and general auditing services.

Executive Office: includes the allocated portion of certain executive costs, including the Office of President and Strategic Development.

Distribution Operations: costs include certain electric distribution support costs, including distribution line standards, third-party attachments, and related costs.

Facilities: costs include real estate tax services, project and contract management services, and related costs.

Technical Development & Instruction: costs include technical development and instruction costs, including costs related to environmental contracts, safety equipment training, training recordkeeping, eLearning development, and fleet standards.

PPL Services: costs include non-support group specific PPL Services' costs, including rent, stock and incentive compensation, and high-level benefits adjustments.

PPL developed an estimate of the costs in each of these functions that includes any incremental costs to support Narragansett. PPL then applied its cost allocation methodology to assign and allocate costs to Narragansett. This methodology includes direct charges when identified, utilization of causal factors where appropriate, and application of a composite factor (e.g., number of employees, amount of invested capital, and operation and maintenance expenses) when costs cannot be directly charged or causally allocated. PPL derived this estimate based on input from the integration planning teams as to the level of incremental costs required to support Narragansett as well as PPL finance personnel responsible for business planning.

An estimate of the costs PPL anticipates assigning and allocating to Narragansett is shown in

Table 7.

PUBLIC

Table 7. PPL Allocated Costs, by Category	
	Total
IT	\$33.8M
Finance	\$9.8M
Office of General Counsel	\$4.7M
Transmission & Substation	\$4.4M
Human Resources	\$5.0M
Supply Chain	\$3.8M
Regulatory Affairs	\$1.9M
Corporate Operations and Integration	\$1.8M
Corporate Systems	\$1.4M
Communications	\$1.0M
Transmission Control Center	\$1.0M
Enterprise Security	\$0.8M
Public Affairs	\$0.7M
Customer Service	\$0.6M
Audit Services	\$0.6M
Executive Office	\$0.6M
Distribution Operations	\$0.4M
Facilities	\$0.3M
Technical Development & Instruction	\$0.3M
PPL Services	\$10.2M
Total Allocated Costs	\$83.4M

d. Allocated Depreciation

PPL also estimated the depreciation for PPL corporate investments that benefit Narragansett. For example, PPL assigned and allocated the depreciation from PPL's IT applications and infrastructure, as well as corporate facilities, to Narragansett utilizing the cost allocation methodology described earlier⁴.

Table 8 below summarizes PPL's depreciation allocation.

Table 8. PPL Allocated Depreciation	
	Total
Allocated Depreciation	\$19.1M
Total	\$19.1M

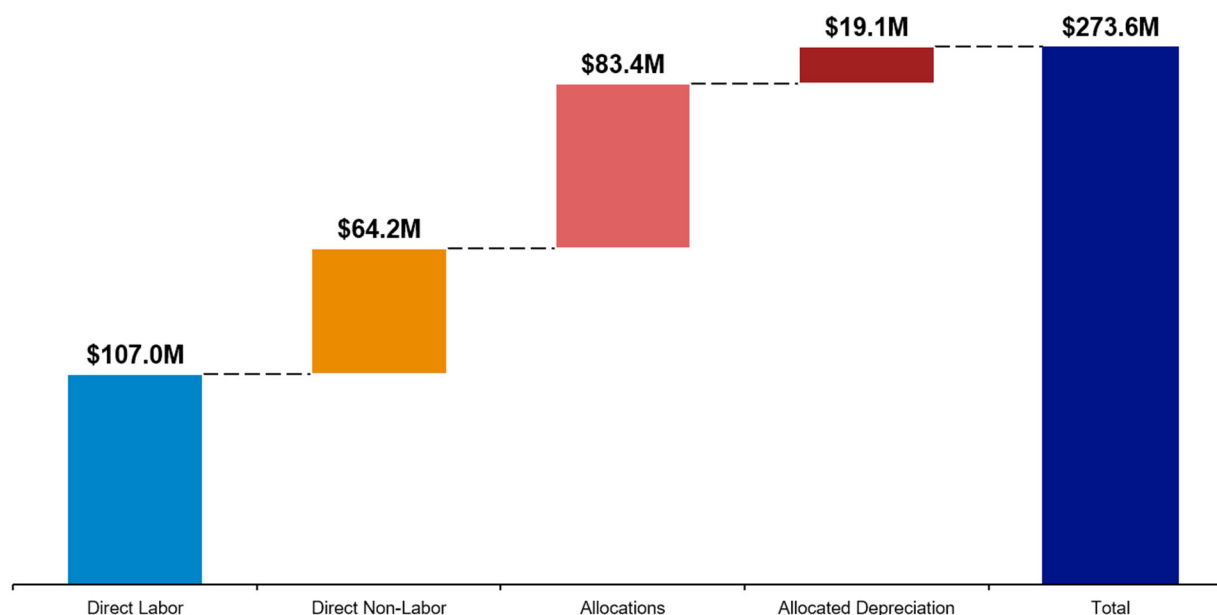
⁴ PPL has not included depreciation resulting from incremental IT and other infrastructure investment to maintain a comparable basis to National Grid allocated depreciation.

PUBLIC

e. Total PPL Managed Cost Summary

PPL’s anticipated assigned and allocated costs to operate Narragansett in direct labor, direct non-labor, allocations and depreciation are summarized in **Figure 3** below.

Figure 3. PPL Managed Cost Structure, 2022 Anticipated



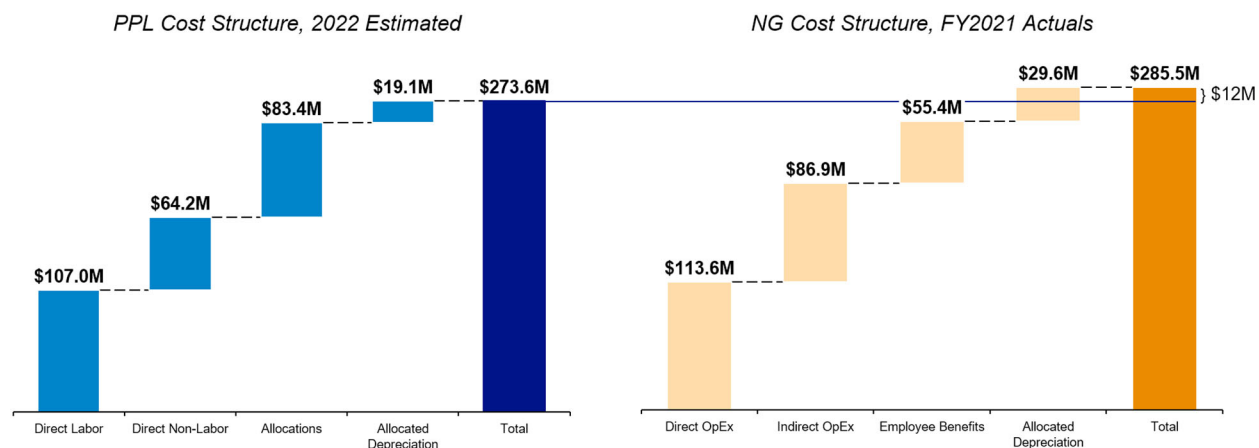
V. Cost Summary Comparison

a. Total Cost Summary Comparison

Using the methodologies described in this document, PPL’s anticipated Narragansett operating costs of \$273.6M are approximately \$12M lower than National Grid’s current Narragansett operating costs of \$285.5 M as summarized in **Figure 4** below.

PUBLIC

Figure 4. Comparison: NG and PPL Managed Cost Buildups



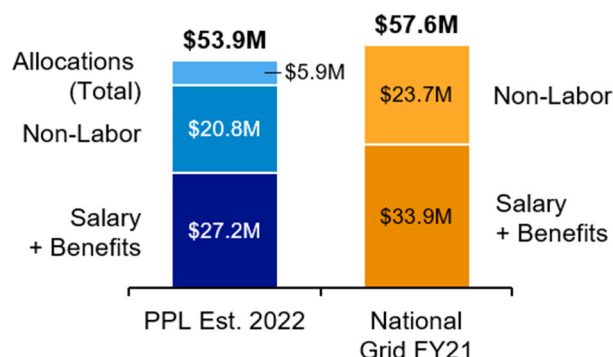
To provide further context into the differences between PPL and National Grid operating costs, PPL developed functional comparisons across the major operating areas of electric, gas, customer and corporate. Developing these comparisons required PPL to make certain assumptions to derive comparable costs bases (e.g., PPL proportionately allocated National Grid benefit costs to functions to derive a fully loaded functional labor cost).

b. Functional Cost Summary Comparisons

Electric Operations: PPL's cost build-up estimates total direct labor and non-labor cost to operate the Narragansett electric business to be \$53.9M. This includes the costs associated with the direct operations as well as those electric operation support costs assigned and allocated from PPL's service company. This compares to National Grid's electric operations costs of \$57.6M. The establishment of a dedicated Rhode Island electric organization that applies PPL's operating practices results in slightly lower costs relative to National Grid. A comparison of these costs is provided in **Figure 5** below:

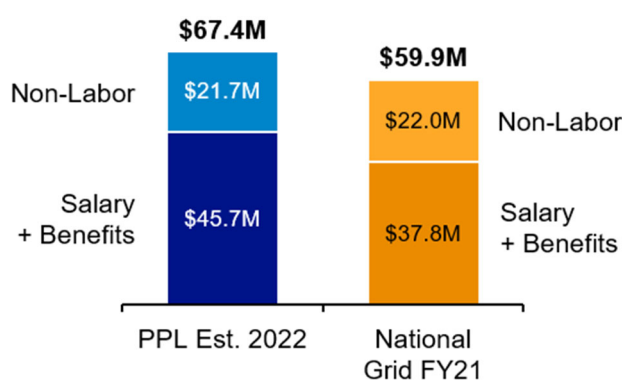
PUBLIC

Figure 5. Electric Cost Comparison



Gas Operations: PPL’s cost build-up estimates the total direct labor and non-labor cost to operate the Narragansett gas business to be \$67.4M. This compares to National Grid costs of \$59.9M. This higher cost reflects the establishment of a dedicated gas organization described earlier that includes functions such as gas control, pipeline safety and gas procurement – functions currently shared in National Grid’s model. The Rhode Island Division of Public Utilities and Carriers, in its report on its investigation into the January 2019 gas service interruption on Aquidneck Island, recommended the establishment of more local, direct control of gas operations, including these functions. **Figure 6** below illustrates a comparison of these costs:

Figure 6. Gas Cost Comparison

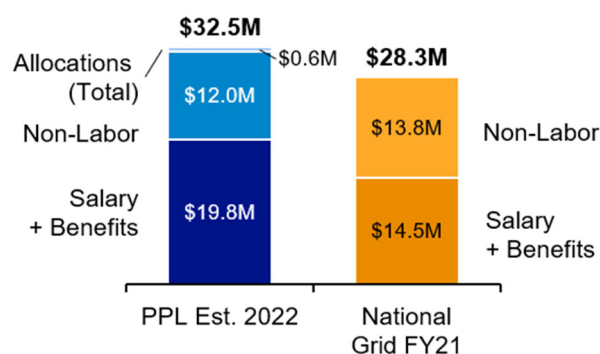


Customer: PPL’s cost build-up estimates the total direct labor and non-labor cost to support Narragansett customer operations to be \$32.5M. This compares to \$28.3M for comparable services under National Grid. PPL is planning to invest in a Rhode Island-based customer care center and back-office operations and program support, resulting in a dedicated presence to support these functions, whereas National

PUBLIC

Grid’s back-office and program support is provided on a shared basis. Establishing a customer care center in Rhode Island will provide Rhode Island customers with Rhode Island-dedicated customer service employees who are familiar with the service territory and issues specific to Rhode Island customers. As a result, the costs to support the customer function in Rhode Island are anticipated to be higher than those under National Grid. **Figure 7** below compares these costs:

Figure 7. Customer Cost Comparison

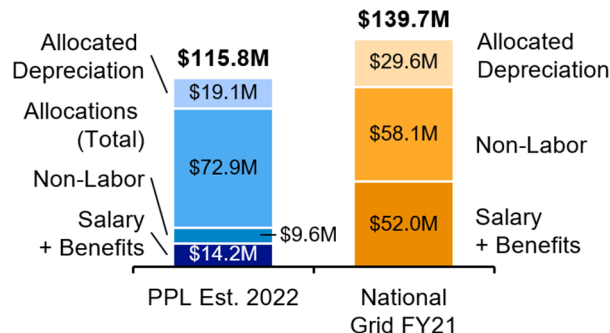


c. Corporate Cost Summary Comparisons

Total Corporate: For purposes of this comparison, Total Corporate costs are all costs, excluding Electric Ops, Gas Ops, and Customer costs. These costs include the total estimated labor and non-labor costs from activities provisioned from the service company inclusive of the allocated depreciation of corporate owned assets supporting Rhode Island. PPL estimates total corporate costs to be \$119.8. This compares with \$139.7M under National Grid for comparable functions and services. A high-level comparison of these costs is provided in **Figure 8**, with further analysis and comparison for select functions provided below:

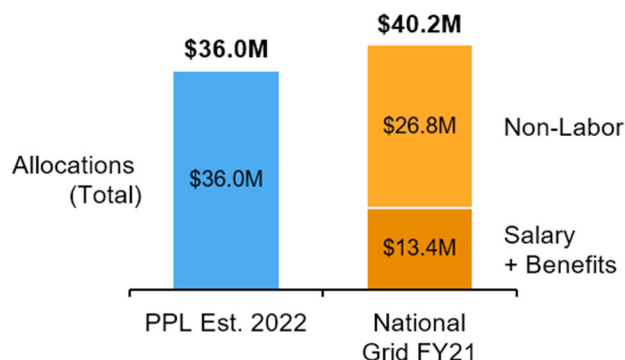
PUBLIC

Figure 8. Total Corporate Cost Comparison



IT: PPL IT costs are inclusive of labor, service and maintenance contracts, licensing fees and other related expenses. PPL's total estimated cost to provide IT support to Narragansett is \$36.0M compared to \$40.2M under National Grid as shown in **Figure 9**. PPL intends to provide IT services on a centralized basis that allows for scale benefits to be extended to Narragansett.

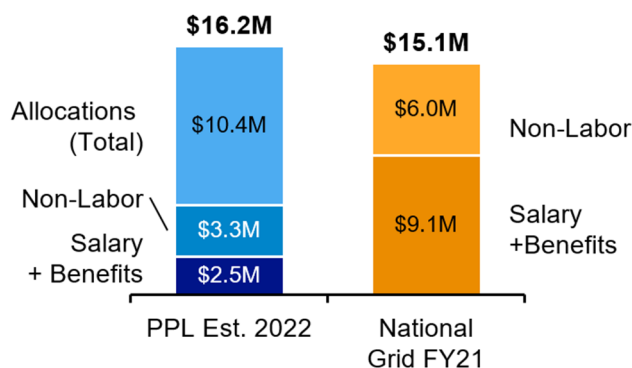
Figure 9. IT Cost Comparison



Finance: PPL's total estimated costs for Finance support to Narragansett are \$16.2M. These costs include both assigned and allocated costs from the service company (such as accounting and tax support, audit, budgeting and planning activities, etc.) as well as the direct Finance organization costs incurred in Rhode Island (including financial performance reporting and property accounting). This compares to National Grid Finance costs of \$15.1M as shown in **Figure 10**.

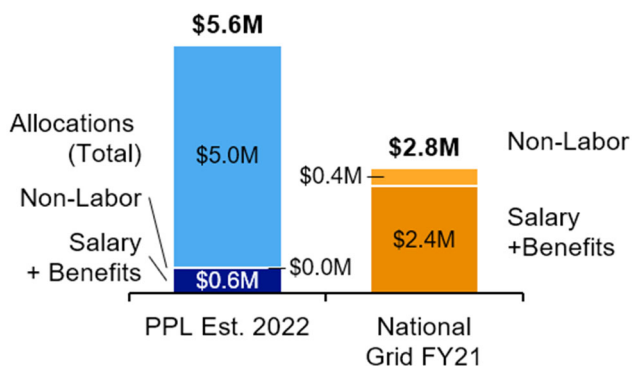
PUBLIC

Figure 10. Finance Cost Comparison



HR: PPL's total estimated costs to provide HR support to Narragansett is \$5.6M. These costs include both the assigned and allocated costs from the service company (such as talent management, employee training and employee communications) as well as the direct HR organization costs incurred in Rhode Island, including dedicated labor relations support. This compares to National Grid HR costs of \$2.8M as shown in **Figure 11**.

Figure 11. HR Cost Comparison

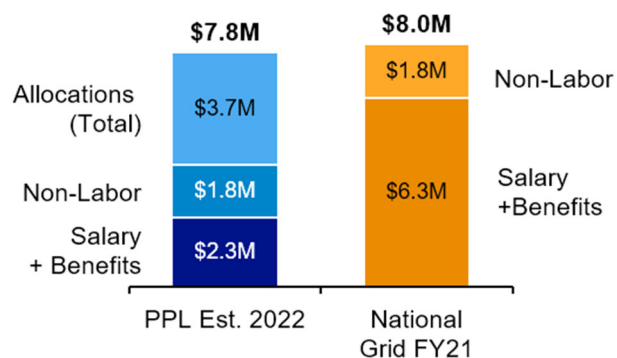


Regulatory/Government Affairs: PPL's total estimated costs to provide Regulatory and Government Affairs support to Narragansett is \$7.8M. These costs include both the assigned and allocated costs from the service company (including electric forecasting, electric procurement and settlement, and community relations support) as well as the direct Regulatory/Government Affairs costs incurred in Rhode Island

PUBLIC

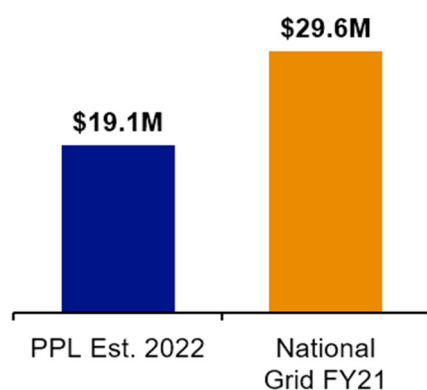
(including Rhode Island government relations and economic and community development). This compares to the National Grid costs of \$8.0M as shown in **Figure 12**.

Figure 12. Regulatory/Government Affairs Cost Comparison



Allocated Depreciation: PPL has estimated charging a total of \$19.1M in allocated depreciation to Narragansett. These costs reflect the share of existing corporate investments, such as IT infrastructure and corporate facilities that benefit Rhode Island. This compares to \$29.6M under National Grid. This comparison is shown in **Figure 13**.

Figure 13. Allocated Depreciation Comparison



VI. Cost Summary Comparison

PPL developed this analysis based on its review of National Grid's current costs to operate Narragansett and meetings with National Grid subject matter experts. PPL's intended operating model for Narragansett provided the basis from which PPL developed its anticipated costs to operate Narragansett. Input from PPL's integration planning teams, finance and business planning teams and other subject matter experts was provided based on the best information available at this time to derive an estimate of anticipated costs to operate. Based on the operating model differences between National Grid and PPL, the functional cost differences observed are both explainable and reasonable. PPL believes the implementation of a dedicated organization to serve the customers of Rhode Island with a renewed focus on local control and management, and safe, reliable operations will not increase costs to operate Narragansett.

PUBLIC

Appendix 1. National Grid RI Narragansett Total Cost Structure, FY2021	
Pass-Through Costs	
Commodity	\$523.7M
DSM	\$115.7M
GET Expenses	\$54.7M
Wheeling	\$221.3M
Less Trans. Credit from Associate	(\$159.9M)
Total Pass-Through Costs	\$755.5M
Managed Costs	
Total Direct Opex	\$113.6M
Total Indirect Opex	\$86.9M
Total Employee Benefits	\$55.4M
Allocated Depreciation	\$29.6M
Total Managed Costs	\$285.5M
Depreciation & Amortization	\$134.2M
Total Operating Taxes	\$78.8M
Storm	\$34.9M
Bad Debt	\$33.1M
Other	\$13.4M
Total Narragansett Costs	\$1,335.4M
Other includes Capital Related O&M, Electric Vehicles, Environmental, Other Non-Controllable Costs, and Regulatory Assessments.	

PUBLIC

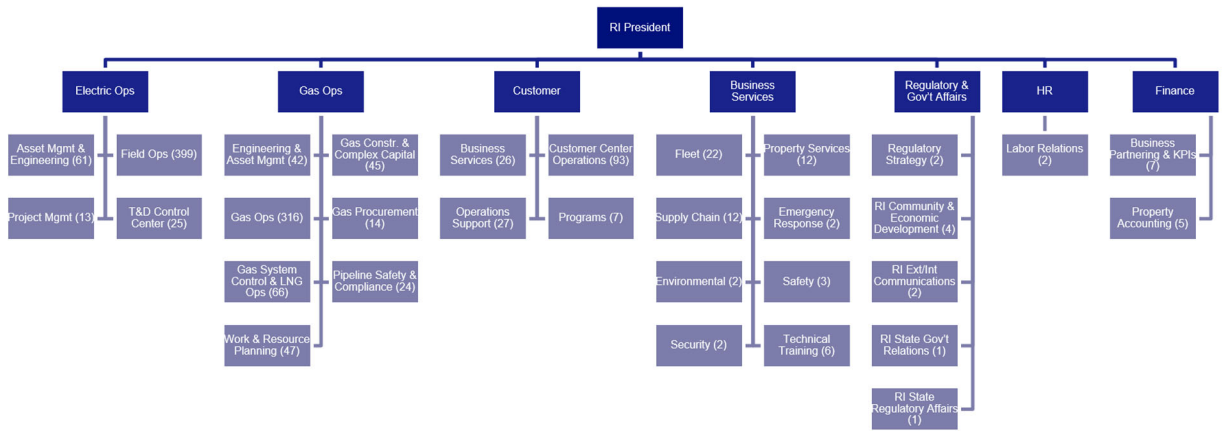
Appendix 2a. National Grid RI Narragansett Total Cost Structure - Reconciliation to Published Financial Statements, FY2021			
	Analysis Model	Adjustments	2021 Audited Income Statement
Operating Revenues	\$1,547.2M	\$0.6M	\$1,547.8M
Operating Expenses			
Purchased electricity	(\$361.2M)	\$0.5M	(\$360.7M)
Purchased gas	(\$162.5M)		(\$162.5M)
Operations and maintenance	(\$598.7M)	\$78.1M	(\$520.5M)
Depreciation	(\$134.2M)	\$0.5M	(\$133.8M)
Other taxes	(\$78.8M)	(\$63.6M)	(\$142.4M)
Total Operating Expenses	(\$1,335.4M)	\$15.5M	(\$1,319.9M)
Operating Income	\$211.8M	\$16.1M	\$227.9M
Other income and (deductions)	(\$47.0M)	(\$16.1M)	(\$63.1M)
Income before Income Taxes	\$164.8M		\$164.8M
Income Taxes	(\$29.8M)		(\$29.8M)
Net Income	\$135.0M		\$135.0M

PUBLIC

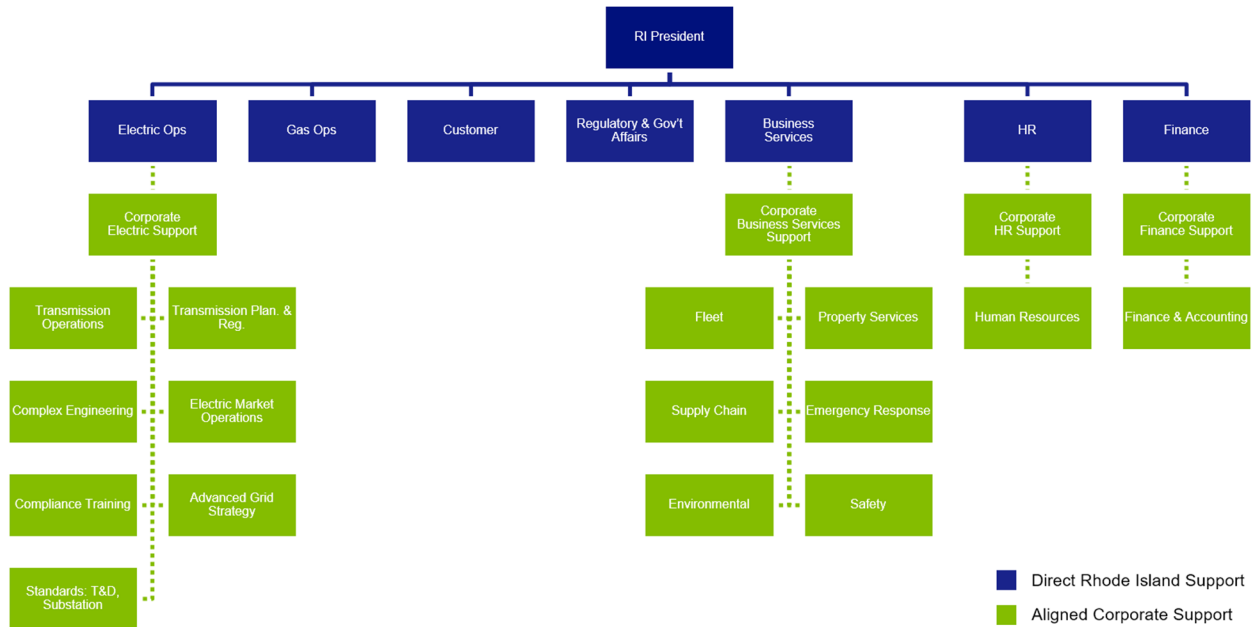
Appendix 2b. National Grid RI Narragansett Total Cost Structure - Reconciliation to Published Financial Statements Detail, FY2021	
Revenue Adjustments	
Other Misc	(\$1.0M)
Oth Exp-Sup & Admin-IC Billed Out	\$0.6M
ISR Deferral-Equity-Elec	\$0.2M
ISR Deferral-Equity-Gas	\$0.8M
Total	\$0.6M
Purchased Electricity Adjustments	
Electric Commodity moved to O&M	\$0.5M
Total	\$0.5M
O&M Adjustments	
Electric Commodity moved to O&M	(\$0.5M)
Other employee benefit moved to Other Taxes	\$8.9M
GET moved to Other Taxes	\$54.7M
Other Misc	\$1.0M
Oth Exp-Sup & Admin-B/sheet Settlement	(\$0.6M)
Amortization-Regulatory Debits	(\$0.4M)
Below the line Adjustments	\$15.1M
Total	\$78.1M
Depreciation Adjustments	
Misc non Operating income	\$0.0M
Amort Reg Debits	\$0.4M
Total	\$0.5M
Other Taxes Adjustments	
GET moved from Controllable Cost	(\$54.7M)
Other employee benefit moved from Controllable Cost	(\$8.9M)
Total	(\$63.6M)
Other Income**	
Below the Line Adjustments**	(\$15.1M)
ISR Deferral-Equity-Elec	(\$0.2M)
ISR Deferral-Equity-Gas	(\$0.8M)
Misc non Operating income	(\$0.0M)
Total	(\$16.1M)
** Primarily the non-service cost portion of the pension/OPEB expense, donations, penalties, and other income/deductions that fall outside of ratemaking	

PUBLIC

Appendix 3: PPL Rhode Island Direct Organizational Structure



Appendix 4: PPL Rhode Island Aligned Corporate Functional Support



PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

Division 2-1

Request:

National Grid shares services across three states (Rhode Island, New York and Massachusetts). Please describe how PPL proposes to provide similar economies of scale once it takes ownership of Narragansett. Please provide any related studies or plans prepared by PPL that address the provision of shared service.

Response:

PPL electric and gas operations span Pennsylvania and Kentucky and include transmission and distribution operations in Pennsylvania serving more than 1.4 million customers, and transmission and distribution operations in Kentucky serving more than 900,000 electric customers and 300,000 natural gas customers. PPL's current operating model allows it to leverage the knowledge and industry experience that has provided its customers with industry recognized reliability performance and customer satisfaction.

With respect to Narragansett electric operations, PPL intends to leverage the experience and knowledge in its Pennsylvania operations to optimize the Narragansett electric operations by bringing industry leading reliability and customer satisfaction performance in structuring the Narragansett organization, including support services. Narragansett will be organized to ensure the functions required for day-to-day electric system, customer response and services while leveraging existing support services to manage transmission operations, large project designs, project development, centralized standards, substation protection philosophy and settings, vegetation management strategy and long-term smart grid strategy.

PPL Electric Utilities Corporation's ("PPL Electric") electric system has been top decile in reliability performance in the industry over the last 7 years. In reviewing the Rhode Island electric system reliability performance, PPL expects the implementation of its operational model will provide economies of scale by focusing the Rhode Island organization as described above and utilizing the Pennsylvania operations will bring enhanced reliability and customer satisfaction over the long term.

PPL and PPL RI refer to their responses and the responses of National Grid USA and The Narragansett Electric Company to data requests Division 1-28 and Division 1-29, and the attachments to those responses, for information on the current view of target state operations for Narragansett, highlighting functions that will reside in Rhode Island and functions that will be provided as shared services.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

PPL anticipates that corporate and operational support functions such as human resources, finance and accounting, supply chain, information technology, health and safety and security will be managed out of existing services organizations, with local Rhode Island presence as required. PPL believes the resulting shared service model provides economies of scale similar to current National Grid operations.

While PPL is focused on leveraging existing organizations and capabilities to support Narragansett where feasible and reasonable, it also recognizes the need to have local, dedicated organizations in Rhode Island that have a focus on safety, reliability, and quality customer experience. As such, the proposed target state includes local electric distribution control, gas control, customer call center, and dispatch operations.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

Division 2-27

Request:

Referring to Mr. Dudkin's testimony (at 23:16-18), what are the estimated costs of the steps necessary to separate Narragansett from National Grid USA and integrate Narragansett into PPL, including integration of existing systems to incorporate Narragansett's operation? The response should identify and quantify such costs to the extent possible.

Response:

PPL and PPL RI currently are working with outside consultants, as well as Information Technology departments within PPL and National Grid USA Service Company, Inc. to identify and quantify costs associated with the steps necessary to separate Narragansett from National Grid and integrate Narragansett into PPL and PPL RI. PPL and PPL RI currently do not have an estimate of the costs necessary for that separation and integration. PPL and PPL RI will supplement this response once they have prepared such estimates and will identify and quantify such costs to the extent possible. However, as discussed in response to data request Division 1-30, PPL and PPL RI will segregate and maintain these costs at the PPL corporate level – and will not seek to pass them on to Narragansett customers.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

Division 2-28

Request:

Does PPL intend to seek recovery of costs necessary to separate Narragansett from National Grid USA and integrate Narragansett into PPL?

Response:

PPL and PPL RI will evaluate on a case-by-case basis whether they will seek to recover costs necessary to separate Narragansett from National Grid USA and integrate Narragansett into PPL, consistent with the guidance of the Policy Statement. PPL and PPL RI also refer to their response to data request Division 2-39.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

Division 2-34

Request:

Referencing the Petition at paragraphs 10 and 11:

- a. Explain in detail how PPL will assure that transmission costs to Rhode Island rate payers will not increase over what they would have been if these assets remain with National Grid; and
- b. Given that the legal, engineering, regulatory, and other functions associated with all transmission activities in New England are currently coordinated among all of the National Grid distribution utilities, explain in detail how PPL will duplicate those economies of scale so that there is no duplication of efforts and no unnecessary charges imposed on ratepayers. Your response should address, among other things, daily, monthly and annual activities and filings and dockets at Federal Energy Regulatory Commission, the Rhode Island Public Utilities Commission, Siting Board and others.

Response:

- a. PPL and PPL RI are unable to speculate as to what transmission costs to Rhode Island ratepayers would be under continued National Grid ownership. PPL and PPL RI have not completed an assessment of the Rhode Island transmission system and are unable to predict at this time whether, or how much, it will require incremental investment or what effect any incremental investments may have on transmission rates. In any case, transmission rates are regulated by the Federal Energy Regulatory Commission ("FERC"), and all costs must be just and reasonable under the Federal Power Act ("FPA"). Interested stakeholders, including the Rhode Island Division of Public Utilities and Carriers (the "Division"), will be given an opportunity to intervene and comment on transmission rates in the relevant FERC proceedings.
- b. PPL and PPL RI are still working on their plans for incorporating Narragansett facilities, including transmission facilities, into their corporate structure, but PPL and PPL RI expect to utilize existing personnel and resources whenever possible. It is the goal of PPL and PPL RI to achieve similar levels of synergies that Narragansett experiences with National Grid. As explained in the response to Division 1-38, PPL has a proven track record of efficiently managing operation and maintenance costs. Costs will be shared among PPL's transmission owning utilities, including PPL Electric Utilities, in compliance with FERC rules. The transition period described in the response to Division 2-42 will allow for an orderly transition from National Grid to PPL.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

Division 2-37

Request:

Referring to Mr. Sobolewski's testimony (at 13:13-17), although the transfer of ownership of Narragansett to PPL Rhode Island will have no impact on base distribution rates charged to Narragansett electric and gas customers upon the closing of the Transaction, is it expected that the base distribution will eventually be impacted by PPL ownership? If so, please describe and quantify the expected impact of PPL ownership.

Response:

As explained in PPL and PPL RI's response to data request Division 1-8, PPL and PPL RI expect to collaborate with the Rhode Island Division of Public Utilities and Carriers on when PPL RI will file a base distribution rate case after the transfer of ownership of Narragansett to PPL RI is completed. Once PPL RI files that base distribution rate case, PPL and PPL RI expect that the proposed rates will be based on a test year that reflects actual costs associated with PPL RI's ownership and operation of Narragansett. And, on an ongoing basis thereafter, PPL RI's proposed base distribution rates in future base distribution rate cases for Narragansett will be based on costs incurred under PPL and PPL RI's ownership and operation. Accordingly, PPL ownership will eventually impact base distribution rates once those rates are set through rate cases based on actual costs under PPL ownership.

PPL and PPL RI are unable to quantify the expected impact at this time. PPL and PPL RI expect that PPL RI's ownership will have a positive impact on rates for Narragansett gas and electric customers by maintaining lower rates than otherwise would have resulted in the absence of PPL RI's ownership based on PPL's experience operating PPL Electric Utilities Corporation in Pennsylvania. PPL and PPL RI also refer to their response to data requests Division 2-9 and Division 2-10.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

Division 2-39

Request:

Mr. Sorgi states (at 9:12-13) that PPL will not seek to recover any acquisition premium or transition cost in customer rates. Please:

- a. Define "transaction costs" and explain the extent to which the above pledge applies to costs associated with transitioning Narragansett's ownership, operations, administration and management from National Grid to PPL;
- b. Provide a detailed explanation of how these costs will be tracked and reported to assure they are not recovered in rates; and
- c. Confirm that PPL does not intend to recover from ratepayers the transition costs associated with transitioning the ownership, operations and all procedures and active docket processes from National Grid to PPL.

Response:

- a. According to FERC's Policy Statement issued on May 19, 2016 ("Policy Statement"), "transaction costs" include, but are not limited to, the following costs incurred to explore, agree to, and consummate a transaction:
 - the costs of securing an appraisal, formal written evaluation, or fairness opinions related to the transaction;
 - the costs of structuring the transaction, negotiating the structure of the transaction, and obtaining tax advice on the structure of the transaction;
 - the costs of preparing and reviewing the documents effectuating the transaction (e.g., the costs to transfer legal title of an asset, building permits, valuation fees, the merger agreement or purchase agreement and any related financing documents);
 - the internal labor costs of employees and the costs of external, third-party, consultants and advisors to evaluate potential merger transactions, and once a merger candidate has been identified, to negotiate merger terms, to execute financing and legal contracts, and to secure regulatory approvals;
 - the costs of obtaining shareholder approval (e.g., the costs of proxy solicitation and special meetings of shareholders);
 - professional service fees incurred in the transaction (e.g., fees for accountants, surveyors, engineers, and legal consultants); and

- installation, integration, testing, and set up costs related to ensuring the operability of facilities subject to the transaction.

The Policy Statement also describes “transition costs” as a second category of costs related to mergers, which are incurred after the transaction is consummated, often over a period of years. The Policy Statement indicates that “these costs include both the internal costs of employees spending time working on transition issues, and external costs paid to consultants and advisers to reorganize and consolidate functions of the merging entities to achieve merger synergies. These costs may also include both capital items (e.g., a new computer system or software, or costs incurred to carry out mitigation commitments accepted by the Commission in approving the transaction to address competition issues, such as the cost of constructing new transmission lines) and expense items (e.g., costs to eliminate redundancies, combine departments, or maximize contracting efficiencies). The Commission proposed that such transition costs incurred to integrate the operations of merging companies include, but are not limited to, the following:

- engineering studies needed both prior to and after closing the merger;
- severance payments;
- operational integration costs;
- accounting and operating systems integration costs;
- costs to terminate any duplicative leases, contracts, and operations; and
- financing costs to refinance existing obligations in order to achieve operational and financial synergies.

The Commission stated that this list of transition costs is not exhaustive, and may include other categories of costs incurred or paid in connection with the integration of two utilities after a merger. Thus, the Commission proposed to consider transition costs as transaction-related costs that should be subject to hold harmless commitments on a case-by-case basis and that such transaction-related costs should be covered under hold harmless protection, although noting that applicants will have an opportunity to show why certain of those costs should not be considered transaction-related costs under their hold harmless commitment based on their particular circumstances. Also, the Commission proposed to consider, on a case-by-case basis, whether other costs not discussed herein should be subject to hold harmless commitments.”

As it relates to this question on transaction costs, PPL can confirm that it will not be seeking recovery of any transaction related costs. Additionally, PPL and PPL RI refer to their response to data request Division 1-33.

b. PPL has set-up separate project codes that are tracking internal labor time spent on the transaction as well as project codes that are tracking external third-party invoices for project costs that it is incurring. Additionally, these project codes are being tracked above The Narragansett

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Second Set of Data Requests
Issued on June 11, 2021

Electric Company entity to assure that they will not be captured in rates. Through time reporting approval and invoice approval, these costs are being reviewed on a continual basis.

c. PPL and PPL RI will evaluate on a case-by-case basis whether they will seek to recover transition costs associated with transitioning the ownership, operations and all procedures and active docketed processes from National Grid, consistent with the guidance of the Policy Statement.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to the Division's Third Set of Data Requests
Issued on July 6, 2021

Division 3-17

Request:

Referencing Mr. Bellar's testimony at page 7, lines 6-18, please list each of the "more than 20 gas operations functions for which PPL and Narragansett are crafting specific plans," and:

- a. Provide the expected timing of the completion of each plan for the identified gas operations function, including:
 - i. Any interim milestones for the development of the plan for each function; and
 - ii. The expected timing of the availability of the Transition Services Agreement ("TSA") for each applicable gas operations function;
- b. Identify each function on of Day 1 of PPL ownership for which:
 - i. National Grid USA Service Company, Inc. (the "Service Company") will perform on a temporary basis under the TSA;
 - ii. Services will be provided entirely by current Narragansett employees who:
 - (a) remain Narragansett employees
 - (b) become employees of PPL
 - (c) become employees of a PPL affiliate other than Narragansett (e.g., PPL Rhode Island).
 - iii. Services will be provided entirely by current Service Company employees who:
 - (a) remain Service Company employees
 - (b) become employees of PPL
 - (c) become employees of a PPL affiliate
 - iv. Services that PPL will be ready to absorb into its operations starting on Day 1;
 - v. Services that a PPL affiliate will be ready to absorb into its operations starting on Day 1.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to the Division's Third Set of Data Requests
Issued on July 6, 2021

- c. For each identified gas operations function, provide PPL's assessment of the impact of the selected operating approach on Narragansett's costs of performing the function of each of the next three years.
- d. If PPL currently has or intends to use a PPL service company to provide services for Rhode Island's gas system, please identify the services that will be provided by the PPL service company for each of the next three years and provide the Cost Allocation Manual or methods that PPL intends to use to allocate to Rhode Island any PPL service company costs that are expected to be commonly incurred for Rhode Island's gas system and other PPL operations.

Response:

PPL and PPL RI refer to their response to data request Division 1-40 and to Attachments NG-DIV 1-28-2-3 through 1-28-2-4 to National Grid USA and Narragansett's response to data request Division 1-28 for a list each of the "more than 20 gas operations functions for which PPL and Narragansett are crafting specific plans" and the draft versions of the Transition Services Agreement ("TSA") schedules related to gas operations functions as of June 25, 2021.

- a. Attached as Attachment PPL-DIV 3-17-1 is the integration planning calendar that the integration planning teams, including Gas Operations, are working toward to develop both their Day 1 plans and Transition Services. This calendar has been developed to synchronize the finalization of the plans with the potential close of the Transaction.
 - i. See Attachment PPL-DIV 3-17-1 for interim milestones identified as part of the planning process.
 - ii. PPL and PPL RI refer to Attachments NG-DIV 1-28-2-3 through 1-28-2-4 to National Grid USA and Narragansett's response to data request Division 1-28 for the versions of the TSA schedules that include Gas Operations functions. These TSA schedules will be refined as the integration planning process proceeds and the Day 1 and TSA plans are finalized.
- b. (i) through (v)

PPL and PPL RI have not yet finally determined, for Day 1 of PPL RI ownership of Narragansett, which gas operations functions will be: (i) performed by the Service Company, (ii) serviced by current Narragansett employees, whether as Narragansett employees, PPL employees, or employees of a PPL affiliate, (iii) serviced by Service Company employees, whether as Service Company employees,

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to the Division's Third Set of Data Requests
Issued on July 6, 2021

PPL employees, or employees of a PPL affiliate, (iv) absorbed into PPL's operations starting on Day 1, or (v) absorbed into the operations of a PPL affiliate starting on Day 1. PPL and PPL RI currently are working collaboratively with National Grid on Day 1 planning, which includes analyzing and refining these functions and the plans for continuous performance of these functions to ensure safe and reliable gas distribution service to all customers as of Day 1 and throughout the transition period.

PPL and PPL RI also refer to Attachment PPL-DIV 3-17-2 for a view of the Day 1 requirement and TSA implications for Gas Operations as of July 15, 2021. These Day 1 requirements will continually be refined as the planning process proceeds and more information is shared between the Applicants.

- c. PPL and PPL RI have not yet fully determined the impact of the selected operating approach on Narragansett's costs of performing the function of each of the next three years. PPL and PPL RI are currently working to analyze and refine these functions that includes the related cost impacts of performing these functions as well as the plans for continuous performance of these functions to ensure safe and reliable gas distribution service to all customers as of Day 1 and throughout the transition period.
- d. PPL and PPL RI refer to the response in subpart b. above with respect to the utilization of the Service Company to provide services for the Rhode Island gas system. PPL and PPL RI have not fully developed a Cost Allocation Manual that it intends to use to allocate to Rhode Island any PPL service company costs that are expected to be commonly incurred for Rhode Island's gas system and other PPL operations Gas System. PPL and PPL RI expect to adopt generally accepted cost assignment methods that will include 1) direct assignment of costs, 2) utilization of cost causative allocations when appropriate, and 3) general allocation methods for remaining costs.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-2

Request:

Referencing the estimated TSA costs provided in Confidential Attachment NG-DIV-1-29-1 at pages 75-87, state whether these charges represent the best available current estimate of year 1 transition costs that would be billed by National Grid to Narragansett Electric Co. under the proposed transition services agreement. If not, please provide the latest current estimate of these costs. If an estimate of year 2 transition costs is available, please provide it as well.

Response:

PPL Corporation ("PPL") and National Grid USA are working through a process called "Day 1 Planning," whereby the parties collectively refine the way in which The Narragansett Electric Company ("Narragansett") will operate immediately after the close of the transaction.

As PPL and National Grid USA have progressed through their Day 1 Planning work, they have refined both their understanding of the Transition Services Agreements ("TSAs") required and the anticipated costs. Attachment PPL-DIV-4-2-1 includes the parties' most recent estimate of the expected costs of providing the TSAs as they are currently understood. It is important to note that the details provided in this response are as of a particular point in time and the TSAs are likely to change as the parties continue their Day 1 Planning. It is also important to note that the estimated costs included within this response are an indicative view of such costs based on the information the parties have at this time. When National Grid USA provides the TSAs post-closing, the actual cost of providing the services will be charged to PPL.

PPL and National Grid USA do not yet have an actual view of the durations of the TSAs because the parties have not yet started the stage of work known as "Exit Planning," where the two companies will work to establish the point in time when PPL will be able to operate Narragansett without the support of the TSAs. As explained in National Grid USA and The Narragansett Electric Company's response to Division 1-28, the durations of the services are not yet finalized, but the expected range is from 6 to 24 months. For purposes of estimating the anticipated year one transition costs under the TSAs, all costs presented in Attachment PPL-DIV-4-2-1 are shown on a 12-month basis. In a number of cases, National Grid USA will also support PPL through the provision of Knowledge Transfer TSAs. At this time, the parties do not know how much PPL will need this support, so they have not attempted to put an indicative cost to that service.

Rhode Island Transition

Indicative TSA pricing

June 2021

nationalgrid 



Indicative TSA pricing summary

Annualised TSA prices including administration fee and inflation adjustment

Function	Annualised TSA price (US\$m) ^{1,2}								
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Direct functions									
Electricity Operations	26.1	26.6	27.6	49.5	50.5	52.5	75.6	77.1	80.2
Gas Operations	12.4	12.7	13.2	21.1	21.5	22.3	33.5	34.2	35.5
Indirect functions									
Billing & Collections	11.7	11.9	12.4	0.0	0.0	0.0	11.7	11.9	12.4
Procure to Pay	1.2	1.2	1.3	0.1	0.1	0.1	1.3	1.3	1.3
Employee Services	1.4	1.4	1.5	0.4	0.4	0.4	1.7	1.8	1.8
Finance	10.6	10.8	11.3	0.5	0.5	0.5	11.1	11.4	11.8
Inventory/ Warehouse and Fleet management	1.7	1.7	1.8	4.1	4.2	4.4	5.8	5.9	6.2
Customer Service	41.3	42.2	43.9	3.0	3.1	3.2	44.3	45.2	47.0
Facilities & Property Services	11.4	11.6	12.1	4.8	4.9	5.1	16.1	16.5	17.1
HSE (incl. Environment, Compliance, Training & Security)	4.1	4.1	4.3	0.7	0.8	0.8	4.8	4.9	5.1
Regulatory support	3.4	3.5	3.6	-	-	-	3.4	3.5	3.6
Procurement	1.9	1.9	2.0	0.2	0.2	0.2	2.0	2.1	2.2
IT ³	71.0	72.5	75.4	0.0	0.0	0.0	71.1	72.5	75.4
HR	2.3	2.4	2.5	0.1	0.1	0.1	2.4	2.5	2.6
Total TSA price	202.3	206.4	214.7	84.8	86.5	90.0	287.1	292.8	304.7

03

Indicative TSA pricing by function

Procure to Pay

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Supply Chain Master Data Management	0.9	0.9	0.9	-	-	-	0.9	0.9	0.9	BS-Bundle 2
Accounts payable	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Transactional Procurement	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Manage Procure to Pay (P2P)	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Procure to Pay (P2P) system	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Storm Filing process support	0.3	0.3	0.3	0.1	0.1	0.1	0.4	0.4	0.4	BS-Bundle 3
Capital Delivery and Shop on behalf of / Receive on behalf of (SOBO/ ROBO)	-	-	-	-	-	-	-	-	-	BS-Bundle 3
Total TSA price	1.2	1.2	1.3	0.1	0.1	0.1	1.3	1.3	1.3	

Employee Services

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Employee Services Support Center	0.6	0.6	0.6	-	-	-	0.6	0.6	0.6	BS-Bundle 4
Human Resources Administration	-	-	-	-	-	-	-	-	-	BS-Bundle 4
HRIS - Organisation and Position management	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	BS-Bundle 4
HRIS - Reporting	-	-	-	-	-	-	-	-	-	BS-Bundle 4
HRIS - Technology Support Services	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Employee Records & Information requests	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Benefits administration	0.4	0.4	0.4	-	-	-	0.4	0.4	0.4	BS-Bundle 4
401k administration	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	BS-Bundle 4
Pension administration	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Retirement administration	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Time Governance	0.3	0.3	0.3	0.4	0.4	0.4	0.6	0.6	0.7	BS-Bundle 5
Payroll processing	-	-	-	-	-	-	-	-	-	BS-Bundle 5
Year End Tax Form (W-2) processing	-	-	-	-	-	-	-	-	-	BS-Bundle 5
Total TSA price	1.4	1.4	1.5	0.4	0.4	0.4	1.7	1.8	1.8	

Facilities & Property Services

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Repair & Maintenance, internally managed & third party facility management providers	3.8	3.9	4.1	0.0	0.0	0.0	3.9	3.9	4.1	
Massachusetts and New York offices	4.7	4.8	5.0	-	-	-	4.7	4.8	5.0	
Massachusetts operations facilities	1.6	1.6	1.7	-	-	-	1.6	1.6	1.7	FAC-Bundle 1
Massachusetts warehouse facilities	0.8	0.9	0.9	-	-	-	0.8	0.9	0.9	
Northborough contact center	-	-	-	-	-	-	-	-	-	FAC-Bundle 1
Training facilities	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	
Right of Way and survey engineering	0.1	0.1	0.1	0.5	0.5	0.5	0.6	0.6	0.6	
Capital Project support	0.2	0.2	0.2	4.3	4.4	4.5	4.4	4.5	4.7	
Total TSA price	11.4	11.6	12.1	4.8	4.9	5.1	16.1	16.5	17.1	

HSE (incl. Environment, Compliance, Training & Security)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Health, safety, environment (HS&E) and security, regulatory monitoring, reporting and compliance consulting services	-	-	-	-	-	-	-	-	-	
Field Safety support	0.4	0.4	0.4	0.1	0.1	0.1	0.5	0.5	0.5	
Site investigation and remediation (SIR)	0.7	0.7	0.7	0.0	0.0	0.0	0.7	0.7	0.7	
Environmental field support	0.2	0.2	0.2	0.3	0.3	0.3	0.5	0.5	0.5	HSE-Bundle 1
Spill control/ response	-	-	-	-	-	-	-	-	-	HSE-Bundle 1
PUC environmental filing support	-	-	-	-	-	-	-	-	-	HSE-Bundle 1
Licenses, permits and orders	-	-	-	-	-	-	-	-	-	HSE-Bundle 1
Site security services	1.0	1.0	1.0	0.3	0.3	0.3	1.2	1.3	1.3	
Health services	1.6	1.6	1.7	0.1	0.1	0.1	1.7	1.7	1.8	
Safety policy & programs	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Total TSA price	4.1	4.1	4.3	0.7	0.8	0.8	4.8	4.9	5.1	

Regulatory Support

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Regulatory support - General	2.8	2.9	3.0	-	-	-	2.8	2.9	3.0	REG-Bundle 1
Regulatory support - Reporting and filings - Electric & Gas distribution	-	-	-	-	-	-	-	-	-	REG-Bundle 1
Regulatory support - Reporting & filing - Transmission	0.6	0.6	0.6	-	-	-	0.6	0.6	0.6	REG-Bundle 2
Regulatory Support – New England Power Company Services on Behalf of NECO – Transmission	-	-	-	-	-	-	-	-	-	REG-Bundle 2
Regulatory Support – Stakeholder Group Participation – Transmission	-	-	-	-	-	-	-	-	-	REG-Bundle 2
Total TSA price	3.4	3.5	3.6	-	-	-	3.4	3.5	3.6	

Procurement

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Strategic Procurement	1.9	1.9	2.0	0.17	0.17	0.2	2.0	2.1	2.2	
Total TSA price	1.9	1.9	2.0	0.2	0.2	0.2	2.0	2.1	2.2	

Inventory, Warehouse & Fleet Management

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration	Annualised TSA price (US\$m) ^{1,2}									Bundle
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Inventory management	12 months	0.5	0.5	0.5	2.6	2.6	2.8	3.1	3.1	3.3	SC-Bundle 1
Warehouse management	12 months	-	-	-	-	-	-	-	-	-	SC-Bundle 1
Fleet management	12 months	1.2	1.2	1.3	1.5	1.6	1.6	2.7	2.8	2.9	
Total TSA price		1.7	1.7	1.8	4.1	4.2	4.4	5.8	5.9	6.2	

Electricity Operations (1 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Asset Management and Planning Transmission, Distribution and Substation	5.2	5.3	5.5	22.9	23.4	24.3	28.1	28.7	29.8	
Maintenance Strategy Engineering and Technical Services	1.1	1.1	1.2	1.4	1.4	1.5	2.5	2.6	2.7	
Electric Engineering and Design	0.5	0.5	0.5	2.6	2.6	2.8	3.1	3.1	3.3	
Codes & Standards	-	-	-	-	-	-	-	-	-	
Electric Lab & Field Testing	0.6	0.6	0.6	0.4	0.4	0.4	1.0	1.0	1.0	
Electric Meter Shop	-	-	-	-	-	-	-	-	-	
Investment Management, Workplan Development	0.2	0.2	0.2	0.6	0.6	0.6	0.8	0.8	0.8	
Resource Planning (across T&D)	0.1	0.1	0.1	1.0	1.0	1.1	1.1	1.1	1.2	
Planned Major Maintenance & Capital Construction	2.1	2.1	2.2	16.2	16.5	17.2	18.3	18.6	19.4	
Electric Operations (Transmission and Distribution)	0.9	0.9	0.9	0.1	0.1	0.1	1.0	1.0	1.0	
Electric Network Control	6.0	6.1	6.3	0.5	0.5	0.5	6.5	6.6	6.9	

Electricity Operations (2 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Mapping and records	0.1	0.1	0.1	0.7	0.7	0.8	0.8	0.9	0.9	
Meter Data Services	0.7	0.7	0.7	-	-	-	0.7	0.7	0.7	
NERC/NPCC - Reliability Compliance	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.3	
Business Continuity Support and Emergency Logistics	8.3	8.5	8.8	1.2	1.3	1.3	9.5	9.7	10.1	
Aviation and Inspection	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	
Shared Telecom Network (STN)	0.0	0.0	0.0	1.8	1.8	1.9	1.8	1.8	1.9	
Total TSA price	26.1	26.6	27.6	49.5	50.5	52.5	75.6	77.1	80.2	

Gas Operations

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Gas Engineering	0.9	1.0	1.0	4.8	4.9	5.1	5.8	5.9	6.1	
Gas Asset Management Services	0.8	0.8	0.9	3.7	3.7	3.9	4.5	4.6	4.8	
Resource Management, Investment Planning & Dispatching	3.0	3.1	3.2	4.1	4.2	4.4	7.2	7.3	7.6	
Gas Complex Capital Construction Services	0.1	0.2	0.2	3.8	3.9	4.1	4.0	4.1	4.2	
Pipeline safety and compliance	1.7	1.8	1.8	0.9	0.9	0.9	2.6	2.6	2.7	
Mandated programs including Leak Survey Support	2.9	3.0	3.1	3.5	3.6	3.7	6.4	6.6	6.8	
Gas control center operations	1.1	1.1	1.2	0.1	0.1	0.1	1.2	1.2	1.2	
LNG operations	1.0	1.0	1.0	0.1	0.1	0.1	1.1	1.1	1.1	
Gas meter operations/ meter shop	0.5	0.5	0.5	0.0	0.0	0.0	0.5	0.5	0.5	
Customer Meter Support	0.2	0.2	0.2	0.0	0.0	0.0	0.3	0.3	0.3	
Technical training	-	-	-	-	-	-	-	-	-	
Emergency planning	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0	
Total TSA price	12.4	12.7	13.2	21.1	21.5	22.3	33.5	34.2	35.5	

Energy Procurement

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Gas and Electric loading forecasting	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	0.4	
Gas procurement services - General	0.5	0.5	0.5	-	-	-	0.5	0.5	0.5	
Energy transactions (physical transactions)	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	
Energy transactions (financial)	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	
Retail choice programs	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Clean energy supply	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	
Electric procurement	0.4	0.4	0.4	-	-	-	0.4	0.4	0.4	
Total TSA price	1.9	1.9	2.0	0.3	0.3	0.3	2.1	2.2	2.3	

HR

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Labour and Employee Relations	0.3	0.3	0.3	0.0	0.0	0.0	0.3	0.3	0.3	
Training (Learning and Development)	1.0	1.0	1.1	0.1	0.1	0.1	1.1	1.1	1.2	
Talent acquisition (recruitment)	0.5	0.5	0.6	0.0	0.0	0.0	0.5	0.5	0.6	
Onboarding	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0	
Workforce planning and people analytics	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0	
Talent and Performance Management	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	
Compensation (If applicable)	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	
Total TSA price	2.3	2.4	2.5	0.1	0.1	0.1	2.4	2.5	2.6	

Finance

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Balance Sheet Account reconciliations	0.5	0.5	0.5	-	-	-	0.5	0.5	0.5	
Accounting and financial reporting	6.5	6.6	6.9	0.5	0.5	0.5	7.0	7.1	7.4	
Middle Office support for gas procurement activities	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	FIN-Bundle 1
Middle Office support for electric procurement activities	-	-	-	-	-	-	-	-	-	FIN-Bundle 1
Back-Office support for energy procurement activities	-	-	-	-	-	-	-	-	-	FIN-Bundle 1
Claims handling/ investigation	0.8	0.8	0.9	-	-	-	0.8	0.8	0.9	
Tax consulting services	-	-	-	-	-	-	-	-	-	
Property tax services	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Financial planning and analysis	2.4	2.4	2.5	-	-	-	2.4	2.4	2.5	
Total TSA price	10.6	10.8	11.3	0.5	0.5	0.5	11.1	11.4	11.8	

IT (1 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Business application services	8.8	8.9	9.3	0.0	0.0	0.0	8.8	8.9	9.3	
Service desk and service management integration services	13.2	13.4	14.0	-	-	-	13.2	13.4	14.0	
Collaboration services (email)	1.5	1.5	1.6	-	-	-	1.5	1.5	1.6	
Data center services	2.4	2.5	2.6	-	-	-	2.4	2.5	2.6	
Client services	1.2	1.2	1.3	-	-	-	1.2	1.2	1.3	
Commercial services	0.7	0.7	0.8	-	-	-	0.7	0.7	0.8	
Infrastructure services	2.4	2.4	2.5	-	-	-	2.4	2.4	2.5	
Network support	2.7	2.8	2.9	-	-	-	2.7	2.8	2.9	
IT Energy Management System (EMS) - Supervisory control and data acquisition (SCADA) systems	2.4	2.4	2.5	0.0	0.0	0.0	2.4	2.5	2.6	

IT (2 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Security services	3.4	3.5	3.6	0.0	0.0	0.0	3.4	3.5	3.6	
Emergency response services	-	-	-	-	-	-	-	-	-	
Exit migration services	-	-	-	-	-	-	-	-	-	
Service charge for use of National Grid ServCo shared assets	32.4	33.0	34.4	-	-	-	32.4	33.0	34.4	
Total TSA price	71.0	72.5	75.4	0.0	0.0	0.0	71.1	72.5	75.4	

Billing and Collections

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Customer Billing Operations	4.5	4.6	4.8	-	-	-	4.5	4.6	4.8	
SAP (Non-Utility) Billing Operations	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.3	
Payment Processing	1.0	1.0	1.1	-	-	-	1.0	1.0	1.1	
Credit & Collections	3.5	3.6	3.7	0.0	0.0	0.0	3.5	3.6	3.7	
Revenue assurance	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Financial transactions	2.2	2.3	2.4	-	-	-	2.2	2.3	2.4	BS-Bundle1
High volume residential billing	-	-	-	-	-	-	-	-	-	BS-Bundle1
Complex billing account management	-	-	-	-	-	-	-	-	-	BS-Bundle1
Protections	-	-	-	-	-	-	-	-	-	BS-Bundle1
Service Applications Manger (SAM)	-	-	-	-	-	-	-	-	-	BS-Bundle1
Account Data Maintenance (ADM)	-	-	-	-	-	-	-	-	-	BS-Bundle1
Advanced Consumption, Long-Term Estimates, Leave On For Landlord	-	-	-	-	-	-	-	-	-	BS-Bundle1
Total TSA price	11.7	11.9	12.4	0.0	0.0	0.0	11.7	11.9	12.4	

Customer Service

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Customer Sales and Solutions	0.5	0.5	0.5	2.2	2.3	2.4	2.7	2.8	2.9	
Call Center Operations	8.4	8.6	8.9	0.7	0.8	0.8	9.2	9.4	9.7	
Customer Transformation	1.1	1.2	1.2	0.0	0.0	0.0	1.1	1.2	1.2	
Marketing & Growth	31.3	31.9	33.2	0.0	0.0	0.0	31.3	31.9	33.2	
Total TSA price	41.3	42.2	43.9	3.0	3.1	3.2	44.3	45.2	47.0	

nationalgrid



PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Seventh Set of Data Requests
Issued on August 31, 2021

Division 7-52

Request:

National Grid has made investments in Rhode Island towards deployment of ADMS, including IT, as part of its pre-approved Grid Modernization Plan. Identify those investments that align with PPL's ADMS system and that PPL intends to utilize in serving Rhode Island customers. For investments that will not be utilized, explain how any stranded assets will be treated. If the Transaction is approved, and if National Grid's investments in AMI and GMP are not fully utilized, explain how costs incurred and recovered, or planned for future recovery, will be reimbursed to Rhode Island ratepayers.

Response:

PPL and PPL Rhode Island intend to migrate away from the legacy Narragansett Distribution Management System that has been implemented in Rhode Island and will be upgrading to an Advanced Distribution Management System ("ADMS") platform currently in use by PPL Electric Utilities ("PPL Electric") in Pennsylvania. National Grid's investments in ADMS, Advanced Metering Functionality ("AMF"), and Grid Modernization Plans ("GMP") will be utilized by PPL Rhode Island where practical and feasible, and evaluations of which investments can be used by PPL Rhode Island are ongoing. PPL and PPL Rhode Island have not yet determined how any unused assets would be treated.

PPL Rhode Island anticipates that it will leverage the expertise and experience of PPL Electric in implementing ADMS, AMF, and smart grid facilities in Rhode Island. This will allow PPL Rhode Island to invest in ADMS, AMF, and smart grid facilities at a much lower cost than it would be able to if it were not able to rely on the prior experience of PPL Electric.

Narragansett's existing base rates as approved in its last rate case will remain in effect after the Transaction closes. PPL Rhode Island does not intend to seek cost recovery for expenses that may duplicate expenses for which National Grid or Narragansett has already sought recovery through base rates. That said, PPL Rhode Island may seek to recover portions of the costs of its investments that replace unused assets after close to the extent that PPL Rhode Island can demonstrate the incremental benefits of these transition costs.

Examples of potential merger-related incremental benefits of these transition costs include:

- Deploying Fault Location Isolation Service Restoration ("FLISR") capability in the ADMS;

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Seventh Set of Data Requests
Issued on August 31, 2021

- Achieving real time visibility into the operation of the grid through the use of remote-controlled smart grid facilities; and
- Building Distributed Energy Resource Management (“DERMS”) capabilities inside of the ADMS.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Ninth Set of Data Requests
Issued on October 1, 2021

Division 9-95

Request:

In response to DIV 2-28, PPL states "PPL and PPL RI will evaluate on a case-by-case basis whether they will seek to recover costs necessary to separate Narragansett from National Grid USA and integrate Narragansett into PPL, consistent with the guidance of the Policy Statement." Please supplement this response to reflect any hold harmless commitments to Rhode Island ratepayers with respect to PPL's recovery of capital costs necessary "allow PPL to establish the infrastructure required to operate Narragansett independently."

Response:

PPL and PPL RI are not making any hold harmless commitments at this time with respect to PPL's recovery of capital costs necessary to allow PPL to establish the infrastructure required to operate Narragansett independently. PPL and PPL RI also refer to their responses to data request Division 2-39 and Division 7-46, which describe PPL and PPL RI's intended approach to determine whether to seek recovery of costs related to the transition.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Tenth Set of Data Requests
Issued on October 1, 2021

Division 10-6

Request:

Referencing Attachment PPL-DIV-1-54-1 at 8, provide a breakdown of additional capital investments related to facilities and equipment required to support the Rhode Island operations. Indicate the type of investment, location, cost, proposed year(s) of implementation/construction, and recovery mechanism.

Response:

The purpose of this analysis was to develop a steady state estimate of the operational costs to support Narragansett under PPL ownership. Capital investments were not considered as a part of this analysis and are not reflected in the analysis presented. PPL does expect to make capital investments in facilities and equipment to support Rhode Island operations in areas that may include a training facility, customer care center, gas control center and electric distribution control center. The specific plans for these facilities investments, including expected cost and timing are currently under development. PPL anticipates that the recovery mechanism for these investments will be proposed as part of future rate filings.

PUBLIC
PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Tenth Set of Data Requests
Issued on October 1, 2021

Division 10-7

Request:

Attachment PPL-DIV-1-54-1 at 17, note 4 seems to imply that incremental IT and other infrastructure investment is needed to support the proposed operating model. Please provide details on the nature and amount of these investments and how these would be allocated to the gas and electric operations.

Response:

Currently, Narragansett is supported by an integrated National Grid IT environment and, as such, very few IT applications are anticipated to convey at the close of the Transaction. To enable the exit from the Transition Services Agreement ("TSA"), PPL will need to make IT investments to be able to support the Rhode Island utility. Specific project details are under development, but PPL currently anticipates projects including, but not limited to, Customer Service, SCADA, Cybersecurity, Work Management, Finance, Engineering Tools/GIS and HR systems. The allocation between electric and gas has not been determined but the potential recovery of these investments will be developed as part of future rate proceedings.

PUBLIC

CONFIDENTIAL

