

July 13, 2018

VIA ELECTRONIC DELIVERY

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 1223-1350

RE: Case 18-E-0152 -- Petition of Niagara Mohawk Power Corporation d/b/a National Grid for Approval of a Transfer or Lease of Property with an Original Cost of Over \$100,000 to the Chautauqua Utility District

Dear Secretary Burgess:

Pursuant to discussions with Department of Public Service Staff, Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”) provides the following updates to the schedules that accompanied the verified petition (the “Petition”) filed on March 14, 2018 in the above-captioned matter:

- Schedule C – Accounting Entries for the Transaction
- Schedule D – Statement of Operating Revenues, Expenses, and Taxes for the Property to be Transferred
- Schedule E – Company Balance Sheet and Income Statement
- Schedule F – Statement of Financial Condition

The updates included in the enclosed schedules C and D reflect the Company’s commitment in the Petition (page 2, footnote 1) to apply the net book value (“NBV”) street light asset sales procedures established in the Joint Proposal approved by the Public Service Commission (the “Commission”) in case 17-E-0238.¹ The updated accounting entries reflect the changes approved by the Commission to the Company’s street light plant accounts, and consistent with the Joint Proposal, the sales price will be adjusted to reflect the NBV at the time of closing.² Likewise, the updates to schedules E and F include relevant information from the Company’s FERC Form 1 for calendar year 2017, which the Company filed with the Federal Energy Regulatory Commission after it filed the Petition.

Thank you for your attention to this matter.

Respectfully submitted,

/s/ Kristoffer P. Kiefer
Kristoffer P. Kiefer
Senior Counsel

¹ Case 17-E-0238, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid, *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans* (issued March 15, 2018); *see id.*, Joint Proposal (filed January 19, 2018), §9.3.

² Joint Proposal, at §9.3.2(a).

Enclosures

cc: Denise Gerbsch, DPS Staff (*via e-mail*)
Brandon Goodrich, DPS Staff (*via e-mail*)
Michael Summa, DPS Staff (*via e-mail*)
Elizabeth Zeccola, DPS Staff (*via e-mail*)
Nicholas Hanson, DPS Staff (*via e-mail*)
Anthony DiGiacomo, DPS Staff (*via e-mail*)
Liliya Randt, DPS Staff (*via e-mail*)
Bill Wright, Attorney for Chautauqua Utility District (*via e-mail*)
Cathy Hughto-Delzer (*via e-mail*)
Dawn Herrity (*via e-mail*)
Ken Kujawa (*via e-mail*)
Joan Godlewski (*via e-mail*)
Caeresa Richardson (*via e-mail*)
Mark Grucella (*via e-mail*)
Phil Langlois (*via e-mail*)
Fran Porpiglia (*via e-mail*)
Paul Kazmierczak (*via e-mail*)

SCHEDULE C

Accounting Entries for the Transaction

Updated July 13, 2018

Niagara Mohawk Power Corporation d/b/a National Grid
Updated Proposed Accounting for Sale of Personal Property
Estimated Sale to Chautauqua Utility District
Section 70 Filing Journal Entry

<u>Line</u>		
1	Sales Price - Net Book Value	\$75,877
2	Plus Transaction and Transition Costs (if any)	<u>\$6,024</u>
3	Total Sales Proceeds	<u>\$81,901</u>
4	Original Book Cost of Personal Property	\$156,456
5	Less Accumulated Depreciation	< <u>\$80,578</u> >
6	Net Book Value on Personal Property	<u>\$75,877</u>
7	Transaction and Transition Costs (if any)	\$6,024
8	Net Book Gain / Amount Credited to Depreciation Reserve	<u>\$0</u>

	<u>FERC Account</u>	<u>Debit</u>	<u>Credit</u>
9	Accumulated Provision for Depreciation	C108 \$156,456	
10	Electric Plant in Service		C101 \$156,456
	To record retirement of street lighting assets being sold		
11	Cash	C131 \$81,901	
12	Accumulated Provision for Depreciation - S		C108 \$81,901
	To record the proceeds from the sale transaction as salvage		

Federal Income Tax Calculation

13	Total Sales Proceeds	<u>\$81,901</u>
14	Gross Federal Tax Basis of Property	\$142,856
15	Less Accumulated Federal Tax Depreciation	< <u>\$137,362</u> >
16	Net Federal Tax Basis of Property	<u>\$5,494</u>
17	Federal Tax Gain	\$76,407
18	Less tax deduction of transaction and transition costs as cost of r	< <u>\$6,024</u> >
19	Net Federal Tax Gain	<u>\$70,383</u>
20	Federal Tax at 21%	\$14,781
21	Associated State Tax Benefit on Federal Taxes	<u>(579)</u>
22	Net Federal Tax	<u>\$14,202</u>

NYS Income Tax Calculation

23	Total Sales Proceeds	<u>\$81,901</u>
24	Gross NYS Tax Basis of Property	157,234
25	Less NYS Accumulated Tax Depreciation	< <u>123,781</u> >
26	Net NYS Tax Basis of Property	<u>33,453</u>
27	NYS Tax Gain	\$48,448
28	Less tax deduction of transaction and transition costs as cost of r	< <u>\$6,024</u> >
29	Net NYS Tax Gain	<u>\$42,424</u>
30	NYS Tax at 6.5%	<u>\$2,758</u>

	<u>FERC Account</u>	<u>Debit</u>	<u>Credit</u>
31	Current Tax Expense	C409 \$16,960	
32	Deferred Tax Liability	C282 \$16,960	
33	Taxes Payable	C236	\$16,960
34	Deferred Tax Expense	C411	\$16,960
	To record the federal and NYS income tax effects of the sale transaction		

Line Notes

1	Sales Price - Net Book Value
2, 7, 18 & 28	Per Transaction and Transition Cost (see Pa
3	Line 1 + Line 2
4 & 5	Based on Book plant records
6	Line 4 - Line 5
8	Line 3 - Line 6 - Line 7
9 & 10	Line 4
11 & 12	Line 3
13 & 23	Line 3
14 & 15	Based on Federal Tax plant records
16	Line 14 - Line 15

Line Notes

17	Line 13 - Line 16
19	Line 17 - Line 18
20	Line 19 * 21%
21	Line 30 * -21%
22	Line 20 + Line 21
24 & 25	Based on State Tax plant records
26	Line 24 - Line 25
27	Line 23 - Line 26
29	Line 27 - Line 28
30	Line 29 * 6.5%
31, 32, 33 & 34	Line 22 + Line 30

Transition and Transaction Costs

MUNICIPALITY:		Chautauqua Utility District
Sale Price (NBV)	CALCULATED NBV	\$75,877
Billing & Data Changes	Retirement Removal and Modification of Asset data in Plant accounting and CSS OL billing	\$2,513
GIS	Removal and or design modification of assets in GIS	\$2,707
Transfer Taxes (FIXED RATE)	NY State transfer tax (0.4% times sale price)	\$304
Mortgage Indenture Release (FIXED COST of \$500.00)	Per transaction fee to counsel of mortgage indenture trustee	\$500
Total		\$6,024

SCHEDULE D

**Statement of Operating Revenues, Expenses, and Taxes
For the Property to be Transferred
(2015-2017)**

Updated July 13, 2018

Niagara Mohawk Power Corporation d/b/a National Grid
Updated Estimate of Operating Revenues, Expenses, Depreciation and Taxes
Related to Proposed Street Lighting Facilities Sale to the
Chautauqua Utility District

	2015	2016	2017
Revenue	\$ 55,267	\$ 54,226	\$ 53,637
Operating Expense (*)	\$ 12,974	\$ 12,974	\$ 12,974
Depreciation Expense (*)	\$ 3,567	\$ 3,567	\$ 3,567
Property Taxes (*)	\$ 946	\$ 952	\$ 960

(*) Operating Expense, Depreciation and Property Taxes are estimated

SCHEDULE E

Company Balance Sheet and Income Statement

Updated July 13, 2018

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	13,233,042,192	12,640,999,406
3	Construction Work in Progress (107)	200-201	370,698,538	279,258,013
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		13,603,740,730	12,920,257,419
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	3,771,246,116	3,471,280,920
6	Net Utility Plant (Enter Total of line 4 less 5)		9,832,494,614	9,448,976,499
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		9,832,494,614	9,448,976,499
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		11,562,002	11,562,002
19	(Less) Accum. Prov. for Depr. and Amort. (122)		53,623	53,623
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	778,606	867,853
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		5,882,286	4,916,978
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		34,447,353	31,419,786
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		855,619	3,491,003
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		53,472,243	52,203,999
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		1,081,689	5,834,920
36	Special Deposits (132-134)		20,515,417	11,665,129
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		462,947,677	447,044,092
41	Other Accounts Receivable (143)		65,398,251	66,374,931
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		148,613,954	151,628,412
43	Notes Receivable from Associated Companies (145)		182,917,175	579,771,149
44	Accounts Receivable from Assoc. Companies (146)		72,469,078	60,246,159
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	47,053,177	45,835,683
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		26,965,736	20,450,786
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		45,836,349	17,521,150
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		7,033,617	3,736,985
61	Accrued Utility Revenues (173)		144,367,294	113,290,673
62	Miscellaneous Current and Accrued Assets (174)		6,767,364	1,925,442
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		7,118,732	4,801,219
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		941,857,602	1,226,869,906
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		17,453,503	19,544,439
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	1,150,654,773	1,401,110,782
73	Prelim. Survey and Investigation Charges (Electric) (183)		24,659,470	23,957,693
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-104,919	-225,701
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	339,690,537	252,459,977
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		9,653,989	11,179,630
82	Accumulated Deferred Income Taxes (190)	234	741,319,453	813,813,863
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		2,283,326,806	2,521,840,683
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		13,111,151,265	13,249,891,087

Name of Respondent Niagara Mohawk Power Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/30/2018	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 44 Column: d

This amount has been revised from the Company's originally filed FERC Form 1. The change is due to re-classification required to correct the Company's presentation of accounts receivable from associated companies.

<u>As Reported</u>	<u>As Revised</u>
\$ 60,232,998	\$ 60,246,159

Schedule Page: 110 Line No.: 59 Column: d

This amount has been revised from the Company's originally filed FERC Form 1. The change is due to re-classification required to correct the Company's presentation of accounts receivable from associated companies.

<u>As Reported</u>	<u>As Revised</u>
\$ 13,161	\$ -

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	187,364,863	187,364,863
3	Preferred Stock Issued (204)	250-251	28,984,701	28,984,701
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	3,062,617,385	3,029,568,410
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	1,188,971,762	1,483,969,640
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-2,736,209	-2,646,962
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	2,441,133	1,326,704
16	Total Proprietary Capital (lines 2 through 15)		4,467,643,635	4,728,567,356
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	2,465,705,000	2,465,705,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	313,760,000	313,760,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		6,716	7,416
24	Total Long-Term Debt (lines 18 through 23)		2,779,458,284	2,779,457,584
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		25,554,080	23,598,595
29	Accumulated Provision for Pensions and Benefits (228.3)		359,077,929	655,159,174
30	Accumulated Miscellaneous Operating Provisions (228.4)		359,631,704	371,053,548
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		11,913,778	13,787,685
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		15,437,087	15,662,061
35	Total Other Noncurrent Liabilities (lines 26 through 34)		771,614,578	1,079,261,063
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		175,251,699	157,387,202
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		168,963,574	115,357,768
41	Customer Deposits (235)		32,184,023	30,483,835
42	Taxes Accrued (236)	262-263	121,385,382	35,142,365
43	Interest Accrued (237)		26,708,077	26,717,400
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		0	2,095,909
48	Miscellaneous Current and Accrued Liabilities (242)		184,163,770	128,503,453
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		14,526,710	33,436,957
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		1,954,832	43,669
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		725,138,067	529,168,558
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		4,961,398	4,418,796
57	Accumulated Deferred Investment Tax Credits (255)	266-267	14,346,995	16,135,214
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	224,733,072	218,815,320
60	Other Regulatory Liabilities (254)	278	2,299,569,151	1,050,749,351
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		1,629,931,217	2,408,814,601
64	Accum. Deferred Income Taxes-Other (283)		193,754,868	434,503,244
65	Total Deferred Credits (lines 56 through 64)		4,367,296,701	4,133,436,526
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		13,111,151,265	13,249,891,087

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	3,004,236,020	2,776,375,661		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	1,709,742,231	1,600,587,569		
5	Maintenance Expenses (402)	320-323	246,921,687	202,217,116		
6	Depreciation Expense (403)	336-337	259,698,083	246,336,443		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	1,177,786	1,079,317		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		2,255,806	2,334,732		
13	(Less) Regulatory Credits (407.4)		11,465,839	1,960,736		
14	Taxes Other Than Income Taxes (408.1)	262-263	270,877,270	256,758,699		
15	Income Taxes - Federal (409.1)	262-263	114,486,458	26,744,086		
16	- Other (409.1)	262-263	24,534,453	13,798,121		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	-11,602,931	89,811,925		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277				
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)		290,785			
21	Losses from Disp. of Utility Plant (411.7)		39,277	544,364		
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		2,606,373,496	2,438,251,636		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		397,862,524	338,124,025		

STATEMENT OF INCOME FOR THE YEAR (Continued)

- 9. Use page 122 for important notes regarding the statement of income for any account thereof.
- 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
- 12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
- 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
- 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
- 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
2,446,693,772	2,292,092,933	557,449,458	484,179,615	92,790	103,113	2
						3
1,370,294,748	1,318,997,083	339,447,483	281,590,486			4
220,190,899	176,749,705	26,730,788	25,467,411			5
209,689,197	197,517,665	50,008,886	48,818,778			6
						7
1,130,866	1,028,711	46,920	50,606			8
						9
						10
						11
35,887	548,610	2,219,919	1,786,122			12
11,362,606	1,565,621	103,233	395,115			13
218,049,708	205,719,197	52,827,562	51,039,502			14
99,829,773	34,968,888	14,656,685	-8,224,802			15
21,416,476	14,003,903	3,117,977	-205,782			16
-14,981,325	60,800,817	3,378,394	29,011,108			17
						18
						19
290,785						20
	544,364	39,277				21
						22
						23
						24
2,114,002,838	2,009,313,322	492,370,658	428,938,314			25
332,690,934	282,779,611	65,078,800	55,241,301	92,790	103,113	26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		397,862,524	338,124,025		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)		7,711,592	3,604,992		
35	Nonoperating Rental Income (418)		43,437	435,194		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	-89,247	-46,343		
37	Interest and Dividend Income (419)		22,165,637	10,321,715		
38	Allowance for Other Funds Used During Construction (419.1)		11,831,665	10,018,121		
39	Miscellaneous Nonoperating Income (421)		2,093,486	585,230		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		28,333,386	17,708,925		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		3,501	1,656,448		
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		2,417,420	2,909,995		
46	Life Insurance (426.2)		1,448,011	1,150,165		
47	Penalties (426.3)		124,484	31,917		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		285,487	278,198		
49	Other Deductions (426.5)		-2,242,672	18,308,649		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,036,231	24,335,372		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	556,312	559,717		
53	Income Taxes-Federal (409.2)	262-263	3,794,185	-5,499,832		
54	Income Taxes-Other (409.2)	262-263	874,970	-1,104,949		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277				
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		1,788,219	1,979,403		
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		3,437,248	-8,024,467		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		22,859,907	1,398,020		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		107,692,297	101,199,884		
63	Amort. of Debt Disc. and Expense (428)		3,021,923	2,926,411		
64	Amortization of Loss on Reaquired Debt (428.1)		1,422,427	1,935,425		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)			58,584		
68	Other Interest Expense (431)		56,478,867	37,347,048		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		3,866,455	3,456,276		
70	Net Interest Charges (Total of lines 62 thru 69)		164,749,059	140,011,076		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		255,973,372	199,510,969		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		255,973,372	199,510,969		

SCHEDULE F

**Statement of Financial Condition
(Long-Term Debt)**

Updated July 13, 2018

Sections 18.1(f)-(i) of the Commission's rules and regulations (16 NYCRR §18.1) require National Grid to submit information, as part of this Public Service Law §70 filing, pertaining to bonds, notes or other evidence of indebtedness authorized by the Commission, mortgages, and affiliated interests. The Company's FERC Form 1, relevant portions of which are included as part of this Schedule F, contains information about National Grid's long-term debt. The Company also carries a Mortgage Trust Indenture, dated as of October 1, 1937, and supplemented thereafter. As part of the Agreement, the Company is required to obtain a release of lien under the Mortgage Trust Indenture for the Facilities that will be transferred to the District.

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Bonds (Account 221)		
2	Unsecured notes:		
3	Senior Note @ 4.88%	750,000,000	3,805,177
4	Senior Note @ 2.72%	300,000,000	1,338,576
5	Senior Notes @ 3.51%	500,000,000	3,060,582
6	Senior Notes @ 4.28%	400,000,000	2,060,582
7	Senior Note @ 4.12% Series	400,000,000	3,184,768
8	State Authority Financing - tax exempt:		
9	2029 - Variable rate	115,705,000	4,505,193
10	SUBTOTAL ACCOUNT 221	2,465,705,000	17,954,878
11			
12	Other Long Term Debt (Account 224)		
13			
14	State Authority Financing - tax exempt:		
15	2023	69,800,000	646,808
16	2025	75,000,000	12,131,987
17	2026	50,000,000	603,701
18	2027	25,760,000	2,357,271
19	2027	93,200,000	1,225,501
20			
21	SUBTOTAL ACCOUNT 224	313,760,000	16,965,268
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	2,779,465,000	34,920,146

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
08/10/2009	08/15/2019	08/10/2009	08/15/2019	750,000,000	36,607,500	3
11/28/2012	11/28/2022	11/28/2012	11/28/2022	300,000,000	8,163,000	4
09/25/2014	10/01/2024	09/25/2014	10/01/2024	500,000,000	17,540,000	5
09/25/2014	10/01/2034	09/25/2014	10/01/2034	400,000,000	17,112,000	6
11/28/2012	11/28/2042	11/28/2012	11/28/2042	400,000,000	16,476,000	7
						8
07/01/1994	07/01/2029	07/01/1994	07/01/2029	115,705,000	3,238,371	9
				2,465,705,000	99,136,871	10
						11
						12
						13
						14
12/01/1988	12/01/2023	12/01/1988	12/01/2023	69,800,000	1,957,233	15
12/01/1985	12/01/2025	12/01/1985	12/01/2025	75,000,000	2,054,047	16
12/01/2026	12/01/2026	12/01/1986	12/01/2026	50,000,000	1,312,458	17
03/01/1987	03/01/2027	03/01/1987	03/01/2027	25,760,000	693,803	18
07/01/1987	07/01/2027	07/01/1987	07/01/2027	93,200,000	2,537,885	19
						20
				313,760,000	8,555,426	21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
				2,779,465,000	107,692,297	33