

Niagara Mohawk Power Corporation
d/b/a National Grid

PROCEEDING ON MOTION OF THE
COMMISSION AS TO THE RATES,
CHARGES, RULES AND
REGULATIONS OF NIAGARA
MOHAWK POWER CORPORATION
FOR ELECTRIC AND GAS SERVICE

Rebuttal Testimony and Exhibits of:

Revenue Requirements Panel
Exhibits __ (RRP-1R) to (RRP-13R)

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Rebuttal Testimony of
Revenue Requirements Panel

Before the Public Service Commission

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

Rebuttal Testimony

of

The Revenue Requirements Panel

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Table of Contents

I.	Introduction.....	1
II.	O&M Expense Adjustments	5
	A. Consultant Expense.....	6
	B. Other Expense.....	11
	1. Industry Association Dues	11
	2. Normalizing Adjustments	16
	3. Other Expense Corrections	18
	C. Rent Expense	18
	1. Reservoir Woods.....	18
	2. Service Company Return on Assets.....	26
	3. Rent Expense Corrections.....	28
	D. Labor Expense	29
	1. Labor Capitalization Rate	29
	2. Variable Pay Capitalized.....	38
	3. Other Labor Adjustments.....	39
	E. Fringe Benefits Expense	40
	F. Transportation Expense	41
	1. Motor Fuel Expense.....	41
	2. Transportation Expense Correction	41
	G. Other Initiatives	42
	1. IS Transformation	42
	2. Alternative Fuel Vehicles (“AFV”) Grants.....	43
	3. Transmission Footer Inspection and Repair Program.....	43
	H. Productivity.....	43
	I. Uncollectible Expense	44
	J. US Restructuring Savings.....	45
	K. Expatriate Costs	45
	L. Inflation Factor Update.....	47
III.	Taxes Other Than Income Taxes	48
	A. Property Taxes	48
	B. Payroll Taxes	50
IV.	Rate Base	51
	A. Net Plant and Depreciation Expense – Plant in Service Models ...	51
	B. Deferred Taxes.....	55
	C. Return on Working Capital.....	55
V.	Flow-Through Adjustments.....	57
VI.	Deferrals.....	58
	A. Rate Year Deferrals.....	58
	B. Pre-Rate Year Deferrals.....	59
	1. Federal Income Taxes – Repair Costs	59
VI.	Conclusion	65

Rebuttal Testimony of the Revenue Requirements Panel

1 **I. Introduction**

2 **Q. Please introduce the members of the Revenue Requirements Panel.**

3 A. The Panel consists of James M. Molloy and David B. Doxsee.

4

5 **Q. Is this the Panel that testified previously in these proceedings?**

6 A. Yes. This Panel provided testimony as part of Niagara Mohawk's April
7 27, 2012 and July 16, 2012 filings.

8

9 **Q. What is the purpose of your rebuttal testimony?**

10 A. The Panel addresses the following areas:

- 11 • First, the Panel responds to various adjustments proposed by the
12 Staff Accounting Panel in its direct testimony dated August 31,
13 2012. In particular, the Panel addresses the following subjects: (i)
14 Staff's proposed operation and maintenance ("O&M") adjustments;
15 (ii) adjustments to taxes other than income taxes; (iii) rate base
16 adjustments; and (iv) deferrals.
- 17 • Second, the Panel discusses the adjustments proposed by Staff that
18 the Company has already agreed to adopt in information request
19 ("IR") responses or agrees to adopt in rebuttal.
- 20 • Third, the Panel discusses corrections to Staff's exhibits and
21 testimony that the Company has identified. Those discussions are

Rebuttal Testimony of the Revenue Requirements Panel

1 not intended to support any of the adjustments proposed by Staff,
2 but rather to correct the record to reflect what the Company
3 believes is the proper calculation in the event that Staff's
4 adjustments are accepted.

5 • Fourth, the Panel discusses adjustments that the Company
6 identified in IR responses that have not been addressed by Staff but
7 the Company believes should be reflected in the revenue
8 requirements. The net impact of these adjustments is a \$0.225
9 million increase in the revenue requirements (\$0.189 million for
10 electric and \$0.036 million for gas).

11

12 **Q. Does the Company respond to each of Staff's and the intervenors'**
13 **proposed adjustments and recommendations?**

14 A. No. In this testimony as well as the rebuttal testimony of the other
15 Company witnesses, the Company is only responding to certain issues.
16 Where the Company accepts an adjustment or agrees with an issue, such
17 acceptance or agreement is explicitly acknowledged. Niagara Mohawk's
18 silence on a particular adjustment or recommendation should not be
19 construed as acceptance or waiver of a particular issue or as creating
20 precedent for any future proceeding. The Company relies on the merits of
21 its direct and corrections and updates testimonies as support and

Rebuttal Testimony of the Revenue Requirements Panel

1 justification for those items not specifically addressed in its rebuttal
2 testimony.

3

4 **Q. How has the Panel organized its rebuttal testimony?**

5 A. The testimony follows the same basic structure that the Staff Accounting
6 Panel uses to present its testimony.

7

8 **Q. Does the Panel sponsor any exhibits?**

9 A. Yes. The Panel sponsors the following exhibits, which were prepared by
10 or under the supervision and direction of one or both members of the
11 Panel and which, in all cases, refer to Niagara Mohawk.

12

13 Exhibit ___ (RRP-1R) Summary Revenue Requirements Pages

14 Exhibit ___ (RRP-2R) Journal Entry Reclassification for
15 Consulting Expense

16

17 Exhibit ___ (RRP-3R) Construction Work in Progress (“CWIP”)
18 Reserve Work Order Movement

19

20 Exhibit ___ (RRP-4R) Reservoir Woods Journal Entry Adjustment
21 for Bill Pool 00603

22

23 Exhibit ___ (RRP-5R) Revised Reservoir Woods Rent Expense
24 Adjustment

25

26 Exhibit ___ (RRP-6R) Service Company Return Calculation

Rebuttal Testimony of the Revenue Requirements Panel

1	Exhibit ___ (RRP-7R)	Information Services (“IS”) Rent Expense Adjustment
2		
3		
4	Exhibit ___ (RRP-8R)	Capitalized Labor Adjustment
5		
6	Exhibit ___ (RRP-9R)	Other Labor Adjustments
7		
8	Exhibit ___ (RRP-10R)	Transportation Expense Adjustments
9	Exhibit ___ (RRP-11R)	Inflation Change
10	Exhibit ___ (RRP-12R)	Property Taxes
11	Exhibit ___ (RRP-13R)	Net Utility Plant Model
12	Exhibit ___ (RRP-14R)	Relevant Portions of IR Responses

13

14 **Q. In rebuttal, the Company’s witnesses reference various IR responses.**

15 **Where can those responses be found?**

16 A. Except where they are included as exhibits, the IR responses referenced by
17 Company witnesses in their rebuttal testimony have been compiled in
18 Exhibit ___ (RRP-14R). Because of the size of some of the responses, the
19 Company has included only relevant pages and attachments.

20

21 **Q. Is the Company proposing any changes to its electric and gas revenue
22 requirements in this filing?**

23 A. Yes. The Company’s corrections and updates filing reflected electric and
24 gas revenue requirements of \$145.422 and \$28.984 million, respectively.

Rebuttal Testimony of the Revenue Requirements Panel

1 Based on the Company's review of the direct testimony filed by Staff and
2 the intervenors, as well as discovery submitted since the time of the
3 correction and updates filing, the Company has accepted several
4 adjustments and reflected certain updates to the revenue requirements.
5 Exhibit ___ (RRP-1R) sets forth the Company's position on each of the
6 adjustments proposed by Staff. Schedule 1 applies to electric and
7 Schedule 2 applies to gas.

8

9 **Q. Has the Company updated its proposed rate of return?**

10 A. Yes. As discussed in the rebuttal testimony of Company Witness Robert
11 B. Hevert, the Company has updated its proposed return on equity to
12 10.22 percent for both electric and gas, producing a revised rate of return
13 of 7.21 percent, assuming a one year rate plan.

14

15 **Q. What are the revised Rate Year revenue requirements for the electric
16 and gas businesses?**

17 A. The revised electric revenue requirement is \$119.404 million and the
18 revised gas revenue requirement is \$22.520 million.

19

20 **II. O&M Expense Adjustments**

21 **Q. Please summarize Staff's proposed adjustments to O&M expense.**

Rebuttal Testimony of the Revenue Requirements Panel

1 A. As shown in Exhibit ___ (SAP-1) (Corrected), Schedule 6, and Exhibit
2 ___ (SAP-2), Schedule 6, Staff makes 22 adjustments to electric O&M
3 expense and 19 adjustments to gas O&M expense. The net effect of these
4 adjustments is a \$42.794 million and \$8.994 million decrease in electric
5 and gas O&M expense, respectively.

6

7 **A. Consultant Expense**

8 **Q. Did Staff propose adjustments to consultant expense?**

9 A. Yes. Staff proposes four normalizing adjustments to consultant expense
10 that reduce the Company's revenue requirements by \$0.546 million
11 (\$0.482 million for electric and \$0.064 million for gas).

12

13 **Q. Please discuss Staff's first adjustment.**

14 A. Staff recommends the removal of \$0.173 million (before inflation) in
15 charges for Overland Consulting on the basis that these charges will not
16 recur in the Rate Year.

17

18 **Q. Does the Company agree with Staff's proposed adjustment?**

19 A. No. The Company already removed these charges as part of its test year
20 review process conducted prior to submission of the April 2012 filing.

21

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. Please explain.**

2 A. As part of the review of Historic Test Year costs, the Company
3 normalized, by project, charges that were not expected to recur in the Rate
4 Year. (Exhibit ___ (RRP-2), Schedule 3). The service company review
5 by Overland Consulting was one of the projects removed from the cost of
6 service. Initially, the invoices that Staff references were not charged to the
7 Overland Consulting project. However, as shown in the last column of
8 page 8 of Attachment 1 to IR DPS-446 (DAG-59), a journal entry (JE
9 99617-EB10) was recorded in August 2011 to reclassify these invoices to
10 the Overland Consulting project. Page 24 of Attachment 7 to IR DPS-88
11 (DAG-8) shows the reclassification of the \$0.173 million in charges to that
12 project in the row labeled journal entry JE 99617-EB10. Page 13 of
13 Attachment 5 to IR DPS-88 (DAG-8) shows the removal of these costs
14 from the Historic Test Year in the row labeled journal entry JE 99617-
15 EB10. The Company is providing a copy of the journal entry to further
16 support that these costs were reclassified to the Overland Consulting
17 project and normalized from the Historic Test Year. (Exhibit ___ (RRP-
18 2R)).

19

20 **Q. The Staff Accounting Panel (at 20) states that the Company indicated**
21 **in Attachment 1 to IR DPS-446 (DAG-59) that these costs were**

Rebuttal Testimony of the Revenue Requirements Panel

1 **supposed to be removed but were inadvertently not captured for**
2 **removal. Is Staff correct?**

3 A. No. Attachment 1 contains no such statement. Rather, on page 8 of
4 Attachment 1, the Company stated that these costs were removed from the
5 Historic Test Year.

6
7 **Q. Please discuss Staff's second adjustment to consultant expense.**

8 A. Staff asserts that \$0.124 million (before inflation) in costs for
9 CapGemini's work on the US Restructuring project, which were charged
10 through the Company's PeopleSoft accounting system, should be removed
11 as non-recurring.

12
13 **Q. Does the Company agree with Staff's adjustment?**

14 A. No. An adjustment is not required because the Company already removed
15 these costs as part of its test year review process.

16
17 Similar to the Overland Consulting project, the invoice referenced by Staff
18 was not initially charged to the US Restructuring project. However, as
19 shown in the last column of page 5 of Attachment 1 to IR DPS-446 (DAG-
20 59), a journal entry (JE 99617-DL5) was recorded in March 2011 to
21 reclassify the invoice to the US Restructuring project. Page 24 of

Rebuttal Testimony of the Revenue Requirements Panel

1 Attachment 7 to IR DPS-88 (DAG-8) shows the reclassification of the
2 \$0.124 million in charges to that project in the row labeled journal entry
3 JE 99617-DL5. Page 13 of Attachment 5 to IR DPS-88 (DAG-8) shows
4 the removal of these costs from the Historic Test Year in the row labeled
5 journal entry JE 99617-DL5. The Company is providing a copy of the
6 journal entry for this charge to further support that these costs were
7 reclassified to the US Restructuring project and normalized from the
8 Historic Test Year. (Exhibit ___ (RRP-2R)). The amounts shown on page
9 24 of Attachment 7 and page 13 of Attachment 5 are different because the
10 journal entry also corrected the bill pool, which resulted in a lower
11 allocated amount to Niagara Mohawk.

12
13 **Q. Please discuss Staff's third adjustment.**

14 A. Staff proposes to remove \$0.117 million (before inflation) of CapGemini
15 consulting costs charged through the Company's legacy KeySpan Oracle
16 accounting system. Staff assumes these particular costs are related to the
17 US Restructuring project and are therefore non-recurring.

18
19 **Q. Is Staff's assumption correct?**

20 A. No. The \$0.117 million in CapGemini costs are unrelated to US
21 Restructuring and represent a recurring business expense. The Company

Rebuttal Testimony of the Revenue Requirements Panel

1 used CapGemini in the Historic Test Year for many projects in addition to
2 the US Restructuring project. The charge in question involved a review of
3 the Regulation and Pricing group to evaluate its design and ability to
4 deliver on its objectives. The Company anticipates that similar work for
5 other areas of the business will occur in the Rate Year. Accordingly,
6 Staff's adjustment should be rejected.

7

8 **Q. Please discuss Staff's final adjustment to consultant expense.**

9 A. Staff recommends the removal of \$0.110 million (before inflation) in costs
10 for PA Consulting. Staff believes that these costs are one time in nature
11 because they are related to PA Consulting's work in developing the new
12 cost allocators for National Grid.

13

14 **Q. Does the Company agree with Staff's adjustment?**

15 A. No. The Company believes that the rationale behind Staff's adjustment is
16 too narrowly focused and fails to recognize the continuing demands of this
17 type of work. While the costs for developing the new cost allocators may
18 not recur, that does not mean that other cost allocation work would not
19 exist and require the use of PA Consulting or other consultants in the Rate
20 Year. PA Consulting's work in the Historic Test Year involved not only
21 developing the new cost allocators, but also coordinating the new

Rebuttal Testimony of the Revenue Requirements Panel

1 allocators with the design and implementation of the US Foundation
2 Project, as well as assisting in the development of a cost allocation
3 manual. It is entirely reasonable to expect that similar cost allocation
4 work will occur in the Rate Year once the US Foundation Project is
5 implemented. As an example, the Staff Accounting Panel recommends, at
6 page 101, that the Company perform an analysis in the Rate Year of the
7 impacts of the new cost allocators, and test the transactions to ensure they
8 are properly documented and allocated. The Company would most likely
9 use a consultant such as PA Consulting to perform this kind of work. In
10 addition, the Company anticipates using PA Consulting or other
11 consultants to revise and refine the cost allocation manual. For these and
12 other similar activities expected to occur in the Rate Year, the Company
13 would use a consultant such as PA Consulting. Staff’s adjustment
14 therefore should not be adopted.

15

16 **B. Other Expense**

17 1. Industry Association Dues

18 **Q. Please discuss Staff’s proposal to disallow costs associated with**
19 **membership in the American Gas Association (“AGA”), Edison**
20 **Electric Institute (“EEI”), and the Northeast Gas Association**
21 **(“NGA”).**

Rebuttal Testimony of the Revenue Requirements Panel

1 A. Staff proposes to disallow 50 percent of the Company’s annual AGA, EEI,
2 and NGA membership dues. Staff’s adjustment would lower total other
3 expense by \$0.324 million (\$0.213 million for electric and \$0.111 million
4 for gas).

5

6 **Q. What is the basis for Staff’s proposal?**

7 A. Staff claims that “it is not clear” from the documentation submitted by the
8 Company “what percentage of dues is related to lobbying” (Staff
9 Accounting Panel at 26) and that a 50 percent disallowance is consistent
10 with Commission precedent.

11

12 **Q. Does the Company agree with Staff’s assertion?**

13 A. No. In response to IRs DPS-505 (DAG-87) and DPS-440 (DAG-56)
14 (Supplemental), the Company provided invoices and documentation
15 supporting its annual AGA, EEI, and NGA membership dues. The
16 invoices clearly set forth the percentage of AGA and EEI dues associated
17 with lobbying activities. For example, the AGA invoice estimates that
18 seven percent of the annual dues are lobbying related. The EEI invoice
19 estimates that 21 percent of the annual dues and 35 percent of the dues for
20 membership in the issues section of the EEI are lobbying related. The
21 dues included in the Company’s revenue requirements were reduced by

Rebuttal Testimony of the Revenue Requirements Panel

1 these percentages. Staff simply disregards this information in proposing
2 its adjustment. With respect to NGA, the invoice does not indicate that
3 any portion of annual dues is related to lobbying. This is because the
4 NGA’s primary focus is on education and training, technology research
5 and development, and operations and planning for the gas industry. It is
6 the Company’s position that 100 percent of NGA dues are properly
7 included in the gas revenue requirement.

8

9 **Q. Is the Commission precedent cited by Staff applicable?**

10 A. No. In the cases cited by Staff, Niagara Mohawk failed to provide the
11 percentage of costs related to lobbying activities and therefore the
12 Commission allowed only 50 percent of dues in rates. That is not the case
13 here, as the Company has specifically quantified the percentages of
14 association dues related to lobbying.

15

16 **Q. Does membership in the AGA, EEI, and NGA provide benefits to
17 Niagara Mohawk’s customers?**

18 A. Yes. The AGA, EEI, and NGA are three of the leading organizations in
19 the electric and gas industries. Its members include major utilities in the
20 United States. The goal of these organizations is to assist its members in
21 providing safe, reliable, and cost effective service to its customers.

Rebuttal Testimony of the Revenue Requirements Panel

1 Membership in these organizations provides Niagara Mohawk with,
2 among other things: (i) the ability to share information and ideas with
3 other utilities to develop best practices; (ii) conferences and workshops on
4 cutting edge issues in the electric and gas industries; and (iii) access to
5 research materials and publications, many of which are utilized by Staff
6 and cited in Commission orders and reports. The exchange of information
7 and resources available from these organizations help the Company to
8 provide more reliable, safe, and cost effective service to its electric and
9 gas customers.

10

11 **Q. Please provide specific examples of benefits to customers from**
12 **Niagara Mohawk’s membership in these organizations.**

13 A. The AGA sponsors regular workshops on current issues in the gas
14 industry, such as the Sam Bruno incident, and collects data from member
15 utilities, such as, insurance surveys that are beneficial in negotiating
16 advantageous insurance coverage, premiums and deductibles. The AGA
17 also holds rate seminars where members are able to learn about programs
18 undertaken by other gas utilities that benefit customers. The EEI provides
19 similar workshops, research and collaborative opportunities for the electric
20 industry. In addition, the EEI Mutual Assistance Program provides
21 member utilities with access to mutual assistance during storm events to

Rebuttal Testimony of the Revenue Requirements Panel

1 assist with the timely restoration of customers. The NGA is primarily
2 devoted to providing education and training on a variety of topics
3 applicable to the gas industry in the Northeast. For example, the NGA
4 provides courses for gas workers to obtain required certifications in the
5 Operator Qualification Program and Pipeline Joining Qualification
6 Program, to name a few of the courses available. These training and
7 education programs help ensure that the Company's gas employees are up
8 to date on the latest safety and technological innovations in the gas
9 industry.

10

11 **Q. Please summarize why Staff's proposed adjustment should not be**
12 **adopted.**

13 A. Niagara Mohawk has fully supported the level of dues expense and, more
14 particularly, omitted from its revenue requirements the portion of the dues
15 that relate to lobbying. The AGA, EEI, and NGA provide significant
16 benefits to customers, and the Rate Year costs, as already adjusted by the
17 Company, are reasonable and proper.

18

19 **Q. If the Commission were to adopt Staff's proposal, should Staff's**
20 **adjustment be recalculated?**

21 A. Yes. Staff's adjustment overlooks that the Company already removed

Rebuttal Testimony of the Revenue Requirements Panel

1 from its revenue requirements the percentages related to lobbying
2 identified in the invoices. Thus, if the Commission were to adopt a 50
3 percent disallowance of the annual dues expense for these three
4 organizations notwithstanding the Company's evidence that they are
5 prudent expenses, the revenue requirement adjustment must equal 50
6 percent of the total annual dues contained in the invoices less the amount
7 the Company already removed for lobbying costs.

8

9 2. Normalizing Adjustments

10 **Q. Staff proposes four normalizing adjustments to the Company's**
11 **forecast of other O&M expense. Does the Company agree with these**
12 **adjustments?**

13 A. The Company agrees with three of the four adjustments. The Company
14 disagrees with the adjustment relating to costs identified in journal entry
15 PAFY11RES.

16

17 **Q. What is the basis for Staff's adjustment to the costs reflected in**
18 **journal entry PAFY11RES?**

19 A. Staff states that the Company has provided no explanation to indicate that
20 these costs are recurring or relate to the Historic Test Year. Staff's
21 adjustment reduces other expense by \$1.484 million (\$1.120 million for

Rebuttal Testimony of the Revenue Requirements Panel

1 electric and \$0.364 million for gas).

2

3 **Q. Why does the Company disagree with this adjustment?**

4 A. As part of the Company's normal business practice, it incurs charges to
5 expense from capital work orders that will not be completed. To account
6 for this, the Company has established a reserve that is updated
7 periodically. Journal entry PAFY11RES reflects one of the periodic
8 updates made to the reserve in the Historic Test Year. Because the
9 Company will continue to incur costs in the Rate Year related to capital
10 work orders that will not be completed, this is a recurring expense and
11 thus the charges are appropriate to include in the revenue requirements.

12

13 **Q. If the Commission were to adopt Staff's position that these costs
14 should be normalized as non-recurring, would additional normalizing
15 adjustments be required?**

16 A. Yes. In addition to journal entry PAFY11RES, there are other journal
17 entries both increasing and decreasing the reserve that net to a credit to
18 expense of approximately \$0.500 million in the Historic Test Year. These
19 journal entries are reflected in a work order set up for the reserve and are
20 shown in Exhibit ___ (RRP-3R). Although the Company does not believe
21 that these costs should be normalized, if the Commission were to agree

Rebuttal Testimony of the Revenue Requirements Panel

1 with Staff's position, all of the associated journal entries in the work order
2 should be normalized as well, which would result in an increase to the
3 Company's electric revenue requirement of \$0.848 million before inflation
4 and a decrease to the Company's gas revenue requirement of \$0.349
5 million before inflation.

6

7 3. Other Expense Corrections

8 **Q. Has the Company identified a correction to the other expense**
9 **forecast?**

10 A. Yes. In IR DPS-440 (DAG-56) (Supplemental), the Company identified
11 two charges that should have been allocated differently. This adjustment
12 was not addressed in Staff's testimony or exhibits. The adjustment results
13 in a net increase to other expense of \$0.007 million (\$0.013 million
14 increase to electric and a \$0.006 million decrease to gas).

15

16 **C. Rent Expense**

17 1. Reservoir Woods

18 **Q. Please describe Staff's adjustment to rent expense for the Reservoir**
19 **Woods office building.**

20 A. Staff proposes a disallowance of \$1.630 million (\$1.585 million for
21 electric and \$0.045 million for gas) of rent expense associated with the

Rebuttal Testimony of the Revenue Requirements Panel

1 Reservoir Woods facility. Staff calculates its disallowance by applying a
2 version of a bill pool that is incorrect. Despite the Company having
3 informed it of the error, Staff applies the bill pool to lower Niagara
4 Mohawk's costs.

5

6 **Q. Does the Company agree with Staff's adjustment?**

7 A. No. The Commission should not set rates based on a known error. Staff's
8 attempt to capitalize on an error acknowledged and corrected by the
9 Company is not appropriate. The Company provided the most current
10 information available for Reservoir Woods in its initial filing. While
11 subsequently the Company inadvertently provided incorrect information in
12 an IR response to Staff, it acknowledged that error and provided correct
13 information in a later, timely IR response. The correct version of the bill
14 pool should be used to allocate this expense.

15

16 **Q. Please describe how the Company developed the forecast of rent
17 expense for Reservoir Woods in its initial filing.**

18 A. The allocation of Rate Year rent expense for the Reservoir Woods office
19 building is based on bill pool 00603. The approved methodology for this
20 bill pool allocates costs based on square footage data, the functional areas
21 that occupy the space, and how employees in those areas allocate their

Rebuttal Testimony of the Revenue Requirements Panel

1 time. The Commission set the rate allowance for Reservoir Woods rent
2 expense based on this methodology in the 2010 Electric Rate Case.

3

4 **Q. Did the Company review bill pool 00603 prior to its initial filing?**

5 A. Yes. As the Company explained in its response to IR DPS-490 (GRL-32),
6 at the time of its initial filing in April 2012, bill pool 00603 contained the
7 most current information available to forecast Reservoir Woods rent
8 expense and used the approved methodology. The bill pool methodology
9 was reviewed by PA Consulting prior to the initial filing as part of the
10 Company's review of its cost allocation practices, which is described in
11 the direct testimony of the Service Company Panel. The bill pool
12 allocated rent expense to Niagara Mohawk of 32.016 percent for electric
13 and 3.993 percent for gas and these percentages were used to calculate the
14 rent expense in the Rate Year.

15

16 **Q. Did the Company provide further information regarding bill pool**
17 **00603 in discovery?**

18 A. Yes. In IR DPS-52 (DAG-5), Staff requested general information relating
19 to the Company's bill pools. In its May 2012 response to that IR, the
20 Company inadvertently provided an incorrect revision to bill pool 00603
21 that had been updated without the Panel's knowledge. Although the bill

Rebuttal Testimony of the Revenue Requirements Panel

1 pool had been incorrectly updated subsequent to the Company's April
2 2012 filing, the revision had been dated as effective April 1, 2012. As
3 discussed below, the Company realized its error in reviewing subsequent
4 discovery requests from Staff.

5

6 **Q. When did the Company advise Staff that IR DPS-52 (DAG-5)**
7 **contained an incorrect update to bill pool 00603?**

8 A. In IR DPS-443 (CAS-18), Staff correctly pointed out that bill pool 00603
9 should be updated to reflect the effects of US Restructuring. On July 30,
10 2012, the Panel responded that an analysis was required to update the
11 allocation of Reservoir Woods rent expense to Niagara Mohawk to reflect
12 the effects of US Restructuring.

13

14 After responding to IR DPS-443 (CAS-18), the Panel began the analysis to
15 update the bill pool. In the course of preparing that analysis, the Panel
16 discovered that, following the Company's filing, the bill pool had been
17 updated in a manner that did not follow the methodology approved by the
18 Commission in the 2010 Electric Rate Case for allocation of the Reservoir
19 Woods rent expense.

20

21 While it was still performing the bill pool analysis, the Company received

Rebuttal Testimony of the Revenue Requirements Panel

1 IR DPS-490 (GRL-32), which pointed out the incorrect revision to bill
2 pool 00603 that had been provided in response to IR DPS-52 (DAG-5) and
3 asked whether the revenue requirements should be reduced in accordance
4 with that revision. In its August 10, 2012 response to IR DPS-490 (GRL-
5 32), the Company identified the error, explained that the revenue
6 requirements should not be set based on that error, and provided the
7 correct allocation updated to reflect the effects of US Restructuring, along
8 with the calculation and supporting details to properly adjust the revenue
9 requirements to reflect the correct allocation for Reservoir Woods.

10

11 **Q. What were the results of the updated analysis?**

12 A. The updated analysis, which was performed in accordance with the
13 approved methodology that was used to set the rate allowance for
14 Reservoir Woods in the 2010 Electric Rate Case and reflects post US
15 Restructuring staffing levels, demonstrates that the appropriate allocation
16 of Reservoir Woods costs to Niagara Mohawk is 25.912 percent for
17 electric and 5.815 percent for gas. The updated calculation reduces the
18 Company's total revenue requirements by \$0.802 million.

19

20 **Q. Does Staff maintain that the updated bill pool calculation provided in**
21 **response to IR DPS-490 (GRL-32) is inaccurate?**

Rebuttal Testimony of the Revenue Requirements Panel

1 A. No. Staff merely asserts that the updated calculation is “suspect.” (Staff
2 Accounting Panel at 43). Staff questions how the Company could provide
3 an analysis in response to IR DPS-490 (GRL-32) when only 11 days
4 before it had responded in IR DPS-443 (CAS-18) that the analysis was not
5 yet complete. The Company, in an effort to be responsive to Staff and to
6 arrive at the correct bill pool calculation, began the analysis immediately
7 after responding to IR DPS-443 (CAS-18) and thus was able to complete it
8 for a timely response to IR DPS-490 (GRL-32). Staff’s characterization of
9 the facts implies improper motive on behalf of the Company and this is
10 unfair and unwarranted in light of the explanations provided by the
11 Company. Staff offers no evidence, analysis, or supporting rationale why
12 the correct version of the bill pool should not be used.

13

14 **Q. What is the Company’s recommendation to the Commission for**
15 **Reservoir Woods rent expense?**

16 A. The Company maintains that the updated bill pool provided in response to
17 IR DPS-490 (GRL-32) is correct and Staff does not say otherwise. The
18 updated bill pool allocates the Reservoir Woods rent expense consistent
19 with the method approved by the Commission in the 2010 Electric Rate
20 Case and should be used to establish the rate allowance in these
21 proceedings. Exhibit ___ (RRP-4R) contains the journal entry that

Rebuttal Testimony of the Revenue Requirements Panel

1 corrects the earlier, incorrect version of bill pool 00603 and demonstrates
2 that the Company is allocating the costs of Reservoir Woods based on the
3 updated bill pool calculation. It should be noted that the bill pool
4 percentages reflected in Exhibit ___ (RRP-4R) are slightly different from
5 the percentages provided in IR DPS-490 (GRL-32), Attachment 1. The
6 calculation of the percentages provided in Attachment 1 incorporated the
7 impacts of the bill pool allocation analysis for the Rate Year, as set forth
8 in Exhibit ___ (RRP-3), Schedule 51 and described in the Service
9 Company Panel’s direct testimony, while the calculations of the
10 percentages in Exhibit ___ (RRP-4R) reflect the current bill pool
11 allocations.

12
13 The Company acknowledges that it made a mistake, but it acknowledged
14 its mistake and provided Staff with an updated analysis of bill pool 00603
15 that correctly reflected the effects of US Restructuring. Staff’s proposed
16 allocation is incorrect and does not reflect the methodology that the
17 Commission adopted previously to set the rate allowance for Reservoir
18 Woods rent expense. Staff offers no evidence to demonstrate that the bill
19 pool calculation is incorrect or unreasonable, that it fails to properly
20 account for the impact of US Restructuring, or that it inaccurately
21 allocates costs to Niagara Mohawk. Accordingly, Staff’s proposed

Rebuttal Testimony of the Revenue Requirements Panel

1 disallowance should be rejected.

2

3 **Q. Please explain the adjustment that needs to be made to the Rate Year**
4 **forecast to reflect the updated bill pool 00603 calculation.**

5 As provided in response to IR DPS-490 (GRL-32), the Company
6 calculated the adjustment by applying the updated percentages of 25.912
7 percent for electric and 5.815 percent for gas to the total Reservoir Woods
8 base amount of \$18.747 million. This base amount includes \$4.9 million
9 of Reservoir Woods leasehold improvements, which is comprised of
10 annual amortization expense plus the service company return. Because
11 Staff has reflected the change in the Reservoir Woods leasehold
12 improvements balance allocated to Niagara Mohawk in its service
13 company return calculation (Exhibit ___ (SAP-4), page 3), it would be a
14 double count to include the service company return in the Reservoir
15 Woods base amount. Accordingly, the Company has recalculated the
16 impact of the updated bill pool to exclude the service company return from
17 the Reservoir Woods base amount. The updated calculation, which is
18 provided in Exhibit ___ (RRP-5R), decreases Rate Year rent expense by
19 \$0.701 million (\$0.999 million decrease to electric and a \$0.298 million
20 increase to gas).

21

Rebuttal Testimony of the Revenue Requirements Panel

1 2. Service Company Return on Assets

2 **Q. Please explain Staff's adjustment to the service company return on**
3 **assets.**

4 A. Staff recommends an 8.626 percent service company return instead of the
5 9.757 percent return proposed by the Company. Staff also recommends
6 adjusting the total service company base, to which the return is applied, to
7 account for its proposed adjustment to the allocation percentages for
8 Reservoir Woods. The result is a reduction of Rate Year rent expense of
9 \$1.850 million (\$1.562 million for electric and \$0.288 million for gas).

10

11 **Q. Has the Company revised the service company return?**

12 A. Yes. The Company has revised the pre-tax WACC component of the
13 service company return on asset rate to reflect the updated ROE calculated
14 by Company Witness Hevert. This revision results in a service company
15 return of 9.502 percent. No other changes were made to the calculation.

16

17 **Q. Does the Company agree with Staff's adjustment to the service**
18 **company base?**

19 A. No. The service company base should reflect the correct version of the
20 bill pool that allocates Reservoir Woods rent expense to Niagara Mohawk
21 in percentages of 25.912 percent for electric and 5.815 percent for gas, as

Rebuttal Testimony of the Revenue Requirements Panel

1 explained above, and not the percentages contained in the incorrect
2 version of bill pool 00603 that Staff proposes to utilize.

3

4 **Q. What is the Company's proposed adjustment?**

5 A. The Company has applied the revised service company return on asset rate
6 of 9.502 percent to the service company base, adjusted for Reservoir
7 Woods, to calculate the return portion of the rent expense forecast. The
8 Company's calculation results in a \$0.388 million decrease (\$0.383
9 million for electric and \$0.005 million for gas) in Rate Year rent expense,
10 as shown in Exhibit ___ (RRP-6R).

11

12 **Q. If the Commission were to agree with Staff's allocation percentages**
13 **for Reservoir Woods and set rates based on a known error, is a**
14 **correction required to Staff's calculation of the Reservoir Woods costs**
15 **to be included in the service company base?**

16 A. Yes. As shown in Exhibit ___ (SAP-4), page 3, Staff's adjustment
17 removes the total amount of the Reservoir Woods leasehold improvements
18 balance allocated to Niagara Mohawk. The amount that should be
19 removed, however, is the difference between the Company's and Staff's
20 proposed balance allocated to Niagara Mohawk. This correction would
21 revise Staff's adjustment to the service company return on assets from

Rebuttal Testimony of the Revenue Requirements Panel

1 \$1.850 million to \$1.458 million (\$1.244 million for electric and \$0.214
2 million for gas). Staff agreed to this correction in IR NMPC-43 (RRP-5).

3

4 3. Rent Expense Corrections

5 **Q. Has the Company identified corrections to the rent expense forecast?**

6 A. Yes. The Company has identified two corrections. In IR DPS-499 (DAG-
7 83), the Company agreed that an adjustment should be made to reflect the
8 renegotiation of the Glens Falls lease agreement. This adjustment was not
9 reflected in Staff's testimony or exhibits. The net adjustment is a \$0.234
10 million increase (\$0.195 million for electric and \$0.038 million for gas) to
11 the Rate Year electric and gas revenue requirements. This adjustment is
12 comprised of three components: (i) an increase to rent expense of \$0.287
13 million (\$0.238 million for electric and \$0.049 million for gas); (ii) a
14 decrease to other expense of \$0.032 million (\$0.026 million for electric
15 and \$0.006 million for gas); and (iii) a decrease to property tax expense of
16 \$0.021 million (\$0.016 million for electric and \$0.005 million for gas).

17

18 **Q. What is the second correction?**

19 A. The second correction adjusts for a spreadsheet error in Exhibit ____ (RRP-
20 3CU), Schedule 8. As shown in Exhibit ____ (RRP-7R), the last five rows
21 on Workpaper 13 were inadvertently excluded from the total IS rent

Rebuttal Testimony of the Revenue Requirements Panel

1 expense calculation. The correction results in a Rate Year rent expense
2 increase of \$0.083 million (\$0.068 million for electric and \$0.015 million
3 for gas).

4

5 **D. Labor Expense**

6 **Q. Please summarize Staff's adjustments to labor expense.**

7 A. Staff makes six adjustments that decrease the Company's labor expense
8 forecast by \$14.407 million (\$12.028 million for electric and \$2.379
9 million for gas). Company Witness Maureen P. Heaphy responds to
10 Staff's management pay adjustments. This Panel discusses Staff's labor
11 capitalization and variable pay adjustments, and identifies a revision to the
12 Rate Year labor forecast.

13

14 1. **Labor Capitalization Rate**

15 **Q. Please explain how the Company developed its labor expense forecast.**

16 A. The Company's Rate Year labor expense forecast follows Historic Test
17 Year accounting. For example, labor charges from the Provider
18 Companies (National Grid USA Service Company, the KeySpan Service
19 Companies, and Niagara Mohawk) were allocated to Niagara Mohawk
20 based on the same ratio as they were charged to Niagara Mohawk in the
21 Historic Test Year. Similarly, to determine the labor capitalization rate,

Rebuttal Testimony of the Revenue Requirements Panel

1 the factor that determines how much of the Rate Year labor costs are
2 expensed and how much are capitalized, the Company used the Historic
3 Test Year expense to capital ratio.

4

5 **Q. What adjustment does Staff propose to the labor capitalization rate?**

6 A. Staff proposes utilizing the labor capitalization rate for the 12 months
7 ended July 31, 2012, which is 38.1 percent, instead of the actual Historic
8 Test Year labor capitalization rate of 36.0 percent used by the Company to
9 develop the Rate Year labor forecast. This change results in a reduction to
10 labor expense of \$7.297 million (\$6.056 million for electric and \$1.241
11 million for gas).

12

13 **Q. How did Staff calculate the adjustment?**

14 A. Staff applied the labor capitalization rate for the 12 months ended July 31,
15 2012, to the Company's Rate Year labor costs, which were forecast based
16 on labor costs in the Historic Test Year.

17

18 **Q. What is the basis for Staff's recommendation?**

19 A. Staff maintains that the capitalization rate for the 12 months ended July
20 31, 2012 provides a "better estimate" of Rate Year activity because it is
21 based on a more recent period than the Company's rate. (Staff

Rebuttal Testimony of the Revenue Requirements Panel

1 Accounting Panel at 51).

2

3 **Q. Does the Company agree?**

4 A. No. Staff's adjustment ignores how the Company forecast its Rate Year
5 labor expense and updates only one element of the forecast while
6 disregarding changes in other elements that also impact this expense.

7

8 **Q. Has the Commission already determined that Staff's methodology is**
9 **improper because it understates the Company's Rate Year labor**
10 **expense?**

11 A. Yes. In the 2010 Electric Rate Case, Staff proposed an identical
12 adjustment, which the Commission rejected. The Commission stated that
13 updating only one element of the labor forecast is improper as it results "in
14 an improper understatement of the rate year expense." (Order at 44).

15

16 **Q. Has the Company reflected the capitalization rate differently from the**
17 **last case?**

18 A. No. The Company followed the same methodology that was adopted by
19 the Commission to set rates in the 2010 Electric Rate Case.

20

21 **Q. What is Staff's rationale for proposing the same adjustment in these**

Rebuttal Testimony of the Revenue Requirements Panel

1 **proceedings?**

2 A. Staff attempts to distinguish the present case from the 2010 Electric Rate
3 Case on the basis that in the last case total labor costs were increasing,
4 whereas in this case, labor costs are trending downward. As a result, Staff
5 contends that the “facts and circumstances are the opposite” and warrant
6 updating the labor capitalization rate. (Staff Accounting Panel at 54).

7

8 **Q. What evidence does Staff cite to support its statement that Niagara**
9 **Mohawk’s total labor costs are trending downward?**

10 A. Staff performed an analysis that is discussed at pages 54-55 of the Staff
11 Accounting Panel’s testimony. The analysis begins with Staff’s
12 assumption that Niagara Mohawk’s Rate Year labor expense forecast is
13 \$233.818 million. Staff takes the Niagara Mohawk labor charged to
14 expense for the 12 months ended July 31, 2012, which is \$214.473
15 million, and applies a five percent growth factor (to approximate wage
16 increases) to arrive at a \$225.196 million forecast of Rate Year labor
17 expense. Comparing the July 2012 forecast of \$225.196 million to what
18 Staff assumes is the Company’s Rate Year forecast of \$233.818 million
19 shows a difference of \$8.621 million. Based on this analysis, Staff claims
20 that Niagara Mohawk’s Rate Year labor expense is declining and that the
21 Company’s forecast is “clearly” overstated and that its adjustment of

Rebuttal Testimony of the Revenue Requirements Panel

1 \$7.297 million is therefore proper and, in fact, “conservative.” (Staff
2 Accounting Panel at 55).

3

4 **Q. Does the Company have any comments about Staff’s analysis?**

5 A. Yes. The analysis is flawed for two reasons. First, Staff’s conclusion is
6 premised on the assumption that Niagara Mohawk’s Rate Year labor
7 expense forecast is \$233.818 million. However, this assumption is not
8 correct. As shown on page 5 of Exhibit ___ (RRP-3CU), Schedule 31,
9 this is a pre-normalized number that does not reflect the adjustments the
10 Company made to remove labor costs associated with energy efficiency,
11 deferrable major storms, severance pay, and out-of-period costs. The
12 actual Rate Year labor expense forecast that is included in the Company’s
13 revenue requirements is \$208.020 million, as shown on page 2 of Exhibit
14 ___ (RRP-3CU), Schedule 31. Second, the same flaw exists in Staff’s
15 calculation of the labor expense forecast for the 12 months ended July 31,
16 2012. The \$214.473 million that Staff utilizes has not been normalized to
17 reflect the adjustments mentioned above. As the table below shows, when
18 Staff’s July 31, 2012 labor forecast is normalized for these same
19 adjustments and the five percent growth factor is applied, the result is a
20 labor expense forecast of \$204.518 for the 12 months ended July 31, 2012,
21 or a net difference of only \$3.502 million when compared to the

Rebuttal Testimony of the Revenue Requirements Panel

1 Company's forecast based on the Historic Test Year.

2

3

Table 1 – Forecast of Rate Year Labor Expense

	Using Labor Year Ending July 31, 2012	Company's C&U Filing Rate Year Labor
Labor Expense	214.472	233.818
Normalization Adjustments		
Remove Severance Pay	-8.772	-12.808
Remove Energy Efficiency	-1.217	-2.128
Remove Incremental Major Storms	-7.628	-8.440
Historic Test Year Variable Pay Adjustment	-0.958	-1.169
Total Normalizations	-18.576	-24.545
Total Adjusted Expense	195.897	209.273
Less Non-operating Expense	-1.119	-1.253
Total Operating Expense	194.779	208.020
Inflation Rate	5.0%	
Rate Year Labor Expense	204.518	208.020
Difference	-\$3.502	

4

5 **Q. Does the Company have any additional comments about Staff's**
6 **analysis?**

7 A. Only that Staff's \$7.297 million adjustment can hardly be considered
8 conservative in light of the \$3.502 million difference between the
9 Company's Rate Year forecast and Staff's forecast when it is properly
10 normalized.

11

12 **Q. Does the Company agree with Staff's claim that the labor**

Rebuttal Testimony of the Revenue Requirements Panel

1 **capitalization rate should be updated because labor expense is**
2 **trending downward based on July 2012 data?**

3 A. No. The Company based its labor forecast on Historic Test Year data.
4 Similar to Staff’s proposal in the Company’s last rate case, Staff is
5 proposing to update only one element of the forecast (*i.e.*, the labor
6 capitalization rate) while ignoring other costs that impact labor expense
7 and which have changed since the end of the Historic Test Year. This is
8 precisely the concern the Commission identified in its Order in the 2010
9 Electric Rate Case.

10

11 **Q. Please elaborate.**

12 A. Although labor expense has decreased, Staff overlooks the impact of
13 contractor and consultant expenses on labor expense. Because of the
14 elimination of positions as a result of US Restructuring, the Company has
15 supplemented labor with contractors and consultants. Therefore, these
16 costs need to be factored into the analysis. As Exhibit ___ (RRP-8R)
17 shows, normalized contractor and consultant costs have increased in the
18 12 month period ended July 31, 2012 as compared to contractor and
19 consultant costs in the Historic Test Year. The exhibit shows that
20 contractor and consultant costs, normalized for the same adjustments made
21 to labor described above have increased by \$19.129 million from the end

Rebuttal Testimony of the Revenue Requirements Panel

1 of the Historic Test Year to July 31, 2012. At the same time, the forecast
2 Rate Year has decreased by \$3.502 million once Staff's forecast is
3 properly normalized.

4

5 **Q. Is Staff proposing to update contractor and consultant costs based on**
6 **this recent data?**

7 A. No.

8

9 **Q. Is Staff proposing to update any other element of the labor forecast**
10 **based on more recent information to provide a "better estimate" of**
11 **Rate Year activity?**

12 A. No.

13

14 **Q. What is the impact on labor related expenses if the increase in**
15 **contractor and consultant costs is taken into account?**

16 A. Factoring in the increase in contractor and consultant costs, labor related
17 expenses for the 12 months ended July 2012 would be \$15.627 million
18 higher than the Company's Rate Year forecast. This demonstrates two
19 things. First, it demonstrates the reasonableness of the Company's
20 forecast and the inappropriateness of Staff's adjustment. Second, it
21 demonstrates that the facts and circumstances here are similar to those in

Rebuttal Testimony of the Revenue Requirements Panel

1 the 2010 Electric Rate Case and warrant the same result.

2

3 **Q. Please summarize the Company's position regarding the labor**
4 **capitalization rate that the Commission should adopt in these**
5 **proceedings.**

6 A. The Company believes that the labor capitalization rate as of December
7 31, 2011 is the most accurate rate. This rate is based on the historical
8 information and is consistent with other elements of the labor forecast,
9 which are also based on the historical information and accounting. Using
10 the labor capitalization rate based on July 2012 data is inconsistent with
11 how the Company forecast labor expense, selectively updates for only one
12 element of the forecast while overlooking related cost elements that
13 impact labor expense, and serves no purpose other than to lower the
14 Company's labor expense forecast. In sum, the Commission should adopt
15 the Company's methodology, as it did in the 2010 Electric Rate Case, and
16 reject Staff's adjustment.

17

18 **Q. Does the Company have any additional comments?**

19 A. Yes. If the Commission were to adopt Staff's adjustment and update the
20 labor capitalization rate, then the Commission should also update the
21 Company's contractor and consultant expenses, which would result in a

Rebuttal Testimony of the Revenue Requirements Panel

1 \$19.129 million increase in the revenue requirements (\$18.217 million for
2 electric and \$0.912 million for gas). It would be inconsistent and
3 inappropriate to adjust only one element of the labor forecast while not
4 adjusting for other cost elements that directly affect labor expense.

5

6 2. Variable Pay Capitalized

7 **Q. Staff proposes allocating Rate Year variable pay between expense and**
8 **capital using the same percentages as base pay is allocated in the Rate**
9 **Year. Does the Company agree with this proposal?**

10 A. Yes. The Company agrees that Rate Year variable pay should be allocated
11 between expense and capital using the same percentages as base pay is
12 allocated in the Rate Year. However, the Company maintains that its
13 labor capitalization rate for the Rate Year should be used.

14

15 **Q. If the Commission were to agree with Staff's proposal to forecast**
16 **variable pay based on Staff's proposed labor capitalization rate, is a**
17 **correction to Staff's adjustment required?**

18 A. Yes. Based on the Company's understanding of Staff's testimony, it
19 appears that Staff's intent was to utilize the updated July 2012 labor
20 capitalization rate to forecast Rate Year variable pay expense. However,
21 Staff's workpapers indicate that the adjustment reflects an allocation of

Rebuttal Testimony of the Revenue Requirements Panel

1 variable pay between expense and capital based on the Historic Test Year.
2 While the Company disagrees with this adjustment, Exhibit ___ (RRP-
3 8R), page 8, shows that \$0.310 million (\$0.257 million for electric and
4 \$0.053 million for gas) would need to be added to Staff's adjustment to
5 account for the application of the July 2012 labor capitalization rate, if that
6 was indeed Staff's intent. This would result in a \$4.446 million (not
7 \$4.137 million) overall reduction in the Company's forecast variable pay
8 expense (\$3.691 million for electric and \$0.755 million for gas) in the
9 event that the Commission adopts Staff's proposed labor capitalization
10 rate.

11

12 3. Other Labor Adjustments

13 **Q. Does the Company agree with Staff's adjustment to remove one full**
14 **time equivalent associated with US Restructuring from the labor**
15 **forecast?**

16 A. Yes. This adjustment is made in accordance with IR DPS-395 (DAG-50)
17 and results in a \$0.051 million reduction in the Rate Year forecast (\$0.043
18 million for electric and \$0.008 million for gas). The Company also made
19 corresponding adjustments to fringe benefits expense and payroll taxes.

20

21 **Q. Has the Company revised its Rate Year labor forecast?**

Rebuttal Testimony of the Revenue Requirements Panel

1 A. Yes. In IR DPS-194 (RMD-18) (August and September 2012), the
2 Company identified two management vacancies that will not be filled and
3 should be removed from the labor forecast. The Company has made an
4 adjustment to remove labor expense, fringe benefits expense, and payroll
5 taxes for these two positions, as shown in Exhibit ____ (RRP-9R).

6
7 **E. Fringe Benefits Expense**

8 **Q. Did Staff make any adjustments to fringe benefits expense?**

9 A. Yes. Staff proposes utilizing the fringe benefits capitalization rate for the
10 12 months ended July 31, 2012, which is 40.78 percent, instead of the
11 actual Historic Test Year fringe benefits capitalization rate of 38.66
12 percent used by the Company to forecast fringe benefits expense. This
13 results in a \$3.787 million decrease (\$3.143 million for electric and \$0.644
14 million for gas) to the Company's total Rate Year fringe benefits expense
15 (health care, workers compensation, thrift plan, FAS 112 post-
16 employment, group life insurance, pension, and other post employment
17 benefits).

18
19 **Q. Does the Company agree with Staff's adjustment?**

20 A. No. For the reasons discussed above in the labor capitalization rate
21 section of this testimony, the Commission should adopt the Company's

Rebuttal Testimony of the Revenue Requirements Panel

1 methodology of using the actual Historic Test Year fringe benefits
2 capitalization rate, as it did in the 2010 Electric Rate Case.

3

4 **F. Transportation Expense**

5 1. Motor Fuel Expense

6 **Q. Is the Company updating the forecast of motor fuel expense and, if so,
7 what is the impact of the update?**

8 A. Yes. Consistent with the treatment of this expense in the 2010 Electric
9 Rate Case, the Company has updated the forecast based on the fuel prices
10 as of August 31, 2012. The updated forecast reflects an increase of \$0.692
11 million for electric and \$0.158 million for gas in the Rate Year. Exhibit
12 ___ (RRP-10R) presents the updated motor fuel calculations.

13

14 **Q. Does the Company agree to update the forecast prior to the
15 Commission's Order in these proceedings?**

16 A. Yes.

17

18 2. Transportation Expense Correction

19 **Q. Has the Company identified a correction to the transportation
20 expense forecast?**

21 A. Yes. In IR DPS-482 (DAG-74), the Company identified a correction to

Rebuttal Testimony of the Revenue Requirements Panel

1 the Rate Year inflation calculation. This adjustment is not contained in
2 Staff's testimony or exhibits. The adjustment decreases Rate Year
3 transportation expense by \$0.051 million (\$0.042 million for electric and
4 \$0.009 million for gas), as shown in Exhibit ____ (RRP-10R).

5

6 **G. Other Initiatives**

7

1. IS Transformation

8

Q. Please explain Staff's adjustment to the Company's IS

9

Transformation initiative.

10

A. Staff reduces the Rate Year forecast by \$0.886 million (\$0.757 million for
11 electric and \$0.129 million for gas) based on IR DPS-488 (DAG-80).

12

13

Q. Has Staff revised its proposed adjustment?

14

A. Yes. In IR NMPC-35 (RRP-4), Staff agreed that the Rate Year adjustment
15 should be a decrease of \$0.757 million (\$0.628 million for electric and
16 \$0.129 million).

17

18

Q. Does the Company agree with this adjustment as revised?

19

A. Yes.

20

21

Rebuttal Testimony of the Revenue Requirements Panel

1 2. Alternative Fuel Vehicles (“AFV”) Grants

2 **Q The Staff AFV Panel did not support the Company’s proposal for an**
3 **annual allowance of \$1.7 million in base rates (\$0.200 million for**
4 **electric and \$1.500 million for gas) to fund an AFV program. Please**
5 **comment on Staff’s proposal.**

6 A. As explained in the rebuttal testimony of the Shared Services and
7 Customer Panel, the Company is not pursuing the AFV program in these
8 proceedings. Accordingly, Exhibit ___ (RRP-1R) reflects the removal of
9 these costs from the Company’s revenue requirements.

10

11 3. Transmission Footer Inspection and Repair Program

12 **Q. Did the Company make an adjustment to its electric revenue**
13 **requirement to remove the costs associated with the transmission**
14 **footer inspection and repair program?**

15 A. Yes. As discussed in the Company’s Electric Infrastructure and
16 Operations Panel’s testimony, the Company removed \$1.000 million in
17 costs associated with this program. The adjustment is reflected in Exhibit
18 ___ (RRP-1R).

19

20 **H. Productivity**

21 **Q. Does the Company agree with Staff’s flow-through changes to the**

Rebuttal Testimony of the Revenue Requirements Panel

1 **productivity adjustment?**

2 A. The Company agrees that the productivity adjustment should be revised to
3 reflect the labor and payroll tax adjustments adopted in these proceedings.
4 Staff's adjustment, however, reflects labor adjustments that the Company
5 disagrees with, as discussed above. The Company recalculated the
6 adjustment to reflect the labor adjustments with which the Company
7 agrees. The Company's adjustment decreases the Rate Year productivity
8 adjustment by \$0.102 million (\$0.085 million for electric and \$0.017
9 million for gas).

10

11 **I. Uncollectible Expense**

12 **Q. Staff proposes to calculate the Company's uncollectible forecast by**
13 **using the latest available three year aggregated uncollectible rate**
14 **instead of the latest 12 month rate the Company used to develop its**
15 **forecast. Does the Company agree with Staff's methodology?**

16 A. No. The Company's Shared Services and Customer Panel explains why
17 Staff's methodology should not be adopted.

18

19 **Q. Has the Company revised its Rate Year forecast of uncollectible**
20 **expense?**

21 A. Yes. As discussed in the Shared Services and Customer Panel's rebuttal

Rebuttal Testimony of the Revenue Requirements Panel

1 testimony, the Company adjusted the forecast to update for the most recent
2 twelve month period (August 2012) and to normalize the effects of the
3 Transfer to Active Project. This results in an uncollectible rate of 1.5696
4 percent for electric and 2.8431 percent for gas. Rate Year uncollectible
5 expense would therefore be \$34.667 million for electric and \$16.479
6 million for gas, as shown in Exhibit ___ (RRP-1R), a decrease of \$0.928
7 million and \$1.189 million, respectively, from the forecasts contained in
8 the Company's corrections and updates filing.

9

10 **J. US Restructuring Savings**

11 **Q. Does the Company agree with Staff's US Restructuring savings**
12 **adjustment of \$0.540 million (\$0.440 million for electric and \$0.100**
13 **million for gas)?**

14 A. Yes.

15

16 **K. Expatriate Costs**

17 **Q. Does Staff propose any adjustments to expatriate costs?**

18 A. Yes. Staff proposes three adjustments to the Company's forecast. The
19 first adjustment removes three months of UK billing for salaries and
20 benefits in accordance with IR DPS-382 (DAG-48). This results in a
21 reduction of \$0.430 million (\$0.399 million for electric and \$0.031 million

Rebuttal Testimony of the Revenue Requirements Panel

1 for gas). The second adjustment relates to the removal of expatriate
2 employees whose assignment ended during the Historic Test Year. This
3 adjustment removes these costs in accordance with IR DPS-382 (DAG-48)
4 and adds inflation. The net adjustment is \$0.388 million (\$0.358 million
5 for electric and \$0.030 million for gas). The third adjustment removes the
6 costs associated with ten expatriate employees from the Rate Year
7 forecast. This adjustment decreases the forecast by \$0.663 million
8 (\$0.578 million for electric and \$0.085 million for gas).

9

10 **Q. Does the Company agree with Staff's adjustments?**

11 A. The Company agrees with the first two adjustments but disagrees with the
12 third.

13

14 **Q. Please explain the basis for the Company's position.**

15 A. As discussed in Company Witness Heaphy's rebuttal testimony, the
16 Company agrees with the removal of the costs associated with one
17 expatriate employee, but disagrees with Staff's adjustment relating to the
18 remaining nine employees. The adjustment to remove the costs for the
19 one employee the Company agrees should be removed reduces the Rate
20 Year forecast by \$0.105 million (\$0.088 million for electric and \$0.017
21 million for gas).

Rebuttal Testimony of the Revenue Requirements Panel

1 **L. Inflation Factor Update**

2 **Q. Staff proposes updating the GDP inflation factor to reflect the latest**
3 **known data from the Blue Chip Economic Indicators. Does the**
4 **Company agree that the inflation factor should be updated?**

5 A. Yes. Staff's updated inflation factor of 4.0918 percent reflects data from
6 July 17, 2012. The Company has updated the factor based on the most
7 recent quarterly GDP price indices. Using the September 2012 Blue Chip
8 Economic Indicators, the updated GDP inflation factor is 4.1797 percent.
9 The calculation is provided in Exhibit ____ (RRP-11R). The Company
10 agrees to further update the inflation factor based on the most recent Blue
11 Chip GDP prior to rates being set.

12
13 **Q. What is the adjustment based on the updated GDP inflator factor?**

14 A. The inflation adjustment reduces the total revenue requirements by \$0.260
15 million (\$0.222 million for electric and \$0.038 million for gas).

16
17 **Q. How did the Company calculate this adjustment?**

18 A. The Company began with the cost elements that are affected by the
19 inflation factor. These include the O&M expenses set forth in IR DPS-
20 482 (DAG-74) as well as certain non-O&M expenses.

21

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. Staff included only O&M expenses in the base amount to which the**
2 **inflation factor is applied. Should certain non-O&M expenses be**
3 **included as well?**

4 A. Yes. Several non-O&M expenses are affected by the GDP inflation
5 factor. These include, for example, sales and use tax, miscellaneous
6 revenue, materials and supplies, and prepayments. The list of the non-
7 O&M expenses to which the inflation factor should be applied is included
8 in Exhibit ___ (RRP-11R).

9

10 **Q. Please continue describing how the adjustment was calculated.**

11 A. To avoid a double count, the Company adjusted the base amount affected
12 by the inflation factor to reflect the adjustments the Company has agreed
13 to in rebuttal. The Company then applied the updated 4.1797 percent
14 GDP inflation factor to the adjusted base to calculate the Rate Year
15 inflation amounts, as shown in Exhibit ___ (RRP-11R).

16

17 **III. Taxes Other Than Income Taxes**

18 **A. Property Taxes**

19 **Q. Staff proposes to use a property tax growth factor of 1.06 percent to**
20 **forecast the Company's property tax expense. In addition, Staff uses**
21 **the most recent one year data to calculate property tax expense for**

Rebuttal Testimony of the Revenue Requirements Panel

1 **incremental additions to plant in service. Does the Company agree**
2 **with Staff’s proposed methodology?**

3 A. As discussed in the rebuttal testimony of the Shared Services and
4 Customer Panel, the Company agrees with use of the most recent one year
5 data to calculate property tax for incremental additions to plant in service.
6 The Company does not agree, however, with Staff’s proposed growth
7 factor.

8

9 **Q. If the Commission were to utilize Staff’s proposed growth factor to set**
10 **rates, is a correction required to Staff’s adjustment?**

11 A. Yes. While the Company does not agree with Staff’s proposed growth
12 factor, if the Commission were to adopt Staff’s methodology, a correction
13 must be made to Staff’s proposed adjustment. In IR NMPC-45 (JEM-5),
14 Staff confirmed that its proposed \$10.640 million adjustment to property
15 tax expense should be reallocated between electric and gas. The corrected
16 allocation results in adjustments of \$9.604 million for electric and \$1.036
17 million for gas.

18

19 **Q. Has the Company revised its property tax expense forecasts to reflect**
20 **changes in forecast capital expenditures and incremental net plant**
21 **additions?**

Rebuttal Testimony of the Revenue Requirements Panel

1 A. Yes. The Company calculated revised electric and gas property tax
2 expense forecasts reflecting the flow-through adjustments to capital
3 expenditures and revised incremental net additions to plant in service.
4 Based on these flow-through adjustments, and incorporating the most
5 recent one year data for incremental additions and applying the
6 Company's 3.2 percent growth factor, the Company has calculated a
7 revised Rate Year property tax expense of \$198.783 million (\$156.410
8 million for electric and \$42.373 million for gas), as shown on Exhibit ____
9 (RRP-12R), Schedule 1, page 1. This represents a decrease of \$3.073
10 million for electric and an increase of \$0.665 million for gas from the
11 forecasts contained in the Company's corrections and updates filing.

12
13 **Q. Did the Company reflect the property tax savings for the new lease**
14 **agreement for the Glens Falls facility in its revised forecasts?**

15 A. Yes. As reflected in Exhibit ____ (RRP-12R), the property tax savings of
16 \$0.021 million (\$0.016 million for electric and \$0.005 million for gas),
17 which were identified in IR DPS-499 (DAG-83), have been reflected in
18 the revised Rate Year forecasts.

19
20 **B. Payroll Taxes**

21 **Q. Does the Company agree with Staff's adjustment to payroll taxes?**

Rebuttal Testimony of the Revenue Requirements Panel

1 A. The Company agrees that payroll taxes should be adjusted to reflect the
2 labor adjustments adopted in these proceedings. Staff's adjustment,
3 however, reflects labor adjustments that the Company disagrees with, as
4 discussed above. The Company has recalculated payroll taxes to reflect
5 the labor adjustments with which the Company agrees. This results in a
6 reduction of \$0.296 million (\$0.246 million for electric and \$0.050 million
7 for gas) in payroll tax expense from the Company's corrections and
8 updates filing.

9

10 **IV. Rate Base**

11 **A. Net Plant and Depreciation Expense – Plant in Service Models**

12 **Q. How did Staff forecast the Company's electric and gas net utility**
13 **plant in service and depreciation expense?**

14 A. Staff used the Company's electric and gas plant in service models and
15 applied its proposed capital plan adjustments, flow-through adjustments
16 for cost of removal and operating expenditures associated with capital
17 expenditures, and gas depreciation rates to the models.

18

19 **Q. Are any changes to the models required to properly reflect Staff's**
20 **proposed adjustments?**

21 A. Yes. In IR NMPC-37 (JEM-3), Staff agreed to a modeling change

Rebuttal Testimony of the Revenue Requirements Panel

1 associated with its proposed gas depreciation rates. In that response, Staff
2 confirmed that its Rate Year gas depreciation adjustment is a decrease of
3 \$6.264 million and its gas plant net adjustment is an increase of \$2.168
4 million.

5

6 **Q. Are additional modeling changes required?**

7 A. Yes. In IR NMPC-46 (JEM-6), Staff agreed that three other changes are
8 required to properly reflect its (i) total capital adjustments, (ii) allocation
9 of the depreciation reserve and damage failure adjustments between the
10 lines and substation categories of plant, and (iii) operating expenditures
11 associated with capital expenditures adjustments.

12

13 **Q. What is the rate base and depreciation expense impact of the four**
14 **modeling changes?**

15 A. The four modeling changes in total reduce Staff's electric and gas net
16 utility plant Rate Year forecasts by \$0.368 million and \$0.050 million,
17 respectively, reduce its Rate Year forecast of electric depreciation expense
18 by \$0.007 million, and increase its Rate Year forecast of gas depreciation
19 expense by \$0.100 million. After incorporating these agreed upon
20 revisions, Staff's proposed adjustments, in total, decrease the Company's
21 Rate Year electric net utility plant in service by \$1.277 million, increase

Rebuttal Testimony of the Revenue Requirements Panel

1 the Company's Rate Year gas net utility plant in service by \$2.168
2 million, and decrease the Company's Rate Year electric and gas
3 depreciation expense forecasts by \$0.029 million and \$6.264 million,
4 respectively.

5

6 **Q. Does the Company agree with Staff's proposed electric and gas capital**
7 **plan adjustments and the associated flow-through depreciation and**
8 **cost of removal adjustments?**

9 A. The Company's Electric and Gas Infrastructure and Operations Panels
10 respond to Staff's proposed adjustments to the Company's capital plans.
11 The Company accepts certain adjustments and disagrees with others. The
12 Company has adjusted for the flow-through effects that relate to those
13 adjustments the Company accepts.

14

15 **Q. Is the Company proposing any revisions to its electric and gas capital**
16 **forecasts from what was previously set forth in its corrections and**
17 **updates filings?**

18 A. Yes. As explained by the Company's Electric and Gas Infrastructure and
19 Operations Panels, the Company is proposing revisions to its capital and
20 cost of removal forecasts, as summarized in Exhibit ____ (RRP-13R), page
21 11.

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. What impact do these revisions have on Rate Year net utility plant**
2 **and depreciation expense?**

3 A. As reflected in Exhibit ___ (RRP-13R), pages 1 and 2, the Company's
4 proposed capital forecast revisions increase electric net utility plant by
5 \$8.902 million and decrease gas net utility plant by \$0.940 million.
6 Additionally, these revisions increase electric depreciation expense by
7 \$0.207 million and reduce gas depreciation expense by \$0.016 million.

8

9 **Q. Does the Company agree that if there are capital plan revisions, there**
10 **will be associated changes for cost of removal, retirements, and**
11 **depreciation expense?**

12 A. Yes. These items have been reflected in the change to the Rate Year
13 electric and gas net utility plant and depreciation expense quantified
14 above.

15

16 **Q. Does the Company also agree that if there are electric capital plan**
17 **changes, there will be associated changes for electric incremental**
18 **operating expenditures associated with capital expenditures?**

19 A. Yes. Exhibit ___ (RRP-13R), page 12, reflects the calculation of the flow-
20 through adjustments related to incremental operating expenditures
21 associated with capital expenditures.

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. Does the Company agree with the Staff Depreciation Panel's proposed**
2 **adjustments to gas depreciation expense?**

3 A. No. Company Witness Ronald White responds to Staff's proposed
4 adjustments.

5

6 **B. Deferred Taxes**

7 **Q. Please describe the adjustments the Company made to accumulated**
8 **deferred federal and state income taxes.**

9 A. As shown in Exhibit ___ (RRP-1R), the Company adjusted accumulated
10 deferred federal and state income taxes for the flow-through effects related
11 to all changes associated with electric and gas net utility plant.

12

13 **C. Return on Working Capital**

14 **Q. Please comment on the proposal of the Staff Electric and Gas Rates**
15 **Panels to apply the Other Customer Capital Rate to determine the**
16 **return on most components of commodity-related working capital for**
17 **both electric and gas instead of the pre-tax authorized weighted**
18 **average cost of capital applied to determine the return on**
19 **distribution/delivery-related working capital.**

20 A. Staff's recommendation is based on its view that the risk of non-recovery
21 associated with commodity-related working capital is generally low, and

Rebuttal Testimony of the Revenue Requirements Panel

1 therefore a lower rate of return is justified. Staff's argument, however,
2 ignores the fact that commodity-related working capital is simply one
3 element of the total capital structure of the Company. That capital
4 structure, which is used to determine the Company's weighted average
5 cost of capital, is made up of equity (normally the highest cost component
6 of capital), preferred stock and long term debt (usually the next most
7 costly source of capital), and short term debt (typically the least costly
8 source of capital). Thus, the lower cost of short term capital sources has
9 already been taken into account when determining the Company's
10 authorized rate of return. It is not possible to trace individual dollars as
11 they are used in the business to say that a particular source of capital was
12 utilized for one purpose while another source of capital was used for
13 another. Even if it were possible, the result would be to create a
14 regulatory morass where each individual element of capital used in the
15 business (*i.e.*, for each asset) would have to be assigned its own cost rate
16 (*i.e.*, a specific authorized rate of return) depending on the source of
17 capital or mix of capital sources claimed to have been used.

18

19 **Q. Staff's recommendation is premised in part on an analogy to the**
20 **deferred gas cost balance under the Company's gas adjustment**
21 **clause. Staff notes that that balance carries interest at the Other**

Rebuttal Testimony of the Revenue Requirements Panel

1 **Customer Capital Rate. Why should commodity-related working**
2 **capital not be treated similarly?**

3 A. The two uses of funds are not comparable. The deferred gas cost balance
4 is an over/under reconciliation mechanism that, over time, does not have a
5 net capital requirement for investors. At times, there is a deferred balance
6 that is held by the Company for the benefit of customers (*i.e.*, an
7 overcollection) and at other times the opposite is true. Thus, over time,
8 the deferred balance does not require invested capital. In the case of
9 commodity-related working capital, there is a real long term capital
10 requirement, and investors should be compensated at the true opportunity
11 cost of that capital, just as they are for any other capital requirement of the
12 business. Singling out one portion of the Company's capital requirement
13 for a lower return is inappropriate and would not fully compensate the
14 Company or its investors for the true cost of that capital.

15

16 **V. Flow-Through Adjustments**

17 **Q. Has the Company reflected any additional flow-through adjustments**
18 **in its electric and gas revenue requirements?**

19 A. Yes. Changes to O&M expense have an impact on working capital
20 requirements. Additionally, any change in rate base results in a change to
21 return on rate base. Moreover, there are flow-through adjustments for

Rebuttal Testimony of the Revenue Requirements Panel

1 uncollectible expense, income taxes, and gross receipts tax. The flow-
2 through adjustments are reflected in Exhibit ____ (RRP-1R).

3

4 **VI. Deferrals**

5 **A. Rate Year Deferrals**

6 **Q. Which panel responds to Staff's position on the Company's new or**
7 **revised deferral accounts?**

8 A. The Company's Electric Infrastructure and Operations Panel discusses the
9 proposed deferrals associated with the Dunkirk and other generating plant
10 closures, sub-transmission tower painting, and the modifications to the
11 major storm deferral.

12

13 **Q. Please explain the Company's proposal to defer incremental costs**
14 **associated with the relocation of inside gas meters.**

15 A. Staff's Gas Safety Panel recommends that Niagara Mohawk commit to
16 developing a plan for inside meter relocations within 60 days of the
17 Commission's Order in this case, incorporating Staff's proposal to
18 implement a program to move all inside meter sets outside in conjunction
19 with other work at customers' premises. As discussed in the testimony of
20 the Company's Gas Infrastructure and Operations Panel, to the extent
21 there are net incremental costs associated with Staff's proposed meter

Rebuttal Testimony of the Revenue Requirements Panel

1 relocation program, the Company proposes to defer those costs for future
2 recovery.

3

4 **B. Pre-Rate Year Deferrals**

5 1. Federal Income Taxes – Repair Costs

6 **Q. Do you agree with Staff’s position that the Gas Joint Proposal**
7 **requires the Company to record a deferred credit of \$30.113 million**
8 **for the gas portion of the cash flow enhancement resulting from a tax**
9 **deduction the Company took in 2009?**

10 A. No.

11

12 **Q. Please provide some background on this issue.**

13 A. In 2009, the Company made a change in its tax strategy to take a tax
14 deduction for the first time for routine repairs and maintenance costs that
15 had been capitalized and depreciated. The Company is proposing to
16 provide the full cash flow benefit of the tax deduction to its gas customers
17 in the Rate Year through a reduction in rate base. The dispute between the
18 Company and Staff relates to whether, under Section 4.2.1 of the Gas Joint
19 Proposal, the Company is required to provide to its gas customers the cash
20 flow benefit of the tax deduction attributable to the gas business that
21 accrued prior to the Rate Year.

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. What does Section 4.2.1 of the Gas Joint Proposal provide?**

2 A. Section 4.2.1 states:

3
4 4.2.1 Regulatory, Legislative and Accounting Changes

5
6 The Company will defer the gas portion of all rate plan year costs
7 associated with the impact of discrete regulatory, legislative or accounting
8 changes to the extent any such individual change has an impact that
9 exceeds \$2.283 million in any such year. For cost increases, the Company
10 will be allowed to establish a deferred debit in a rate plan year only if its
11 actual earnings in the corresponding Earnings Year, as calculated in
12 accordance with Clause 3 of this Joint Proposal, result in a return on
13 equity that does not exceed 10.2%. For cost decreases, the establishment
14 of a deferred credit is not subject to any earnings test.
15

16 **Q. What is Staff's position?**

17 A. Staff argues that the tax deduction represents an "accounting change"
18 under Section 4.2.1 and that the Commission required the Company to
19 establish a deferred credit for the electric portion of the tax deduction in
20 the 2010 Electric Rate Case.

21
22 **Q. What is the Company's position?**

23 A. The Company does not agree that its decision to begin taking the tax
24 deduction at issue represents the type of "accounting change" that requires
25 credits to customers under the Gas Joint Proposal. The Company believes
26 that the use of the word "accounting" in Section 4.2.1 referenced changes
27 in financial accounting and not changes in tax strategy. The Company

Rebuttal Testimony of the Revenue Requirements Panel

1 changed its tax strategy to pursue a tax deduction that was neither
2 explicitly permitted nor prohibited in the past. The Company was under
3 no obligation to take advantage of this deduction, which remains subject to
4 audit. Section 4.2.1 does not address tax changes in any manner; it
5 explicitly applies to “discrete regulatory, legislative or accounting
6 changes.” The change in tax strategy that gave rise to the cash flow
7 benefit is simply not the product of “discrete regulatory, legislative or
8 accounting changes” and therefore Section 4.2.1 does not apply. Further,
9 the Company does not agree that the Commission ruled on the issue of
10 whether taking the tax deduction constituted an “accounting change” or
11 that its decision requires the same outcome for gas as electric.

12

13 **Q. What is the difference between financial accounting and tax**
14 **accounting?**

15 A. The Company’s financial accounting is subject to regulation by the
16 Commission and is the process by which the Company prepares and
17 presents its financial results to the Commission, Company management,
18 shareholders, and creditors. The Company’s tax accounting is subject to
19 regulation by the United States Department of Treasury. The primary goal
20 of tax accounting is compliance with applicable tax laws. The results of
21 tax and financial accounting practices frequently diverge.

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. Why does the Company believe that its position is consistent with**
2 **Section 4.2.1 of the Gas Joint Proposal?**

3 A. The Gas Joint Proposal generally encouraged the Company to seek out
4 and retain savings and efficiencies where the Company could do so
5 without compromising its ability to provide safe and adequate utility
6 service. Staff's claim that Section 4.2.1 requires the Company to defer for
7 customers' benefit the cash flow benefit associated with the new tax
8 deduction, which the Company was under no obligation to pursue, would
9 require it to effectively forfeit the benefit of its efforts to implement a new
10 tax strategy and effectively eliminate any incentive on the part of the
11 Company to seek out untested deductions, particularly where, as here, the
12 deduction may cause the Company to be subjected to a more extensive tax
13 audit. In the Company's view, this is inconsistent with a fair reading of
14 the Gas Joint Proposal.

15

16 **Q. Is the Company's method of accounting for repair costs for financial**
17 **accounting purposes affected by the Company's change in tax**
18 **accounting?**

19 A. No. The Company continues to capitalize and depreciate these costs for
20 financial accounting purposes in the same manner as it did prior to 2009.

21

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. Staff claims that the situation in this proceeding is “exactly the same**
2 **as it was in the electric case” (Staff Accounting Panel at 136). Does**
3 **the Company agree?**

4 A. No. Staff is wrong for three reasons. First, although the Commission
5 required the Company to establish a deferred credit for electric, the
6 concerns cited by the Commission as a basis for its decision in the 2010
7 Electric Rate Case are not the same for gas. Second, the Commission did
8 not adopt Staff’s recommendation to establish a gas deferred credit even
9 though the issue was fully addressed in testimony and briefs. Third,
10 Section 1.2.4.2 of the Merger Joint Proposal contains language that is
11 different from the language found in Section 4.2.1 of the Gas Joint
12 Proposal.

13

14 **Q. How does the language contained in Section 1.2.4.2 of the Merger**
15 **Joint Proposal differ from the language contained in Section 4.2.1 of**
16 **the Gas Joint Proposal?**

17 A. Section 1.2.4.2 of the Merger Joint Proposal is specifically entitled “Tax
18 and Accounting Changes.” While that section contains explicit references
19 to “tax change,” Section 4.2.1 of the Gas Joint Proposal is devoid of any
20 reference to “tax change.” It is the Company’s position that the omission
21 of the phrase “tax change” in Section 4.2.1 is an important distinction

Rebuttal Testimony of the Revenue Requirements Panel

1 between the Merger Joint Proposal and the Gas Joint Proposal and further
2 supports the Company’s position that Section 4.2.1 applies only to
3 changes in financial accounting and not to changes in tax strategy or tax
4 accounting.

5

6 **Q. Did the Commission rule on whether the change in tax practice**
7 **constituted an “accounting change” in the 2010 Electric Rate Case?**

8 A. No. The Commission did not address whether the tax deduction
9 constituted an “accounting change” in the 2010 Electric Rate Case.
10 Although the Administrative Law Judges believed the change was “also a
11 financial and regulatory accounting matter” under the terms of the Merger
12 Joint Proposal (Recommended Decision at 172), the Commission made no
13 such finding. Instead, the Commission decided the issue based on
14 “fairness,” emphasizing the “large body of deferred costs” incurred over
15 the term of the 10 year Merger Joint Proposal, estimated by Staff at over
16 \$800 million, for which customers were responsible. (Order at 90).
17 Accordingly, the Commission stated that “fairness” required that the cash
18 flow enhancement “be treated as a deferred credit to offset an equivalent
19 amount of deferred liabilities arising from the operation of the Merger
20 Joint Proposal.” (Order at 90).

21

Rebuttal Testimony of the Revenue Requirements Panel

1 **Q. Are the same “fairness” concerns relied upon by the Commission**
2 **present for gas?**

3 A. No. In fact, the opposite is true. In contrast to the large electric deferral
4 balance addressed in the 2010 Electric Rate Case, the current forecast gas
5 deferral balance is a credit to customers of approximately \$42 million.
6 While Staff attempts to dismiss this point, the Commission specifically
7 cited the deferral balance as the basis for adopting Staff’s
8 recommendation. A different result is called for here.

9

10 **Q. What is the Company’s position on Staff’s proposal to create a gas**
11 **deferral that is held in reserve?**

12 A. If the Commission were to agree with Staff and require the Company to
13 establish a gas deferred credit, the Company agrees with Staff’s proposal
14 to create a gas deferral that will be held in reserve until the IRS issues its
15 guidance for natural gas property. However, the deferral should also
16 extend to the electric deferred credit because the electric portion of the
17 deduction is still subject to audit and modification.

18

19 **VII. Conclusion**

20 **Q. Does this conclude the Panel’s rebuttal testimony?**

21 A. Yes.

Exhibits of
Revenue Requirements Panel

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit ___ (RRP-1R)	Summary Revenue Requirements Pages
Exhibit ___ (RRP-2R)	Journal Entry Reclassification for Consulting Expense
Exhibit ___ (RRP-3R)	Construction Work in Progress (“CWIP”) Reserve Work Order Movement
Exhibit ___ (RRP-4R)	Reservoir Woods Journal Entry Adjustment for Bill Pool 00603
Exhibit ___ (RRP-5R)	Revised Reservoir Woods Rent Expense Adjustment
Exhibit ___ (RRP-6R)	Service Company Return Calculation
Exhibit ___ (RRP-7R)	Information Services (“IS”) Rent Expense Adjustment
Exhibit ___ (RRP-8R)	Capitalized Labor Adjustment
Exhibit ___ (RRP-9R)	Other Labor Adjustments
Exhibit ___ (RRP-10R)	Transportation Expense Adjustments
Exhibit ___ (RRP-11R)	Inflation Change
Exhibit ___ (RRP-12R)	Property Taxes
Exhibit ___ (RRP-13R)	Net Utility Plant Model
Exhibit ___ (RRP-14R)	Relevant Portions of IR Responses

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-1R)

Summary Revenue Requirements Pages

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Statement of Electric Operating Income
Historic Year Ended December 31, 2011 - Rate Year Ending March 31, 2014
(\$000's)

Exhibit Reference	Historic Year Ended December 31, 2011	Historic Test Year Normalizing Adj	Adjustment Reflect Conditions in the Rate Year	Rate Year Ending March 31, 2014	Base Revenue Increase Required	Rate Year Ending March 31, 2014 with Base Revenue Requirement	Deferral Credit	Rate Year Ending March 31, 2014 with Base Revenue Req & Deferral
Operating Revenues	\$ 3,103,828	-	\$ (675,646)	\$ 2,428,181	\$ 119,404	\$ 2,547,585	\$ -	\$ 2,547,585
Deductions								
Purchased Power Costs	906,138	-	(183,157)	722,981		722,981	-	722,981
Revenue Taxes	38,114	-	(8,868)	29,245	2,030	31,275	-	31,275
Total Deductions	944,252	-	(192,026)	752,226	2,030	754,256	-	754,256
Gross Margin	2,159,576	-	(483,621)	1,675,955	117,374	1,793,329	-	1,793,329
Total Operation & Maintenance Expenses	1,053,390	(112,781)	53,409	994,018	1,874	995,892	-	995,892
Amortization of Regulatory Deferrals	563,622	-	(561,489)	2,134		2,134	-	2,134
Depreciation, Amort. & Loss on Disposition	167,767	-	12,489	180,256		180,256	-	180,256
Taxes Other Than Revenue & Income Taxes	154,090	-	19,706	173,796		173,796	-	173,796
Total Operating Revenue Deductions	1,938,869	(112,781)	(475,885)	1,350,203	1,874	1,352,077	-	1,352,077
Operating Income Before Income Taxes	220,708	112,781	(7,736)	325,752	115,500	441,252	-	441,252
Income Taxes								
Federal Income Taxes	49,077	36,671	(4,148)	81,600	37,555	119,155	-	119,155
State Income Taxes	10,084	8,007	(609)	17,482	8,201	25,683	-	25,683
Total Income Taxes	59,161	44,678	(4,757)	99,082	45,756	144,838	-	144,838
Operating Income After Income Taxes	\$ 161,547	\$ 68,103	\$ (2,979)	\$ 226,670	\$ 69,745	\$ 296,414	\$ -	\$ 296,414
Rate Base	\$ 3,849,560	-	\$ 261,608	\$ 4,111,168		\$ 4,111,168		\$ 4,111,168
Rate of Return	4.20%		5.51%			7.21%		7.21%
Return On Equity	4.35%		6.92%			10.22%		10.22%

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Statement of Electric Operating Income - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Staff Adjustments	Staff's Adjustment to Base Revenue	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Company Adjustments to Staff's Base Revenue	Rate Year Company Rebuttal
<u>Operating Revenues</u>	\$ 2,573,628	(1) \$ (8,162)	\$ (127,806)	\$ 2,437,660	\$ 8,138	\$ 101,788	\$ 2,547,585
<u>Deductions</u>							
Purchased Power Costs	722,981	(1,889)	-	721,092	1,889	-	722,981
Revenue Taxes	31,717	(68)	(2,173)	29,476	68	1,731	31,275
Total Deductions	754,698	(1,957)	(2,173)	750,568	1,957	1,731	754,256
Gross Margin	1,818,930	(6,205)	(125,633)	1,687,092	6,181	100,057	1,793,329
Total Operation & Maintenance Expenses	1,007,566	(2)	(2,118)	962,654	31,588	1,649	995,892
Amortization of Regulatory Deferrals	2,134	-	-	2,134	-	-	2,134
Depreciation, Amort. & Loss on Disposition	180,049	(3)	-	180,027	229	-	180,256
Taxes Other Than Revenue & Income Taxes	177,114	(4)	-	167,893	5,902	-	173,796
Total Operating Revenue Deductions	1,366,863	(52,037)	(2,118)	1,312,708	37,720	1,649	1,352,077
Operating Income Before Income Taxes	452,067	45,832	(123,515)	374,384	(31,539)	98,408	441,252
<u>Income Taxes</u>							
Federal Income Taxes	122,714	14,403	(40,161)	96,956	(9,797)	31,995	119,155
State Income Taxes	26,460	3,146	(8,769)	20,837	(2,140)	6,987	25,684
Total Income Taxes	149,174	17,549	(48,930)	117,793	(11,936)	38,982	144,838
Operating Income After Income Taxes	302,892	\$ 28,283	\$ (74,585)	\$ 256,590	\$ (19,603)	\$ 59,427	\$ 296,414
Rate Base	\$ 4,104,202	(5) \$ (5,321)	\$ -	\$ 4,098,881	\$ 12,287	\$ -	\$ 4,111,168
Rate of Return	7.38%			6.26%			7.21%

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Electric Operating Expenses by Component - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Adj. #	Staff Adjustments	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Consultants	7,797	a	(482)	7,315		7,798
Contractors	61,482			61,482	482	61,482
Donations	-			-		-
Employee Expenses	6,745			6,745		6,745
Hardware	3,320			3,320		3,320
Software	6,255			6,255		6,255
Other	24,472	b	(3,586)	20,886	1,322	22,207
Rents	45,497	c	(3,147)	42,350	2,072	44,422
AFUDC - Debt	-			-		-
Service Co. Equity	(0)			(0)		(0)
Conservation Load Management	0			0		0
Construction Reimbursement	(582)			(582)		(582)
Co Contributions/Cr to Jobs	56			56		56
Bill Interface Expense Type	(2,528)			(2,528)		(2,528)
Capital Overheads	267			267		267
Supervision & Admin	424			424		424
Service Co Operating Costs	-			-		-
Sales Tax	5,188			5,188		5,188
FAS 106	36,586	d	(1,166)	35,420	1,166	36,586
FAS 112	4,421	e	(128)	4,293	129	4,422
Health Care	24,967	f	(595)	24,372	574	24,946
Group Life Insurance	1,712	g	(39)	1,673	39	1,712
Other Benefits	621			621		621
Pension	45,446	h	(1,195)	44,251	1,195	45,446
Thrift Plan	6,012	i	80	6,092	(80)	6,012
Workers Comp	3,549	j	(107)	3,442	107	3,549
Payroll Taxes	-			-		-
Materials Outside Vendor	18,601	k	(281)	18,320	-	18,320
Materials From Inventory	5,326			5,326		5,326
Materials Stores Handling	1,017			1,017		1,017
Total Labor	235,512	l	(12,028)	223,484	8,507	231,991
Transportation	20,741	x	0	20,741	651	21,392
Energy Efficiency Program	80,525			80,525		80,525
Injuries & Damages	9,413			9,413		9,413
Other Initiatives	27,664	q	(2,698)	24,966	981	25,948
Productivity Adjustment	(5,393)	r	288.9	(5,105)	(204)	(5,309)
Rate Case Expense	669			669		669
Regulatory Assessment Fees	94,235	s	(705)	93,530	705	94,235
Renewable Portfolio Standard	75,398			75,398		75,398
Site Investigation & Remediation Expenses	35,700			35,700		35,700
Storm Fund	29,000			29,000		29,000
Synergy Savings	(652)			(652)		(652)
System Benefits Charge	19,320			19,320		19,320
Uncollectible Accounts	35,594	v	(7,501)	28,093	6,573	34,667
Legal (Exp 100, 110 or 400)	5,322			5,322		5,322
Accounting (Exp 100, 110, or 400)	3,136			3,136		3,136
Vegetation (Exp 100, 110, or 400)	55,727	m	(3,890)	51,837	3,890	55,727
US Restructuring (Savings)	(11,921)	n	(440)	(12,361)	-	(12,361)
E&Y Analysis	2,421	o	(2,420)	1	2,420	2,421
Ex Pat Proxy	(458)	p	(1,335)	(1,793)	490	(1,303)
Allocation Reclass	(13,382)			(13,382)		(13,382)
Inflation	-	t	(413)	(413)	191	(222)
Miscellaneous	-	u	(1,007)	(1,007)	379	(628)
Total Other Operating Expenses	\$ 1,005,223		\$ (42,794)	\$ 962,429	\$ 31,588	\$ 994,018

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Case No. 12-E-0201
 Federal Income Taxes - Electric - Staff Testimony
 For the Rate Year Ending March 31, 2014
 (\$000's)

Electric	Staff Adjusted Rate Case						NET FIT	
	FEDERAL TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ THE STATUTORY RATE	DFIT REVERSALS			
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	\$ 357,292		\$ 357,292	\$ 125,052		\$	125,052	
ADDITIONS								
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION	0		0	0	0	0	0	
PROVISION FOR DEPRECIATION	180,334		180,334	63,117			63,117	
REAL ESTATE TAXES PER BOOKS	159,483		159,483	55,819			55,819	
BUSINESS MEALS 50% DISALLOWANCE	291		291	102			102	
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(60)		(60)	(21)			(21)	
INTEREST	(81,158)		(81,158)	(28,405)			(28,405)	
V-M BOOK GAIN AMORTIZATION	0		0	0	375		375	
DIVIDEND PAID CREDIT	(340)		(340)	(119)			(119)	
OSWEGO 6 TRANS SERVICE CONTRACT EXIT AGREEMENT	0		0	0			0	
NEW YORK STATE INCOME TAXES - CURRENT PROVISION	(19,622)		(19,622)	(6,868)			(6,868)	
OTHER STATE INCOME TAXES	(6)		(6)	(2)			(2)	
COST OF REMOVAL	(47,149)	37,719	(9,430)	(3,300)	(11,823)		(15,123)	
TAX DEPRECIATION	(158,823)	25,366	(133,457)	(46,710)			(46,710)	
REAL ESTATE TAXES FOR TAX	(159,483)		(159,483)	(55,819)			(55,819)	
AMORTIZATION PASNY CONTRACT	0		0	0			0	
CLASS B CONTRACTS AMORTIZATION	0		0	0			0	
CREDITS								
Adjustment for Tax Credits						0	0	
TOTAL FIT EXPENSE	\$ 230,759	\$ 63,085	\$ 293,844	\$ 102,845	\$ (11,448)	\$	91,397	
						calculated effective Federal tax rate		33.1%

State Income Taxes - Electric - Staff Testimony
 For the Rate Year Ending March 31, 2014
 (\$000's)

Electric	Staff Adjusted Rate Case						NET SIT	
	STATE TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ BLENDED * STATUTORY RATE	DSIT REVERSALS			
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	\$ 357,292		\$ 357,292	\$ 25,368		\$	25,368	
ADDITIONS								
REAL ESTATE TAXES PER BOOKS	159,483		159,483	11,323			11,323	
BUSINESS MEALS 50% DISALLOWANCE	291		291	21			21	
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(60)		(60)	(4)			(4)	
INTEREST	(81,158)		(81,158)	(5,762)			(5,762)	
V-M BOOK GAIN AMORTIZATION	0		0	0			0	
OSWEGO 6 TRANS SERVICE CONTRACT EXIT AGREEMENT	0		0	0			0	
REAL ESTATE TAXES FOR TAX	(159,483)		(159,483)	(11,323)			(11,323)	
TOTAL SIT EXPENSE	\$ 276,365	\$ -	\$ 276,365	\$ 19,622	\$ -	\$	19,622	
						calculated effective NYS tax rate		7.1%
						calculated effective Combined Fed & NYS tax rate		40.2%

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Case No. 12-E-0201
 Federal Income Taxes - Electric - Company Rebuttal
 For the Rate Year Ending March 31, 2014
 (\$000's)

Electric	Company Adjusted Rate Case						NET FIT	
	FEDERAL TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ THE STATUTORY RATE	DFIT REVERSALS			
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	\$ 325,752		\$ 325,752	\$ 114,013		\$	114,013	
ADDITIONS								
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION	0		0	0	0	0	0	
PROVISION FOR DEPRECIATION	180,563		180,563	63,197			63,197	
REAL ESTATE TAXES PER BOOKS	156,410		156,410	54,744			54,744	
BUSINESS MEALS 50% DISALLOWANCE	291		291	102			102	
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(60)		(60)	(21)			(21)	
INTEREST	(79,757)		(79,757)	(27,915)			(27,915)	
V-M BOOK GAIN AMORTIZATION	0		0	0	375		375	
DIVIDEND PAID CREDIT	(340)		(340)	(119)			(119)	
OSWEGO 6 TRANS SERVICE CONTRACT EXIT AGREEMENT	0		0	0			0	
NEW YORK STATE INCOME TAXES - CURRENT PROVISION	(17,482)		(17,482)	(6,119)			(6,119)	
OTHER STATE INCOME TAXES	0		0	0			0	
COST OF REMOVAL	(46,287)	37,030	(9,257)	(3,240)	(11,894)		(15,134)	
TAX DEPRECIATION	(159,101)	25,448	(133,653)	(46,779)			(46,779)	
REAL ESTATE TAXES FOR TAX	(156,410)		(156,410)	(54,744)			(54,744)	
AMORTIZATION PASNY CONTRACT	0		0	0			0	
CLASS B CONTRACTS AMORTIZATION	0		0	0			0	
CREDITS								
Adjustment for Tax Credits						0	0	
TOTAL FIT EXPENSE	\$ 203,579	\$ 62,478	\$ 266,057	\$ 93,119	\$ (11,519)	\$	81,600	
						calculated effective Federal tax rate		33.2%

State Income Taxes - Electric - Company Rebuttal
 For the Rate Year Ending March 31, 2014
 (\$000's)

Electric	Company Adjusted Rate Case						NET SIT	
	STATE TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ BLENDED * STATUTORY RATE	DSIT REVERSALS			
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	\$ 325,752		\$ 325,752	\$ 23,128		\$	23,128	
ADDITIONS								
REAL ESTATE TAXES PER BOOKS	156,410		156,410	11,105			11,105	
BUSINESS MEALS 50% DISALLOWANCE	291		291	21			21	
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(60)		(60)	(4)			(4)	
INTEREST	(79,757)		(79,757)	(5,663)			(5,663)	
V-M BOOK GAIN AMORTIZATION	0		0	0			0	
OSWEGO 6 TRANS SERVICE CONTRACT EXIT AGREEMENT	0		0	0			0	
REAL ESTATE TAXES FOR TAX	(156,410)		(156,410)	(11,105)			(11,105)	
TOTAL SIT EXPENSE	\$ 246,226	\$ -	\$ 246,226	\$ 17,482	\$ -	\$	17,482	
						calculated effective NYS tax rate		7.1%
						calculated effective Combined Fed & NYS tax rate		40.3%

Difference Federal
 Difference State (9,797)
 (2,140)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
Case No. 12-E-0201
Summary of Electric Rate Base - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Adj.	Staff Adjustments	Rate Year as Adjusted per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Net Utility Plant	\$ 5,399,334		\$ (909)	\$ 5,398,425	\$ 9,811	\$ 5,408,237
Regulatory Assets / Liabilities	(16,035)		-	(16,035)	-	(16,035)
Accumulated Deferred Income Taxes - Federal	(1,104,493)		-	(1,104,493)	(586)	(1,105,079)
Accumulated Deferred Income Taxes - State	(193,422)		-	(193,422)	(136)	(193,558)
Total Accumulated Deferred Income Taxes	(1,297,914)		-	(1,297,914)	(722)	(1,298,636)
Working Capital						
Materials and supplies	31,108			31,108	(29,47)	31,079
Prepayments	(105,344)			(105,344)	99,81	(105,244)
O&M Cash Allowance (1/8 O&M exp)	88,866		(4,412)	84,454	3,127	87,581
Supply Cash Allowance	34,443			34,443	-	34,443
Change in Supply Cash Allowance	(6,791)			(6,791)	-	(6,791)
subtotal Working Capital	42,282		(4,412)	37,870	3,197	41,067
subtotal avg. before EBCAP adj.	4,127,667		(5,321)	4,122,346	12,287	4,134,633
Excess Earnings Base adjustment	(23,465)		-	(23,465)	-	(23,465)
Total Electric Rate Base	\$ 4,104,202		\$ (5,321)	\$ 4,098,881	\$ 12,287	\$ 4,111,168

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Case No. 12-E-0201

Electric Capital Structure - Company Rebuttal

For the Rate Year Ending March 31, 2014

(\$000's)

Company Capital Structure Rate Year Ending March 31, 2014	Total NM Annual Avg	Weighting Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	\$ 1,902,301	46.35%	4.14%	1.92%	1.92%
Notes Payable	41,400	1.01%	0.84%	0.01%	0.01%
Gas Supplier Refunds	-			0.00%	0.00%
Customer Deposits	29,675	0.72%	1.65%	0.01%	0.01%
Preferred Stock	22,901	0.56%	3.66%	0.02%	0.03%
Common Equity	2,107,925	51.36%	10.22%	5.25%	8.69%
Total	\$ 4,104,202	100.00%		7.21%	10.67%

Staff's Capital Structure Forecast Rate Year Ending March 31, 2014	Total NM Annual Avg	Weighting Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	\$ 1,902,301	49.70%	3.95%	1.96%	1.96%
Notes Payable	41,400	1.00%	0.46%	0.00%	0.00%
Gas Supplier Refunds	0	0.00%	0.00%	0.00%	0.00%
Customer Deposits	29,675	0.70%	1.65%	0.01%	0.01%
Preferred Stock	22,901	0.60%	3.66%	0.02%	0.03%
Common Equity	2,107,925	48.00%	8.90%	4.27%	7.07%
Total	\$ 4,104,202	100.00%		6.26%	9.07%

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Electric Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
Adj. 1a			
<u>Operating Revenues</u>			
Total Operating Revenue Adjustments	\$ (8,162)	\$ 8,162	\$ -
Adjust for miscellaneous revenue inflation change	\$ -	\$ (25)	\$ (25)
Adj. 1b			
Purchased Power Costs	\$ (1,889)	\$ 1,889	\$ -
To reflect change in commodity expenses on adjustment 1.a.			
Adj. 1c			
Revenue Taxes	\$ (68)	\$ 68	\$ -
To reflect change in revenue taxes on adjustment 1.a.			
Adj. 2			
<u>Operating and Maintenance Expenses</u>			
a.			
Consultant Expense	\$ (482)	\$ 482	\$ 0
to reflect staff's normalizing adjustments			
b.			
Other Expense			
(1) To eliminate 50% of annual EEI membership fees for activities related to lobbying	(213)	213	-
(2) To reflect staff's normalizing adjustments	(3,373)	1,121	(2,252)
(3) To reduce other expense for Glens Falls savings per DAG-83	0	(26)	(26)
(4) To adjust for incorrect allocation code per DAG-56 supplemental	0	13	13
	\$ (3,586)	\$ 1,321	\$ (2,265)
c.			
Rent Expense			
(1) To reflect Staff service company return allowance of 8.63% which is based on Staff Capital Structure	(1,562)	1,179	(383)
(2) To reflect change in bill pool 603 allocation, as per DPS-52 (DAG-5)	(1,585)	586	(999)
(3) To correct RY facilities rent expense for Glens Falls per DAG-83	0	238	238
(4) To correct formula error in RY IS rent expense per DAGINF-6	0	68	68
	\$ (3,147)	\$ 2,072	\$ (1,075)
d.			
FAS 106 - OPEB			
(1) Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (1,166)	\$ 1,166	\$ -
e.			
FAS 112			
Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (128)	\$ 128	\$ 0
f.			
Health Care			
(1) Use latest benefit capitalization rate through 7/31/2012 of 40.78%	(589)	589	-
(2) to remove 2 additional FTE per (RMD-18 August 2012 & September 2012)	0	(15)	(15)
(3) Remove 1 additional FTE for US Restructuring per DAG-50	(6)	0	(6)
	\$ (595)	\$ 574	\$ (21)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Electric Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
g. Group Life Insurance Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (39)	\$ 39	\$ -
h. Pensions Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (1,195)	\$ 1,195	\$ -
i. Thrift Plan Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ 80	\$ (80)	\$ -
j. Workers Compensation Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (107)	\$ 107	\$ 0
k. Materials Outside Vendors To reflect agreed upon postage as per DPS-491 (DAG-81)	\$ (281)	\$ -	\$ (281)
l. Labor			
(1) to limit management pay increases to 2.9% per year	(360)	360	-
(2) to adjust management compensation to reflect pay differential by region	(1,725)	1,725	-
(3) Adj. backfilling vacancies created by internal promotions at lower pay levels	(412)	412	-
(4) Adj labor capitalization rate to reflect latest known actuals through 7/31/12 of 38.1%	(6,056)	6,056	-
(5) Remove 1 additional FTE for US Restructuring per DAG-50	(41)	(2)	(43)
(6) Allocate RY variable pay between expense and capital in same manner as base pay	(3,434)	-	(3,434)
(7) to remove 2 additional FTE per (RMD-18 August & Sept 2012)	0	(45)	(45)
	\$ (12,028)	\$ 8,507	\$ (3,521)
m. Vegetation			
(1) To adjust Vegetation Management - Transmission	(2,140)	2,140	-
(2) To adjust Vegetation Management - Distribution	(1,750)	1,750	-
	\$ (3,890)	\$ 3,890	\$ -
n. U.S. Restructuring			
(1) Reflect additional savings per DAG-49, DAG-81	\$ (440)	\$ -	\$ (440)
o. E&Y Analysis			
To remove O&M charges resulting from E&Y Analysis	\$ (2,420)	\$ 2,420	\$ -
p. Ex Pat Proxy			
(1) To reflect HTY normalization adj as per DAG-48	(399)	-	(399)
(2) To reflect expats ending assignment prior to 1/1/12 as per DAG-48	(358)	-	(358)
(3) To reflect additional expats ending assignment prior to or during RYE 3/14	(578)	490	(688)
	\$ (1,335)	\$ 490	\$ (845)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Electric Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
4. New Initiatives			
(1) to adjust UG Network Inspections	(301)	301	-
(2) to adjust Recloser/Capacitor Inspections	(166)	166	-
(3) to adjust Footer Inspection/Repair - Transmission	(1,000)	-	(1,000)
(4) to adjust Footer Inspection/Repair - Sub-Transmission	(227)	227	-
(5) To adjust OPEX related to CAPEX	(1,004)	487	(517)
(6) To adjust AFV grants	0	(200)	(200)
	\$ (2,698)	\$ 981	\$ (1,717)
5. Productivity Adjustment			
(1) Flow adjustment related to labor adjustments (h) above	288	(205)	83
(2) to remove 2 additional FTE per (RMD-18 August & Sept 2012)	0	1	1
(3) Remove 1 additional FTE for US Restructuring per DAG-50	1	0	1
	\$ 289	\$ (204)	\$ 85
6. Regulatory Assessment Fees			
(1) To reflect change in 18A assessment surcharge related to adjustment 1a	\$ (705)		\$ -
7. Inflation			
(1) To reflect staff updated inflation factor	\$ (413)		\$ 191
8. Miscellaneous Expense			
(1) To reduce Outreach & Education Proposal	(250)		
(2) To reflect additional IS Transformation adj. per DAG-80	(757)	250	-
	\$ (1,007)	\$ 129	\$ (628)
9. Uncollectible Accounts			
(1) Use of a three year average uncollectible rate vs. the Company's one year rate	\$ (7,501)		\$ (628)
10. Transportation Expense			
(1) To correct inflation calculation error per DAG-74	0	(42)	(42)
(2) To update fuel index prices	0	692	692
	\$ -	\$ 650	\$ 650
Total Operating & Maintenance Expense Adjustments	\$ (42,794)	\$ 31,588	\$ (11,206)
Adj. 3 Depreciation Expense			
(1) To reflect Staff's proposed depreciation	\$ (22)	\$ 229	\$ 207

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Electric Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
Adj. 4 Taxes Other Than Revenue & Income Taxes			
a. Real Estate Taxes			
(1) To reduce property taxes related to incremental additions to Plant in Service	(2,042)	2,325	283
(2) to reduce property taxes for a change in forecast growth rate	(6,290)	2,951	(3,339)
(3) to reduce property taxes for Glens Falls savings per DAG-83	-	(17)	(17)
	\$ (8,332)	\$ 5,259	\$ (3,073)
b. Payroll Taxes			
(1) Tracking labor adjustments loading factor of 7.39%	(886)	647	(240)
(2) to remove 2 additional FTE per (RMD-18 August & Sept 2012)	0	(3)	(3)
(3) Remove 1 additional FTE for US Restructuring per DAG-50	(3)	(1)	(4)
	\$ (889)	\$ 643	\$ (246)
c. Inflation Adjustment			
Sales and Use Taxes	0	(0)	(0)
Other Taxes	0	(0)	(0)
	\$ -	\$ (0)	\$ (0)
	\$ (9,221)	\$ 5,902	\$ (3,319)
Total Taxes Other Than Revenue & Income Taxes			
	\$ (9,221)	\$ 5,902	\$ (3,319)
Adj. 5 Rate Base			
a. Net Utility Plant			
(1) Update Electric Plant Based on Staff's forecast	\$ (909)	\$ 9,811	\$ 8,902
b. Accumulated Deferred Income Taxes			
(1) To reflect flow through change in Net Utility Plant - federal	0	(586)	(586)
(2) To reflect flow through change in Net Utility Plant - state	0	(136)	(136)
	\$ -	\$ (722)	\$ (722)
c. Inflation Adjustment			
Materials and Supplies	0	(29.5)	(29.5)
Prepayments	0	99.8	99.8
	\$ -	\$ 70	\$ 70
d. Working Capital			
(1) Flow through from O&M adjustments	\$ (4,412)	\$ 3,127	\$ (1,285)
	\$ (5,321)	\$ 12,287	\$ 6,966

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Electric Taxes Other Than Income Taxes - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year As Adjusted by Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Real Estate Taxes					
Real Property	\$ 87,716	\$ (8,332)	\$ 79,384	\$ 5,259	\$ 84,643
Special Franchise	71,767		71,767		71,767
Property tax reallocation					
Total Real Estate Taxes	159,483	(8,332)	151,151	5,259	156,410
Payroll Taxes	17,536	(889)	16,647	643	17,290
Sales & Use Taxes	93	-	93	(0)	93
Other	2	-	2	(0)	2
Total Taxes Other Than Revenue and Income Taxes	\$ 177,114	\$ (9,221)	\$ 167,893	\$ 5,902	\$ 173,796
Gross Revenue Taxes					
Gross Income	15,905	(68)	15,837	68	15,905
Municipal Gross Revenue	13,341		13,341		13,341
Total Gross Revenue Taxes	29,245	(68)	29,177	68	29,245
Total Taxes Other Than Income Taxes	\$ 206,360	\$ (9,289)	\$ 197,071	\$ 5,970	\$ 203,041

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Rate Year Regulatory Asset Electric Amortization - Company Rebuttal
For the Rate Years Ending March 31, 2014

Activity	Description	Amortization Period	C & U			Amortization Adjustment	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
			Rate Year Amortization 2014	Adj. #	Staff Adjustments				
182324	Enhanced Severance Plan	-	\$ -	-	\$ -	\$ -	-	\$ -	
182503	NIMO - RPS Program Cost Deferred	-	-	-	-	-	-	-	
182504	NIMO - ExcessAFDC Elec Pkt in Srv	Variable	17	-	-	17	-	17	
182514	NYAFUDC - Elec Pkt in SV (91-96)	Variable	20	-	-	20	-	20	
182549	NY - Electr Data Interchange Cost	-	-	-	-	-	-	-	
182551	NY Merger Empl Separation Cost	-	-	-	-	-	-	-	
182552	NY Merger Rate Plan Stranded Cost	-	-	-	-	-	-	-	
182378	Rate Case Expense	36	-	-	-	-	-	-	
	Transmission Hydro-One Transformer Project								
254095	RPS Program Cost Deferred	-	2,133	a.	0	2,133	-	2,133	
254350	Electric R&D Ventures-Deferral	-	-	-	-	-	-	-	
254502	NIMO-Purch ERC'S-Economic Dev	-	-	-	-	-	-	-	
254504	NIMO-Gain-Redmpt-8.35% Bonds	Variable	(60)	-	-	(60)	-	(60)	
254510	NIMO IRS Audit Refund (83-84)	-	-	-	-	-	-	-	
254516	NIMO-Environ Ins Recovery-Net	-	-	-	-	-	-	-	
254521	NIMO-SBC Program Cost Deferred	-	-	-	-	-	-	-	
254525	NIMO-Exit Fees Deferred	Variable	-	-	-	-	-	-	
254538	NIMO-SBC Prog Cost Def-Elec	-	-	-	-	-	-	-	
254558	CTC Reset Reserve	-	-	-	-	-	-	-	
254565	NIMO-Serv Aggreg Lost Revenue	-	-	-	-	-	-	-	
254572	Voltage Migration Fee Deferred	-	-	-	-	-	-	-	
	Subtotal Other Reg. Assets in Rate Base	Variable	(1)	\$ -	\$ -	(1)	\$ -	(1)	
			2,108	\$ -	\$ -	2,108	\$ -	2,108	
			-	-	-	-	-	-	
173000	Unbilled Revenue - Electric	Variable	-	-	-	-	-	-	
181000	Unamort Debt Expense	Variable	-	-	-	-	-	-	
189000	Unamort Loss Reacquired Debt	Variable	-	-	-	-	-	-	
242018	TCC Auction Revenue	Variable	-	-	-	-	-	-	
253025	NY-Nucl Fuel Disposal Costs	Variable	25	b.	0	25	-	25	
253203	Large Project Salvage	-	-	-	-	-	-	-	
254554	NYPA Res HydroPwr Benefit Recon	12	-	-	-	-	-	-	
	Subtotal Other Reg. Liabilities in Rate Base		25	\$ -	\$ -	25	\$ -	25	
	Net Reg Assets & Liabilities Included in Rate Base		2,134	\$ -	\$ -	2,134	\$ -	2,134	

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Electric

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0201
Average Forecast Balances of Electric Rate Base Regulatory Assets & Liabilities - Company Rebuttal
For the Rate Years Ending March 31, 2014
(000)'s

Activity	Description	Adj. #	Staff Adjustments	Amortization Adjustment	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Other Regulatory Assets & Liabilities Included in Rate Base							
182324	Enhanced Sovereign Plan						
182503	NIMO - RPS Program Cost Deferred						
182504	NIMO - ExcsAFDC Elec Plnt in Strv				166		166
182514	NYAFUDC - Elec Plnt in SV (91-96)				484		484
182549	NY - Electr Data Interchange Cost						
182551	NY Merger Empl Separation Cost						
182552	NY Merger Rate Plan Stranded Cost						
182778	Rate Case Expense	(5)			1,673		1,673
	Transmission Hydro-One Transformer Project				5,333		5,333
254095	RPS Program Cost Deferred						
254350	Electric R&D Ventures Deferral						
254502	NIMO-Purch ERC's Economic Dev						
254504	NIMO-Gain-Redmpt-8.35% Bonds	(135)			(135)		(135)
254510	NIMO IRS Audit Refund (83-84)						
254516	NIMO-Environ Ins Recovery-Net						
254521	NIMO-SBC Program Cost Deferred						
254525	NIMO-Exit Fees Deferred						
254538	NIMO-SBC Prog Cost Def-Elec						
254565	NIMO-Serv Aggreg Lost Revenue						
254572	Voltage Migration Fee Deferred				(13)		(13)
	Subtotal Other Reg. Assets in Rate Base				7,508		7,508
Other Assets & Liabilities Included in Rate Base							
173000	Unbilled Revenue - Electric				140,170		140,170
181000	Unamort Debt Expense				17,259		17,259
189000	Unamort Loss Reacquired Debt				8,683		8,683
242018	TCC Auction Revenue				(23,122)		(23,122)
253025	NY-Nucl Fuel Disposal Costs				(167,631)		(167,631)
253203	Large Project Salvage						
254554	NYPA Res HydroPwr Benefit Recon	(1)			(1,150)		(1,150)
	SIR Non-Utility Plant				2,248		2,248
	Subtotal Other Reg. Liabilities in Rate Base				(23,543)		(23,543)
	Net Reg Assets & Liabilities Included in Rate Base				(16,035)		(16,035)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Case No. 12-E-0201

Depreciation and Amortization - Company Rebuttal

For the Rate Year Ending March 31, 2014

(\$000's)

	Corrections & Updates Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year Ending March 31, 2014	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Depreciation Expense	179,894 (4)	(22)	179,872	229	180,102
Amortization Expense	155	-	155	-	155
(Gain) Loss on Disposition of Utility Plant	-	-	-	-	-
Total Depreciation & Amortization Expense	\$ 180,049	\$ (22)	\$ 180,027	\$ 229	\$ 180,256

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Case No. 12-E-0201

Electric Working Capital - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

Description	Corrections & Updates Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year as Adjusted Per Staff	Company Adjustments	Rate Year Company Rebuttal
Total O&M Expense	\$ 1,005,223	\$ (42,794)	\$ 962,429	\$ 31,588	\$ 994,018
Remove major non-cash items included O&M expense :					
Bad Debt expense	(35,594)	7,501	(28,093)	(6,573)	(34,667)
Other	(258,700)	-	(258,700)	-	(258,700)
Subtotal	(294,295)	7,501	(286,794)	(6,573)	(293,367)
Add major cash items not included in O&M expense:					
Other	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Adjustments	(294,295)	7,501	(286,794)	(6,573)	(293,367)
Adjusted O&M Expense	710,928	(35,293)	675,635	25,015	700,650
Departmental Cash Allowance - 1/8 (45 days)	\$ 88,866	\$ (4,412)	\$ 84,454	\$ 3,127	\$ 87,581

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Case No. 12-E-0201

Electric Tax Deduction for Interest Expense - Company Rebuttal

For the Rate Year Ending March 31, 2014

(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year As Adjusted by Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Avg Rate Base Per Books	4,127,667	(5,321)	4,122,346	12,287	4,134,633
Less: Excess Earnings Adj (EBCAP)	(23,465)	-	(23,465)	-	(23,465)
Rate Base	4,104,202	(5,321)	4,098,881	12,287	4,111,168
Weighted Cost of L/TD Debt	1.92%	0.04%	1.96%	-0.04%	1.92%
Weighted Cost of Notes payable	0.01%	0.00%	0.01%	0.00%	0.01%
Weighted Cost of Gas Supplier Ref	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Cost of Cust Deposits	0.01%	0.00%	0.01%	0.00%	0.01%
subtotal weighted cost of debt	1.94%	0.04%	1.98%	-0.04%	1.94%
Total Income Tax Interest Deduction	\$ 79,622	\$ 1,536	\$ 81,158	\$ (5)	\$ 79,757

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Summary Revenue Requirements - Gas

Exhibit _____ (RRP-1R)
 Schedule 2
 Page 1 of 16

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Statement of Gas Operating Income
 Historic Year Ended December 31, 2011 - Rate Year Ending March 31, 2014
 (\$'000's)

Exhibit Reference	Historic Year Ended December 31, 2011	Historic Test Year Normalizing Adj	Adjustment Reflect Conditions in the Rate Year	Rate Year Ending March 31, 2014	Base Revenue Increase Required	Rate Year Ending March 31, 2014 with Base Revenue Requirement	Deferral Credit	Rate Year Ending March 31, 2014 with Base Rev Req & Deferral
Operating Revenues	\$ 730,832	-	\$ (123,320)	\$ 607,512	\$ 22,520	\$ 630,032	\$ (14,350)	\$ 615,682
Deductions								
Purchased Gas Costs	353,675	-	(125,581)	228,094		228,094	-	228,094
Revenue Taxes	8,484	-	(114)	8,370	383	8,753	(244)	8,509
Total Deductions	362,160	-	(125,695)	236,464	383	236,847	(244)	236,603
Gross Margin	368,672	-	2,375	371,047	22,137	393,184	(14,106)	379,078
Total Operation & Maintenance Expenses	201,507	(12,107)	(7,357)	182,043	640	182,683	(408)	182,275
Amortization of Regulatory Deferrals	14,707	-	(16,288)	(1,580)		(1,580)	(13,698)	(15,279)
Depreciation, Amort. & Loss on Disposition	44,140	-	6,088	50,228		50,228	-	50,228
Taxes Other Than Revenue & Income Taxes	43,482	-	2,038	45,520		45,520	-	45,520
Total Operating Revenue Deductions	305,836	(12,107)	(15,519)	276,210	640	276,850	(14,106)	262,744
Operating Income Before Income Taxes	64,836	12,107	17,894	94,837	21,497	116,334	-	116,334
Income Taxes								
Federal Income Taxes	15,250	3,939	5,213	24,402	6,990	31,392	-	31,392
State Income Taxes	3,149	855	1,240	5,244	1,526	6,770	-	6,770
Total Income Taxes	18,399	4,794	6,453	29,646	8,516	38,162	-	38,162
Operating Income After Income Taxes	46,437	7,313	11,441	65,191	12,981	78,172	-	78,172
Rate Base	\$ 1,001,752	-	\$ 82,469	\$ 1,084,221		\$ 1,084,221		\$ 1,084,221
Rate of Return	4.64%		6.01%			7.21%		7.21%
Return On Equity	5.15%		7.81%			10.22%		10.22%

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Statement of Gas Operating Income - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Staff Adjustments	Staff's Adjustment to Base Revenue	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Company Adjustments to Staff's Base Revenue	Rate Year Company Rebuttal
<u>Operating Revenues</u>	\$ 636,497	(1) \$ 1,609	\$ (41,588)	\$ 596,518	\$ (1,610)	\$ 35,124	\$ 630,032
<u>Deductions</u>							
Purchased Power Costs	228,094	-	-	228,094	-	-	228,094
Revenue Taxes	8,863	27	(707)	8,183	(27)	597	8,753
Total Deductions	236,957	27	(707)	236,277	(27)	597	236,847
Gross Margin	399,540	1,582	(40,881)	360,241	(1,583)	34,527	393,184
Total Operation & Maintenance Expenses	186,463	(2)	(1,162)	176,306	5,459	917	182,683
Amortization of Regulatory Deferrals	(1,580)	-	-	(1,580)	-	-	(1,580)
Depreciation, Amort. & Loss on Disposition	50,243	(3)	(6,364)	43,879	6,349	-	50,228
Taxes Other Than Revenue & Income Taxes	44,905	(4)	(2,485)	42,420	3,100	-	45,520
Total Operating Revenue Deductions	280,031	(17,843)	(1,162)	261,025	14,908	917	276,850
Operating Income Before Income Taxes	119,509	19,425	(39,719)	99,215	(16,491)	33,610	116,334
<u>Income Taxes</u>							
Federal Income Taxes	32,417	6,206	(12,915)	25,708	(5,244)	10,928	31,392
State Income Taxes	6,994	1,355	(2,820)	5,529	(1,145)	2,386	6,770
Total Income Taxes	39,411	7,561	(15,735)	31,237	(6,390)	13,315	38,162
Operating Income After Income Taxes	80,098	\$ 11,864	\$ (23,984)	\$ 67,978	\$ (10,101)	\$ 20,295	\$ 78,172
Rate Base	\$ 1,085,357	(5) \$ 585	\$ -	\$ 1,085,942	\$ (1,721)	\$ -	\$ 1,084,221
Rate of Return	7.38%			6.26%			7.21%

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Gas Operating Expenses by Component - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Adj. #	Staff Adjustments	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Consultants	1,317	a	(64)	1,253	64	1,316
Contractors	11,868			11,868		11,868
Donations	-			-		-
Employee Expenses	1,054			1,054		1,054
Hardware	468			468		468
Software	1,278			1,278		1,278
Other	5,911	b	(709)	5,202	464	5,666
Rents	6,273	c	(333)	5,940	690	6,630
AFUDC - Debt	-			-		-
Service Co. Equity	0			0		0
Conservation Load Management	1			1		1
Construction Reimbursement	(32)			(32)		(32)
Co Contributions/Cr to Jobs	-			-		-
Bill Interface Expense Type	(20)			(20)		(20)
Capital Overheads	-			-		-
Supervision & Admin	4			4		4
Service Co Operating Costs	-			-		-
Sales Tax	666			666		666
FAS 106	7,494	d	(239)	7,255	239	7,494
FAS 112	935	e	(26)	909	26	935
Health Care	5,152	f	(122)	5,030	118	5,148
Group Life Insurance	358	g	(8)	350	8	358
Other Benefits	127			127		127
Pension	9,308	h	(245)	9,063	245	9,308
Thrift Plan	1,241	i	16	1,257	(16)	1,241
Workers Comp	726	j	(22)	704	22	726
Payroll Taxes	-			-		-
Materials Outside Vendor	3,543	k	(58)	3,485	-	3,485
Materials From Inventory	1,679			1,679		1,679
Materials Stores Handling	285			285		285
Total Labor	44,662	l	(2,379)	42,283	1,663	43,946
Transportation	4,726	t	0	4,726	149	4,875
Energy Efficiency Program	16,713			16,713		16,713
Injuries & Damages	1,810			1,810		1,810
Other Initiatives	7,093	u	0	7,093	(1,501)	5,592
Productivity Adjustment	(969)	p	57	(912)	(40)	(952)
Rate Case Expense	137			137		137
Regulatory Assessment Fees	28,891			28,891		28,891
Renewable Portfolio Standard	-			-		-
Site Investigation & Remediation Expenses	6,300			6,300		6,300
Storm Fund	-			-		-
Synergy Savings	(161)			(161)		(161)
System Benefits Charge	0			0		0
Uncollectible Accounts	17,668	q	(4,839)	12,829	3,650	16,479
Legal (Exp 100, 110 or 400)	750			750		750
Accounting (Exp 100, 110, or 400)	640			640		640
Vegetation (Exp 100, 110, or 400)	444			444		444
US Restructuring (Savings)	(2,370)	m	(100)	(2,470)	-	(2,470)
E&Y Analysis	(673)	n	673	0	(673)	(673)
Ex Pat Proxy	(92)	o	(146)	(238)	68	(170)
Allocation Reclass	374			374		374
Inflation	-	r	(72)	(72)	34	(38)
Miscellaneous	-	s	(379)	(379)	250	(129)
Total Other Operating Expenses	\$ 185,580		\$ (8,995)	\$ 176,585	\$ 5,458	\$ 182,043

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Case No. 12-E-0202
 Federal Income Taxes - Gas - Staff Position
 For the Rate Year Ending March 31, 2014
 (\$000's)

Staff Adjusted Rate Case								
Electric	FEDERAL TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ THE STATUTORY RATE	DFIT REVERSALS	NET FIT		
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	\$ 111,330		\$ 111,330	\$ 38,966				
ADDITIONS								
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION	0		0	0	0	0		
PROVISION FOR DEPRECIATION	43,879		43,879	15,358		15,358		
REAL ESTATE TAXES PER BOOKS	39,398		39,398	13,789		13,789		
BUSINESS MEALS 50% DISALLOWANCE	60		60	21		21		
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(6)		(6)	(2)		(2)		
INTEREST	(21,393)		(21,393)	(7,488)		(7,488)		
V-M BOOK GAIN AMORTIZATION	0		0	0	0	0		
DIVIDEND PAID CREDIT	(84)		(84)	(30)		(30)		
OSWEGO 6 TRANS SERVICE CONTRACT EXIT AGREEMENT	0		0	0		0		
NEW YORK STATE INCOME TAXES - CURRENT PROVISION	(6,389)		(6,389)	(2,236)		(2,236)		
OTHER STATE INCOME TAXES	(6)		(6)	(2)		(2)		
COST OF REMOVAL	(8,372)	6,697	(1,674)	(586)	(1,438)	(2,024)		
TAX DEPRECIATION	(33,347)	(3,558)	(36,905)	(12,917)		(12,917)		
REAL ESTATE TAXES FOR TAX AMORTIZATION PASNY CONTRACT	(39,398)		(39,398)	(13,789)		(13,789)		
CLASS B CONTRACTS AMORTIZATION	0		0	0		0		
CREDITS								
Adjustment for Tax Credits							0	
TOTAL FIT EXPENSE	\$ 85,671	\$ 33,300	\$ 31,084	\$ (1,438)	\$	\$ 29,646		
							calculated effective Federal tax rate	33.0%

State Income Taxes - Gas - Staff Position
 For the Rate Year Ending March 31, 2014
 (\$000's)

Staff Adjusted Rate Case								
	STATE TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ BLENDDED * STATUTORY RATE	DSIT REVERSALS	NET SIT		
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	\$ 111,330		\$ 111,330	\$ 7,904				
ADDITIONS								
REAL ESTATE TAXES PER BOOKS	39,398		39,398	2,797		2,797		
BUSINESS MEALS 50% DISALLOWANCE	60		60	4		4		
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(6)		(6)	(0)		(0)		
INTEREST	(21,393)		(21,393)	(1,519)		(1,519)		
V-M BOOK GAIN AMORTIZATION	0		0	0		0		
OSWEGO 6 TRANS SERVICE CONTRACT EXIT AGREEMENT	0		0	0		0		
REAL ESTATE TAXES FOR TAX	(39,398)		(39,398)	(2,797)		(2,797)		
TOTAL SIT EXPENSE	\$ 89,991	\$ -89,998	\$ 6,389	\$	\$ -6,389	\$		
							calculated effective NYS tax rate	7.1%
							calculated effective Combined Fed & NYS tax rate	40.1%

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
 Federal Income Taxes - Gas - Company Rebuttal
 For the Rate Year Ended March 31, 2014
 (\$000's)

Company Adjusted Rate Case								
Electric	FEDERAL TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ THE STATUTORY RATE	DFIT REVERSALS	NET FIT		
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	94,837		94,837	33,193			33,193.00	
ADDITIONS								
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION	0		0	0	0	0.00		
PROVISION FOR DEPRECIATION	50,228		50,228	17,580		17,580.00		
REAL ESTATE TAXES PER BOOKS	42,372		42,372	14,830		14,830.00		
BUSINESS MEALS 50% DISALLOWANCE	60		60	21		20.86		
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(6)		(6)	(2)		(2.06)		
INTEREST	(21,034)		(21,034)	(7,362)		(7,361.90)		
V-M BOOK GAIN AMORTIZATION	0		0	0	0	0.00		
DIVIDEND PAID CREDIT	(84)		(84)	(30)		(29.55)		
NEW YORK STATE INCOME TAXES - CURRENT PROVISION	(5,244)		(5,244)	(1,835)		(1,835.35)		
OTHER STATE INCOME TAXES	0		0	0		0.00		
COST OF REMOVAL	(8,340)	6,672	(1,668)	(584)	(1,431)	(2,014.82)		
TAX DEPRECIATION	(39,775)	(3,506)	(43,281)	(15,148)		(15,148.30)		
REAL ESTATE TAXES FOR TAX AMORTIZATION PASNY CONTRACT	(42,372)		(42,372)	(14,830)		(14,830.32)		
CLASS B CONTRACTS AMORTIZATION	0		0	0		0.00		
CREDITS								
Tax Credits							0.00	
TOTAL FIT EXPENSE	70,641	3,167	73,808	25,833	(1,431)	24,401.57		
							calculated effective Federal tax rate	33.1%

State Income Taxes - Gas - Company Rebuttal
 For the Rate Year Ended March 31, 2014
 (\$000's)

Company Adjusted Rate Case								
	STATE TAXABLE INCOME	DEFERRABLE BASIS	BOOK TAXABLE INCOME	@ BLENDDED * STATUTORY RATE	DSIT REVERSALS	NET SIT		
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	94,837		94,837	6,733			6,733	
ADDITIONS								
REAL ESTATE TAXES PER BOOKS	42,372		42,372	3,008		3,008		
BUSINESS MEALS 50% DISALLOWANCE	60		60	4		4		
DEDUCTIONS								
GAIN ON REDEMPTION BONDS	(6)		(6)	(0)		(0)		
INTEREST	(21,034)		(21,034)	(1,493)		(1,493)		
V-M BOOK GAIN AMORTIZATION	0		0	0		0		
OSWEGO 6 TRANS SERVICE CONTRACT EXIT AGREEMENT	0		0	0		0		
REAL ESTATE TAXES FOR TAX	(42,372)		(42,372)	(3,008)		(3,008)		
TOTAL SIT EXPENSE	73,857	0	73,857	5,244	0	5,244		
							calculated effective NYS tax rate	7.1%
							calculated effective Combined Fed & NYS tax rate	40.2%
						Difference Federal	(5,244)	
						Difference State	(1,145)	

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
Case No. 12-E-0202
Summary of Gas Rate Base - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$'000's)

	C&U Filing Rate Year Ending March 31, 2014	Adj.	Staff Adjustments	Rate Year as Adjusted per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Net Utility Plant	\$ 1,289,184	\$	2,218	\$ 1,291,402	\$ (3,158)	\$ 1,288,244
Regulatory Assets / Liabilities	7,320		-	7,320	-	7,320
Accumulated Deferred Income Taxes - Federal	(223,140)		(1,114)	(224,254)	1,252	(223,002)
Accumulated Deferred Income Taxes - State	(40,348)		(1,114)	(40,348)	-	(40,348)
Total Accumulated Deferred Income Taxes	(263,489)		(1,114)	(264,603)	1,252	(263,351)
Working Capital						
Materials and supplies	62,278			62,278	(59)	62,219
Prepayments	(19,705)			(19,705)	19	(19,687)
O&M Cash Allowance (1/8 O&M exp)	15,688		(519)	15,169	226	15,394
Supply Cash Allowance	21,654			21,654	-	21,654
Change in Supply Cash Allowance	(8,539)			(8,539)	-	(8,539)
subtotal Working Capital	71,376		(519)	70,857	185	71,042
subtotal avg. before EBCAP adj.	1,104,391		585	1,104,976	(1,721)	1,103,255
Excess Earnings Base adjustment	(19,034)		-	(19,034)	-	(19,034)
Total Electric Rate Base	\$ 1,085,357	\$	585	\$ 1,085,942	\$ (1,721)	\$ 1,084,221

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Case No. 12-E-0202

Gas Capital Structure - Company Rebuttal

For the Rate Year Ending March 31, 2014

(\$000's)

Company Capital Structure Rate Year Ending March 31, 2014	Total NM Annual Avg	Weighting Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	\$ 1,902,301	46.35%	4.14%	1.92%	1.92%
Notes Payable	41,400	1.01%	0.84%	0.01%	0.01%
Gas Supplier Refunds	-			0.00%	0.00%
Customer Deposits	29,675	0.72%	1.65%	0.01%	0.01%
Preferred Stock	22,901	0.56%	3.66%	0.02%	0.03%
Common Equity	2,107,925	51.36%	10.22%	5.25%	8.69%
Total	\$ 4,104,202	100.00%		7.21%	10.67%

Staff's Capital Structure Forecast Rate Year Ending March 31, 2014	Total NM Annual Avg	Weighting Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	\$ 1,902,301	49.70%	3.95%	1.96%	1.96%
Notes Payable	41,400	1.00%	0.46%	0.00%	0.00%
Gas Supplier Refunds	0	0.00%	0.00%	0.00%	0.00%
Customer Deposits	29,675	0.70%	1.65%	0.01%	0.01%
Preferred Stock	22,901	0.60%	3.66%	0.02%	0.03%
Common Equity	2,107,925	48.00%	8.90%	4.27%	7.07%
Total	\$ 4,104,202	100.00%		6.26%	9.07%

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Gas Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
Operating Revenues			
Adj. 1a			
Total Operating Revenue Adjustments			
Reconcile funding of Low Income Program	\$ 1,609	\$ (1,609)	\$ -
Adj. 1b			
Revenue Taxes			
To reflect change in revenue taxes on adjustment 1.a.	\$ 27	\$ (27)	\$ -
Adj. 1c			
Adjust for miscellaneous revenue inflation change	\$ -	\$ (1)	\$ (1)
Adj. 2			
Operating and Maintenance Expenses			
a.			
Consultant Expense			
to reflect staff's normalizing adjustments	\$ (64)	\$ 64	\$ -
b.			
Other Expense			
To eliminate 50% of annual AGA and NGA membership fees for activities related to lobbying	(111)	111	-
To reflect staff's normalizing adjustments	(598)	364	(234)
To reduce other expense for Glens Falls savings per DAG-83	0	(5)	(5)
To adjust for incorrect allocation code per DAG-56 supplemental	0	(6)	(6)
	\$ (709)	\$ 464	\$ (245)
c.			
Rent Expense			
To reflect Staff service company return allowance of 8.63% which is based on Staff Capital Structure	(288)	283	(5)
To reflect change in bill pool 603 allocation, as per DPS-52 (DAG-5)	(45)	343	298
To correct RY facilities rent expense for Glens Falls per DAG-83	0	49	49
To correct formula error in RY IS rent expense per DAGINF-6	0	15	15
	\$ (333)	\$ 690	\$ 357
d.			
FAS 106 - OPEB			
Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (239)	\$ 239	\$ -
e.			
FAS 112			
Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (26)	\$ 26	\$ -
f.			
Health Care			
Use latest benefit capitalization rate through 7/31/2012 of 40.78%	(121)	121	-
to remove 2 additional FTE per (RMD-18 August & Sept 2012)	0	(3)	(3)
Remove 1 additional FTE for US Restructuring per DAG-50	(1)	0	(1)
	\$ (122)	\$ 118	\$ (4)
g.			
Group Life Insurance			
Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (8)	\$ 8	\$ -

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Gas Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
h.			
(1) Pensions Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (245)	\$ 245	\$ -
(2) Thrift Plan Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ 16	\$ (16)	\$ -
(3) Workers Compensation Use latest benefit capitalization rate through 7/31/2012 of 40.78%	\$ (22)	\$ 22	\$ -
(4) Materials Outside Vendors To reflect agreed upon postage as per DPS-491 (DAG-81)	\$ (58)	\$ -	\$ (58)
(5) Labor to limit management pay increases to 2.9% per year to adjust management compensation to reflect pay differential by region	(74) (353)	74 353	- -
(6) Adj labor capitalization rate to reflect latest known actuals through 7/31/12 of 38.1%	(1,241)	1,241	-
(7) Remove 1 additional FTE for US Restructuring per DAG-50	(8)	0	(8)
Allocate RY variable pay between expense and capital in same manner as base pay	(703)	-	(703)
to remove 2 additional FTEs per (RMD-18 August & Sept 2012)	0	(5)	(5)
	\$ (2,379)	\$ 1,663	\$ (716)
ii.			
(1) U.S. Restructuring Reflect additional savings per DAG-49, DAG-81	\$ (100)	\$ -	\$ (100)
(2) E&Y Analysis To remove O&M charges resulting from E&Y Analysis	\$ 673	\$ (673)	\$ -
(3) Ex Pat Proxy To reflect HTY normalization adj as per DAG-48	(31)	-	(31)
To reflect expats ending assignment prior to 1/1/12 as per DAG-48	(30)	-	(30)
To reflect additional expats ending assignment prior to or during RYE 3/14	(85)	68	(17)
	\$ (146)	\$ 68	\$ (78)
jj.			
(1) Productivity Adjustment to remove 2 additional FTE per (RMD-18 August & Sept 2012)	0	0	0
Flow through adjustment related to labor adjustments above (h)	57	(40)	17
	\$ 57	\$ (40)	\$ 17
(2) Uncollectible Accounts Use of a three year average uncollectible rate vs. the Company's one year rate	\$ (4,839)	\$ 3,650	\$ (1,189)
(3) Inflation To reflect staff updated inflation factor	\$ (72)	\$ 34	\$ (38)
kk.			
(1) Miscellaneous Expense To reduce Outreach & Education Proposal	(250)	250	-
To reflect additional IS Transformation adj. per DAG-80	(129)	0	(129)
	\$ (379)	\$ 250	\$ (129)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Gas Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
L			
Transportation Expense			
(1) To correct inflation calculation error per DAG-74	0	(9)	(9)
(2) To update fuel index prices	0	158	158
	\$ -	\$ 149	\$ 149
M			
New Initiatives			
(1) To adjust AFV grants	0	(1,500)	(1,500)
(2) Capitalization Changes - Gas	0	(1)	(1)
	\$ -	\$ (1,501)	\$ (1,501)
Total Operating & Maintenance Expense Adjustments	\$ (8,995)	\$ 5,459	\$ (3,535)
	\$ (6,364)	\$ 6,349	\$ (16)
Adj. 3			
Depreciation Expense			
(1) To reflect Staff's proposed depreciation			
Adj. 4			
Taxes Other Than Revenue & Income Taxes			
a.			
Real Estate Taxes			
(1) To reduce property taxes related to incremental additions to Plant in Service	(566)	545	(22)
(2) to reduce property taxes for a change in forecast growth rate	(1,743)	2,434	691
(3) to reduce property taxes for Glens Falls savings per DAG-83	-	(5)	(5)
	\$ (2,309)	\$ 2,974	\$ 665
b.			
Payroll Taxes			
(1) Tracking labor adjustments loading factor of 7.39%	(175)	126	(49)
(2) to remove 2 additional FTE per (RMD-18 August & Sept 2012)	0	(0)	(0)
(3) Remove 1 additional FTE for US Restructuring per DAG-50	(1)	0	(1)
	\$ (176)	\$ 126	\$ (50)
c.			
Inflation Adjustment			
Sales and Use Taxes	0	(0)	(0)
Other Taxes	0	0	0
	\$ -	\$ (0)	\$ (0)
Total Taxes Other Than Revenue & Income Taxes	\$ (2,485)	\$ 3,100	\$ 615

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Company Rebuttal to Staff Direct Case
Company Rebuttal to Staff Gas Adjustments for the Rate Year Ending March 31, 2014
(\$000's)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

	Staff Direct Amount	Company Adjustments Amount	Company Rebuttal Amount
Adj. 5 Rate Base			
a. Net Utility Plant			
(1) Decrease to Gas Plant in Service	(712)	0	(712)
(2) Adjustment to Non-Interest Bearing CWIP	(15)	0	(15)
(3) Decrease in Reserve for Depreciation	2,945	(3,158)	(213)
	\$ 2,218	\$ (3,158)	\$ (940)
b. Accumulated Deferred Income Taxes			
(1) Flow through from adjustment to depreciation expense	\$ (1,114)	\$ 1,252	\$ 138
c. Inflation Adjustment			
Materials and Supplies	0	(59)	(59)
Prepayments	0	19	19
	\$ -	\$ (40)	\$ (40)
d. Working Capital			
(1) Flow through from O&M adjustments	\$ (519)	\$ 226	\$ (294)
Total Rate Base Adjustments	\$ 585	\$ (1,721)	\$ (1,136)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Gas Taxes Other Than Income Taxes - Company Rebuttal
For the Rate Year Ending March 31, 2014
(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year As Adjusted by Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Real Estate Taxes					
Real Property	\$ 22,939	\$ (2,309)	\$ 20,630	\$ 2,974	\$ 23,604
Special Franchise	18,768		18,768		18,768
Property tax reallocation					
Total Real Estate Taxes	41,707	(2,309)	39,398	2,974	42,372
Payroll Taxes	3,180	(176)	3,004	126	3,130
Sales & Use Taxes	17	-	17	(0)	17
Other	-	-	-	-	-
Total Taxes Other Than Revenue and Income Taxes	\$ 44,905	\$ (2,485)	\$ 42,420	\$ 3,100	\$ 45,520
Gross Revenue Taxes					
Gross Income	4,867		4,867		4,867
Municipal Gross Revenue	3,503		3,503		3,503
Total Gross Revenue Taxes	8,370	-	8,370	-	8,370
Total Taxes Other Than Income Taxes	\$ 53,275	\$ (2,485)	\$ 50,790	\$ 3,100	\$ 53,890

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Rate Year Regulatory Asset Gas Amortization - Company Rebuttal
For the Rate Years Ending March 31, 2014

Activity	Description	Amortization Period	C & U			Amortization Adjustment	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
			Rate Year Amortization 2014	Adj. #	Staff Adjustments				
Other Regulatory Assets & Liabilities Included in Rate Base									
182324	Enhanced Severance Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -
182504	NIMO - ExesAFDC Elec Plt in Srv	-	-	-	-	-	-	-	-
182514	NYAFUDC - Elec Plt in SV (91-96)	-	-	-	-	-	-	-	-
182549	NY - Electr Data Interchange Cost	-	-	-	-	-	-	-	-
182551	NY Merger Empl Separation Cost	-	-	-	-	-	-	-	-
182378	Rate Case Expense	36	-	-	-	-	-	-	-
254516	NIMO-Environ Ins Recovery-Net	36	(1,580)	-	(1,580)	-	(1,580)	-	(1,580)
254539	NIMO-SBC Prog Cost Def-Gas	-	-	-	-	-	-	-	-
	Subtotal Other Reg. Assets in Rate Base		\$ (1,580)	\$ -	\$ -	\$ -	\$ (1,580)	\$ -	\$ (1,580)
Other Assets & Liabilities Included in Rate Base									
173001	Unbilled Revenue - Gas	Variable	-	-	-	-	-	-	-
189000	Unamort Loss Reacquired Debt	-	-	-	-	-	-	-	-
254511	NIMO-Accr Unbilled Rev Def-Gas	-	-	-	-	-	-	-	-
	Subtotal Other Reg. Liabilities in Rate Base		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Reg. Assets & Liabilities Included in Rate Base		\$ (1,580)	\$ -	\$ -	\$ -	\$ (1,580)	\$ -	\$ (1,580)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Case No. 12-E-0202
Average Forecast Balances of Gas Rate Base Regulatory Assets & Liabilities - Company Rebuttal
For the Rate Years Ending March 31, 2014
(000)'s

Activity	Description	C&U Rate Year Average Balance 2014	Adj. #	Staff Adjustments	Staff Adjustments	Amortization Adjustment	Rate Year As Adjusted Per Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Other Regulatory Assets & Liabilities Included in Rate Base									
182324	Enhanced Severance Plan	\$ -	-	-	-	-	\$ -	\$ -	-
182504	NIMO - ExcessAFDC Elec Pft in Srv	-	-	-	-	-	-	-	-
182514	NY AFUDC - Elec Pft in SV (91-96)	-	-	-	-	-	-	-	-
182549	NY - Electr Data Interchange Cost	-	-	-	-	-	-	-	-
182551	NY Merger Empl Separation Cost	-	-	-	-	-	-	-	-
182378	Rate Case Expense	343	(5)	-	-	-	343	-	343
254516	NIMO-Environ Ins Recovery-Net	(3,951)	-	-	-	-	-	-	-
254539	NIMO-SDC Prog Cost Def-Gas	(3,608)	-	\$ -	-	\$ -	343	\$ -	343
Subtotal Other Reg. Assets in Rate Base									
Other Assets & Liabilities Included in Rate Base									
173001	Unbilled Revenue - Gas	16,720	-	-	-	-	16,720	-	16,720
189000	Unamort Loss Reacquired Debt	10,280	-	-	-	-	10,280	-	10,280
254511	NIMO-Acer Unbilled Rev Def-Gas	(16,072)	-	-	-	-	(16,072)	-	(16,072)
Subtotal Other Reg. Liabilities in Rate Base									
Net Reg Assets & Liabilities Included in Rate Base									
		\$ 10,928	\$ -	\$ -	\$ -	\$ -	\$ 10,928	\$ -	\$ 10,928
		\$ 7,320		\$ -	\$ -	\$ -	\$ 11,271	\$ -	\$ 11,271

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Case No. 12-E-0202
 Gas Depreciation and Amortization - Company Rebuttal
 For the Rate Year Ending March 31, 2014
 (\$000's)

	Corrections & Updates Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year Ending March 31, 2014	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Depreciation Expense	50,243 (3)	(6,364)	43,879	6,349	50,228
Amortization Expense	-	-	-	-	-
(Gain) Loss on Disposition of Utility Plant	-	-	-	-	-
Total Depreciation & Amortization Expense	\$ 50,243	\$ (6,364)	\$ 43,879	\$ 6,349	\$ 50,228

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Summary Revenue Requirements - Gas

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Case No. 12-E-0202
 Gas Working Capital - Company Rebuttal
 For the Rate Year Ending March 31, 2014
 (\$000's)

Description	Corrections & Updates Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year as Adjusted Per Staff	Company Adjustments	Rate Year Company Rebuttal
Total O&M Expense	\$ 185,580	\$ (8,995)	\$ 176,585	\$ 5,458	\$ 182,043
Remove major non-cash items included O&M expense :					
Bad Debt expense	(17,668)	4,839	(12,829)	(3,650)	(16,479)
Other	(42,411)	-	(42,411)	-	(42,411)
Subtotal	(60,079)	4,839	(55,240)	(3,650)	(58,890)
Add major cash items not included in O&M expense:					
Other	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Adjustments	(60,079)	4,839	(55,240)	(3,650)	(58,890)
Adjusted O&M Expense	125,500	(4,156)	121,345	1,808	123,153
Departmental Cash Allowance - 1/8 (45 days)	\$ 15,688	\$ (519)	\$ 15,168	\$ 226	\$ 15,394

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Case No. 12-E-0202

Gas Tax Deduction for Interest Expense - Company Rebuttal

For the Rate Year Ending March 31, 2014

(\$000's)

	C&U Filing Rate Year Ending March 31, 2014	Staff Adjustments	Rate Year As Adjusted by Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Avg Rate Base Per Books	1,104,391	585	1,104,976	(1,721)	1,103,255
Less: Excess Earnings Adj (EBCAP)	(19,034)	-	(19,034)	-	(19,034)
Rate Base	1,085,357	585	1,085,942	(1,721)	1,084,221
Weighted Cost of L/TD Debt	1.92%	0.04%	1.96%	-0.04%	1.92%
Weighted Cost of Notes payable	0.01%	-0.01%	0.00%	0.01%	0.01%
Weighted Cost of Gas Supplier Ref	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Cost of Cust Deposits	0.01%	0.00%	0.01%	0.00%	0.01%
subtotal weighted cost of debt	1.94%	0.03%	1.97%	-0.03%	1.94%
Total Income Tax Interest Deduction	\$ 21,056	\$ -	\$ 21,393	\$ 1	\$ 21,034

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-2R)

Journal Entry Reclassification for Consulting Expense



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Header | Lines | Totals | Errors | Approval

Unit: 00099 Journal ID: 99617_EB10 Date: 08/29/2011

Long Description: To apply the NYPSC Allocations Audit work order to Overland invoices paid to date through July 2011

*Ledger Group: ACTUALS Auto Generate Lines

Ledger: Adjusting Entry: Non-Adjusting Entry

*Source: IMP Fiscal Year: 2012

Reference Number: Period: 5

SJE Type: ADB Date: 08/29/2011

Journal Class: Save Journal Incomplete Status

Transaction Code: GENERAL


Currency Defaults: USD / CRRNT / 1 Created: 08/29/11 4:20:41PM User ID: eborst

Reversal: Do Not Generate Reversal Posted: 08/29/11 4:21:18PM

Save | Return to Search | Previous in List | Next in List | Notify | Refresh | Add | Update/Display

Header | Lines | Totals | Errors | Approval

ENTERED BY: EB DATE: 8/29/11
 POSTED BY: C.W. DATE: 9/30/11
 CHECK ACCOUNTS: ✓ CHECK CALCS:
 COPIED: ✓ PREVIOUS MO:
 REASONABILITY: ✓ VERIFY INPUTS: ✓

[New Window](#) | [Help](#) | [Customize Page](#) | 

[Header](#) | [Lines](#) | [Totals](#) | [Errors](#) | [Approval](#)
 *Process: Process
 Edit Journal
 Errors Only Line: 10

Unit: 00099 Journal ID: 99617_EB10 Date: 08/29/2011

[Template List](#) [Search Criteria](#)

Unit	Activity	Project	WO	Exp Type	Orig Dept	Chrg Dept	Bill Pool	Segment	Account	Reg Acct	Amount	Journal
00099	AG0085	X13805	9000105342	100	25750	25750	00396	OTH	256021	923000	245,488.65	PSC a invoice
00099	AG0085			100	25750	25750	00396	OTH	256021	923000	-245,488.65	PSC a invoice

Totals		Total Debits	Total Credits	Journal Status
Unit	00099	245,488.65	245,488.65	P

[Save](#) | [Return to Search](#) | [Notify](#) | [Refresh](#)
[Header](#) | [Lines](#) | [Totals](#) | [Errors](#) | [Approval](#)

The screenshot displays the Oracle financial system interface. At the top, there is a navigation bar with 'Home', 'Worklist', 'MainChannel Console', 'Add to Favorites', and 'Sign out'. Below this is a 'Main Content' header.

The main area is divided into several sections:

- Account Validation:** Contains fields for Business Unit Activity (00099), Orig Dept (25750), Exp Type (100), Work Order (9000106342), Billing Pool (00386), Reg Acct (923000), Segment (OTH), Project (X13805), Chrg Dept (25750), and Orig Unit (00099).
- Derived Fields:** Includes Account (256021), Budget Reference, and Source (ONL).
- Accounting Date:** 08/19/2011
- Ledger Group:** ACTUALS
- Validation Status:** Good Code Block
- Process Group:** (Empty field)
- Save:** A green button with a floppy disk icon.

At the bottom, there is a 'Menu' section with a tree view of navigation options, including 'My Favorites', 'Create Journal Entries', 'Journal Drill Down', 'Journal Inquiry', 'Ledger', 'Mark Journals for Unposting', 'NG Check Register', 'Payment Inquiry', 'Purchase Orders', 'Query Viewer', 'Report Manager', 'Test Validation & Derivation', 'Voucher Accounting Entries', 'Voucher Inquiry', 'Add to Favorites', 'Edit Favorites', 'Employee Self-Service', 'Manager Self-Service', 'Business Objects', 'Documentum Report Repository', 'Hyperion', 'Supplier Contracts', 'Customers', 'Promotions', 'Order Management', 'Items', 'Cost Accounting', 'Vendors', 'Purchasing', 'Inventory', 'eProcurement', 'Services Procurement', 'Travel and Expenses', 'Billing', 'Accounts Receivable', 'Accounts Payable', 'General Ledger', 'Allocations', 'Set Up Financials/Supply Chain', 'Worklist', 'Tree Manager', 'Reporting Tools', 'PeopleTools', 'Tax Center', and 'Treasury Management Center'.

The browser's address bar shows the URL: http://nperpfmsc.na.ngrid.net:psf/PSFPRD2/EMPLOYEE/ERP/G/NG_MENU_GL_ADMIN/NG_VALACB.GBL?Folder=MYFAVORITES. The taskbar at the bottom shows various applications like Microsoft Office, Amtrak, and Google.

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Journal Entry Reclasses for Consultant Expense

Chrg Dept L3	Chrg Dept L4	Baskets Unit	Bus Unit Descr	Segment	Activity	Activity Descr	Project	Project Descr	Work Order	Work Order Descr	Expense Type Descr	Charged Dept	Chrg Dept Descr	Billing Acct	Regulatory Acct	Regulatory Acct Descr	Co. Business Unit	Fiscal Yr	Period	Prd Name	Vendor	Vendor Id	Invoice No	Invoice No	Invoice Dt	Total Payable \$	Image Link
US_FUNCTIONS	REG_A_PRCING	00099	National Grid USA Service Co.	OTH	AC0095	Provide Regulatory Support					Consultants	25750	US Regulation & Pricing	00396	922000	A&C Outlets Services Employed	00099	2012	2 May	0916745	OCI RESOURCE INC	000257425	964855	0916745	04/22/2011	\$39,315	0265427200L
US_FUNCTIONS	REG_A_PRCING	00099	National Grid USA Service Co.	OTH	AC0095	Provide Regulatory Support					Consultants	25750	US Regulation & Pricing	00396	922000	A&C Outlets Services Employed	00099	2012	2 May	0922232	OCI RESOURCE INC	000257425	964857	09112011	\$45,644	0331110001L	
US_FUNCTIONS	REG_A_PRCING	00099	National Grid USA Service Co.	OTH	AC0095	Provide Regulatory Support					Consultants	25750	US Regulation & Pricing	00396	922000	A&C Outlets Services Employed	00099	2012	3 Jun	0909497	OCI RESOURCE INC	000257425	961982	09092011	\$66,904	0038160001L	
US_FUNCTIONS	REG_A_PRCING	00099	National Grid USA Service Co.	OTH	AC0095	Provide Regulatory Support					Consultants	25750	US Regulation & Pricing	00396	922000	A&C Outlets Services Employed	00099	2012	4 Jul	0948793	OCI RESOURCE INC	000257425	965	072112011	\$66,912	0036511200L	
US_FUNCTIONS	REG_A_PRCING	00099	National Grid USA Service Co.	OTH	AC0095	Provide Regulatory Support					Consultants	25750	US Regulation & Pricing	00396	922000	A&C Outlets Services Employed	00099	2012	4 Jul	0948799	OCI RESOURCE INC	000257425	966	072112011	\$6,673	0036511200L	
Sum:																							\$244,499				

Wiggins, Carmen Y.

From: Patton, Rachel
Sent: Monday, August 29, 2011 11:10 AM
To: Wiggins, Carmen Y.
Subject: FW: Journal Entry 99617 for co. 99

Attachments: Overland invoices Aug 2011.xls

Hi Carmen,

Please can you post the attached journal.

Many thanks,

Rachel

*Rachel Patton
Finance Business Partner, Central Functions
Cell: +1-718-483-4847
Tel: +1-718-403-2315
e-mail: rachel.patton@us.ngrid.com*

From: Patton, Rachel
Sent: Monday, August 29, 2011 9:06 AM
To: Arcieri, Charles A.
Subject: Journal Entry 99617 for co. 99

Chuck,

Please post the following journal from Melissa Little which I approve. This reclasses expense for overland audit to the correct work order.

Thanks,

Rachel



Overland invoices
Aug 2011.xls...

ORACLE

Home | Worklist | MultiChannel Console | Add to Favorites | Sign out

New Window | Help | Customize Page

Header | Lines | Totals | Errors | Approval

Unit: 00099 Journal ID: 99617DL5 Date: 03/24/2011

Long Description: Transfer Capgemini Consultancy fees to the CTA accounting set up for Project Marlborough

*Ledger Group: ACTUALS Auto Generate Lines

Ledger: Adjusting Entry: Non-Adjusting Entry

*Source: ONL Fiscal Year: 2011

Reference Number: Period: 12

SJE Type: ADB Date: 03/24/2011

Journal Class: Save Journal Incomplete Status

Transaction Code: GENERAL

Currency Defaults: USD / CRRNT / 1 Created: 03/24/11 2:18:52PM User ID: ladolcettad


Reversal: Do Not Generate Reversal Posted: 03/24/11 2:19:30PM

Save | Return to Search | Notify | Refresh | Add | Update/Display

Header | Lines | Totals | Errors | Approval

ENTERED BY DL DATE 3/31/11
 POSTED BY CA DATE 3/31/11
 CHECK ACCOUNTS COPIED
 REASONABILITY PREVIOUS MO VERIFY INPUTS

http://ngerpfinsc.na.ngrid.net/psfprd2/EMPLOYEE/ERP/c/PROCESS_JOURNALS.JOURNAL_ENTRY_IE.GBL?PO... 03/31/2011

[New Window](#) | [Help](#) | [Customize Page](#) | 

[Header](#) | [Lines](#) | [Totals](#) | [Errors](#) | [Approval](#)
 *Process: Process
 Edit Journal
 Errors Only | Line: 10 |  

Unit: 00099 Journal ID: 99617DL5 Date: 03/24/2011

[Template List](#) | [Search Criteria](#)

Unit	Activity	Project	WO	Exp Type	Orig Dept	Chrg Dept	Bill Pool	Segment	Account	Reg Acct	Amount	Journ
00099	AG0740	X07264	9000106999	100	20100	80005	00382	OTH	256021	923000	310,393.17	Transf Consu
00099	AG0760			100	20100	20100	00201	OTH	256021	923000	-310,393.17	Transf Consu

Totals		Total Debits	Total Credits	Journal Status
Unit	00099	310,393.17	310,393.17	E

[Save](#) | [Return to Search](#) | [Notify](#) | [Refresh](#)
[Header](#) | [Lines](#) | [Totals](#) | [Errors](#) | [Approval](#)

SEND JE to: Chuck Arcieri (cc Carmen Wiggins)

Date: 03/24/2011

JE ID: 99617DL5

Unit	Ledger	Account	Activity	Orig Dep	Chg Dep	Bill Pool	WO	Expense Type	Segment	Amount	Orig BU
00099		AG0740	20100	20100	80005	00382	9000106999	100		310393.17	00099
00099		AG0760	20100	20100	20100	00201		100		-310393.17	00099

Transfer Capaemini Consultancy fees to the CTA accounting set up for Project Marlborough - DLadalcetta

Cost Category	Operating Expenses
Fiscal Yr	2011
Chrg Dept L3	(All)
Voucher Id	(All)
Invoice No	(All)
Invoice Dt	(All)
Chrg Dept Descr	(All)

Vendor	Orig Business Unit	Business Unit	Activity	Expense Type	Orig Dept	Charged Dept	Billing Pool	Total Payables \$
CAPGEMINI TECHNOLOGIES LLC	00099	00099	AG0760	100	20100	20100	00201	\$ 310,393.17
CAPGEMINI TECHNOLOGIES LLC Total								\$ 310,393.17
Grand Total								\$ 310,393.17

Invoice image:



Wiggins, Carmen Y.

From: Ladolcetta, Donna J.
Sent: Thursday, March 31, 2011 2:53 PM
To: Wiggins, Carmen Y.
Subject: FW: JE for review

Attachments: Co. 99 JE submitted by DLadolcetta on 3-24 - 5.xls

Carmen,

See below for the approval and backup for 99617DL5.

Donna

Donna J. Ladolcetta

nationalgrid ~ Analyst
Management Reporting and Planning
Phone: (718) 403-5006
E-mail: Donna.Ladolcetta@us.ngrid.com

From: Vernon-Parry, Christopher J.
Sent: Thursday, March 24, 2011 2:35 PM
To: Arcieri, Charles A.
Cc: Wiggins, Carmen Y.; Ladolcetta, Donna J.; Patton, Rachel
Subject: FW: JE for review

Approved by CVP as Rachel is out of the office today

Chris Vernon-Parry
Manager, Decision Support
US Shared & Business Services
Tel: +1-718-403-2584
cell: +1-347-439-8407
e: christopher.vernon-parry@us.ngrid.com

From: Ladolcetta, Donna J.
Sent: Thursday, March 24, 2011 2:24 PM
To: Vernon-Parry, Christopher J.; Patton, Rachel
Subject: JE for review

Chris / Rachel,

Please review the attached journal entry. Upon your approval, please forward to Chuck Arcieri with a CC to Carmen Wiggins and myself.

I uploaded the entry in PeopleSoft on 3/24 and the journal entry ID is 99617DL5. The purpose of the entry is to transfer Capgemini consultancy charges out of ED&G and to the exceptional accounting that was set up for Project Marlborough. I confirmed that the Consultant fees were directly related to the Project and should be transferred to the exceptional accounting that was recently set up. The attached file contains the journal entry as well as the back-up documentation (which includes an image of the invoice).



Co. 99 JE submitted
by DLadolc...

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-3R)

Construction Work in Progress (“CWIP”) Reserve
Work Order Movement

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
CWIP Reserve Work Order 9000030295

Journal Id	Fiscal Yr	Period	Acct 562000	Acct 582000	Acct 840000	Grand Total
PA10617	2011	12		\$ (247,028.00)		\$ (247,028.00)
	2011	11		\$ (1,636,763.00)		\$ (1,636,763.00)
	2011	10		\$ (42,025.00)		\$ (42,025.00)
PA10617REV	2011	12		\$ 247,028.00		\$ 247,028.00
	2011	11		\$ (247,028.00)		\$ (247,028.00)
PA36607REV	2011	10		\$ 1,925,816.00		\$ 1,925,816.00
PA36607RK	2011	10		\$ (1,925,816.00)		\$ (1,925,816.00)
PA36607SS	2011	12		\$ (477,864.00)		\$ (477,864.00)
	2011	11		\$ 477,864.00		\$ 477,864.00
PA36617_RK	2012	3		\$ (316,915.76)		\$ (316,915.76)
PA36617ME	2011	12		\$ (135,210.44)		\$ (135,210.44)
	2011	11		\$ 135,210.44		\$ 135,210.44
PA36617RK	2011	12		\$ 261,006.39		\$ 261,006.39
	2012	1		\$ (261,006.39)		\$ (261,006.39)
PA36617RKR	2011	12		\$ (143,009.07)		\$ (143,009.07)
	2012	1		\$ 143,009.07		\$ 143,009.07
PA617_RK	2012	9		\$ -		\$ -
	2012	8		\$ (620,864.00)		\$ (620,864.00)
PAFY11RES	2011	12	\$ 137,655.00	\$ 1,074,393.00	\$ 348,663.00	\$ 1,560,711.00
PAFY11RES1	2011	12	\$ 137,655.00	\$ 1,074,393.00	\$ 348,663.00	\$ 1,560,711.00
PAFY11RES2	2011	12	\$ (137,655.00)	\$ (1,074,393.00)	\$ (348,663.00)	\$ (1,560,711.00)
PAFY11RES3	2011	12	\$ 137,655.00	\$ 1,074,393.00	\$ 348,663.00	\$ 1,560,711.00
PAFY11RESR	2011	12	\$ (137,655.00)	\$ (1,074,393.00)	\$ (348,663.00)	\$ (1,560,711.00)
PP99905293	2011	11		\$ 803,124.32		\$ 803,124.32
Grand Total			\$ 137,655.00	\$ (986,078.44)	\$ 348,663.00	\$ (499,760.44)
Total Electric			\$ 137,655.00	\$ (986,078.44)		\$ (848,423.44)
Total Gas					\$ 348,663.00	\$ 348,663.00

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-4R)

Reservoir Woods Journal Entry Adjustment for Bill Pool 00603

Header | Lines | Totals | Errors | Approval

Unit: 00099 Journal ID: 99617MW01 Date: 09/21/2012

Long Description: To Allocate Bill Pool 603 According to New Study Done by Facilities Management

Relevant Pages

*Ledger Group: Auto Generate Lines
 Ledger: Adjusting Entry: Non-Adjusting Entry
 *Source: ADJ Fiscal Year: 2013

Reference Number: Period:

SJE Type: ADS Date:

Journal Class: Save Journal Incomplete Status

Transaction Code: GENERAL

Currency Defaults: USD / CRRNT / 1 Created: 09/21/12 10:21:21AM User ID: whitem2
 Reversal: Do Not Generate Reversal Posted: 09/21/12 10:28:08AM

Save | Return to Search | Previous | Next in List | Notify | Refresh | Add

Header | Lines | Totals | Errors | Approval

ENTERED BY: MW DATE: 09/21/12
 POSTED BY: DD DATE: 9/21/12
 CHECK ACCOUNTS: CHECK CALCS
 COPIED: PREVIOUS MO
 REASONABILITY: VERIFY INPUTS

00036	AG0880	400	17535	17535	17535	INTE	256026	921000	1.03	Default Account Pre-Deriva
00020	AG0880	400	17535	17535	17535	INTE	256026	921000	-0.21	Default Account Pre-Deriva
00020	AG0880	400	17535	17535	17535	INTE	256026	921000	-3.09	Default Account Pre-Deriva
00036	921003	400	11999	11999	11999	DIST	256026	921003	51,595.69	Default Account Pre-Deriva
00036	921005	400	11999	11999	11999	DIST	256026	921005	32,886.21	Default Account Pre-Deriva
00036	921007	400	11999	11999	11999	DIST	256026	921007	-40.65	Default Account Pre-Deriva
00036	AG0493	110	15620	15620	15620	DIST	256022	921000	1,103.11	Default Account Pre-Deriva
00036	AG0493	110	15620	15620	15620	DIST	256022	921000	128.07	Default Account Pre-Deriva
00036	AG0493	110	15800	15800	15800	DIST	256022	921000	72.02	Default Account Pre-Deriva
00036	AG0493	110	18400	15620	15620	DIST	256022	921000	239.00	Default Account Pre-Deriva
00036	AG0493	500	15620	15620	15620	DIST	256023	931000	131.08	Default Account Pre-Deriva
00036	AG0493	M10	15620	15620	15620	DIST	256020	921000	271.40	Default Account Pre-Deriva
00036	AG0493	M10	15800	15800	15800	DIST	256020	921000	32.98	Default Account Pre-Deriva
00036	AG0493	110	15620	15620	15620	DIST	256022	921000	1,028.10	Default Account Pre-Deriva
00036	AG0493	500	15620	15620	15620	DIST	256023	931000	266.92	Default Account Pre-Deriva
00036	AG0493	M10	15620	15620	15620	DIST	256020	921000	632.01	Default Account Pre-Deriva
00036	AG0493	A65	11999	11999	11999	DIST	256026	921000	0.58	Default Account Pre-Deriva
00036	AG0493	B01	16999	16999	16999	DIST	223021	926000	80.60	Default Account Pre-Deriva
00036	AG0493	B02	16999	16999	16999	DIST	221029	926000	15.40	Default Account Pre-Deriva
00036	AG0493	B03	16999	16999	16999	DIST	221026	926000	93.16	Default Account Pre-Deriva
00036	AG0493	B04	16999	16999	16999	DIST	221027	926000	10.74	Default Account Pre-Deriva
00036	AG0493	B06	16999	16999	16999	DIST	223020	926000	162.74	Default Account Pre-Deriva
00036	AG0493	B07	16999	16999	16999	DIST	221028	926000	38.66	Default Account Pre-Deriva
00036	AG0493	B08	16999	16999	16999	DIST	221030	925000	3.57	Default Account Pre-Deriva
00036	AG0493	B09	16999	16999	16999	DIST	222000	408100	91.36	Default Account Pre-Deriva
00036	AG0493	P15	15765	15765	15765	DIST	221020	920000	855.28	Default Account Pre-Deriva
00036	AG0493	P30	11999	11999	11999	DIST	221022	920000	124.00	Default Account Pre-Deriva

00036	AG0493	9000089858	P50	15765	15765	15765	Q	DIST	221024	920000	130.85	Default Account Pre-Deriva
00036	AG0493	9000093117	110	15620	15620	15620	Q	DIST	256022	921000	2,375.96	Default Account Pre-Deriva
00036	AG0493	9000094233	200	10101	15620	15620	Q	DIST	256032	921000	189.71	Default Account Pre-Deriva
00036	AG0525		110	15620	15620	15620	Q	DIST	256022	921000	18.66	Default Account Pre-Deriva
00036	AG0535		110	15620	15620	15620	Q	DIST	256022	921000	247.44	Default Account Pre-Deriva
00036	AG0550		A70	15620	15620	15620	Q	DIST	256026	921000	0.05	Default Account Pre-Deriva
00036	AG0550	9000089604	110	15620	15620	15620	Q	DIST	256022	921000	473.75	Default Account Pre-Deriva
00036	AG0550	9000089604	M10	15620	15620	15620	Q	DIST	256020	921000	68.18	Default Account Pre-Deriva
00036	AG0565		110	15620	15620	15620	Q	DIST	256022	921000	17.52	Default Account Pre-Deriva
00036	AG0565		A70	15620	15620	15620	Q	DIST	256026	921000	11.84	Default Account Pre-Deriva
00036	AG0565	9000089858	A70	15765	15765	15765	Q	DIST	256026	921000	203.92	Default Account Pre-Deriva
00036	AG0565	9000089858	M10	15765	15765	15765	Q	DIST	256020	921000	3,262.71	Default Account Pre-Deriva
00036	AG0585		400	15620	15620	15620	Q	DIST	256026	921000	1.54	Default Account Pre-Deriva
00036	AG0595		400	15820	15820	15820	Q	DIST	256026	921000	17.10	Default Account Pre-Deriva
00036	AG0595	9000089604	400	15450	15450	15450	Q	DIST	256026	921000	9,979.99	Default Account Pre-Deriva
00036	AG0595	9000089604	400	15620	15620	15620	Q	DIST	256026	921000	3,827.87	Default Account Pre-Deriva
00036	AG0610	9000089604	400	15450	15450	15450	Q	DIST	256026	921000	411.74	Default Account Pre-Deriva
00036	AG0610	9000089604	400	15620	15620	15620	Q	DIST	256026	921000	2,042.18	Default Account Pre-Deriva
00036	AG0620	9000089604	505	15450	15450	15450	Q	DIST	256023	931000	301,570.70	Default Account Pre-Deriva
00036	AG0620	9000120956	100	15450	15450	15450	Q	DIST	256021	931000	1,343.49	Default Account Pre-Deriva
00036	AG0635		A70	15620	15620	15620	Q	DIST	256026	921000	27.42	Default Account Pre-Deriva
00036	AG0635		M10	15620	15620	15620	Q	DIST	256020	921000	438.65	Default Account Pre-Deriva
00036	AG0670		110	15620	15840	15840	Q	DIST	256022	921000	64.79	Default Account Pre-Deriva
00036	AG0670		110	15840	15840	15840	Q	DIST	256022	921000	52.25	Default Account Pre-Deriva
00036	AG0670		500	15620	15840	15840	Q	DIST	256023	931000	148.37	Default Account Pre-Deriva
00036	AG0670		A70	15840	15840	15840	Q	DIST	256026	921000	1.03	Default Account Pre-Deriva
00036	AG0670		M10	15840	15840	15840	Q	DIST	256020	921000	16.49	Default Account Pre-Deriva

nmnp

Journal Entry

00036	AG0680	9000089858	500	15765	15765	15765	Q	DIST	256023	Q	921000	Q	0.41	Default Account Pre-Deriva
00036	AG0680	9000089858	A70	15765	15765	15765	Q	DIST	256026	Q	921000	Q	0.03	Default Account Pre-Deriva
00036	AG0685	9000089858	A70	15765	15765	15765	Q	DIST	256026	Q	921000	Q	0.15	Default Account Pre-Deriva
00036	AG0685	9000089858	M10	15765	15765	15765	Q	DIST	256020	Q	921000	Q	2.37	Default Account Pre-Deriva
00036	AG0685	9000089858	A70	15765	15765	15765	Q	DIST	256026	Q	921000	Q	123.10	Default Account Pre-Deriva
00036	AG0685	9000089858	M10	15765	15765	15765	Q	DIST	256020	Q	921000	Q	5,378.20	Default Account Pre-Deriva
00036	AG0880	9000109685	400	17535	17535	17535	Q	DIST	256026	Q	921000	Q	-1,171.44	Default Account Pre-Deriva
00036	AG0880	9000109685	400	17535	17535	17535	Q	DIST	256026	Q	921000	Q	237.48	Default Account Pre-Deriva
00036	AG0880	9000109712	400	17535	17535	17535	Q	DIST	256026	Q	921000	Q	3,514.31	Default Account Pre-Deriva
00036	921003	9000089858	400	11999	11999	11999	Q	GAS	256026	Q	921003	Q	12,576.05	Default Account Pre-Deriva
00036	921005	9000089858	400	11999	11999	11999	Q	GAS	256026	Q	921005	Q	8,014.14	Default Account Pre-Deriva
00036	921007	9000089858	400	11999	11999	11999	Q	GAS	256026	Q	921007	Q	-9.91	Default Account Pre-Deriva
00036	AG0493	9000089858	110	15620	15620	15620	Q	GAS	256022	Q	921000	Q	268.94	Default Account Pre-Deriva
00036	AG0493	9000089858	110	15620	15630	15630	Q	GAS	256022	Q	921000	Q	31.19	Default Account Pre-Deriva
00036	AG0493	9000089858	110	15800	15800	15800	Q	GAS	256022	Q	921000	Q	17.55	Default Account Pre-Deriva
00036	AG0493	9000089858	110	18400	15620	15620	Q	GAS	256022	Q	921000	Q	58.28	Default Account Pre-Deriva
00036	AG0493	9000089858	500	15620	15620	15620	Q	GAS	256023	Q	931000	Q	31.97	Default Account Pre-Deriva
00036	AG0493	9000089858	M10	15620	15620	15620	Q	GAS	256020	Q	921000	Q	66.18	Default Account Pre-Deriva
00036	AG0493	9000089858	M10	15600	15800	15800	Q	GAS	256020	Q	921000	Q	8.03	Default Account Pre-Deriva
00036	AG0493	9000089604	110	15620	15620	15620	Q	GAS	256022	Q	921000	Q	250.54	Default Account Pre-Deriva
00036	AG0493	9000089604	500	15620	15620	15620	Q	GAS	256023	Q	931000	Q	65.00	Default Account Pre-Deriva
00036	AG0493	9000089604	M10	15620	15620	15620	Q	GAS	256020	Q	921000	Q	153.95	Default Account Pre-Deriva
00036	AG0493	9000089858	A65	11999	11999	11999	Q	GAS	256026	Q	921000	Q	0.14	Default Account Pre-Deriva
00036	AG0493	9000089858	B01	16999	16999	16999	Q	GAS	223021	Q	926000	Q	19.64	Default Account Pre-Deriva
00036	AG0493	9000089858	B02	16999	16999	16999	Q	GAS	221029	Q	926000	Q	3.75	Default Account Pre-Deriva
00036	AG0493	9000089858	B03	16999	16999	16999	Q	GAS	221026	Q	926000	Q	22.70	Default Account Pre-Deriva
00036	AG0493	9000089858	B04	16999	16999	16999	Q	GAS	221027	Q	926000	Q	2.63	Default Account Pre-Deriva

00036	AG0493	9000089858	B06	16999	16999	GAS	223020	926000	39.67	Default Account Pre-Deriva
00036	AG0493	9000089858	B07	16999	16999	GAS	221028	926000	9.43	Default Account Pre-Deriva
00036	AG0493	9000089858	B08	16999	16999	GAS	221030	925000	0.87	Default Account Pre-Deriva
00036	AG0493	9000089858	B09	16999	16999	GAS	222000	408100	22.26	Default Account Pre-Deriva
00036	AG0493	9000089858	P15	15765	15765	GAS	221020	920000	208.45	Default Account Pre-Deriva
00036	AG0493	9000089858	P30	11999	11999	GAS	221022	920000	30.22	Default Account Pre-Deriva
00036	AG0493	9000089858	P50	15765	15765	GAS	221024	920000	31.89	Default Account Pre-Deriva
00036	AG0493	9000093117	110	15620	15620	GAS	256022	921000	579.04	Default Account Pre-Deriva
00036	AG0493	9000094233	200	10101	15620	GAS	256032	921000	46.25	Default Account Pre-Deriva
00036	AG0525		110	15620	15620	GAS	256022	921000	4.55	Default Account Pre-Deriva
00036	AG0535		110	15620	15620	GAS	256022	921000	60.34	Default Account Pre-Deriva
00036	AG0550		A70	15620	15620	GAS	256026	921000	0.01	Default Account Pre-Deriva
00036	AG0550	9000089604	110	15620	15620	GAS	256022	921000	115.38	Default Account Pre-Deriva
00036	AG0550	9000089604	M10	15620	15620	GAS	256020	921000	16.60	Default Account Pre-Deriva
00036	AG0565		110	15620	15620	GAS	256022	921000	4.27	Default Account Pre-Deriva
00036	AG0565		A70	15620	15620	GAS	256026	921000	2.89	Default Account Pre-Deriva
00036	AG0565	9000089858	A70	15765	15765	GAS	256026	921000	49.73	Default Account Pre-Deriva
00036	AG0565	9000089858	M10	15765	15765	GAS	256020	921000	795.69	Default Account Pre-Deriva
00036	AG0585		400	15620	15620	GAS	256026	921000	0.38	Default Account Pre-Deriva
00036	AG0595		400	15820	15820	GAS	256026	921000	4.17	Default Account Pre-Deriva
00036	AG0595	9000089604	400	15450	15450	GAS	256026	921000	2,432.10	Default Account Pre-Deriva
00036	AG0595	9000089604	400	15620	15620	GAS	256026	921000	932.68	Default Account Pre-Deriva
00036	AG0610	9000089604	400	15450	15450	GAS	256026	921000	100.41	Default Account Pre-Deriva
00036	AG0610	9000089604	400	15620	15620	GAS	256026	921000	497.68	Default Account Pre-Deriva
00036	AG0620	9000089604	505	15450	15450	GAS	256023	931000	73,506.10	Default Account Pre-Deriva
00036	AG0620	9000120956	100	15450	15450	GAS	256021	931000	327.20	Default Account Pre-Deriva
00036	AG0635		A70	15620	15620	GAS	256026	921000	6.68	Default Account Pre-Deriva

nmnsc

00036	AG0635	M10	15620	15620	GAS	256020	921000	106.83	Default Account Pre-Deriva
00036	AG0670	110	15620	15840	GAS	256022	921000	15.80	Default Account Pre-Deriva
00036	AG0670	110	15840	15840	GAS	256022	921000	12.73	Default Account Pre-Deriva
00036	AG0670	500	15620	15840	GAS	256023	931000	36.18	Default Account Pre-Deriva
00036	AG0670	A70	15840	15840	GAS	256026	921000	0.25	Default Account Pre-Deriva
00036	AG0670	M10	15840	15840	GAS	256020	921000	4.02	Default Account Pre-Deriva
00036	AG0680	500	15765	15765	GAS	256023	921000	0.10	Default Account Pre-Deriva
00036	AG0685	A70	15765	15765	GAS	256026	921000	0.04	Default Account Pre-Deriva
00036	AG0685	M10	15765	15765	GAS	256020	921000	0.58	Default Account Pre-Deriva
00036	AG0685	A70	15765	15765	GAS	256026	921000	30.03	Default Account Pre-Deriva
00036	AG0685	M10	15765	15765	GAS	256020	921000	1,310.46	Default Account Pre-Deriva
00036	AG0880	400	17535	17535	GAS	256026	921000	-285.29	Default Account Pre-Deriva
00036	AG0880	400	17535	17535	GAS	256026	921000	57.84	Default Account Pre-Deriva
00036	AG0880	400	17535	17535	GAS	256026	921000	855.89	Default Account Pre-Deriva
00036	921003	400	11999	11999	TRAN	256026	921003	-4,370.93	Default Account Pre-Deriva
00036	921005	400	11999	11999	TRAN	256026	921005	-2,780.42	Default Account Pre-Deriva
00036	921007	400	11999	11999	TRAN	256026	921007	3.45	Default Account Pre-Deriva
00036	AG0493	110	15620	15620	TRAN	256022	921000	-93.65	Default Account Pre-Deriva
00036	AG0493	110	15620	15630	TRAN	256022	921000	-10.76	Default Account Pre-Deriva
00036	AG0493	110	15800	15800	TRAN	256022	921000	-6.11	Default Account Pre-Deriva
00036	AG0493	110	18400	15620	TRAN	256022	921000	-20.36	Default Account Pre-Deriva
00036	AG0493	500	15620	15620	TRAN	256023	931000	-11.16	Default Account Pre-Deriva
00036	AG0493	M10	15620	15620	TRAN	256020	921000	-23.12	Default Account Pre-Deriva
00036	AG0493	M10	15800	15800	TRAN	256020	921000	-2.77	Default Account Pre-Deriva
00036	AG0493	110	15620	15620	TRAN	256022	921000	-86.92	Default Account Pre-Deriva
00036	AG0493	500	15620	15620	TRAN	256023	931000	-22.42	Default Account Pre-Deriva
00036	AG0493	M10	15620	15620	TRAN	256020	921000	-53.22	Default Account Pre-Deriva

00036	AG0493	9000089858	A65	11999	11999	TRAN	256026	921000	-0.04	Default Account Pre-Deriva
00036	AG0493	9000089858	B01	16999	16999	TRAN	223021	926000	-6.83	Default Account Pre-Deriva
00036	AG0493	9000089858	B02	16999	16999	TRAN	221029	926000	-1.30	Default Account Pre-Deriva
00036	AG0493	9000089858	B03	16999	16999	TRAN	221026	926000	-7.88	Default Account Pre-Deriva
00036	AG0493	9000089858	B04	16999	16999	TRAN	221027	926000	-0.91	Default Account Pre-Deriva
00036	AG0493	9000089858	B06	16999	16999	TRAN	223020	926000	-13.76	Default Account Pre-Deriva
00036	AG0493	9000089858	B07	16999	16999	TRAN	221028	926000	-3.28	Default Account Pre-Deriva
00036	AG0493	9000089858	B08	16999	16999	TRAN	221030	925000	-0.31	Default Account Pre-Deriva
00036	AG0493	9000089858	B09	16999	16999	TRAN	222000	408100	-7.73	Default Account Pre-Deriva
00036	AG0493	9000089858	P15	15765	15765	TRAN	221020	920000	-72.38	Default Account Pre-Deriva
00036	AG0493	9000089858	P30	11999	11999	TRAN	221022	920000	-10.56	Default Account Pre-Deriva
00036	AG0493	9000089858	P50	15765	15765	TRAN	221024	920000	-11.08	Default Account Pre-Deriva
00036	AG0493	9000093117	110	15620	15620	TRAN	256022	921000	-200.98	Default Account Pre-Deriva
00036	AG0493	9000094233	200	10101	15620	TRAN	256032	921000	-16.08	Default Account Pre-Deriva
00036	AG0525		110	15620	15620	TRAN	256022	921000	-1.59	Default Account Pre-Deriva
00036	AG0535		110	15620	15620	TRAN	256022	921000	-21.07	Default Account Pre-Deriva
00036	AG0550	9000089604	110	15620	15620	TRAN	256022	921000	-39.81	Default Account Pre-Deriva
00036	AG0550	9000089604	M10	15620	15620	TRAN	256020	921000	-5.73	Default Account Pre-Deriva
00036	AG0565		110	15620	15620	TRAN	256022	921000	-1.49	Default Account Pre-Deriva
00036	AG0565		A70	15620	15620	TRAN	256026	921000	-1.01	Default Account Pre-Deriva
00036	AG0565	9000089858	A70	15765	15765	TRAN	256026	921000	-17.37	Default Account Pre-Deriva
00036	AG0565	9000089858	M10	15765	15765	TRAN	256020	921000	-277.87	Default Account Pre-Deriva
00036	AG0585		400	15620	15620	TRAN	256026	921000	-0.13	Default Account Pre-Deriva
00036	AG0595		400	15820	15820	TRAN	256026	921000	-1.46	Default Account Pre-Deriva
00036	AG0595	9000089604	400	15450	15450	TRAN	256026	921000	-843.94	Default Account Pre-Deriva
00036	AG0595	9000089604	400	15620	15620	TRAN	256026	921000	-323.09	Default Account Pre-Deriva
00036	AG0610	9000089604	400	15450	15450	TRAN	256026	921000	-35.07	Default Account Pre-Deriva

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Journal Entry Correcting Reservoir Woods Bill Pool

Used for April through June		Used for July through August		BP recalculated		Incl NH	Excl NH	Prorated - April through June	Prorated - July through August
00603	00001 National Grid USA	GAS	0.000%	00603	00001 National Grid USA	GAS	0.000%	00001	National Grid USA
00603	00001 National Grid USA	BDEV	0.000%	00603	00001 National Grid USA	BDEV	0.000%	00004D	Nantucket Electric - DIST
00603	00001 National Grid USA	OTH	1.963%	00603	00001 National Grid USA	OTH	1.987%	00005D	Massachusetts Electric - DIST
00603	00004 Nantucket Electric Company	DIST	0.167%	00603	00004 Nantucket Electric Company	DIST	0.169%	00005T	Massachusetts Electric - TRAN
00603	00005 Massachusetts Electric	DIST	20.395%	00603	00005 Massachusetts Electric	DIST	20.636%	00006	NEHTEC-MA Hydro
00603	00005 Massachusetts Electric	TRAN	0.000%	00603	00005 Massachusetts Electric	TRAN	0.000%	00008	NEHTC-NH Hydro
00603	00006 NE Hydro - Trans Electric Co	INTE	0.196%	00603	00006 NE Hydro - Trans Electric Co	INTE	0.199%	00010T	New England Power - TRAN
00603	00006 NE Hydro - Trans Electric Co	INTE	0.082%	00603	00008 New England Hydro - Trans Corp	INTE	0.083%	00020	NEET
00603	00010 New England Power Company	TRAN	7.582%	00603	00010 New England Power Company	TRAN	7.674%	00036T	Niagara Mohawk Power-TRAN
00603	00020 New England Electric Trans Co	INTE	0.046%	00603	00020 New England Electric Trans Co	INTE	0.047%	00036G	Niagara Mohawk Power-DIST
00603	00036 Niagara Mohawk Power Corp	DIST	20.160%	00603	00036 Niagara Mohawk Power Corp	DIST	20.404%	00041D	Granite State Electric
00603	00036 Niagara Mohawk Power Corp	TRAN	3.400%	00603	00036 Niagara Mohawk Power Corp	TRAN	3.441%	00048	Narragansett Gas
00603	00041 Granite State Electric Company	GAS	3.755%	00603	00036 Niagara Mohawk Power Corp	GAS	3.801%	00049D	Narragansett Electric - DIST
00603	00048 Narragansett Gas Company	DIST	3.631%	00603	00048 Narragansett Gas Company	GAS	3.675%	00049T	Narragansett Electric - TRAN
00603	00049 Narragansett Electric Company	DIST	6.257%	00603	00049 Narragansett Electric Company	DIST	6.332%	00070	Wayfinder
00603	00049 Narragansett Electric Company	TRAN	0.259%	00603	00070 Wayfinder Group Inc.	OTH	0.006%	01401	BOSTON GAS COMPANY
00603	00070 Wayfinder Group Inc.	OTH	0.006%	00603	00070 Wayfinder Group Inc.	OTH	0.006%	01403	Colonial Lowell Division
00603	01401 Boston Gas Company	GAS	6.300%	00603	01401 Boston Gas Company	GAS	6.376%	01406	EnergyNorth Company
00603	01403 Colonial Lowell Division	GAS	1.054%	00603	01403 Colonial Lowell Division	GAS	1.067%	01434	KEYSPAN ELECTRIC SERVICES, LI
00603	01406 EnergyNorth Company	GAS	0.610%	00603	01434 Keyspan Electric Services, LLC	DIST	8.191%	01435	KEYSPAN GENERATION SERVICES
00603	01434 Keyspan Electric Services, LLC	DIST	8.093%	00603	01435 Keyspan Generation Services, LLC	GEN	1.876%	01436	KEYSPAN ENERGY DEVELOPMEN
00603	01435 Keyspan Generation Services, LLC	GEN	1.853%	00603	01436 KeySpan Energy Development Corp	NREG	0.167%	01437	KEYSPAN ENERGY DELIVERY LI
00603	01436 KeySpan Energy Development Corp	NREG	0.165%	00603	01437 Keyspan Energy Delivery LI	GAS	4.920%	01438	KEYSPAN ENERGY DELIVERY NY
00603	01437 Keyspan Energy Delivery LI	GAS	4.861%	00603	01438 Keyspan Energy Delivery NY	GAS	7.864%	01444	KeySpan Energy Trading Services, LLC
00603	01444 KeySpan Energy Trading Services, LLC	GAS	7.770%	00603	01444 KeySpan Energy Trading Services, LLC	GEN	0.041%	01446	KEYSPAN GLENWOOD ENERGY CI
00603	01444 KeySpan Energy Trading Services, LLC	GEN	0.041%	00603	01446 Keyspan Glenwood Energy Center, LLC	GEN	0.061%	01448	KEYSPAN PORT JEFFERSON ENER
00603	01446 Keyspan Glenwood Energy Center, LLC	GEN	0.060%	00603	01448 Keyspan Port Jefferson Energy Center	GEN	0.066%	01459	KEYSPAN SERVICES INC
00603	01448 Keyspan Port Jefferson Energy Center	GEN	0.065%	00603	01459 KeySpan Services Inc.	NREG	0.199%	01471	Seneca Upshur Petroleum
00603	01459 KeySpan Services Inc.	NREG	0.196%	00603	01460 KeySpan Energy Corp Billing BU	OTH	0.454%		
00603	01460 KeySpan Energy Corp Billing BU	OTH	0.449%	00603	01471 Seneca Upshur Petroleum	NREG	0.000%		
00603	01471 Seneca Upshur Petroleum	NREG	0.000%						

GROUP	SUBGROUP	SF OF AREA	DEPARTMENT SHARED SPACES (SF)	TOTAL DEPARTMENT SF	% VALUE FROM TOTAL BUILDING
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FL1

Gas Supply Planning					0.00%
Mergers & Acquisitions		2,025.00		2,025.00	0.72%
Reg and Gen Council		16,125.00		16,125.00	5.74%
Shared Prop/Offce Svcs		4,725.00		4,725.00	1.68%
Human Resources		5,625.00		5,625.00	2.00%
Customer and Markets		24,900.00		24,900.00	8.87%
Corporate Affairs		2,930.00		2,930.00	1.04%
Internal Audit		2,925.00		2,925.00	1.04%
Jurisdiction/FERC, RI, MA, NH		1,275.00		1,275.00	0.45%
Corporate Strat & Tech		975.00		975.00	0.35%
TOTAL		61,505.00	-	61,505.00	21.90%

FL2

Finance (US)		15,900.00	164.00	16,064.00	5.72%
TOTAL		15,900.00	164.00	16,064.00	5.72%
IS		19,050.00		19,050.00	6.78%
TOTAL		19,050.00	-	19,050.00	6.78%
Global Procurement		10,950.00	49.00	10,999.00	3.92%
TOTAL		10,950.00	49.00	10,999.00	3.92%
Gas Distribution		2,775.00	204.00	2,979.00	1.06%
TOTAL		2,775.00	204.00	2,979.00	1.06%
USFP		58,200.00		58,200.00	20.72%
TOTAL		106,575.00	417.00	107,292.00	38.20%

FL3

Operations		750.00	1,456.00	2,206.00	0.79%
Emergency Planning			1,456.00	1,456.00	0.79%
Project Management		10,875.00	129.00	11,004.00	3.92%
Network Services		52,500.00		52,500.00	18.70%
Operations Performance		3,900.00		3,900.00	1.41%
Operational Support		25,025.00	129.00	25,154.00	9.10%
Resource Planning		9,450.00	16.00	9,466.00	3.37%
TOTAL		103,350.00	1,973.00	105,323.00	37.50%
SHES		3,825.00		3,825.00	1.36%
Tom King/Exec		2,925.00		2,925.00	1.04%
TOTAL		110,100.00	1,973.00	112,073.00	39.90%

BUILDING TOTALS					
TOTAL		278,480.00	2,390.00	280,870.00	100.00%

Electric Distribution Segment					
00004	00005	00036	00041	00049	01434
Nantucket Electric	Massachusetts Electric	Niagara Mohawk Power Electric	Granite State Electric	Norramasset Electric	KVSSJRM Electric Services LLC

From Bill Pool dated 8/7/2012

00239	0%	1%	1%	0%	0%	0%	0%
00354	0%	0%	0%	0%	0%	0%	0%
00354	0%	0%	0%	0%	0%	0%	0%
00398	0%	2%	3%	0%	1%	0%	1%
00239	0%	0%	0%	0%	0%	0%	0%
00382	0%	0%	0%	0%	0%	0%	0%
00382	0%	4%	6%	0%	1%	1%	12%
00382	0%	1%	1%	0%	0%	0%	3%
00382	0%	1%	2%	0%	0%	1%	4%
00382	0%	1%	1%	0%	0%	0%	2%
00200	0%	0%	0%	0%	0%	0%	0%
00382	0%	3%	5%	0%	1%	2%	11%
00382	0%	6%	9%	0%	2%	3%	20%
00242	0%	0%	0%	0%	0%	0%	0%
00236	0%	1%	2%	0%	0%	0%	3%
00241	0%	3%	5%	0%	1%	0%	10%
00241	0%	0%	0%	0%	0%	0%	1%
00241	0%	2%	3%	0%	1%	0%	5%
00241	0%	1%	1%	0%	0%	0%	2%
00354	0%	0%	0%	0%	0%	0%	1%
00382	0%	0%	0%	0%	0%	0%	1%
00382	0%	8%	12%	0%	2%	0%	22%
TOTAL	0.151%	17.319%	27.054%	0.437%	5.376%	4.112%	54.449%

National Grid- Reservoir Woods		Gas Segment													
GROUP	SUBGROUP	SF OF AREA	DEPARTMENT SHARED SPACES (SF)	TOTAL DEPARTMENT SF	% VALUE FROM TOTAL BUILDING	00036	00048	001401	001402	001403	001406	001437	001438	00001	Total
						Niagara Mohawk Power	Narragansett Gas	Boston Gas Company	Essex Gas Company	Colonial Lowell Division	Energy/North Company	KeySpan Energy Delivery LI	KeySpan Energy Delivery NY	National Grid USA	Percent

From Bill Pool dated 8/7/201:

Company 1 Direct Charge
 00239
 00354
 00398
 00239
 00382
 BP 392,394, 391,243, 601515/20
 Company 1 Direct Charge

FL1	Gas Supply Planning	-	-	2,025.00	0.00%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Mergers & Acquisitions	2,025.00	-	2,025.00	0.72%	0%	0%	0%	0%	0%	0%	0%	1%	0%	2%
	Reg and Gen Council	16,125.00	-	16,125.00	5.74%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	Shared Prop/Office Svcs	4,725.00	-	4,725.00	1.68%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	Human Resources	5,625.00	-	5,625.00	2.00%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%
	Customer and Markets	24,900.00	-	24,900.00	8.87%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Corporate Affairs	2,930.00	-	2,930.00	1.04%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Internal Audit	2,925.00	-	2,925.00	1.04%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Jurisdiction/FERC, RI, MA, NH	1,275.00	-	1,275.00	0.45%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Corporate Strat & Tech	975.00	-	975.00	0.35%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	TOTAL	61,505.00	-	61,505.00	21.90%	1%	1%	2%	0%	0%	0%	1%	2%	0%	8%

FL2	Finance (US)	15,900.00	164.00	16,064.00	5.72%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
	TOTAL	15,900.00	164.00	16,064.00	5.72%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
	IS	19,050.00	-	19,050.00	6.78%	0%	0%	1%	0%	0%	0%	0%	0%	0%	2%
	TOTAL	19,050.00	-	19,050.00	6.78%	0%	0%	1%	0%	0%	0%	0%	0%	0%	2%
	Global Procurement	10,950.00	49.00	10,999.00	3.92%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	TOTAL	10,950.00	49.00	10,999.00	3.92%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	Gas Distribution	2,775.00	204.00	2,979.00	1.06%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	TOTAL	2,775.00	204.00	2,979.00	1.06%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	USFP	58,200.00	-	58,200.00	20.72%	1%	1%	2%	0%	0%	0%	1%	2%	0%	7%
	TOTAL	106,875.00	417.00	107,292.00	38.20%	2%	1%	3%	0%	1%	0%	2%	4%	0%	14%

FL3	Operations	750.00	1,456.00	2,206.00	0.79%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Emergency Planning	750.00	1,456.00	2,206.00	0.79%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	LNG-450.00	62.00	612.00	674.00	0.22%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Project Management	10,875.00	129.00	11,004.00	3.92%	0%	0%	2%	0%	0%	0%	1%	2%	0%	7%
	Network Strategy	52,500.00	16.00	52,516.00	18.70%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	Operations Performan	3,900.00	65.00	3,965.00	1.41%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	Operations Support	25,425.00	129.00	25,554.00	9.10%	0%	0%	1%	0%	0%	0%	1%	1%	0%	4%
	Resource Planning	9,450.00	16.00	9,466.00	3.37%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
	TOTAL	103,850.00	1,973.00	105,823.00	37.50%	0%	0%	3%	0%	1%	0%	2%	4%	0%	14%
	SHES	3,825.00	-	3,825.00	1.36%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Tom King/Exec	2,925.00	-	2,925.00	1.04%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	TOTAL	110,100.00	1,973.00	112,073.00	39.90%	2%	2%	3%	0%	1%	0%	2%	4%	0%	15%

BUILDING TOTALS															
TOTAL		2,784,800.00		2,390.00		5.441%	3.706%	8.663%	0.429%	1.504%	0.905%	5.980%	10.240%	0.190%	37.058%

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-5R)

Revised Reservoir Woods Rent Expense Adjustment

Niagara Mohawk Power Corporation
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Revised Reservoir Woods Adjustment

Niagara Mohawk Power Corporation db/a NATIONAL GRID (COMPANY 36)
 Cases 12-E-0201 and 12-G-0202
 Company Rebuttal Testimony
 Revised Impact of Revised Bill Pool 00603
 Rate Year Ending March 31, 2014

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Rate Year 2014	Original Allocation to NIMO Electric	Original Allocation to NIMO Gas	Revised Allocation to NIMO Electric	Original Allocation to NIMO Gas	Adjustment to NIMO Gas	Adjustment to NIMO Electric	Adjustment to NIMO Gas
	32.016%	3.993%	25.912%	5.815%	-6.104%	1.822%	
2 Reservoir Woods Rent Expense	9,483,026.00	378,657.23	2,457,253.13	551,440.46	(578,832.47)	172,783.23	
3 Reservoir Woods Add-on Costs	3,369,130.00	134,529.36	873,013.03	195,915.80	(205,647.63)	61,386.44	
4 Reservoir Woods Leasehold Improvements Amortization Expense Only	2,518,609.56	100,568.08	652,625.15	146,457.81	(153,732.89)	45,889.73	
5 Subtotal - Reservoir Woods Costs included in Rent Expense	15,370,765.56	613,754.67	3,982,891.31	893,814.07	(938,213.00)	280,059.40	
6 Reservoir Woods - other expenses (not included in rent expense)	990,566.43	39,553.32	256,676.77	57,601.70	(60,462.98)	18,048.38	
7 Total Reservoir Woods Costs Allocated to NIMO	16,361,331.98	653,307.99	4,239,568.07	951,415.76	(998,675.98)	298,107.78	

Reservoir Woods Leasehold Improvements Amortization Expense
 Reservoir Woods Leasehold Improvements Service Company Return
 Total Res Woods Leasehold Improvements Amort & SC Return

2,518,609.56
 2,386,019.42
 4,904,628.98

Exhibit_RRP-11, Workpaper to Exhibit_RRP-3, Schedule 8, Workpaper 9, Page 2 of 3
 Exhibit_RRP-11, Workpaper to Exhibit_RRP-3, Schedule 8, Workpaper 9, Page 2 of 3
 per Attachment 2 to DPS-490 (GRL-32), Column (a), Line 4

Line 1, Column (b) & (c)
 Line 1, Column (d) & (e)
 Line 2, Column (a)
 Line 3, Column (a)
 Line 4, Column (a)
 Line 5 (all columns)
 Line 6, Column (a)
 Line 7 (all columns)

Bill Pool 00603 %'s allocated to NIMO during HTY
 Revised Bill Pool 00603 % allocated to NIMO per Attachment 1 to DPS-490 (GRL-32), Page 1
 Attachment 4 to DPS-235 (GRL-3), Line 1, Column B
 Attachment 4 to DPS-235 (GRL-3), Line 1, Column C
 Exhibit_RRP-11, Workpaper to Exhibit_RRP-3, Schedule 8, Workpaper 9, Page 2 of 3
 Sum of Lines 1 through 3
 Attachment 2 to DPS-490 (GRL-32), Page 1, Line 6, column a
 Line 5 plus Line 6

Column b (lines 2,3,4,6)
 Column c (lines 2,3,4,6)
 Column d (lines 2,3,4,6)
 Column e (lines 2,3,4,6)
 Column f (all lines)
 Column g (all lines)

column a times column (b) line 1
 column a times column (c) line 1
 column a times column (d) line 1
 column a times column (e) line 1
 Column d less column b
 Column e less column c

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-6R)

Service Company Return Calculation

Niagara Mohawk Power Corporation d/b/a NATIONAL GRID (COMPANY 36)
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Calculation of Service Company Return on Assets

Company C&U Filing

		Electric	Gas	Return	Electric Gas	Return
		<u>Allocated Base</u>	<u>Allocated Base</u>		<u>Return</u>	
Res woods leasehold	A	7,829,107	976,438	9.75728%	763,908	95,274
Capitalized Software	DAG-75	86,382,762	17,487,435	9.75728%	8,428,608	1,706,298
		<u>94,211,869</u>	<u>18,463,873</u>		<u>9,192,516</u>	<u>1,801,572</u>

Company Revised Calculation

		Electric	Gas	Return	Electric Gas	Return
		<u>Allocated Base</u>	<u>Allocated Base</u>		<u>Return</u>	
Res woods leasehold	A	7,829,107	976,438	9.50154%	743,886	92,777
Less Res woods change bill pool	B	(1,492,656)	445,547	9.50154%	(141,825)	42,334
Capitalized Software	DAG-75	86,382,762	17,487,435	9.50154%	8,207,691	1,661,575
		<u>92,719,213</u>	<u>18,909,420</u>		<u>8,809,752</u>	<u>1,796,686</u>

Company Adjustment \$ (382,764) \$ (4,886)

Calculation of Change for Bill Pool #00603 allocation

		Original Res woods bill pool		Revised Res woods bill pool per GRL-32, Attachment 1	
		<u>electric</u>	<u>gas</u>	<u>electric</u>	<u>gas</u>
Res Woods leasehold average balance (DAG-75)		24,453,733	24,453,733	24,453,733	24,453,733
		32.016%	3.993%	25.912%	5.815%
	A	<u>7,829,107</u>	<u>976,438</u>	<u>6,336,451</u>	<u>1,421,985</u>
				Difference	(1,492,656) 445,547 B

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-7R)

Information Services (“IS”) Rent Expense Adjustment

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-8R)

Capitalized Labor Adjustment

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Capitalized Labor Adjustment

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Forecast Rate Year 2014 Increase in Consultants and Contractors Expense
From Historic Test Year Ending December 31, 2011 to Year Ending July 31, 2012
(Units: \$000)

	Year Ending December 31, 2011			Year Ending July 31 2012			Increase		
	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
1 Expense Type 100 Consultants									
2 Total Consulting Operating Expenses (G/L)	\$ 40,066.1	34,872	5,194	\$ 40,611.8	35,255.3	5,357	\$ 545.7	383	163
3 Less - SIR	10,684.7	8,846	1,839	6,260.8	5,182	1,079	(4,423.8)	(3,664)	(760)
4 Total Consulting Operating Expenses (w/out SIR)	29,381.4	26,026.2	3,355.2	34,350.9	30,072.9	4,278.0	4,969.5	4,046.8	922.7
5 Normalization Adjustments									
6 Energy Efficiency	(232.7)	(658.0)	425.3	(934.0)	(929.2)	(4.8)	(701.3)	(271)	(430)
7 Major Storms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
8 Normalization Adjustments	(11,709.9)	(10,287.1)	(1,422.8)	(4,479.1)	(3,864.4)	(614.6)	7,230.8	6,423	808
9 Normalized Consulting Costs	\$ 17,438.8	\$ 15,081.1	\$ 2,357.7	\$ 28,937.8	\$ 25,279.3	\$ 3,658.6	\$ 11,499.0	\$ 10,198.2	\$ 1,300.9
10									
11 Expense Type 110 Contractors									
12 Total Contracting Operating Expenses (G/L)	\$ 197,693.3	\$ 182,862.5	\$ 14,830.8	\$ 200,062.5	184,741.5	15,320.9	\$ 2,369.2	1,879	490
13 Less - SIR	5,777.6	4,795.7	981.9	8,758.3	7,271.6	1,486.7	2,980.7	2,476	505
14 Total Contracting Operating Expenses (w/out SIR)	191,915.7	178,066.8	13,848.9	191,304.1	177,469.9	13,834.2	(611.5)	(596.9)	(14.6)
15 Normalization Adjustments									
16 Energy Efficiency	(27,866.1)	(26,321.4)	(1,544.7)	(24,112.0)	(22,345.1)	(1,766.9)	3,754.1	3,976	(222)
17 Major Storms	(38,537.6)	(38,537.6)	0.0	(33,727.1)	(33,727.1)	0.0	4,810.5	4,811	0
18 Normalization Adjustments	(3,272.3)	(2,853.9)	(418.4)	(4,209.3)	(3,609.7)	(599.6)	(937.0)	(756)	(181)
19 Normalized Contractor Costs	\$ 122,239.7	\$ 110,353.9	\$ 11,885.8	\$ 129,255.8	\$ 117,788.0	\$ 11,467.8	\$ 7,016.2	\$ 7,434.2	\$ (418.0)
20									
21									
22 Total Increase				\$ 18,515.2	\$ 17,632.3	\$ 882.8			
23 Inflation from July 2012 to Rate Year 2014							3.3170%	3.3170%	3.3170%
24									
25 Total Increase in Rate Year 2014 Forecast Consulting & Contractor Expense				\$ 19,129.3	\$ 18,217.2	\$ 912.1			
26									

Line Notes
9 & 19 Consulting and Contractor expenses including expenses related to Legal, Accounting and Vegetation Management
24 Based on Blue Chip Economic Indicators, March 10, 2012

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Normalization Adjustments Summary
(Units: \$000)

	Year Ending December 31, 2011¹	Year Ending July 31, 2012
<u>Expense Type 100 Consultants</u>		
Reclass to Energy Efficiency	(522.6)	(616.3)
Reclass to Energy Efficiency	290.0	(304.4)
Reclass to Energy Efficiency	0.0	(13.3)
	<u>(232.7)</u>	<u>(934.0)</u>
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Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Capitalized Labor Adjustment

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Energy Efficiency O&M Expense
Year Ending July 2012
(Units: Dollars)

Business Unit	Niagara Mohawk Power Corp
Description	(Multiple Items)
FERP/SEC/Oh	Operating Expense
Regulatory Acc	

Expense Type	Sum of Posted Jnl \$	Fiscal Yr. Period												Grand Total
		2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	
100	100 Total	47,939.47	62,661.50	30,641.39	27,958.06	196,647.82	2,656.66	23,612.59	44,992.02	58,630.28	26,621.91	42,122.26	49,350.75	613,834.71
	ELECTRIC	20,182.50	2,750.35	20,984.49	47,344.34	14,663.04	25,255.92	42,258.93	21,770.59	11,144.25	61,318.53	34,413.00	302,075.94	
	Massachusetts Electric Company	47,939.47	82,844.00	33,391.74	48,942.55	243,992.16	17,309.70	48,868.51	92,398.45	80,400.87	37,766.16	103,440.79	91,938.75	929,233.15
	GAS	1,397.20			819.98	10,732.83	1,350.75			505.74			2,296.23	
	National Grid USA Service Co.	49,336.67	82,844.00	33,391.74	49,762.53	254,725.99	8,212.83	48,868.51	92,837.19	80,906.61	37,766.16	103,440.79	91,938.75	934,031.77
110	110 Total	1,668,368.53	1,897,564.61	1,436,553.05	5,086,112.03	1,122,983.83	10,473.22	46,234.43	123,952.45	1,115,489.12	440,942.16	2,544,738.49	1,055,298.43	21,904,075.21
	ELECTRIC	1,346.00	96,738.46	64,364.92	10,327.19	16,113.38	10,473.22	46,234.43	123,952.45	7,999.69	687.20	33,381.29	882.63	425,612.84
	Massachusetts Electric Company	1,684,475.51	1,994,200.07	1,446,880.24	5,102,225.41	1,133,457.05	9,951.40	11,810,825.87	1,698,442.26	1,125,376.50	441,629.36	2,578,651.12	1,066,948.56	22,345,123.58
	GAS	81,158.26	19,742.28	259,850.33	374,493.23	322,141.96	2,109.28	4,231.10	32,944.21	78,700.44	81,455.58	185,782.22	183,237.23	1,683,172.31
	National Grid USA Service Co.	86,808.89	25,717.85	277,571.35	378,621.35	321,645.21	12,060.68	15,609.87	108,144.82	85,332.69	81,455.58	185,895.47	184,071.64	1,766,865.40
	Massachusetts Electric Company	1,771,284.40	2,030,209.98	1,852,501.59	5,426,870.62	1,145,517.73	1,826,525.74	1,806,577.08	12,101,709.19	523,083.94	2,694,546.59	1,231,870.20	24,111,988.98	
	GAS Total	1,820,621.07	2,018,064.82	1,875,264.12	5,681,596.61	1,153,730.36	1,875,394.25	1,899,414.27	12,911,615.80	560,851.10	2,867,987.38	1,345,808.95	25,046,020.75	

Note: Expenses related to Energy Efficiency programs in regulatory account 908 and 909 under DSM related activities

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Incremental Storm Cost
Year Ending July 2012
(Units: Dollars)

Business Unit Description	Niagara Mohawk Power Corp.
Regulatory Acct	Operating Expense
Normal/Incremental	Incremental

Expense Type	Segment	Originating Company Description	Fiscal Yr Period												Grand Total
			2012	2013											
			5	6	7	8	9	10	11	12	1	2	3	4	
110	ELECTRIC	Niagara Mohawk Power Corp.	28,517,384.16	465,828.68	(2,296,650.15)	(5,384,798.94)	(5,043,118.07)	(2,652,308.38)	435,952.10	767,079.48	(135,712)	114,936	412,327	(54,446)	15,146,473.76
		National Grid USA Service Co.	70,515.45	169,318.25	3,101,190.59	4,740,924.46	6,747,429.93	3,499,563.24	75,030.92	1,791.10	101,438	(307)	5,750	67,943	18,580,894.57
		Massachusetts Electric Company	28,587,899.61	635,146.93	804,540.44	(643,874.48)	1,704,311.86	847,254.86	510,983.02	768,870.58	(34,274)	114,629	418,077	13,497	33,727,061.50
110 Total															

Note Reported storm costs are incremental contractor expenses associated with qualifying major storm events.

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Normalization Adjustments - Test Year Scrub Summary
Year Ending July 2012
(Units: Dollars)

<u>Expense Type</u>	<u>Scrub Test</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>	<u>Note</u>
100	A/P Summary	\$ -	\$ -	\$ -	
100	Project Summary	3,761,250.3	614,634.7	4,375,884.9	Same adj as Rate Case HTY Updated for July 2012
100	Vendor Summary	-	-	-	Zeroed out Rate Case HTY \$110k Credit Updated for July 2012
100	JE Summary	103,182.9	-	103,182.9	
100	Total	3,864,433.2	614,634.7	4,479,067.8	
110	A/P Summary	24,900.0	5,100.0	30,000.0	Same adj as Rate Case HTY Updated for July 2012
110	Project Summary	3,415,497.6	594,496.3	4,009,993.8	Zeroed out Rate Case HTY \$7k Credit Updated for July 2012
110	Vendor Summary	-	-	-	
110	JE Summary	169,263.0	-	169,263.0	
110	Total	3,609,660.6	599,596.3	4,209,256.8	

Note Updates Exhibit RRP-2CU Contractor and Consulting expenses for the year ending July 2012 as indicated in notes column.

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Capitalized Labor Adjustment

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Normalization Adjustments - Test Year Scrub Detail
(Units: Dollars)

Business Unit	000336
Regulatory Acct	Operating Expense

Project Scrub
O&M Accounts
Exp Type 100's and 110's
Aug 2011 - July 2012

Sum of Posted Trnl \$ Expense Type	Project	Project Descri	RC Segment	Electric	Gas	Grand Total
100	E09030	Co 36 ELECTRIC RATE CASE 2009			278,366.52	621,037.43
	X00704	Transformation		(210,210.35)	(38,233.14)	(248,443.49)
	X07264	Non CTA Exceptional		2,550.854.26	281,579.77	2,832,434.03
	X09545	NM Management Audit 2008		24,471.08		24,471.08
	XI1366	Sourcing - Networks RFP		24,587.83	4,201.03	28,788.86
	XI1366	Sourcing - Email And Collabor		(2,689.15)	(3,148.61)	(5,837.76)
	XI1367	Sourcing Programme		(167,791.64)	(28,324.32)	(196,115.96)
	XI1407	INVP-N/A IS End State Vision		(44,301.83)	(7,569.32)	(51,871.15)
	XI1805	Sourcing - Managed Trnt		40,459.25	8,633.11	49,092.36
	XI1806	Sourcing - Enterprise Services		187,362.49	31,885.05	219,247.54
	XI2185	INVP 2560 Solution Delivery Tr		(199,380.02)	(34,065.64)	(233,445.66)
	XI2186	INVP 2559 IS Transformation		(17,201.46)	(2,939.00)	(20,140.46)
	XI2285	IN 2559H Trans Network Cont Neg		1,015.50	173.51	1,189.01
	XI2286	IN 2559J Trans Networks Trans		101,186.71	16,262.31	117,449.02
	XI2287	IN 2559K Trans Applicant Ration		402.75	68.81	471.56
	XI2288	IN 2559K Transformation CNI		(3,272.03)	(539.04)	(3,811.07)
	XI2290	IN 2559L Trans Relet Management		(23.85)	(4.07)	(27.92)
	XI3245	IN 2559L Trans Street And Archi		68.98	11.78	80.76
	XI3805	NMPC - General Gas Rate Case		(9,937.59)		(9,937.59)
	XI4306	LIJA MSA Analysis		76,370.31	134,401.36	210,771.67
	XI4485	Procurement SAP / Buying Expe		0.01	0.01	0.02
	XI4625	IN 2948 - NH Companies Divesi		(272,538.46)	(100,504.57)	(373,043.03)
	XI4885	INVP 2858 NERC CIP EF Barrett		339,367.73	57,983.67	397,351.40
	XI4886	INVP 2859 NERC CIP Port Jeffer		0.00	0.00	0.00
	XI5305	USFP Partner Resources		0.00	0.00	0.00
100 Total				41,328.70	7,061.33	48,390.03
105	XI3805	Serv Co Allocation Investigat		3,511,800.13	607,969.70	4,119,769.83
110	E09030	Co 36 ELECTRIC RATE CASE 2009			6,664.95	45,859.59
	X00106	FAC - Brokton MA 161 Mulberry		39,194.64	6,664.95	45,859.59
	X00111	FAC Hanover MA 19 Philips Land		83,890.88	11,933.20	95,824.08
	X00123	FAC - Monson, MA, Palmer St		28.74	5.89	34.63
	X00135	FAC Weymouth, MA, 186 Main St		32.04	6.56	38.60
	X05684	Keyspan Integration		55.36	11.34	66.70
	X06704	Transformation		46,256.35	7,922.62	54,178.97
	X07264	Non CTA Exceptional		1,560,845.01	260,593.46	1,821,438.47
	X07644	Finance Integrator		926,038.84	176,487.50	1,102,526.34
	XI1366	Sourcing - Email And Collabor		38,239.37	6,572.07	44,811.44
	XI1806	Sourcing - Enterprise Services		16,626.38	2,841.11	19,467.49
	XI2286	IN 2559I Trans Networks Trans		1,712.24	(54.13)	1,658.11
	XI2287	IN 2559J Trans Networks Trans		35,301.19	5,409.61	40,710.80
	XI2288	IN 2559K Transformation CNI		4,181.86	512.11	4,693.97
	XI3805	Serv Co Allocation Investigat		302,195.08	1,496.72	303,691.80
	XI4485	Procurement SAP / Buying Expe		155,573.21	26,651.65	182,224.86
	XI5585	Procurement USFP Costs Proj		178,653.72	30,510.62	209,164.34
110 Total				3,399,293.10	593,322.84	3,992,615.94
Grand Total				6,950,287.87	1,207,957.49	8,158,245.36

Project Adjustment

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Capitalized Labor Adjustment

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Normalization Adjustments - Test Year Scrub Detail
(Units: Dollars)

O&M Accounts
Exp Type 100's and 110's
Aug 2011 - July 2012
Per GRL-1

Business Unit	00036
Regulatory Acct	Operating Expense

Sum of Posted Jml \$	RC Segment	Gas	Grand Total
100	Electric	210,255.50	210,255.50
110	Gas	210,255.50	210,255.50
110 Total		1,173.41	17,377.87
Grand Total		1,173.41	227,633.37

JE Scrub
O&M Accounts
Exp Type 100's and 110's
Aug 2011 - July 2012

Business Unit	00036
Regulatory Acct	Operating Expense

Sum of Posted Jml \$	JE Rollup	RC Segment	Electric	Gas	Grand Total
100	JE's Excluded	Jml Descr Long	386.41		386.41
	1603	Correction of August 2008 Suspense Journal A100192562 To Record Pre-Allocation Reclasses per John Currie, November 2011	0.00		0.00
	PA3	Reversal of Transfer charges as per Stores, Antoinette email on 3/18/12. To transfer Quanta Technology costs into capital project C33536 by workorder	(102,796.47)		(102,796.47)
		Transfer charges as per Stores, Antoinette email on 3/18/12. Mischarged Invoices - Quanta Technologies	102,796.47		102,796.47
		Transfer charges as per Stores, Antoinette email on 3/18/12. To transfer Quanta Technology costs into capital project C33536 by workorder	102,796.47		102,796.47
110	1603	Shared Services Invoices Accrual for August 2011 To Record Co. 36 Monthly Lease Accrual as per Paul Flaherty, February 2012 To Record Co. 36 Monthly Lease Accrual as per Steven Leyden, August 2011 To Record Co. 36 Monthly Lease Accrual as per Steven Leyden, February 2011 To Record Co. 36 Monthly Lease Accrual as per Steven Leyden, November 2011 To Record Co. 36 Monthly Lease Accrual as per Steven Leyden, October 2011 To Record Co. 36 Monthly Lease Accrual as per Steven Leyden, September 2011 To Record Company 36 Lease Accrual for FY 2013 as per Paul Flaherty, April 2012	(0.00)	0.00	(0.00)
	621	Storm Deletrial & Accrual (Electric) as per Patrick Pensabene	0.00	0.00	0.00
	703	Expense to Expense per Patrick Pensabene, October 2011 To ReClass Post Allocation Expense charges to Capital Work order and Expenses from Minor Storm to Major Storm Work Order. As per Diana Gerard To Record Wind Storm Accrual, January 2012	(0.00)	0.00	(0.00)
	PA3	transfer charges as per Bucci, Michael J. email on 5/21/12. May12 Entry to reclass ACIS Lump Sum work orders	(0.01)		(0.01)
110 Total		Transfer charges as per Lin, Yi-Lin(Ethine) email on 9/27/11. the contractor charges (\$236,080) should be transferred from Commercial Mgmt to T-L the NY departments upon Project manager's request.	0.00	0.00	0.00
Grand Total			169,262.99	0.00	169,262.99
			272,445.87	0.00	272,445.87

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Capitalized Labor Adjustment

Correct Staff's Proposed Adjustment to Labor Capitalization
Updates Adjustment to Include Variable Pay
(Units: \$000)

	<u>Rate Year Ending March 31, 2014</u>
1 Total Labor from NMPC	362,213.1
2 Total Variable Pay from NMPC	(14,745.9)
3 Total Labor w/out Variable Pay	<u>347,467.2</u>
4	
5 HTY Cap Rate	36.0%
6 July 2012 Cap Rate	38.1%
7 Change in Cap rate	<u>2.1%</u>
8	
9 Adjustment to Labor w/out Variable Pay	7,296.8
10 Adjustment to Variable Pay	309.7
11	
12 Electric/Gas @ 83/17 Split	
13 Labor W/out Variable Pay	
14 Electric rate	83.0% 6,056.4
15 Gas rate	17.0% 1,240.5
16	<u>7,296.8</u>
17 Variable Pay	
18 Electric rate	83.0% 257.0
19 Gas rate	17.0% 52.6
	<u>309.7</u>

Line Notes

- 1 Exhibit RRP-3CU, Schedule 31, page 24
- 2 Attachment 2 to DPS-438 (RMD-35), sum of lines 49 and 58

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-9R)

Other Labor Adjustments

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Other Labor Adjustments

Elimination of One Ops and One Network Strategy Vacancy (per RMD-18 August/September 2012)
Summary of Estimated Costs
For the Rate Year Ending March 31, 2014
(Units: \$000's)

	Rate Year Ending March 31, 2014		Data Year Ending March 31, 2015		Data Year Ending March 31, 2016	
	Elec	Gas	Elec	Gas	Elec	Gas
Total Expense						
Total Base Labor Expense	\$ (36.6)	\$ (4.3)	\$ (37.7)	\$ (4.4)	\$ (38.8)	\$ (4.5)
Less Non-operating Expense	1.8	0.4	1.8	0.4	1.9	0.4
Variable Pay Expense	(3.2)	(0.4)	(3.3)	(0.4)	(3.4)	(0.4)
Miscellaneous Pay Expense	(8.1)	(1.2)	(8.3)	(1.2)	(8.6)	(1.2)
Total Labor Expense	(46.0)	(5.4)	(47.4)	(5.6)	(48.8)	(5.8)
Change in Proportion of Labor to Energy Efficiency	1.4	0.5	1.4	0.5	1.4	0.5
Net Impact to Labor	(44.6)	(4.9)	(46.0)	(5.1)	(47.4)	(5.3)
Total Benefits	(15.4)	(3.4)	(15.8)	(3.5)	(16.1)	(3.5)
Payroll Tax Expense	(2.9)	(0.3)	(3.0)	(0.4)	(3.0)	(0.4)
Total Labor, Payroll Tax and Benefits	(64.3)	(9.2)	(66.1)	(9.4)	(68.0)	(9.7)
Productivity Adjustment	1.1	0.1	1.6	0.2	2.2	0.3
Total Expense	(63.2)	(9.0)	(64.5)	(9.2)	(65.8)	(9.4)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Other Labor Adjustments

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Company Rebuttal Testimony
Other Labor Adjustments

Elimination of One Ops and One Network Strategy Vacancy
(per DPS-194 (RMD-18)/August/September 2012)
Estimated Cost Details
For the Rate Year Ending March 31, 2014

	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)		(i)	(j)	(k)	(l)		(m)	(n)
							Year Ending March 31, 2014	Year Ending March 31, 2015	Year Ending March 31, 2014	Year Ending March 31, 2015				Expense	Gas		
1 Management Labor																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
21																	
22																	
23																	
24																	
25																	
26																	
27																	
28																	
Co 36																	
4					189,556.07	195,242.75	201,100.03	201,100.03	0.00	0.00	0.00	0.00	94.91%	56.2%	9.5%	3.6%	
5					143,194.45	147,490.28	151,914.99	151,914.99	0.00	0.00	0.00	0.00				6.9%	
6					105,352.58	108,513.16	111,768.56	111,768.56	0.00	0.00	0.00	0.00				3.4%	
7					88,563.94	91,220.86	93,957.48	93,957.48	0.00	0.00	0.00	0.00					
8					59,024.60	60,795.34	62,619.20	62,619.20	0.00	0.00	0.00	0.00					
9									0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10									0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11									0.00	0.00	0.00	0.00	31.47%	68.3%	8.1%	3.1%	
12					220,281.52	226,889.97	233,696.66	233,696.66	0.00	0.00	0.00	0.00					
13					153,212.80	157,809.19	162,543.46	162,543.46	0.00	0.00	0.00	0.00					
14					108,149.34	111,393.82	114,735.63	114,735.63	0.00	0.00	0.00	0.00					
15					82,514.18	84,989.61	87,539.29	87,539.29	(165,028.36)	(169,979.21)	(175,078.59)	(175,078.59)					
16					61,212.55	63,048.93	64,940.39	64,940.39	0.00	0.00	0.00	0.00					
17									(165,028.36)	(169,979.21)	(175,078.59)	(175,078.59)	(51,941.88)	(35,481.97)	(41,866.41)	(1,093.33)	
18																	
19																	
20																	
21																	
22																	
23																	
24																	
25																	
26																	
27																	
28									(165,028.36)	(169,979.21)	(175,078.59)	(175,078.59)	11.66%	70.6%	27.5%	0.3%	
Co KS																	
21					228,800.59	235,664.61	242,734.55	242,734.55	0.00	0.00	0.00	0.00					
22					166,568.70	171,565.76	176,712.74	176,712.74	0.00	0.00	0.00	0.00					
23					118,092.72	121,635.50	125,284.57	125,284.57	0.00	0.00	0.00	0.00					
24					84,351.56	86,882.10	89,488.57	89,488.57	0.00	0.00	0.00	0.00					
25					61,754.55	63,607.18	65,515.40	65,515.40	0.00	0.00	0.00	0.00					
26									0.00	0.00	0.00	0.00					
27									(165,028.36)	(169,979.21)	(175,078.59)	(175,078.59)	0.00	0.00	0.00	0.00	
28									(165,028.36)	(169,979.21)	(175,078.59)	(175,078.59)		(35,481.97)	(41,866.41)		

Notes

Col's (e), (f), (g) Rows 4 - 8
 Col's (e), (f), (g) Rows 12 - 16
 Col's (e), (f), (g) Rows 21 - 25
 Col (k) Row 3
 Col (k) Row 11
 Col (k) Row 20
 Col's (l), (m), (n), (o), (p), (q) Row 3
 Col's (l), (m), (n), (o), (p), (q) Row 11
 Col's (l), (m), (n), (o), (p), (q) Row 20
 Col's (w), (x), (y), (z), (aa) Row 3
 Col's (w), (x), (y), (z), (aa) Row 11
 Col's (w), (x), (y), (z), (aa) Row 20

Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 4, pg 6
 Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 5, pg 6
 Exhibit RRP-3CU, Schedule 31, Workpaper 6, pg 6
 Exhibit RRP-3CU, Schedule 31, pg 10, line 2
 Exhibit RRP-3CU, Schedule 31, pg 12, line 2
 Exhibit RRP-3CU, Schedule 31, pg 14, line 2
 Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 1, pg 5
 Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 2, pg 3
 Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 3, pg 3
 Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 1, pg 4
 Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 2, pg 2
 Exhibit RRP-11CU, Workpapers to RRP-3CU, Schedule 31, Workpaper 3, pg 2

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-10R)

Transportation Expense Adjustments

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Case No. 12-E-0201 & 12-G-0202
Company Rebuttal Testimony
Motor Fuel Forecast Update Based on August 2012 NYMEX Prices
Units: Dollars

	A	B	C
	Per	Revised Costs	Increase in
	C & U Filing	Based on August 2012 NYMEX Prices	Motor Fuel Costs
1 RY 2014 - Motor Fuel - Niagara Mohawk Direct Charge	\$ 11,059,107.3	\$ 12,494,399.4	
2 RY 2014 - Motor Fuel - National Grid USA Service Company % Allocated to Niagara Mohawk	1,421,167 4.94%	1,617,356 4.94%	
3 Motor Fuel Allocated to Niagara Mohawk	70,206	79,897	
4 Total Rate Year 2014 Motor Fuel Cost	11,129,313	12,574,297	
5 Total Allocation to Expense (NMPC @ 59.05% / Service Co @ 23.30%)	6,546,761	7,396,559	849,798
6 Total Electric Op Expense Allocated (NMPC @ 48.08% / Service Co @ 20.72%)	5,331,765	6,023,862	692,097
7 Total Gas Op Expense Allocated (NMPC @ 10.97% / Service Co 2.58%)	1,214,995	1,372,697	157,702

Line Notes:

Column A Source: Exhibit (RRP-3CU), Schedule 32
Column B Row 1: Page 2 of 3
Column B Row 2&3: Page 3 of 3
Column B Row 5: Row 1 x 59.05% & Row 2 x 23.30% (Rates per Exhibit (RRP-3CU), Schedule 32, Page 6)
Column B Row 6: Row 1 x 48.08% & Row 2 x 20.72% (Rates per Exhibit (RRP-3CU), Schedule 32, Page 6)
Column B Row 7: Row 1 x 10.97% & Row 2 x 2.58% (Rates per Exhibit (RRP-3CU), Schedule 32, Page 6)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Transportation Expense Adjustments

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
NY PSC Case No. 12-E-0201 & 12-G-0202
Company Rebuttal Testimony
Motor Fuel Forecast Update Based on August 2012 NYMEX Prices
Motor Fuel - Fleet Services - Niagara Mohawk Power Corp.
For the Rate Year Ending March 31, 2014

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Bulk Gasoline:													
Avg. PPG	3.78 \$	3.77 \$	3.74 \$	3.71 \$	3.67 \$	3.63 \$	3.48 \$	3.45 \$	3.44 \$	3.44 \$	3.45 \$	3.46 \$	3.58
Gallons	13,798	13,840	14,077	12,857	16,824	15,804	15,934	12,767	13,567	18,634	15,430	17,611	181,143
Total Dollars	\$ 52,188	\$ 52,146	\$ 52,678	\$ 47,685	\$ 61,749	\$ 57,297	\$ 55,455	\$ 44,024	\$ 46,607	\$ 64,051	\$ 53,176	\$ 60,887	\$ 647,944
Bulk Diesel:													
Avg. PPG	4.31 \$	4.29 \$	4.27 \$	4.27 \$	4.27 \$	4.27 \$	4.25 \$	4.26 \$	4.26 \$	4.24 \$	4.23 \$	4.23 \$	4.26
Gallons	43,959	44,970	48,134	45,647	51,187	48,016	47,362	34,833	33,646	50,030	41,376	49,689	538,849
Total Dollars	\$ 189,472	\$ 192,705	\$ 205,715	\$ 194,817	\$ 218,400	\$ 204,927	\$ 201,459	\$ 148,214	\$ 143,228	\$ 212,022	\$ 175,000	\$ 209,961	\$ 2,295,920
Credit Card Gasoline:													
Avg. PPG	3.77 \$	3.76 \$	3.73 \$	3.70 \$	3.66 \$	3.62 \$	3.47 \$	3.44 \$	3.43 \$	3.43 \$	3.44 \$	3.45 \$	3.58
Gallons	120,330	121,456	129,078	113,985	136,874	125,248	124,433	112,475	108,184	128,070	120,282	128,350	1,468,765
Total Dollars	\$ 453,921	\$ 456,407	\$ 481,732	\$ 421,619	\$ 501,000	\$ 452,834	\$ 431,820	\$ 386,723	\$ 370,563	\$ 438,934	\$ 413,325	\$ 442,461	\$ 5,251,339
Credit Card Diesel:													
Avg. PPG	3.99 \$	3.97 \$	3.95 \$	3.95 \$	3.95 \$	3.95 \$	3.93 \$	3.94 \$	3.94 \$	3.92 \$	3.91 \$	3.91 \$	3.94
Gallons	89,899	86,644	95,485	84,274	101,631	87,100	85,352	88,709	77,910	97,324	84,934	91,740	1,071,002
Total Dollars	\$ 358,715	\$ 343,561	\$ 377,529	\$ 332,705	\$ 401,107	\$ 343,862	\$ 335,741	\$ 349,070	\$ 306,724	\$ 381,306	\$ 332,049	\$ 358,291	\$ 4,220,659
Credit Card CNG:													
Avg. PPG	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69 \$	2.69
Gallons	2,433	2,433	2,433	2,433	2,433	2,433	2,433	2,433	2,433	2,433	2,433	2,433	29,196
Total Dollars	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 78,537
TOTAL EXPENSE	\$ 1,060,841	\$ 1,051,365	\$ 1,124,198	\$ 1,003,371	\$ 1,188,800	\$ 1,065,466	\$ 1,031,019	\$ 934,576	\$ 873,666	\$ 1,102,858	\$ 980,095	\$ 1,078,144	\$ 12,494,399

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Transportation Expense Adjustments

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Case No. 12-E-0201 & 12-G-0202
Company Rebuttal Testimony
Motor Fuel Forecast Update Based on August 2012 NYMEX Prices
Motor Fuel - Fleet Services - National Grid USA Service Co.
For the Rate Year Ending March 31, 2014

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Bulk Gasoline:													
Avg. PPG	\$ 3.78	\$ 3.77	\$ 3.74	\$ 3.71	\$ 3.67	\$ 3.63	\$ 3.48	\$ 3.45	\$ 3.44	\$ 3.44	\$ 3.45	\$ 3.46	\$ 3.51
Gallons	72	79	145	50	112	171	72	118	59	1,146	114	196	2,334
Total Dollars	\$ 272	\$ 298	\$ 543	\$ 185	\$ 411	\$ 620	\$ 251	\$ 407	\$ 203	\$ 3,939	\$ 393	\$ 678	\$ 8,199
Bulk Diesel:													
Avg. PPG	\$ 4.31	\$ 4.29	\$ 4.27	\$ 4.27	\$ 4.27	\$ 4.27	\$ 4.25	\$ 4.26	\$ 4.26	\$ 4.24	\$ 4.23	\$ 4.23	\$ 4.26
Gallons	2,116	1,861	2,465	2,078	2,343	2,712	2,726	2,550	2,470	4,928	1,277	2,312	29,838
Total Dollars	\$ 9,120	\$ 7,975	\$ 10,535	\$ 8,869	\$ 9,997	\$ 11,575	\$ 11,595	\$ 10,850	\$ 10,515	\$ 20,884	\$ 5,401	\$ 9,769	\$ 127,085
Credit Card Gasoline:													
Avg. PPG	\$ 3.77	\$ 3.76	\$ 3.73	\$ 3.70	\$ 3.66	\$ 3.62	\$ 3.47	\$ 3.44	\$ 3.43	\$ 3.43	\$ 3.44	\$ 3.45	\$ 3.58
Gallons	25,136	24,256	26,662	19,637	26,801	25,243	23,080	23,126	19,036	27,435	23,861	27,211	291,484
Total Dollars	\$ 94,821	\$ 91,149	\$ 99,505	\$ 72,635	\$ 98,100	\$ 91,266	\$ 80,095	\$ 79,514	\$ 65,204	\$ 94,028	\$ 81,994	\$ 93,804	\$ 1,042,115
Credit Card Diesel:													
Avg. PPG	\$ 3.99	\$ 3.97	\$ 3.95	\$ 3.95	\$ 3.95	\$ 3.95	\$ 3.93	\$ 3.94	\$ 3.94	\$ 3.92	\$ 3.91	\$ 3.91	\$ 3.94
Gallons	9,108	8,946	11,013	8,825	10,563	8,319	8,328	9,259	6,839	10,221	10,044	10,190	111,655
Total Dollars	\$ 36,343	\$ 35,473	\$ 43,543	\$ 34,840	\$ 41,689	\$ 32,843	\$ 32,759	\$ 36,434	\$ 26,924	\$ 40,045	\$ 39,267	\$ 39,797	\$ 439,937
Credit Card CNG:													
Avg. PPG	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69
Gallons	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSE	\$ 140,556	\$ 134,894	\$ 154,126	\$ 116,530	\$ 150,197	\$ 136,303	\$ 124,699	\$ 127,205	\$ 102,846	\$ 158,896	\$ 127,055	\$ 144,049	\$ 1,617,356
Allocation Rate used to allocate charges back to Niagara Mohawk Power Corp.	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%
Amount Allocated to Niagara Mohawk Power Corp.	\$ 6,943	\$ 6,664	\$ 7,614	\$ 5,757	\$ 7,420	\$ 6,733	\$ 6,160	\$ 6,284	\$ 5,081	\$ 7,849	\$ 6,276	\$ 7,116	\$ 79,897

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Case No. 12-E-0201 & 12-G-0202
Company Rebuttal Testimony
Transportation Adjustment to Corrections and Updates
Units: Dollars

	A	B	C
	<u>Per</u>	<u>C & U Adjusted</u>	<u>Adjustment to</u>
	<u>C & U Filing</u>	<u>For Corrected</u>	<u>C & U Total</u>
	<u>Inflation Calculation</u>		
1 RY 2014 - (Permits & Other Expense) - Niagara Mohawk Direct Charge	\$ 7,760,290.6	\$ 7,674,850.5	
2 RY 2014 - (Permits & Other Expense) - National Grid USA Service Company	90,154	85,755	
3 Total Rate Year 2014 Permits & Other Expense	<u>7,850,444</u>	<u>7,760,606</u>	
4 Total Electric Op Expense Allocated (NMPC @ 48.08% / Service Co @ 20.72%)	<u>3,749,828</u>	<u>3,707,837</u>	(41,991)
5 Total Gas Op Expense Allocated (NMPC @ 10.97% / Service Co 2.58%)	853,630	844,144	(9,486)
6 Total Rate Year 2014 Permits & Other Expense to Niagara Mohawk	<u>4,603,457</u>	<u>4,551,980</u>	<u>(51,477)</u>

Line Notes:

- Column A: Exhibit (RRP-3CU), Schedule 32
- Column B Row 1: Page 2 of 3
- Column B Row 2: Page 3 of 3
- Column B Row 4: Row 1 x 48.08% & Row 2 x 23.30% (Rates per Exhibit (RRP-3CU), Schedule 32, Page 6)
- Column B Row 4: Row 1 x 10.97% & Row 2 x 2.58% (Rates per Exhibit (RRP-3CU), Schedule 32, Page 6)

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Transportation Expense Adjustments

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Case No. 12-E-0201 & 12-G-0202
Transportation Adjustment to Corrections and Updates
FLEET SERVICES EXPENSES - NMPC
For the Rate Year Ending March 31, 2014

Activity	Historic Year Ended		Adjustments	Rate Year Ending		Adjustments	Data Year Ending	
	December 31, 2011	per books		March 31, 2014	March 31, 2015		March 31, 2016	
FM Other (Registr Permit Excis)	AG0455	\$ 999,073	\$ 42,745	\$ 1,041,819	\$ 22,141	\$ 1,063,960	\$ 23,407	\$ 1,087,367
Vehicle Lease Expense	AG0456	\$ 20,769,884	\$ 3,405,937	\$ 24,175,820	\$ 471,944	\$ 24,647,765	\$ (2,043,080)	\$ 22,604,684
Vehicle Fuel & Related Exp	AG0451	\$ 13,352,234	\$ (2,293,127)	\$ 11,059,107	\$ (106,194)	\$ 10,952,914	\$ (30,439)	\$ 10,922,475
Other Expenses								
Transp Admin & Genl Srvc	AG0439	\$ 237,708	\$ 10,170	\$ 247,878	\$ 5,268	\$ 253,146	\$ 5,569	\$ 258,715
MMT Materials Garage	AG0450	\$ 36,039	\$ 1,542	\$ 37,581	\$ 799	\$ 38,380	\$ 844	\$ 39,224
Vehicle Damage - Vendor Costs	AG0452	\$ 66,466	\$ 2,844	\$ 69,310	\$ 1,473	\$ 70,783	\$ 1,557	\$ 72,340
Vehicle Tire Costs	AG0453	\$ 995,363	\$ 42,587	\$ 1,037,949	\$ 22,059	\$ 1,060,008	\$ 23,320	\$ 1,083,328
Vehicle Warranty Recovery	AG0454	\$ (172,021)	\$ (7,360)	\$ (179,381)	\$ (3,812)	\$ (183,193)	\$ (4,030)	\$ (187,223)
Vehicle Maint Vendor Costs	AG0460	\$ 1,370,928	\$ 58,655	\$ 1,429,584	\$ 30,382	\$ 1,459,965	\$ 32,119	\$ 1,492,084
Oil/Lube Company	AG0461	\$ 242,183	\$ 10,362	\$ 252,545	\$ 5,367	\$ 257,912	\$ 5,674	\$ 263,586
Vehicle Parts	AG0462	\$ 2,896,454	\$ 123,925	\$ 3,020,379	\$ 64,189	\$ 3,084,568	\$ 67,860	\$ 3,152,428
Garage Mills & Shop Supplies	AG0463	\$ 687,761	\$ 29,426	\$ 717,187	\$ 15,242	\$ 732,429	\$ 16,113	\$ 748,542
Grand Total		\$ 41,482,072	\$ 1,427,706	\$ 42,909,778	\$ 528,857	\$ 43,438,635	\$ (1,901,084)	\$ 41,537,550
Total Allocation to Expense at 59.05%	59.05%	\$ 24,496,469	\$	\$ 25,339,574	\$	\$ 25,651,881	\$	\$ 24,529,230
Total Electric Operating Expense Allocated at 48.08%	48.08%	\$ 19,945,041	\$	\$ 20,631,498	\$	\$ 20,885,778	\$	\$ 19,971,716
Total Gas Operating Expense Allocated at 10.97%	10.97%	\$ 4,551,427	\$	\$ 4,708,076	\$	\$ 4,766,102	\$	\$ 4,557,514
General Inflation Rate 2014	4.28%							
General Inflation Rate 2015	2.13%							
General Inflation Rate 2016	2.20%							

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Transportation Expense Adjustments

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

NY PSC Case No. 12-E-0201 & 12-G-0202
Transportation Adjustment to Corrections and Updates
FLEET SERVICES EXPENSES - Service Company
For the Rate Year Ending March 31, 2014

Activity	Historic Year Ended December 31, 2011 per books	Rate Year Ending March 31, 2014		Data Year Ending March 31, 2015		Data Year Ending March 31, 2016	
		Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments
FM Other (Registr Permit Excls	AG0455 \$ 13,021 \$	557 \$	13,578 \$	289 \$	13,867 \$	305 \$	14,172
Vehicle Lease Expense	AG0456 \$ 183,231 \$	(11,288) \$	171,943 \$	(6,383) \$	165,560 \$	3,801 \$	169,361
Vehicle Fuel & Related Exp	AG0451 \$ 50,572 \$	19,634 \$	70,206 \$	(890) \$	69,316 \$	(289) \$	69,026
Other Expenses							
Transp Admin & Genl Svcs	AG0439 \$ 1,445 \$	62 \$	1,506 \$	32 \$	1,538 \$	34 \$	1,572
MMT Materials Garage	AG0450 \$ 70 \$	3 \$	72 \$	2 \$	74 \$	2 \$	76
Vehicle Damage - Vendor Costs	AG0452 \$ (5) \$	(0) \$	(5) \$	(0) \$	(5) \$	(0) \$	(6)
Vehicle Tire Costs	AG0453 \$ 5,773 \$	247 \$	6,020 \$	128 \$	6,148 \$	135 \$	6,283
Vehicle Warranty Recovery	AG0454 \$ (62) \$	(3) \$	(65) \$	(1) \$	(67) \$	(1) \$	(68)
Vehicle Maint Vendor Costs	AG0460 \$ 42,764 \$	1,830 \$	44,594 \$	948 \$	45,541 \$	1,002 \$	46,543
Oil/Lube Company	AG0461 \$ 486 \$	21 \$	507 \$	11 \$	518 \$	11 \$	529
Vehicle Parts	AG0462 \$ 16,638 \$	712 \$	17,350 \$	369 \$	17,718 \$	390 \$	18,108
Garage Mtls & Shop Supplies	AG0463 \$ 2,108 \$	90 \$	2,198 \$	47 \$	2,245 \$	49 \$	2,294
Grand Total	\$ 316,040 \$	11,864 \$	327,904 \$	(5,450) \$	322,454 \$	5,438 \$	327,892
Total Allocation to Expense at 23.30%	23.30% \$ 73,633	\$	76,397	\$	75,127	\$	76,394
Total Electric Operating Expense Allocated at 20.72%	20.72% \$ 65,474	\$	67,931	\$	66,802	\$	67,929
Total Gas Operating Expense Allocated at 2.58%	2.58% \$ 8,159	\$	8,466	\$	8,325	\$	8,465
General Inflation Rate 2014	4.28%						
General Inflation Rate 2015	2.13%						
General Inflation Rate 2016	2.20%						

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-11R)

Inflation Change

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Calculation of Inflation Adjustment - Electric
(\$000's)

			HY Costs subject to General Inflation - C&U	Adjustments to Inflation Base	Adjusted HY Costs subject to inflation - Rebuttal	Inflation C&U Filing 4.2785%	Revised Inflation 4.1797%	Change in Inflation
<u>Operation & Maintenance Expenses:</u>								
Consultants	100	1	\$ 7,477.3	\$ -	\$ 7,477.26	319.91	312.53	(7.39)
Contractors	110	2	58,959.5	-	58,959.48	2,522.58	2,464.33	(58.25)
Donations	150	3	-	-	-	-	-	-
Employee Expenses	200	4	6,468.3	-	6,468.34	276.75	270.36	(6.39)
Hardware	300	5	3,183.8	-	3,183.78	136.22	133.07	(3.15)
Software	350	6	5,998.1	-	5,998.14	256.63	250.70	(5.93)
Other	400	7	23,467.5	(2,136.4)	21,331.11	912.65	891.58	(21.08)
Rents	500	8	4,263.9	-	4,263.87	182.43	178.22	(4.21)
AFUDC - Debt	A10	9	-	-	-	-	-	-
Service Co. Equity	A20	10	-	-	-	-	-	-
Conservation Load Management	A30	11	-	-	-	-	-	-
Construction Reimbursement	A40	12	(558.2)	-	(558.18)	(23.88)	(23.33)	0.55
Co Contributions/Cr to Jobs	A41	13	53.3	-	53.34	2.28	2.23	(0.05)
Bill Interface Expense Type	A42	14	(2,424.2)	-	(2,424.25)	(103.72)	(101.33)	2.40
Capital Overheads	A50	15	256.0	-	256.02	10.95	10.70	(0.25)
Supervision & Admin	A60	16	406.6	-	406.61	17.40	17.00	(0.40)
Service Co Operating Costs	A65	17	-	-	-	-	-	-
Sales Tax	A70	18	4,975.2	-	4,975.17	212.86	207.95	(4.92)
FAS 106	B01	19	-	-	-	-	-	-
FAS 112	B02	20	4,239.4	-	4,239.41	181.38	177.19	(4.19)
Health Care	B03	21	23,942.7	(20.5)	23,922.24	1,023.51	999.88	(23.64)
Group Life Insurance	B04	22	1,641.9	-	1,641.89	70.25	68.63	(1.62)
Other Benefits	B05	23	595.2	-	595.24	25.47	24.88	(0.59)
Pension	B06	24	-	-	-	-	-	-
Thrift Plan	B07	25	5,765.6	-	5,765.64	246.68	240.99	(5.70)
Workers Comp	B08	26	3,403.3	-	3,403.27	145.61	142.25	(3.36)
Payroll Taxes	B09	27	-	-	-	-	-	-
Materials Outside Vendor	M10	28	10,934.0	-	10,933.96	467.81	457.01	(10.80)
Materials From Inventory	M20	29	5,107.6	-	5,107.56	218.53	213.48	(5.05)
Materials Stores Handling	M50	30	975.2	-	975.25	41.73	40.76	(0.96)
Total Labor	All P's	31	-	-	-	-	-	-
Transportation	T10	32	3,578.3	-	3,578.29	153.10	149.56	(3.54)
Energy Efficiency Program	33		-	-	-	-	-	-
Injuries & Damages	34		9,026.9	-	9,026.86	386.21	377.30	(8.92)
Other Initiatives	35		-	-	-	-	-	-
Productivity Adjustment	36		-	-	-	-	-	-
Rate Case Expense	37		-	-	-	-	-	-
Regulatory Assessment Fees	38		10,336.0	-	10,336.04	442.23	432.02	(10.21)
Renewable Portfolio Standard	39		-	-	-	-	-	-
Site Investigation & Remediation Expenses	40		-	-	-	-	-	-
Storm Fund	41		-	-	-	-	-	-
Synergy Savings	42		(625.5)	-	(625.49)	(26.76)	(26.14)	0.62
System Benefits Charge	43		-	-	-	-	-	-
Uncollectible Accounts	44		-	-	-	-	-	-
Legal (Exp 100, 110 or 400)	45		5,103.2	-	5,103.18	218.34	213.30	(5.04)
Accounting (Exp 100, 110, or 400)	46		3,007.1	-	3,007.10	128.66	125.69	(2.97)
Vegetation (Exp 100, 110, or 400)	47		50,974.5	-	50,974.52	2,180.94	2,130.58	(50.36)
US Restructuring (Savings)	48		(11,431.9)	(422.2)	(11,854.04)	(507.17)	(495.46)	11.71
E&Y Analysis	49		2,321.2	-	2,321.25	99.31	97.02	(2.29)
Ex Pat Proxy	50		(438.9)	(810.4)	(1,249.28)	(53.45)	(52.22)	1.23
Allocation Reclass	51		(12,833.3)	-	(12,833.25)	(549.07)	(536.39)	12.68
Total O&M Inflation			\$ 228,149.8	\$ (3,389.5)	\$ 224,760.3	\$ 9,616.4	\$ 9,394.3	\$ (222.1)
<u>Other Taxes</u>								
Sales and Use Tax			89.5	-	89.5	3.8	3.7	(0.1)
Other Tax			2.1	-	2.1	0.1	0.1	(0.0)
Total Other Taxes			91.6	-	91.6	3.9	3.8	(0.1)
<u>Rate Base</u>								
Materials and supplies			29,832.0	-	29,832.0	1,276.4	1,246.9	(29.5)
Prepayments			(101,021.4)	-	(101,021.4)	(4,322.2)	(4,222.4)	99.8
Total Rate Base			(71,189.4)	-	(71,189.4)	(3,045.8)	(2,975.5)	70.3
<u>Revenue</u>								
Miscellaneous Electric Revenue			24,839.3	-	24,839.3	1,062.7	1,038.2	(24.5)
Total Revenue			24,839.3	-	24,839.3	1,062.7	1,038.2	(24.5)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Calculation of Inflation Adjustment - Gas
(\$000's)

			HY Costs subject to General Inflation - C&U	Adjustments to Inflation Base	Adjusted HY Costs subject to inflation - Rebuttal	Inflation C&U Filing 4.2785%	Revised Inflation 4.1797%	Change in Inflation
Operation & Maintenance Expenses:								
Consultants	100	1	\$ 1,262.7	\$ -	\$ 1,262.67	54.02	52.78	(1.25)
Contractors	110	2	11,381.5	-	11,381.47	486.96	475.71	(11.24)
Donations	150	3	-	-	-	-	-	-
Employee Expenses	200	4	1,010.7	-	1,010.70	43.24	42.24	(1.00)
Hardware	300	5	449.1	-	449.10	19.21	18.77	(0.44)
Software	350	6	1,225.4	-	1,225.38	52.43	51.22	(1.21)
Other	400	7	5,668.9	(224.9)	5,444.01	232.92	227.54	(5.38)
Rents	500	8	777.3	-	777.25	33.25	32.49	(0.77)
AFUDC - Debt	A10	9	-	-	-	-	-	-
Service Co. Equity	A20	10	-	-	-	-	-	-
Conservation Load Management	A30	11	-	-	-	-	-	-
Construction Reimbursement	A40	12	(31.1)	-	(31.10)	(1.33)	(1.30)	0.03
Co Contributions/Cr to Jobs	A41	13	-	-	-	-	-	-
Bill Interface Expense Type	A42	14	(19.6)	-	(19.60)	(0.84)	(0.82)	0.02
Capital Overheads	A50	15	-	-	-	-	-	-
Supervision & Admin	A60	16	3.5	-	3.49	0.15	0.15	(0.00)
Service Co Operating Costs	A65	17	-	-	-	-	-	-
Sales Tax	A70	18	638.3	-	638.30	27.31	26.68	(0.63)
FAS 106	B01	19	-	-	-	-	-	-
FAS 112	B02	20	896.8	-	896.81	38.37	37.48	(0.89)
Health Care	B03	21	4,940.9	(4.2)	4,936.74	211.22	206.34	(4.88)
Group Life Insurance	B04	22	343.5	-	343.46	14.69	14.36	(0.34)
Other Benefits	B05	23	121.9	-	121.92	5.22	5.10	(0.12)
Pension	B06	24	-	-	-	-	-	-
Thrift Plan	B07	25	1,190.5	-	1,190.51	50.94	49.76	(1.18)
Workers Comp	B08	26	696.4	-	696.38	29.79	29.11	(0.69)
Payroll Taxes	B09	27	-	-	-	-	-	-
Materials Outside Vendor	M10	28	1,983.5	-	1,983.55	84.87	82.91	(1.96)
Materials From Inventory	M20	29	1,610.2	-	1,610.20	68.89	67.30	(1.59)
Materials Stores Handling	M50	30	273.5	-	273.45	11.70	11.43	(0.27)
Total Labor	All P's	31	-	-	-	-	-	-
Transportation	T10	32	816.6	-	816.56	34.94	34.13	(0.81)
Energy Efficiency Program	33	-	-	-	-	-	-	-
Injuries & Damages	34	-	1,736.1	-	1,736.10	74.28	72.56	(1.72)
Other Initiatives	35	-	-	-	-	-	-	-
Productivity Adjustment	36	-	-	-	-	-	-	-
Rate Case Expense	37	-	-	-	-	-	-	-
Regulatory Assessment Fees	38	-	3,062.0	-	3,061.98	131.01	127.98	(3.03)
Renewable Portfolio Standard	39	-	-	-	-	-	-	-
Site Investigation & Remediation Expenses	40	-	-	-	-	-	-	-
Storm Fund	41	-	-	-	-	-	-	-
Synergy Savings	42	-	(154.1)	-	(154.06)	(6.59)	(6.44)	0.15
System Benefits Charge	43	-	-	-	-	-	-	-
Uncollectible Accounts	44	-	-	-	-	-	-	-
Legal (Exp 100, 110 or 400)	45	-	719.2	-	719.17	30.77	30.06	(0.71)
Accounting (Exp 100, 110, or 400)	46	-	613.7	-	613.72	26.26	25.65	(0.61)
Vegetation (Exp 100, 110, or 400)	47	-	425.7	-	425.73	18.21	17.79	(0.42)
US Restructuring (Savings)	48	-	(2,272.9)	(96.1)	(2,368.95)	(101.36)	(99.02)	2.34
E&Y Analysis	49	-	(645.4)	-	(645.39)	(27.61)	(26.98)	0.64
Ex Pat Proxy	50	-	(87.9)	(76.0)	(163.93)	(7.01)	(6.85)	0.16
Allocation Reclass	51	-	358.8	-	358.79	15.35	15.00	(0.35)
Total O&M Inflation			\$ 38,995.6	\$ (401.2)	\$ 38,594.4	\$ 1,651.3	\$ 1,613.1	\$ (38.1)
Other Taxes								
Sales and Use Tax			16.7	-	16.7	0.7	0.7	(0.0)
Other Tax			-	-	-	-	-	-
Total Other Taxes			16.7	-	16.7	0.7	0.7	(0.0)
Rate Base								
Materials and supplies (inc Gas Inventory & deferred Fuel)			59,722.9	-	59,722.9	2,555.2	2,496.2	(59.0)
Prepayments			(18,896.9)	-	(18,896.9)	(808.5)	(789.8)	18.7
Total Rate Base			40,826.0	-	40,826.0	1,746.7	1,706.4	(40.3)
Revenue								
Miscellaneous Gas Revenue			1,264.9	-	1,264.9	54.1	52.9	(1.2)
Total Revenue			1,264.9	-	1,264.9	54.1	52.9	(1.2)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Calculation of Inflation Rate

Base Year - 12 Months Ending 12/2011

<u>Quarter</u>	<u>Weight</u>	<u>GDP Price Index</u>
2011Q1	3	112.4
2011Q2	3	113.1
2011Q3	3	113.9
2011Q4	3	<u>114.0</u>
Weighted Average		113.350

Note: July 2012 Blue Chip Economic Indicators report says 114.1

Base Year - 12 Months Ending 3/2014

<u>Quarter</u>	<u>Weight</u>	<u>GDP Price Index</u>
2013Q2	3	117.2
2013Q3	3	117.7
2013Q4	3	118.3
2014Q1	3	<u>119.2</u>
Weighted Average		118.088

Change from Base Year to Forecast Year

Total Change in Index	4.738
Total Percent Change	<u>4.1797%</u>
Average Annual Percent Change	1.8%

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-12R)

Property Taxes

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 NY PSC Case 12-E-0201 and 12-G-0202
 Company Rebuttal Position
 Taxes Other Than Income Taxes - Real Estate Taxes
 Rate Year and Test Year Ending March 31, 2014 - March 31, 2016
 (\$000's)

	Rate and Data Years Ending March 31,		
	2014	2015	2016
Electric			
Total per Corrections and Updates	\$ 159,483.3	\$ 168,708.0	\$ 178,987.1
Adjustments to Reflect Rebuttal Position			
1 Updated for plant changes flow through	\$ 283.1	\$ 165.8	\$ (50.4)
2 Utilize CY10-CY11 data for incremental plant impact	\$ (3,339.3)	\$ (5,089.5)	\$ (6,895.7)
3 Adjust for lease change in Glens Falls Facility per Co response to DPS-499 (DAG-83)	\$ (16.8)	\$ (69.2)	\$ (71.5)
Total Adjustments	<u>\$ (3,073.0)</u>	<u>\$ (4,993.0)</u>	<u>\$ (7,017.6)</u>
Revised Electric Total - Rebuttal Position	<u>\$ 156,410.3</u>	<u>\$ 163,715.0</u>	<u>\$ 171,969.5</u>
Gas			
Total per Corrections and Updates	\$ 41,707.5	\$ 43,253.1	\$ 44,886.2
Adjustments to Reflect Rebuttal Position			
1 Updated for plant changes flow through	\$ (21.5)	\$ 48.5	\$ 280.5
2 Utilize CY10-CY11 data for incremental plant impact	\$ 691.2	\$ 1,082.6	\$ 1,486.3
3 Adjust for lease change in Glens Falls Facility per Co response to DPS-499 (DAG-83)	\$ (4.6)	\$ (19.2)	\$ (19.8)
Total Adjustments	<u>\$ 665.1</u>	<u>\$ 1,111.9</u>	<u>\$ 1,747.0</u>
Revised Gas Total - Rebuttal Position	<u>\$ 42,372.6</u>	<u>\$ 44,365.0</u>	<u>\$ 46,633.2</u>

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
 Taxes Other Than Income Taxes - Real Estate Taxes - Rebuttal Position
 For the Historic Year Ended December 31, 2011 and the Rate Year Ending March 31, 2014
 (\$000's)

	Historic Year Ended December 31, 2011	Adj. to Normalize Historic Year	Historic Year Ended December 31, 2011 Adjusted	Reflect Conditions in the Rate Year	Rate Year Ending March 31, 2014
Electric					
Real Estate Taxes					
Real Property (408140)					
County	\$ 23,744.7	\$ 7.0	\$ 23,751.8	\$ 2,268.6	\$ 26,020.4
City	8,477.5	-	8,477.5	896.7	9,374.2
Village	1,346.0	-	1,346.0	163.6	1,509.5
School	44,759.1	1.4	44,760.5	4,353.5 *	49,114.0
subtotal Real Property	78,327.3	8.4	78,335.7	7,682.4	86,018.1
Special Franchise (408180)					
County	\$ 19,427.5	\$ 5.8	\$ 19,433.3	\$ 1,856.1	\$ 21,289.4
City	6,936.2	-	6,936.2	733.6	7,669.8
Village	1,101.3	-	1,101.3	133.8	1,235.1
School	36,621.1	1.1	36,622.2	3,575.7	40,197.9
subtotal Special Franchise	64,086.0	6.9	64,092.9	6,299.3	70,392.2
Total Real Estate Taxes	\$ 142,413.3	\$ 15.3	\$ 142,428.6	\$ 13,981.7	\$ 156,410.3
Gas					
Real Estate Taxes					
Real Property (408140)					
County	\$ 6,580.6	\$ 2.2	\$ 6,582.8	\$ 466.4	\$ 7,049.2
City	2,349.5	-	2,349.5	190.0	2,539.5
Village	373.0	-	373.0	35.9	408.9
School	12,404.5	0.7	12,405.2	900.0 *	13,305.2
subtotal Real Property	21,707.6	2.9	21,710.5	1,592.4	23,303
Special Franchise (408180)					
County	\$ 5,384.1	\$ 1.8	\$ 5,385.9	\$ 381.6	\$ 5,767.5
City	1,922.3	-	1,922.3	155.5	2,077.8
Village	305.2	-	305.2	29.4	334.6
School	10,149.1	0.6	10,149.7	740.2	10,889.9
subtotal Special Franchise	17,760.7	2.4	17,763.1	1,306.6	19,069.7
Total Real Estate Taxes	\$ 39,468.3	\$ 5.3	\$ 39,473.6	\$ 2,899.0	\$ 42,372.6

Column (b) Adjustments to normalize historic test year adds back refunds of \$27k that were the result of settled litigation and reduces the historic test year for property taxes associated with the sale of property in the Town of Amherst, New York approved by the New York Public Service Commission under Case 11-E-0379.

* Adjusted to include impact of change in Glens Falls lease per Company response to DPS-499 (DAG-83), Attachment 3. Total electric and gas adjustment included in Real Property School Tax line item.

NIAGARA MOHAWK POWER CORPORATION db/a NATIONAL GRID (COMPANY 36)
 Taxes Other Than Income Taxes - Real Estate Taxes - Rebuttal Position
 For the Rate Year Ended March 31, 2014 through the Data Year Ending March 31, 2016
 (\$000's)

	Rate Year Ending March 31, 2014	Reflect Conditions in the Data Year	Data Year Ending March 31, 2015	Reflect Conditions in the Data Year	Data Year Ending March 31, 2016
<u>Electric</u>					
Real Estate Taxes					
Real Property (408140)					
County	\$ 26,020.4	\$ 1,223.8	\$ 27,244.2	\$ 1,373.4	\$ 28,617.6
City	9,374.2	440.9	9,815.1	494.8	10,309.9
Village	1,509.5	71.0	1,580.5	79.7	1,660.2
School	49,114.0	2,258.3 *	51,372.3	2,591.1 *	53,963.4
subtotal Real Property	86,018.1	3,994.0	90,012.1	4,539.0	94,551.1
Special Franchise (408180)					
County	\$ 21,289.4	\$ 1,001.3	\$ 22,290.7	\$ 1,123.7	\$ 23,414.4
City	7,669.8	360.7	8,030.5	404.8	8,435.4
Village	1,235.1	58.1	1,293.2	65.2	1,358.3
School	40,197.9	1,890.6	42,088.5	2,121.8	44,210.3
subtotal Special Franchise	70,392.2	3,310.7	73,702.9	3,715.5	77,418.4
Total Real Estate Taxes	\$ 156,410.3	\$ 7,304.7	\$ 163,715.0	\$ 8,254.5	\$ 171,969.5
<u>Gas</u>					
Real Estate Taxes					
Real Property (408140)					
County	\$ 7,049.2	\$ 333.8	\$ 7,383.0	\$ 377.4	\$ 7,760.4
City	2,539.5	120.3	2,659.7	136.0	2,795.7
Village	408.9	19.4	428.3	21.9	450.2
School	13,305.2	615.8 *	13,921.0	712.0 *	14,633.0
subtotal Real Property	23,302.8	1,089.3	24,392.1	1,247.2	25,639.3
Special Franchise (408180)					
County	\$ 5,767.5	\$ 273.1	\$ 6,040.7	\$ 308.8	\$ 6,349.5
City	2,077.8	98.4	2,176.2	111.2	2,287.4
Village	334.6	15.8	350.4	17.9	368.3
School	10,889.9	515.7	11,405.6	583.0	11,988.6
subtotal Special Franchise	19,069.7	903.1	19,972.9	1,021.0	20,993.8
Total Real Estate Taxes	\$ 42,372.6	\$ 1,992.4	\$ 44,365.0	\$ 2,268.2	\$ 46,633.2

* Adjusted to include impact of change in Glens Falls lease per Company response to DPS-499 (DAG-83), Attachment 3. Total electric and gas adjustment included in Real Property School Tax line item.

Niagara Mohawk Power Corporation
Cases 12-E-0201 and 12-G-0202
Company Rebuttal Testimony
Property Taxes

NIAGARA MOHAWK POWER CORPORATION dba NATIONAL GRID COMPANY 36
1000 Ontario Street, Buffalo, NY 14202
For the Rate Year Ended March 31, 2014 through the Data Year Ending March 31, 2016
(\$000's)

78.30% FY2012	3.20% Growth Factor (a) * 3.2%	FY2013 (e) = (b) + (c) + (d)	3.20% Growth Factor (f) = (e) * 3.2%	FY2014 (i) = (f) + (g) + (h)	3.20% Growth Factor (j) = (i) * 3.2%	FY2015 (l) = (j) + (k) + (l)	3.20% Growth Factor (m) = (l) * 3.2%	FY2016 (n) = (m) + (o) + (p)	Distribution		Transmission		3.20% Growth Factor		Distribution		Transmission				
									Plant Adj (d)	WP-1 FY13 (c)	Plant Adj (g)	WP-1 FY14 (b)	Plant Adj (h)	WP-1 FY14 (a)	Plant Adj (k)	WP-1 FY15 (j)	Plant Adj (m)	WP-1 FY16 (i)	Plant Adj (o)	WP-1 FY16 (p)	Plant Adj (q)
Reg Account 408140																					
1 TX Acee-NY State/Cnty/Town	790.165	24,710.151	709.013	456,236	85,976	204,212	871,014	356,670	144,658	28,017,622	18,700,860	31,683	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	
2 TX Acee-NY City/Town	185,849	39,908.320	185,849	153,558	30,254	185,849	185,849	185,849	34,024	1,660,202	1,660,202	31,683	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	
3 TX Acee-NY Village Taxes	1,376,297	44,041	1,434,039	45,889	24,727	1,459,538	48,905	1,509,524	17,068	1,580,524	1,580,524	50,677	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	
4 TX Acee-NY School Taxes	44,794,506	1,433,424	242,991	1,403,563	804,804	40,130,784	1,572,185	41,702,969	555,521	183,059	273,704	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232	1,660,202	52,232
5 Total	78,441,470	2,510,127	81,732,476	2,615,439	1,409,324	86,034,902	2,753,117	88,788,019	972,796	320,528	479,294	2,882,603	1,179,310	479,294	1,179,310	479,294	1,179,310	479,294	1,179,310	479,294	
6 TX Acee-NY State/Cnty/Town	19,410,398	621,133	20,224,760	647,192	348,738	21,289,398	681,261	22,290,693	713,302	118,602	23,414,418	713,302	23,414,418	713,302	23,414,418	713,302	23,414,418	713,302	23,414,418	713,302	
7 TX Acee-NY City/Town	6,992,875	233,772	7,286,261	233,160	125,638	7,669,812	245,434	8,030,543	256,977	42,728	8,455,281	256,977	8,455,281	256,977	8,455,281	256,977	8,455,281	256,977	8,455,281	256,977	
8 TX Acee-NY Village Taxes	1,126,061	36,034	1,162,095	36,034	20,231	1,235,068	39,322	1,293,156	41,381	16,930	1,308,347	41,381	1,308,347	41,381	1,308,347	41,381	1,308,347	41,381	1,308,347	41,381	
9 TX Acee-NY School Taxes	36,650,650	1,172,802	38,197,700	1,222,006	658,476	40,197,914	1,286,333	42,088,524	1,346,533	551,007	44,210,305	1,346,533	44,210,305	1,346,533	44,210,305	1,346,533	44,210,305	1,346,533	44,210,305	1,346,533	
10 Total	64,179,585	2,057,540	66,872,026	2,139,965	1,135,084	70,921,952	2,232,550	73,002,916	2,326,931	964,860	77,418,450	2,326,931	77,418,450	2,326,931	77,418,450	2,326,931	77,418,450	2,326,931	77,418,450	2,326,931	
Total Property Taxes	431,342,218	1,380,295	449,431,911	1,438,205	774,974	473,309,774	1,513,913	493,534,873	1,585,116	263,559	520,022,040	1,585,116	520,022,040	1,585,116	520,022,040	1,585,116	520,022,040	1,585,116	520,022,040	1,585,116	
11 TX Acee-NY State/Cnty/Town	15,539,723	497,271	16,191,691	518,134	279,196	17,044,027	545,409	17,845,651	571,061	63,908	18,745,291	571,061	18,745,291	571,061	18,745,291	571,061	18,745,291	571,061	18,745,291	571,061	
12 TX Acee-NY City/Town	2,502,358	80,075	2,607,344	83,435	44,959	2,744,596	87,827	2,873,681	91,958	37,621	3,018,500	91,958	3,018,500	91,958	3,018,500	91,958	3,018,500	91,958	3,018,500	91,958	
13 TX Acee-NY Village Taxes	81,444,556	2,666,226	441,802	368,973	84,860,556	2,715,570	1,463,279	89,328,698	2,858,518	332,799	98,345,118	2,858,518	98,345,118	2,858,518	98,345,118	2,858,518	98,345,118	2,858,518	98,345,118	2,858,518	
14 TX Acee-NY School Taxes	142,620,855	4,563,867	148,604,503	4,755,344	2,862,408	156,427,094	5,005,667	163,784,258	5,241,096	1,179,310	172,000,999	5,241,096	172,000,999	5,241,096	172,000,999	5,241,096	172,000,999	5,241,096	172,000,999	5,241,096	
15 Total	280,107,492	8,507,439	288,668,533	9,112,211	3,675,533	296,644,815	9,365,828	306,981,792	9,762,552	1,811,538	317,594,374	9,762,552	317,594,374	9,762,552	317,594,374	9,762,552	317,594,374	9,762,552	317,594,374	9,762,552	
% change of incremental net additions																					
16 Reg Account 408140	55.00%																				
17 Reg Account 408180	45.00%																				
18 Reg Account 408240	0.00%																				

County	City	Village	School	Total	Electric % Increase	Electric % Decrease	Gas	Electric	Electric % Increase	Electric % Decrease	Gas	Incremental Net Addition	Growth
55	136,926	19,685,447	3,125,444	103,933,769	181,589,535	(1,887)	(1,887)	(1,887)	4.2%	3.2%	181,589,535	3.2%	
55	1,531,759	19,685,447	3,125,444	103,937,529	181,902,180	(1,887)	(1,887)	(1,887)	4.2%	3.2%	181,902,180	3.2%	
55	1,076,521	19,846,390	3,195,859	104,014,209	182,132,978	(1,612)	(1,612)	(1,612)	4.7%	3.2%	182,132,978	3.2%	
55	888,848	19,846,390	3,195,859	104,016,538	182,147,655	(1,612)	(1,612)	(1,612)	4.7%	3.2%	182,147,655	3.2%	
27	189,378,369	40,773,083	145,605,286	375,756,738	4.2%	3.2%	375,756,738	4.2%	3.2%	375,756,738	3.2%		
28	198,804,301	42,376,398	156,427,903	397,608,602	5.3%	2.1%	397,608,602	5.3%	2.1%	397,608,602	2.1%		
29	208,168,425	44,383,332	163,785,093	416,336,850	4.7%	1.5%	416,336,850	4.7%	1.5%	416,336,850	1.5%		
30	218,693,955	46,652,095	172,041,860	437,387,910	5.0%	1.8%	437,387,910	5.0%	1.8%	437,387,910	1.8%		

Line 11 - 14 for Column (a) - Line 24, for respective tax * 78.3% electric allocation
 Line 1 - 4 for Column (e) - Line 11 - 14, for respective tax * Line 16
 Line 6 - 9 for Column (e) - Line 11 - 14, for respective tax * Line 16
 Line 5 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 6 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 7 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 8 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 9 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 10 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 11 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 12 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 13 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 14 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 15 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 16 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 17 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 18 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 19 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 20 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 21 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 22 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 23 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 24 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 25 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 26 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 27 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 28 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 29 for Column (g) from Worksheet 1 Line 7 Column (l)
 Line 30 for Column (g) from Worksheet 1 Line 7 Column (l)
 The 3.2% Growth Factor used in Column (b), (d), (f) and (n) is from Exhibit SSCP-2.

Exhibit _____ (RRP-12R)
 Page 7 of 7

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Taxes Other Than Income Taxes - Real Estate Taxes - Rebuttal Position
 Historic Plant Closings and Forecast Plant Closings & Retirements

Historical Average Plant Closings	CY05	CY06	CY07	CY08	CY09	Average
1 Transmission Historic Plant Closings	50,864,136	66,103,761	53,291,993	105,978,526	74,028,791	70,053,441
2 Distribution Historic Plant Closings	182,577,698	198,534,496	184,374,774	200,866,599	187,422,942	190,755,302
3 Gas Historic Plant Closings	64,272,235	58,071,427	46,455,104	56,835,689	61,590,153	57,444,922

Source: PSC Annual Reports

Historical Average Retirements	CY05	CY06	CY07	CY08	CY09	Average
4 Transmission Historic Retirements	10,559,891	6,277,853	6,278,852	10,789,054	10,079,814	8,797,093
5 Distribution Historic Retirements	5,771,868	16,125,640	14,942,370	16,483,041	33,203,738	17,305,331
6 Gas Historic Retirements	1,540,720	4,363,138	5,848,684	4,388,042	6,554,448	4,539,006

Source: PSC Annual Reports

Plant Closings in Net Utility Plant Forecast	CY 11	CY 12	CY 13	CY 14	CY 15
7 Transmission	128,577,430	162,216,608	227,374,292	172,884,468	210,763,615
8 Distribution 201,967,756	241,177,064	221,566,321	221,566,321	233,299,060	243,566,076
9 Gas	46,391,144	46,167,011	61,808,097	73,920,650	79,524,503

Source Electric Transmission & Distribution: Plant model supporting Exhibit (RRP-13R)

Source Gas: Plant model supporting Exhibit (RRP-13R)

Plant Retirements in Net Utility Plant Forecast	CY 11	CY 12	CY 13	CY 14	CY 15
10 Transmission	35,554,227	18,928,853	24,625,390	23,773,834	27,774,873
11 Distribution 32,840,024	28,390,775	28,390,775	29,352,782	30,907,118	32,267,277
12 Gas	6,167,410	5,520,246	7,822,379	9,369,690	10,075,601

Source Electric Transmission & Distribution: Plant model supporting Exhibit (RRP-13R)

Source Gas: Plant model supporting Exhibit (RRP-13R)

Case 12-E-0201
Case 12-G-0202

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-13R)

Net Utility Plant Model

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Company Rebuttal Position
Rate Year and Data Years Balances of Electric Net Utility Plant and Depreciation Expense
(\$000's)

<u>Net Utility Plant</u>	Rate Year and Data Years Ending March 31,		
	2014	2015	2016
<u>Total per Corrections and Updates</u>	\$ 5,399,334.3	\$ 5,703,344.5	\$ 6,045,444.4
<u>Adjustments to Rebuttal Position:</u>			
1. Updated Net Utility Plant Forecast			
* Flow through of capital and cost of removal changes	8,902.0	924.3	(10,177.7)
Total Adjustments	<u>\$ 8,902.0</u>	<u>\$ 924.3</u>	<u>\$ (10,177.7)</u>
Revised Total	<u><u>\$ 5,408,236.3</u></u>	<u><u>\$ 5,704,268.8</u></u>	<u><u>\$ 6,035,266.7</u></u>
<u>Depreciation Expense</u>			
<u>Total per Corrections and Updates</u>	\$ 180,048.9	\$ 187,622.5	\$ 196,413.0
1. Updated Net Utility Plant Forecast			
* Flow through of capital and cost of removal changes	207.2	116.5	(107.7)
Total Adjustments	<u>\$ 207.2</u>	<u>\$ 116.5</u>	<u>\$ (107.7)</u>
Revised Total	<u><u>\$ 180,256.1</u></u>	<u><u>\$ 187,739.0</u></u>	<u><u>\$ 196,305.3</u></u>

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Company Rebuttal Position
Rate Year and Data Years Balances of Gas Net Utility Plant and Depreciation Expense
(\$000's)

	Rate Year and Data Years Ending March 31,		
	2014	2015	2016
<u>Net Utility Plant</u>			
Total per Corrections and Updates	\$ 1,289,183.9	\$ 1,327,519.2	\$ 1,364,294.0
<u>Adjustments to Rebuttal Position:</u>			
1. Updated Net Utility Plant Forecast			
* Flow through of capital and cost of removal changes	(939.8)	1,831.6	11,724.3
Revised Total	\$ (939.8)	\$ 1,831.6	\$ 11,724.3
Revised Total	\$ 1,288,244.1	\$ 1,329,350.8	\$ 1,376,018.3
<u>Depreciation Expense</u>			
Total per Corrections and Updates	\$ 50,243.2	\$ 51,959.1	\$ 53,730.3
1. Updated Net Utility Plant Forecast			
* Flow through of capital and cost of removal changes	(15.5)	19.0	173.0
Total Adjustments	\$ (15.5)	\$ 19.0	\$ 173.0
Revised Total	\$ 50,227.7	\$ 51,978.1	\$ 53,903.2

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Monthly Balances of Electric Net Utility Plant - Rebuttal Position
Rate Year Ending March 31, 2014
(\$000's)

Balance at Month End		Total Electric Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Electric Net Utility Plant in Service (d)	Depreciation (e)
1	Mar-13 (1/2 month)	\$ 3,752,913	\$ 26,764	\$ (1,254,111)	\$ 2,525,566	
2	Apr-13	\$ 7,534,951	\$ 52,381	\$ (2,514,658)	\$ 5,072,674	\$ 13,580
3	May-13	\$ 7,560,193	\$ 53,767	\$ (2,520,972)	\$ 5,092,988	\$ 13,633
4	Jun-13	\$ 7,636,848	\$ 43,402	\$ (2,526,612)	\$ 5,153,638	\$ 13,677
5	Jul-13	\$ 7,691,720	\$ 37,641	\$ (2,526,850)	\$ 5,202,511	\$ 13,842
6	Aug-13	\$ 7,719,269	\$ 38,976	\$ (2,533,061)	\$ 5,225,184	\$ 13,928
7	Sep-13	\$ 7,749,756	\$ 39,638	\$ (2,538,801)	\$ 5,250,594	\$ 13,978
8	Oct-13	\$ 7,778,423	\$ 41,429	\$ (2,544,606)	\$ 5,275,246	\$ 14,032
9	Nov-13	\$ 7,806,453	\$ 40,954	\$ (2,551,638)	\$ 5,295,769	\$ 14,083
10	Dec-13	\$ 7,828,590	\$ 41,172	\$ (2,549,483)	\$ 5,320,279	\$ 14,133
11	Jan-14	\$ 7,854,830	\$ 41,828	\$ (2,551,975)	\$ 5,344,682	\$ 14,164
12	Feb-14	\$ 7,882,735	\$ 43,705	\$ (2,558,130)	\$ 5,368,310	\$ 14,205
13	Mar-14 (1/2 month)	\$ 3,957,956	\$ 22,526	\$ (1,281,572)	\$ 2,698,910	\$ 14,255
14	Total Electric (Sum of Lines 1 to 13)	92,754,638	524,183	(30,452,471)	62,826,350	167,511
15	Allocation of Common to Electric (Line 33)	3,463,490	9,239	(1,400,242)	2,072,486	12,745
16	Total Electric w/ Common (Line 14 + Line 15)	96,218,128	533,421	(31,852,714)	64,898,836	180,256
17	Average Monthly Balance (Line 16 / 12)	\$ 8,018,177	\$ 44,452	\$ (2,654,393)	\$ 5,408,236	

Balance at Month End		Total Common Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Common Net Utility Plant in Service (d)	Depreciation (e)
18	Mar-13 (1/2 month)	\$ 171,999	\$ 965	\$ (67,213)	\$ 105,751	
19	Apr-13	\$ 345,312	\$ 1,387	\$ (135,699)	\$ 211,001	\$ 1,272
20	May-13	\$ 346,143	\$ 1,154	\$ (136,975)	\$ 210,322	\$ 1,277
21	Jun-13	\$ 346,532	\$ 1,026	\$ (137,933)	\$ 209,625	\$ 1,280
22	Jul-13	\$ 345,576	\$ 914	\$ (137,477)	\$ 209,014	\$ 1,281
23	Aug-13	\$ 346,456	\$ 803	\$ (138,754)	\$ 208,505	\$ 1,278
24	Sep-13	\$ 347,392	\$ 688	\$ (140,032)	\$ 208,047	\$ 1,281
25	Oct-13	\$ 348,005	\$ 740	\$ (141,293)	\$ 207,452	\$ 1,284
26	Nov-13	\$ 348,723	\$ 795	\$ (142,567)	\$ 206,952	\$ 1,286
27	Dec-13	\$ 349,503	\$ 795	\$ (143,854)	\$ 206,444	\$ 1,289
28	Jan-14	\$ 350,283	\$ 768	\$ (145,128)	\$ 205,923	\$ 1,274
29	Feb-14	\$ 351,026	\$ 740	\$ (146,316)	\$ 205,449	\$ 1,276
30	Mar-14 (1/2 month)	\$ 175,928	\$ 356	\$ (73,798)	\$ 102,486	\$ 1,279
31	Total Common (Sum of Lines 18 to 30)	4,172,879	11,131	(1,687,039)	2,496,971	15,356
32	Electric Percentage of Common	83%	83%	83%		83%
33	Allocation to Electric (Line 31 * Line 32)	3,463,490	9,239	(1,400,242)	2,072,486	12,745
34	Average Monthly Balance (Line 33 / 12)	\$ 288,624	\$ 770	\$ (116,687)	\$ 172,707	

Note: (1) Electric - 83.0%
Gas - 17.0%

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (d) - Lines 18 through 30 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (e) - Lines 19 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Note (1) - Electric/Gas allocation per Exhibit (SCP-7)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Monthly Balances of Electric Net Utility Plant - Rebuttal Position
Data Year Ending March 31, 2015
(\$000's)

Balance at Month End		Total Electric Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Electric Net Utility Plant in Service (d)	Depreciation (e)
1	Mar-14 (1/2 month)	\$ 3,957,956	\$ 22,526	\$ (1,281,572)	\$ 2,698,910	
2	Apr-14	\$ 7,943,183	\$ 44,386	\$ (2,569,200)	\$ 5,418,369	\$ 14,314
3	May-14	\$ 7,967,261	\$ 46,487	\$ (2,576,124)	\$ 5,437,624	\$ 14,360
4	Jun-14	\$ 7,994,455	\$ 47,545	\$ (2,582,767)	\$ 5,459,233	\$ 14,403
5	Jul-14	\$ 8,016,543	\$ 50,540	\$ (2,588,163)	\$ 5,478,920	\$ 14,451
6	Aug-14	\$ 8,039,490	\$ 52,895	\$ (2,592,605)	\$ 5,499,779	\$ 14,488
7	Sep-14	\$ 8,065,760	\$ 55,054	\$ (2,599,092)	\$ 5,521,722	\$ 14,530
8	Oct-14	\$ 8,092,177	\$ 57,881	\$ (2,605,302)	\$ 5,544,756	\$ 14,576
9	Nov-14	\$ 8,119,114	\$ 58,005	\$ (2,612,681)	\$ 5,564,437	\$ 14,623
10	Dec-14	\$ 8,185,699	\$ 49,440	\$ (2,613,401)	\$ 5,621,739	\$ 14,671
11	Jan-15	\$ 8,232,016	\$ 45,414	\$ (2,613,019)	\$ 5,664,411	\$ 14,798
12	Feb-15	\$ 8,259,455	\$ 47,868	\$ (2,619,431)	\$ 5,687,893	\$ 14,869
13	Mar-15 (1/2 month)	\$ 4,144,973	\$ 25,201	\$ (1,312,499)	\$ 2,857,675	\$ 14,917
14	Total Electric (Sum of Lines 1 to 13)	97,018,082	603,242	(31,165,855)	66,455,468	175,000
15	Allocation of Common to Electric (Line 33)	3,496,519	6,426	(1,507,187)	1,995,758	12,739
16	Total Electric w/ Common (Line 14 + Line 15)	100,514,601	609,667	(32,673,042)	68,451,225	187,739
17	Average Monthly Balance (Line 16 / 12)	\$ 8,376,217	\$ 50,806	\$ (2,722,754)	\$ 5,704,269	

Balance at Month End		Total Common Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Common Net Utility Plant in Service (d)	Depreciation (e)
18	Mar-14 (1/2 month)	\$ 175,928	\$ 356	\$ (73,798)	\$ 102,486	
19	Apr-14	\$ 352,637	\$ 455	\$ (148,878)	\$ 204,214	\$ 1,282
20	May-14	\$ 353,049	\$ 445	\$ (150,163)	\$ 203,330	\$ 1,285
21	Jun-14	\$ 349,650	\$ 483	\$ (148,058)	\$ 202,075	\$ 1,287
22	Jul-14	\$ 348,325	\$ 566	\$ (147,595)	\$ 201,296	\$ 1,274
23	Aug-14	\$ 348,886	\$ 622	\$ (148,864)	\$ 200,644	\$ 1,269
24	Sep-14	\$ 349,496	\$ 678	\$ (150,133)	\$ 200,040	\$ 1,271
25	Oct-14	\$ 350,091	\$ 729	\$ (151,383)	\$ 199,437	\$ 1,274
26	Nov-14	\$ 350,790	\$ 785	\$ (152,646)	\$ 198,929	\$ 1,276
27	Dec-14	\$ 351,551	\$ 785	\$ (153,923)	\$ 198,412	\$ 1,278
28	Jan-15	\$ 352,313	\$ 757	\$ (155,204)	\$ 197,865	\$ 1,281
29	Feb-15	\$ 353,036	\$ 729	\$ (156,400)	\$ 197,365	\$ 1,284
30	Mar-15 (1/2 month)	\$ 176,924	\$ 351	\$ (78,843)	\$ 98,431	\$ 1,287
31	Total Common (Sum of Lines 18 to 30)	4,212,674	7,742	(1,815,888)	2,404,527	15,348
32	Electric Percentage of Common	83%	83%	83%		83%
33	Allocation to Electric (Line 31 * Line 32)	3,496,519	6,426	(1,507,187)	1,995,758	12,739
34	Average Monthly Balance (Line 33 / 12)	\$ 291,377	\$ 535	\$ (125,599)	\$ 166,313	

Note: (1) Electric - 83.0%
Gas - 17.0%

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (d) - Lines 18 through 30 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (e) - Lines 19 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Note (1) - Electric/Gas allocation per Exhibit (SCP-7)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Monthly Balances of Electric Net Utility Plant - Rebuttal Position
Data Year Ending March 31, 2016
(\$000's)

Balance at Month End		Total Electric Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Electric Net Utility Plant in Service (d)	Depreciation (e)
1	Mar-15 (1/2 month)	\$ 4,144,973	\$ 25,201	\$ (1,312,499)	\$ 2,857,675	
2	Apr-15	\$ 8,319,213	\$ 49,785	\$ (2,632,192)	\$ 5,736,806	\$ 14,971
3	May-15	\$ 8,350,020	\$ 50,480	\$ (2,638,287)	\$ 5,762,213	\$ 15,023
4	Jun-15	\$ 8,379,369	\$ 51,284	\$ (2,644,824)	\$ 5,785,828	\$ 15,078
5	Jul-15	\$ 8,405,339	\$ 53,622	\$ (2,649,799)	\$ 5,809,162	\$ 15,129
6	Aug-15	\$ 8,432,893	\$ 55,697	\$ (2,656,312)	\$ 5,832,278	\$ 15,173
7	Sep-15	\$ 8,494,584	\$ 49,187	\$ (2,657,581)	\$ 5,886,190	\$ 15,222
8	Oct-15	\$ 8,526,395	\$ 50,992	\$ (2,663,186)	\$ 5,914,202	\$ 15,335
9	Nov-15	\$ 8,556,660	\$ 50,529	\$ (2,670,428)	\$ 5,936,760	\$ 15,391
10	Dec-15	\$ 8,586,481	\$ 51,606	\$ (2,677,064)	\$ 5,961,023	\$ 15,444
11	Jan-16	\$ 8,616,020	\$ 52,157	\$ (2,679,453)	\$ 5,988,724	\$ 15,496
12	Feb-16	\$ 8,644,887	\$ 54,593	\$ (2,685,787)	\$ 6,013,693	\$ 15,543
13	Mar-16 (1/2 month)	\$ 4,338,473	\$ 28,552	\$ (1,345,605)	\$ 3,021,420	\$ 15,594
14	Total Electric (Sum of Lines 1 to 13)	101,795,307	623,683	(31,913,015)	70,505,975	183,399
15	Allocation of Common to Electric (Line 33)	3,543,559	6,424	(1,632,758)	\$ 1,917,225	\$ 12,906
16	Total Electric w/ Common (Line 14 + Line 15)	105,338,866	630,107	(33,545,773)	72,423,200	196,305
17	Average Monthly Balance (Line 16 / 12)	\$ 8,778,239	\$ 52,509	\$ (2,795,481)	\$ 6,035,267	

Balance at Month End		Total Common Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Common Net Utility Plant in Service (d)	Depreciation (e)
18	Mar-15 (1/2 month)	\$ 176,924	\$ 351	\$ (78,843)	\$ 98,431	
19	Apr-15	\$ 354,610	\$ 456	\$ (158,976)	\$ 196,089	\$ 1,290
20	May-15	\$ 355,022	\$ 445	\$ (160,268)	\$ 195,198	\$ 1,292
21	Jun-15	\$ 355,093	\$ 483	\$ (161,240)	\$ 194,336	\$ 1,294
22	Jul-15	\$ 353,768	\$ 567	\$ (160,797)	\$ 193,538	\$ 1,294
23	Aug-15	\$ 354,331	\$ 622	\$ (162,087)	\$ 192,867	\$ 1,289
24	Sep-15	\$ 354,941	\$ 678	\$ (163,375)	\$ 192,243	\$ 1,291
25	Oct-15	\$ 355,536	\$ 730	\$ (164,645)	\$ 191,621	\$ 1,294
26	Nov-15	\$ 356,236	\$ 785	\$ (165,928)	\$ 191,093	\$ 1,296
27	Dec-15	\$ 356,997	\$ 785	\$ (167,225)	\$ 190,557	\$ 1,298
28	Jan-16	\$ 357,759	\$ 757	\$ (168,526)	\$ 189,990	\$ 1,301
29	Feb-16	\$ 358,483	\$ 730	\$ (169,742)	\$ 189,471	\$ 1,304
30	Mar-16 (1/2 month)	\$ 179,648	\$ 351	\$ (85,524)	\$ 94,475	\$ 1,307
31	Total Common (Sum of Lines 18 to 30)	4,269,348	7,740	(1,967,178)	2,309,910	15,549
32	Electric Percentage of Common	83%	83%	83%		83%
33	Allocation to Electric (Line 31 * Line 32)	3,543,559	6,424	(1,632,758)	1,917,225	12,906
34	Average Monthly Balance (Line 33 / 12)	\$ 295,297	\$ 535	\$ (136,063)	\$ 159,769	

Note: (1) Electric - 83.0%
Gas - 17.0%

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (d) - Lines 18 through 30 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (e) - Lines 19 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Note (1) - Electric/Gas allocation per Exhibit (SCP-7)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Monthly Balances of Gas Net Utility Plant - Rebuttal Position
Rate Year Ending March 31, 2014
(\$000's)

Balance at Month End		Total Gas Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Gas Net Utility Plant in Service (d)	Depreciation (e)
1	Mar-13 (1/2 month)	\$ 975,609	\$ 2,420	\$ (361,249)	\$ 616,780	
2	Apr-13	\$ 1,955,512	\$ 5,195	\$ (725,175)	\$ 1,235,533	\$ 3,908
3	May-13	\$ 1,959,843	\$ 6,151	\$ (727,668)	\$ 1,238,326	\$ 3,917
4	Jun-13	\$ 1,965,002	\$ 6,729	\$ (730,062)	\$ 1,241,669	\$ 3,926
5	Jul-13	\$ 1,971,344	\$ 6,822	\$ (732,299)	\$ 1,245,867	\$ 3,936
6	Aug-13	\$ 1,977,518	\$ 7,033	\$ (734,558)	\$ 1,249,993	\$ 3,949
7	Sep-13	\$ 1,983,721	\$ 6,779	\$ (736,958)	\$ 1,253,542	\$ 3,962
8	Oct-13	\$ 1,989,813	\$ 6,884	\$ (739,296)	\$ 1,257,400	\$ 3,974
9	Nov-13	\$ 1,995,171	\$ 6,936	\$ (741,853)	\$ 1,260,253	\$ 3,986
10	Dec-13	\$ 2,001,019	\$ 6,896	\$ (744,321)	\$ 1,263,594	\$ 3,997
11	Jan-14	\$ 2,006,491	\$ 6,749	\$ (746,930)	\$ 1,266,310	\$ 4,009
12	Feb-14	\$ 2,012,305	\$ 6,435	\$ (749,511)	\$ 1,269,228	\$ 4,020
13	Mar-14 (1/2 month)	\$ 1,008,812	\$ 3,210	\$ (376,073)	\$ 635,949	\$ 4,033
14	Total Gas (Sum of Lines 1 to 13)	23,802,161	78,237	(8,845,954)	15,034,444	47,617
15	Allocation of Common to Gas (Line 33)	709,389	1,892	(286,797)	424,485	2,611
16	Total Gas w/ Common (Line 14 + Line 15)	24,511,550	80,129	(9,132,751)	15,458,929	50,228
17	Average Monthly Balance (Line 16 / 12)	\$ 2,042,629	\$ 6,677	\$ (761,063)	\$ 1,288,244	

Balance at Month End		Total Common Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Common Net Utility Plant in Service (d)	Depreciation (e)
18	Mar-13 (1/2 month)	\$ 171,999	\$ 965	\$ (67,213)	\$ 105,751	
19	Apr-13	\$ 345,312	\$ 1,387	\$ (135,699)	\$ 211,001	\$ 1,272
20	May-13	\$ 346,143	\$ 1,154	\$ (136,975)	\$ 210,322	\$ 1,277
21	Jun-13	\$ 346,532	\$ 1,026	\$ (137,933)	\$ 209,625	\$ 1,280
22	Jul-13	\$ 345,576	\$ 914	\$ (137,477)	\$ 209,014	\$ 1,281
23	Aug-13	\$ 346,456	\$ 803	\$ (138,754)	\$ 208,505	\$ 1,278
24	Sep-13	\$ 347,392	\$ 688	\$ (140,032)	\$ 208,047	\$ 1,281
25	Oct-13	\$ 348,005	\$ 740	\$ (141,293)	\$ 207,452	\$ 1,284
26	Nov-13	\$ 348,723	\$ 795	\$ (142,567)	\$ 206,952	\$ 1,286
27	Dec-13	\$ 349,503	\$ 795	\$ (143,854)	\$ 206,444	\$ 1,289
28	Jan-14	\$ 350,283	\$ 768	\$ (145,128)	\$ 205,923	\$ 1,274
29	Feb-14	\$ 351,026	\$ 740	\$ (146,316)	\$ 205,449	\$ 1,276
30	Mar-14 (1/2 month)	\$ 175,928	\$ 356	\$ (73,798)	\$ 102,486	\$ 1,279
31	Total Common (Sum of Lines 18 to 30)	4,172,879	11,131	(1,687,039)	2,496,971	15,356
32	Gas Percentage of Common	17%	17%	17%		17%
33	Allocation to Gas (Line 31 * Line 32)	709,389	1,892	(286,797)	424,485	2,611
34	Average Monthly Balance (Line 33 / 12)	\$ 59,116	\$ 158	\$ (23,900)	\$ 35,374	

Note: (1) Electric - 83.0%
Gas - 17.0%

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (d) - Lines 18 through 30 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (e) - Lines 19 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Note (1) - Electric/Gas allocation per Exhibit____(SCP-7)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Monthly Balances of Gas Net Utility Plant - Rebuttal Position
Data Year Ending March 31, 2015
(\$000's)

Balance at Month End		Total Gas Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Gas Net Utility Plant in Service (d)	Depreciation (e)
1	Mar-14 (1/2 month)	\$ 1,008,812	\$ 3,210	\$ (376,073)	\$ 635,949	
2	Apr-14	\$ 2,022,918	\$ 6,500	\$ (754,757)	\$ 1,274,660	\$ 4,044
3	May-14	\$ 2,028,413	\$ 7,153	\$ (757,154)	\$ 1,278,412	\$ 4,055
4	Jun-14	\$ 2,034,239	\$ 7,628	\$ (759,527)	\$ 1,282,340	\$ 4,066
5	Jul-14	\$ 2,041,399	\$ 7,556	\$ (761,722)	\$ 1,287,232	\$ 4,079
6	Aug-14	\$ 2,048,344	\$ 7,623	\$ (763,947)	\$ 1,292,020	\$ 4,093
7	Sep-14	\$ 2,055,329	\$ 7,193	\$ (766,325)	\$ 1,296,197	\$ 4,107
8	Oct-14	\$ 2,062,179	\$ 7,151	\$ (768,638)	\$ 1,300,693	\$ 4,122
9	Nov-14	\$ 2,068,210	\$ 7,070	\$ (771,192)	\$ 1,304,088	\$ 4,135
10	Dec-14	\$ 2,074,798	\$ 6,876	\$ (773,646)	\$ 1,308,028	\$ 4,148
11	Jan-15	\$ 2,080,618	\$ 6,716	\$ (776,306)	\$ 1,311,028	\$ 4,161
12	Feb-15	\$ 2,086,772	\$ 6,391	\$ (778,940)	\$ 1,314,223	\$ 4,173
13	Mar-15 (1/2 month)	\$ 1,046,192	\$ 3,195	\$ (390,817)	\$ 658,571	\$ 4,186
14	Total Gas (Sum of Lines 1 to 13)	24,658,223	84,262	(9,199,045)	15,543,440	49,369
15	Allocation of Common to Gas (Line 33)	716,155	1,316	(308,701)	408,770	2,609
16	Total Gas w/ Common (Line 14 + Line 15)	25,374,377	85,578	(9,507,746)	15,952,210	51,978
17	Average Monthly Balance (Line 16 / 12)	\$ 2,114,531	\$ 7,132	\$ (792,312)	\$ 1,329,351	

Balance at Month End		Total Common Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Common Net Utility Plant in Service (d)	Depreciation (e)
18	Mar-14 (1/2 month)	\$ 175,928	\$ 356	\$ (73,798)	\$ 102,486	
19	Apr-14	\$ 352,637	\$ 455	\$ (148,878)	\$ 204,214	\$ 1,282
20	May-14	\$ 353,049	\$ 445	\$ (150,163)	\$ 203,330	\$ 1,285
21	Jun-14	\$ 349,650	\$ 483	\$ (148,058)	\$ 202,075	\$ 1,287
22	Jul-14	\$ 348,325	\$ 566	\$ (147,595)	\$ 201,296	\$ 1,274
23	Aug-14	\$ 348,886	\$ 622	\$ (148,864)	\$ 200,644	\$ 1,269
24	Sep-14	\$ 349,496	\$ 678	\$ (150,133)	\$ 200,040	\$ 1,271
25	Oct-14	\$ 350,091	\$ 729	\$ (151,383)	\$ 199,437	\$ 1,274
26	Nov-14	\$ 350,790	\$ 785	\$ (152,646)	\$ 198,929	\$ 1,276
27	Dec-14	\$ 351,551	\$ 785	\$ (153,923)	\$ 198,412	\$ 1,278
28	Jan-15	\$ 352,313	\$ 757	\$ (155,204)	\$ 197,865	\$ 1,281
29	Feb-15	\$ 353,036	\$ 729	\$ (156,400)	\$ 197,365	\$ 1,284
30	Mar-15 (1/2 month)	\$ 176,924	\$ 351	\$ (78,843)	\$ 98,431	\$ 1,287
31	Total Common (Sum of Lines 18 to 30)	4,212,674	7,742	(1,815,888)	2,404,527	15,348
32	Gas Percentage of Common	17%	17%	17%		17%
33	Allocation to Gas (Line 31 * Line 32)	716,155	1,316	(308,701)	408,770	2,609
34	Average Monthly Balance (Line 33 / 12)	\$ 59,680	\$ 110	\$ (25,725)	\$ 34,064	

Note: (1) Electric - 83.0%
Gas - 17.0%

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (d) - Lines 18 through 30 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (e) - Lines 19 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Note (1) - Electric/Gas allocation per Exhibit (SCP-7)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Monthly Balances of Gas Net Utility Plant - Rebuttal Position
Data Year Ending March 31, 2016
(\$000's)

Balance at Month End		Total Gas Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Gas Net Utility Plant in Service (d)	Depreciation (e)
1	Mar-15 (1/2 month)	\$ 1,046,192	\$ 3,195	\$ (390,817)	\$ 658,571	
2	Apr-15	\$ 2,097,966	\$ 6,533	\$ (784,286)	\$ 1,320,212	\$ 4,197
3	May-15	\$ 2,103,765	\$ 7,294	\$ (786,703)	\$ 1,324,357	\$ 4,209
4	Jun-15	\$ 2,110,002	\$ 7,830	\$ (789,081)	\$ 1,328,750	\$ 4,221
5	Jul-15	\$ 2,117,700	\$ 7,767	\$ (791,265)	\$ 1,334,202	\$ 4,234
6	Aug-15	\$ 2,125,189	\$ 7,845	\$ (793,477)	\$ 1,339,557	\$ 4,249
7	Sep-15	\$ 2,132,711	\$ 7,390	\$ (795,858)	\$ 1,344,243	\$ 4,264
8	Oct-15	\$ 2,140,118	\$ 7,343	\$ (798,163)	\$ 1,349,298	\$ 4,280
9	Nov-15	\$ 2,146,605	\$ 7,266	\$ (800,736)	\$ 1,353,135	\$ 4,294
10	Dec-15	\$ 2,153,713	\$ 7,060	\$ (803,196)	\$ 1,357,577	\$ 4,307
11	Jan-16	\$ 2,160,006	\$ 6,885	\$ (805,880)	\$ 1,361,012	\$ 4,322
12	Feb-16	\$ 2,166,638	\$ 6,541	\$ (808,538)	\$ 1,364,641	\$ 4,334
13	Mar-16 (1/2 month)	\$ 1,086,334	\$ 3,277	\$ (405,631)	\$ 683,980	\$ 4,348
14	Total Gas (Sum of Lines 1 to 13)	25,586,938	86,225	(9,553,628)	16,119,535	51,260
15	Allocation of Common to Gas (Line 33)	725,789	1,316	(334,420)	392,685	2,643
16	Total Gas w/ Common (Line 14 + Line 15)	26,312,728	87,540	(9,888,049)	16,512,219	53,903
17	Average Monthly Balance (Line 16 / 12)	\$ 2,192,727	\$ 7,295	\$ (824,004)	\$ 1,376,018	

Balance at Month End		Total Common Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Common Net Utility Plant in Service (d)	Depreciation (e)
18	Mar-15 (1/2 month)	\$ 176,924	\$ 351	\$ (78,843)	\$ 98,431	
19	Apr-15	\$ 354,610	\$ 456	\$ (158,976)	\$ 196,089	\$ 1,290
20	May-15	\$ 355,022	\$ 445	\$ (160,268)	\$ 195,198	\$ 1,292
21	Jun-15	\$ 355,093	\$ 483	\$ (161,240)	\$ 194,336	\$ 1,294
22	Jul-15	\$ 353,768	\$ 567	\$ (160,797)	\$ 193,538	\$ 1,294
23	Aug-15	\$ 354,331	\$ 622	\$ (162,087)	\$ 192,867	\$ 1,289
24	Sep-15	\$ 354,941	\$ 678	\$ (163,375)	\$ 192,243	\$ 1,291
25	Oct-15	\$ 355,536	\$ 730	\$ (164,645)	\$ 191,621	\$ 1,294
26	Nov-15	\$ 356,236	\$ 785	\$ (165,928)	\$ 191,093	\$ 1,296
27	Dec-15	\$ 356,997	\$ 785	\$ (167,225)	\$ 190,557	\$ 1,298
28	Jan-16	\$ 357,759	\$ 757	\$ (168,526)	\$ 189,990	\$ 1,301
29	Feb-16	\$ 358,483	\$ 730	\$ (169,742)	\$ 189,471	\$ 1,304
30	Mar-16 (1/2 month)	\$ 179,648	\$ 351	\$ (85,524)	\$ 94,475	\$ 1,307
31	Total Common (Sum of Lines 18 to 30)	4,269,348	7,740	(1,967,178)	2,309,910	15,549
32	Gas Percentage of Common	17%	17%	17%		17%
33	Allocation to Gas (Line 31 * Line 32)	725,789	1,316	(334,420)	392,685	2,643
34	Average Monthly Balance (Line 33 / 12)	\$ 60,482	\$ 110	\$ (27,868)	\$ 32,724	

Note: (1) Electric - 83.0%
Gas - 17.0%

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (b) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (c) - Lines 18 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (d) - Lines 18 through 30 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-13R)
Column (e) - Lines 19 through 30 - Per plant model detail supporting Exhibit (RRP-13R)
Note (1) - Electric/Gas allocation per Exhibit (SCP-7)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Capital Expenditures (CAPEX) - Rebuttal Position
Based on CAPEX Budget Classifications

	In-Svc/ Closing Rule	(a) FY13	(b) Per FY13 - FY17 Capex FY14	(c) FY15	(d) FY16
TRANSMISSION PLANT					
1	T Land, Land Rights, Roads & Trails (350, 359)	1 month	100,000	0	0
2	T Substations (352, 353)	12 months	40,623,515	24,716,192	31,389,687
3	T Lines (354 - 358)	6 months	59,176,257	70,890,010	86,262,256
4	Gardenville-Dunkirk 141-142 T1260-1270 ACR	3/17	500,000	1,000,000	3,000,000
5	Lockport-Mortimer 111 T1530 ACR	1 month close beginning 1/12	19,410,000	19,780,000	4,004,000
6	Gardenville 115kV Station Rebuilc	3/17	1,000,000	4,000,000	20,000,000
7	Porter Rotterdam 31, T4210 ACR	Every 3 months beginning 4/14	300,000	2,500,000	1,800,000
8	Mohican Battenkill #15 Rebuild Reconductor	01/15	1,812,000	8,004,840	16,506,960
9	Eastover Road New 230-115 kV Station	12/14	2,500,228	13,995,958	4,460,097
10	Upgrade 115KV Clay Sub - Central Divisior	6/12,9/12,1/13,4/13, 6/13, 9/13, 12/13 & on	12,700,000	11,100,000	2,250,000
11	Construct Southwest Station - Part of SG075	6/13, 5/15, 6/15, 9/15, 6/16	2,365,000	4,215,000	29,635,000
12	Porter-115KV Upgrade	12/14	1,128,000	11,092,000	10,093,000
13	Syracuse Area Reconductoring	12/16	200,000	200,000	2,000,000
14	Spier Rotterdam Line #3 - Part of NERR	7/12,1/13,7/13,11/13	37,310,000	16,180,000	0
15	SmartGrid NY DOE Project	6/13	7,000,000	2,000,000	0
16	Dunkirk Projects	6/13	9,125,000	5,175,000	0
17	TOTAL Transmission Plant (Sum of Lines 1 to 16)		195,250,000	194,849,000	211,401,000
DISTRIBUTION PLANT					
18	D Land, Land Rights & Asset Retirement Costs (360, 374)	1 month	2,026,000	2,081,000	2,137,000
19	D Substations (361,362, 363)	9 months	33,326,872	42,698,260	45,181,014
20	D Lines (364 - 367)	3 months	149,735,128	144,428,740	150,434,986
21	D Line Transformers (368)	1 month	26,616,000	28,213,000	30,471,000
22	D Meters (370)	1 month	7,069,000	7,531,000	8,136,000
23	D Installations & Leases on Cust premises (371 - 372))	1 month	0	0	0
24	D Streetlighting (373)	1 month	11,483,000	11,282,000	11,628,000
25	D Capitalization change				
26	TOTAL Distribution Plant (Sum of Lines 18 to 25)		230,256,000	236,234,000	247,988,000
27	Total Transmission & Distribution Capex (Line 17 + Line 26)		425,506,000	431,083,000	459,389,000
ELECTRIC GENERAL PLANT					
28	Electric General Plant (389 - 399)	1 month	4,744,000	3,616,000	4,652,000
29	NY EMS Replacement INVP1041	6/13	9,600,000	3,200,000	0
30	Mapboard Replacement - Electric	3/16	0	0	750,000
31	Upstate NY Voluntary Time of Use	7/12	250,000	0	0
32	Elec General Capitalization change	1 month			
33	TOTAL Electric General Plant (Sum of Lines 28 to 32)		14,594,000	6,816,000	4,652,000
34	Total Tran, Dist & Electric General Equipment (Line 27 + Line 33)		440,100,000	437,899,000	464,041,000
GAS PLANT					
35	Gas land & land rights	1 month	0	0	0
36	Gas Mains & Services	2 months	46,016,834	58,832,424	64,931,889
37	Gas Meters & House Regulators	1 month	9,845,305	9,085,895	9,330,374
38	Gas Measuring and Regulating	9 months	8,281,481	11,949,355	10,599,682
39	Gas General Equipment	1 month	1,354,600	1,279,692	1,305,286
40	Gas General Capitalization change	1 month	0	-638,101	-651,662
41	Total Gas Plant (Sum of Lines 35 to 40)		65,498,220	80,509,265	85,515,569
COMMON GENERAL PLANT					
42	Common General Plant (389 - 399) - Property Svc	1 month	5,631,000	5,631,000	5,631,000
43	Ops Center	6 months	2,207,000	1,007,000	1,007,000
44	SOC Renovations (Bldg/ Floor)	6 months	250,000	250,000	250,000
45	North Albany - Renovations	6 months	2,200,000	0	0
46	Common General Plant (389 - 399) - Fleet & IM/IR	1 month	966,000	542,000	542,000
47	Physical Security Projects	1 month	1,000,000	425,000	200,000
48	Common General Capitalization change				
49	Total Common General Plant (Sum of Lines 42 to 48)		12,254,000	7,855,000	7,630,000

Column (a-d) - Lines 1 through 16 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a-d) - Lines 18 through 25 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a-d) - Lines 28 through 32 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a-d) - Lines 35 through 40 - Per plant model detail supporting Exhibit (RRP-13R)
Column (a-d) - Lines 42 through 48 - Per plant model detail supporting Exhibit (RRP-13R)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
NY PSC Cases No. 12-E-0201 and 12-G-0202
Cost of Removal (COR) - Rebuttal Position
Based on CAPEX Budget Classifications

	(a)	(b)	(c)	(d)
	FY13	Per FY13 - FY16 FY14	Per FY13 - FY16 COR FY15	FY16
TRANSMISSION PLANT				
1 T Land, Land Rights, Roads & Trails (350, 359)	12,588	0	0	0
2 T Substations (352, 353)	5,113,613	3,189,894	3,973,895	5,332,357
3 T Lines (354 - 358)	7,448,997	9,149,128	10,920,695	14,193,465
4 Gardenville-Dunkirk 141-142 T1260-1270 ACR	62,939	129,061	379,796	1,246,205
5 Lockport-Mortimer 111 T1530 ACR	2,443,295	2,552,824	506,901	0
6 Gardenville 115kV Station Rebuild	125,878	516,244	2,531,975	3,046,280
7 Porter Rotterdam 31, T4210 ACR	37,763	322,652	227,878	1,315,439
8 Mohican Battenkill #15 Rebuild Reconductor	0	0	0	0
9 Eastover Road New 230-115 kV Station	314,724	1,806,331	564,643	0
10 Upgrade 115KV Clay Sub - Central Division	1,598,652	1,432,576	284,847	0
11 Construct Southwest Station - Part of SG075	297,702	543,992	3,751,754	2,527,720
12 Porter-115KV Upgrade	141,991	1,431,543	1,277,761	112,297
13 Syracuse Area Reconductoring	25,176	25,812	253,198	1,800,074
14 Spier Rotterdam Line #3 - Part of NERR	4,696,514	2,088,205	0	0
15 SmartGrid NY DOE Project	0	0	0	0
16 Dunkirk Projects	1,148,638	667,890	0	0
17 TOTAL Transmission Plant (Sum of Lines 1 to 16)	23,468,470	23,856,152	24,673,344	29,573,836
DISTRIBUTION PLANT				
18 D Land, Land Rights & Asset Retirement Costs (360, 374)	203,959	197,599	198,301	196,469
19 D Substations (361,362, 363)	3,355,035	4,054,362	4,192,524	4,397,327
20 D Lines (364 - 367)	15,073,919	13,714,058	13,959,455	13,933,037
21 D Line Transformers (368)	2,679,448	2,678,932	2,827,524	2,863,798
22 D Meters (370)	711,640	715,097	754,971	769,766
23 D Installations & Leases on Cust premises (371 - 372))	0	0	0	0
24 D Streetlighting (373)	1,156,000	1,071,269	1,079,008	1,066,484
25 D Capitalization change	0	0	0	0
26 TOTAL Distribution Plant (Sum of Lines 18 to 25)	23,180,000	22,431,316	23,011,783	23,226,881
27 Total Transmission & Distribution Capex (Line 17 + Line 26)	46,648,470	46,287,468	47,685,127	52,800,717
ELECTRIC GENERAL PLANT				
28 Electric General Plant (389 - 399)	0	0	0	0
29 NY EMS Replacement INVP1041	75,000	0	0	0
30 Mapboard Replacement - Electric	0	0	0	0
31 Upstate NY Voluntary Time of Use	0	0	0	0
32 Elec General Capitalization change	0	0	0	0
33 TOTAL Electric General Plant (Sum of Lines 28 to 32)	75,000	0	0	0
34 Total Tran, Dist & Electric General Equipment (Line 27 + Line 33)	46,723,470	46,287,468	47,685,127	52,800,717
GAS PLANT				
35 Gas land & land rights	0	0	0	0
36 Gas Mains & Services	4,424,820	6,143,658	6,920,559	7,896,588
37 Gas Meters & House Regulators	946,691	948,807	994,448	1,044,222
38 Gas Measuring and Regulating	796,319	1,247,828	1,129,733	1,058,003
39 Gas General Equipment	0	0	0	0
40 Gas General Capitalization change	0	0	0	0
41 Total Gas Plant (Sum of Lines 35 to 40)	6,167,829	8,340,294	9,044,741	9,998,813
COMMON GENERAL PLANT				
42 Common General Plant (389 - 399) - Property Svc	0	0	0	0
43 Ops Center	0	0	0	0
44 SOC Renovations (Bldg/ Floor)	0	0	0	0
45 North Albany - Renovations	0	0	0	0
46 Common General Plant (389 - 399) - Fleet & IM/IR	0	0	0	0
47 Physical Security Projects	0	0	0	0
48 Common General Capitalization change	0	0	0	0
49 Total Common General Plant (Sum of Lines 42 to 48)	0	0	0	0

Column (a-d) - Lines 17, 26, 33, 41 and 49 - Per plant model detail supporting Exhibit (RRP-13R)
Total cost of removal by function was allocated to the various categories based on the associated capital forecast within the function., with the exception of the specific EMS project.

Exhibit (RRP-13R)
 Page 11 of 12

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
 Capex and Cost of Removal - Rebuttal Position

Capex Forecasts (\$000)

	Company Corrections and Update			Company Rebuttal Adjustments			Company Rebuttal Position		
	FY13	FY14	FY16	FY13	FY14	FY16	FY13	FY14	FY16
1 Transmission 132,000	145,000	160,000	165,000	10,250	-2,151	-5,568	142,250	142,849	157,401
2 Sub-Transmission	46,000	50,000	58,000	0	0	0	46,000	50,000	54,000
3 Distribution	235,000	247,000	258,000	0	-7,150	-5,370	235,000	239,850	252,640
4 Smart Grid	7,000	2,000	0	0	0	0	7,000	2,000	0
5 Information Systems	10,950	3,625	200	956	0	0	10,950	3,625	200
6 Facilities 10,288	6,888	6,888	6,888	0	0	0	10,288	6,888	6,888
7 Fleet and IR/IM	966	542	542	0	0	0	966	542	542
8 Gas (incl. Capital Policy Changes)	66,142	80,727	79,609	-744	-218	5,907	65,398	80,509	85,516
9 Total	508,346	535,782	559,239	9,506	-9,519	-2,052	517,852	526,263	557,187

Cost of Removal Forecasts (\$000)

	Company Corrections and Update			Company Rebuttal Adjustments			Company Rebuttal Position		
	FY13	FY14	FY16	FY13	FY14	FY16	FY13	FY14	FY16
1 Transmission 13,000	13,000	15,000	19,000	1,009	-193	-244	14,009	12,807	14,756
2 Sub-Transmission	9,459	11,049	11,215	0	0	0	9,459	11,049	9,917
3 Distribution	23,180	23,100	23,700	0	-669	-473	23,180	22,431	23,012
4 Smart Grid	0	0	0	0	0	0	0	0	0
5 Information Systems	75	0	0	0	0	0	75	0	0
6 Facilities	0	0	0	0	0	0	0	0	0
7 Fleet and IR/IM	0	0	0	0	0	0	0	0	0
8 Gas (incl. Capital Policy Changes)	6,274	8,372	8,201	-106	-31	844	6,168	8,340	9,045
9 Total	51,988	55,521	62,120	903	-893	112	52,891	54,628	56,730

Exhibit (RRP-13R)
 Page 12 of 12

NIAGARA MOHAWK POWER CORPORATION
 INCREMENTAL OPEX RELATED TO CAPEX - REBUTTAL POSITION

	HTY CAPEX		HTY OPEX		NORMALIZE HTY OPEX	RATIO 3 Yr. Avg	CAPEX FORECAST BY FY					INCREMENTAL CAPEX BY RATE YEAR					INCREMENTAL OPEX BY FY				
	12 ME 12/31/11	(A)	12 ME 12/31/11	(B)			(C)	(D)	FY 13	FY 14	FY 15	FY 16	FY 17	FY 14	FY 15	FY 16	FY 14	FY 15	FY 16	FY 14	FY 15
							(E)	(F)	(G)	(H)	(I)	(J)-(F)+(A)	(K)-(G)+(F)	(L)-(H)+(G)	(M)-(I)+(D)	(N)-(K)+(D)	(O)-(L)+(D)				
Transmission																					
1 Transmission Lines Capex	39,815,218		4,046,231		-94,199	9.93%	79,540,757	75,619,450	73,860,485	89,917,243	113,620,896	35,804,232	(1,758,965)	16,056,739	3,553,904	(174,594)	1,593,783				
2 Transmission Substation Capex	37,037,048		127,597		155,560	0.76%	62,709,243	67,229,550	83,540,515	69,514,757	54,579,104	30,192,503	16,310,965	(14,025,759)	230,829	124,201	(107,280)				
3 TOTAL	76,852,265		4,173,828		61,361		142,250,000	142,849,000	157,401,000	159,432,000	168,200,000	65,996,735	14,552,000	2,031,000	3,784,733	(49,892)	1,486,553				
Sub-Transmission (TXD)																					
4 TXD Capex	39,851,989		1,469,881		-58,775	3.54%	46,000,000	50,000,000	54,000,000	58,000,000	63,000,000	10,148,011	4,000,000	4,000,000	359,328	141,635	141,635				
Distribution																					
5 D Capex	229,488,901		16,437,961		198,519	7.25%	235,000,000	239,850,000	252,640,000	263,630,000	277,000,000	10,361,099	12,790,000	10,990,000	751,113	927,193	796,705				
6 TOTAL	346,193,156		22,081,669		201,105		423,250,000	432,699,000	464,041,000	481,062,000	508,200,000	86,505,844	31,342,000	17,021,000	4,895,174	1,018,936	2,424,892				
7 FY Capex - Total	439,849,000		469,401,000		486,432,000	TOTAL/AVG															
8 O&M Savings - Transmission	(25,316)		(52,059)		(81,900)	1,395,682,000															
9 O&M Savings - Distribution	(84,408)		(83,127)		(78,840)	(159,275)															
10 Total O&M Savings	(109,724)		(135,186)		(160,740)	(246,375)															
11 Savings as a percentage of capex	-0.02%		-0.03%		-0.03%	-0.03%															
12 Incremental CapEx	86,505,844		31,342,000		17,021,000																
13 Forecast Savings Percentage	-0.03%		-0.03%		-0.03%																
14 Forecast Savings Associated with Incremental CapEx	(25,469)		(9,228)		(5,011)																
15 Incremental OPEX	4,895,174		1,018,936		2,424,892																
16 Normalization	201,105																				
17 O&M Savings Projected	(25,469)		(9,228)		(5,011)																
18 Incremental OPEX & O&M Savings	5,070,811		1,009,708		(501,1)																

Summary of Opex Assoc with Capex

Dist Opex Assoc with Capex	946,582	923,428
Sub-Tran Opex Assoc with Capex	297,565	140,457
Tran Opex Assoc with Capex	3,826,664	(54,177)
Company Rebuttal Position	5,070,811	1,009,708
Company L&C Filing	5,587,380	899,974
Company Rebuttal Change	(516,569)	109,734
		(22,665)

Line 1, 2, 4 and 5, Column (A) - Company original filing Worksheet 1, Page 2, 4(E), 16(E), 44(E) and 33(E), respectively.
 Line 1, 2, 4 and 5, Column (B) - Company original filing Worksheet 1, Page 2, 9(E), 22(E), 49(E) and 38(E), respectively.
 Line 1, 2, 4 and 5, Column (C) - [Column (A) * Column (D)] - Column (B)
 Line 1, 2, 4 and 5, Column (D) - Company original filing Worksheet 1, Page 2, 10(D), 23(D), 50(D) and 39(D), respectively.
 Line 1 and 2, Column (E) through (I) - Per plant model supporting Exhibit (RRP-13R).
 Line 3 - Sum of Line 1 and Line 2
 Line 4, Column (E) through (I) - Per plant model supporting Exhibit (RRP-13R).
 Line 5, Column (E) through (I) - Per plant model supporting Exhibit (RRP-13R).
 Line 6 - Sum of Line 3 + Line 4 + Line 5
 Line 7, Column (A), (B) and (C) - Line 6, Column (F), (G) and (H), respectively
 Line 8 and Line 9 - Per Electric T&D Business
 Line 10 - Sum of Line 8 and Line 9
 Line 11 - Line 10 / Line 7
 Line 12, Column (J), (K), (L) - Line 6, Column (J), (K), (L)
 Line 13 - Line 11(D)
 Line 14 - Line 12 * Line 13
 Line 15, Column (M), (N), (O) - Line 6, Column (M), (N), (O)
 Line 16 - Line 6, Column (C)
 Line 17, Column (M), (N), (O) - Line 14, Column (J), (K), (L)
 Line 18 - Sum of Line 15 through Line 17