PROCEEDING ON MOTION OF THE COMMISSION AS TO THE RATES, CHARGES, RULES AND REGULATIONS OF THE BROOKLYN UNION GAS COMPANY FOR GAS SERVICE

PROCEEDING ON MOTION OF THE COMMISSION AS TO THE RATES, CHARGES, RULES AND REGULATIONS OF KEYSPAN GAS EAST CORPORATION FOR GAS SERVICE

Rebuttal Testimony and Exhibits of:
Revenue Requirements Panel

Book 4 KEDNY

June 10, 2016
Submitted to:
New York State Public Service Commission
Case 16-G-0058
Case 16-G-0059

Submitted by:
The Brooklyn Union Gas Company and
KeySpan Gas East Corporation

nationalgrid

Rebuttal Testimony of
Revenue Requirements Panel

Before the Public Service Commission

THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY

Rebuttal Testimony

of

The Revenue Requirements Panel

Case 16-G-0059

June 10, 2016

Rebuttal Testimony of the Revenue Requirements Panel

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I. Introduction

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

A. The Panel consists of James M. Molloy, David B. Doxsee, and Stephanie A. Briggs.

Q. Is this the Panel that testified previously in this proceeding?

A. Yes. This Panel provided direct testimony as part of the January 29, 2016 and April 4, 2016 filings by KEDNY. The terms defined in the Panel's direct testimony have the same definitions here.

Q. What is the purpose of your rebuttal testimony?

A. The Panel responds to various adjustments proposed by Staff and intervenors in their direct testimonies dated May 20, 2016. In particular, the Panel addresses the following subjects: (i) proposed revenue adjustments; (ii) proposed O&M expense adjustments; (iii) regulatory deferrals; (iv) proposed adjustments to taxes other than income taxes; (v) rate base adjustments; and (vi) proposed changes to depreciation. In addition, the Panel addresses adjustments proposed by Staff that the Company has previously agreed to adopt in information request ("IR") responses or agrees to adopt in rebuttal, and also addresses corrections to Staff's exhibits and testimony that the Company has identified.

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

A. No. In this testimony, as well as the rebuttal testimony of the other Company witnesses, the Company is only responding to certain issues. Where the Company accepts an adjustment or agrees with an issue, such acceptance or agreement is explicitly acknowledged. The Company's silence on a particular adjustment or recommendation should not be construed as acceptance or waiver of a particular issue or as creating precedent for any future proceeding. The Company relies on its direct and corrections and updates testimonies as support and justification for those items not specifically addressed in its rebuttal testimony.

Q. How has the Panel organized its rebuttal testimony?

A. The rebuttal testimony addresses proposed adjustments following the general order the adjustments are presented in the Staff Accounting Panel's Exhibit __ (SAP-2), Schedule 6.

Q. Does the Panel sponsor any exhibits?

A. Yes. The Panel sponsors the following exhibits that were prepared by or under the supervision and direction of one or all members of the Panel and that, in all cases, refer to KEDNY.

Exhibit ___ (RRP-1R)	Summary Revenue Requirements Pages
Exhibit ___ (RRP-2R)	Service Company Rent Adjustments
Exhibit ___ (RRP-3R)	Transportation Expense Adjustments
Exhibit ___ (RRP-4R)	Other Initiatives Adjustments
Exhibit ___ (RRP-5R)	General Assessment Inflation Change
Exhibit ___ (RRP-6R)	Net Utility Plant Model
Exhibit ___ (RRP-7R)	Energy Efficiency Labor Adjustments
Exhibit ___ (RRP-8R)	Relevant Portions of Company IR Responses
Exhibit ___ (RRP-9R)	Staff IR Responses

Q. In rebuttal, the Company's witnesses reference various IR responses. Where can those responses be found?

A. Except where they are included as exhibits, the IR responses referenced by Company witnesses in their rebuttal testimony have been compiled in Exhibit ___ (RRP-8R). Because of the size of some of the responses, the Company has included only relevant pages and attachments.

Q. Please summarize the Company's revenue requirements and the changes made to its presentation by Staff.

A. The Company's corrections and updates filing reflected a revenue

requirement of $244.699 million, which represents the net impact of a proposed base rate increase of $289.990 million and the proposed reduction of $45.291 million in the SIR surcharge. Staff made presentation changes to correct MFC revenue and change recovery of the SIR deferral amortization from the surcharge to base rates, resulting in a revenue requirement of $321 million, as indicated in the testimony of the Staff Policy Panel.

II. <u>Staff's Total Revenue Requirement</u>

Q. Please summarize Staff's total revenue requirement recommendation and adjustments.

A. Staff recommended a gas base rate increase of $263 million. Staff's specific adjustments are set forth in Exhibit __ (SAP-2), Schedule 6.

Q. Does the Company agree with Staff's recommendation and adjustments?

A. No. Based on the Company's review of the direct testimony filed by Staff and the intervenors, as well as discovery submitted since the time of the corrections and updates filing, the Company has accepted several adjustments and reflected certain updates to the revenue requirements. The resulting Rate Year revenue requirement after applying these

adjustments and updates is $331.120 million for KEDNY. Exhibit ___ (RRP-1R) sets forth the Company's position on each of the adjustments proposed by Staff.

III. <u>Operating Revenues Adjustments</u>

Q. Please summarize Staff's proposed adjustments to Operating Revenues.

A. Staff's proposed adjustments to Operating Revenues are shown in Exhibit __ (SAP-2), Schedule 6, and the Panel addresses them below.

A. <u>Site Investigation and Remediation</u>

Q. Please summarize KEDNY's proposal for recovery of SIR costs.

A. KEDNY proposed to include in base rates forecast SIR costs, excluding the costs associated with the Gowanus Canal and Newtown Creek sites. KEDNY further proposed to modify the SIR Recovery Surcharge to include annually:

- one-tenth of the forecast SIR deferral balance; and
- an amount capped at no more than a 2.5 percent increase in KEDNY's aggregate revenues measured from the prior year, consisting of (i) the difference between actual SIR costs and the amount set in rates and (ii) any amount not recovered in the prior year's surcharge because that

amount would have increased KEDNY's aggregate revenues by more than 2.5 percent.

Costs for Gowanus Canal and Newtown Creek would be recovered through the SIR Recovery Surcharge reconciliation.

Q. Does Staff agree with KEDNY's proposal?

A. Staff agreed with the inclusion of forecast Rate Year SIR costs of $53.872 million (exclusive of Gowanus Canal and Newtown Creek) in base rates, but modified the Company's proposal to also include one-tenth of the deferral amortization amount of $18.521 million in base rates, resulting in a base rate allowance of $72.393 million for SIR costs. Staff did not agree with the Company's proposal to utilize the SIR Recovery Surcharge for prospective recovery of the costs associated with the Gowanus Canal and Newtown Creek sites, citing the uncertainty of the forecasts for those sites. Instead, Staff recommended that KEDNY file a petition setting the specific level of costs to recover through the SIR Recovery Surcharge once the costs for Gowanus Canal and Newtown Creek became more defined.

Although it is not explicit in Staff's testimony, KEDNY assumes its authority to maintain the current SIR deferral, which provides for full

reconciliation of SIR costs (except for the Coney Island and Citizens sites), will continue unchanged (except for application of the WACC instead of the AFUDC rate) under Staff's proposal and that KEDNY is permitted to defer the Gowanus Canal and Newtown Creek costs.

Q. Please comment on Staff's proposal.

A. KEDNY agrees with Staff's proposed base rate treatment of forecast SIR costs and the deferral amortization, but does not agree with Staff's position on the SIR Recovery Surcharge. While the Company agrees that there is some uncertainty with respect to the estimate of future costs for Gowanus Canal and Newtown Creek, there is no dispute that these costs will be significant and will add to an already large deferral balance.

The Company's SIR Recovery Surcharge proposal is designed to address both the uncertainty raised by Staff as well as the potential magnitude of the costs. Under the Company's proposal, costs KEDNY incurs with respect to the Gowanus Canal and Newtown Creek sites would not be included in rates, but reconciled through the SIR Recovery Surcharge. The Company does not propose to recover through the SIR Recovery Surcharge costs forecast, but not yet incurred, thereby addressing any uncertainty regarding the forecast costs. This mechanism would provide

the Company with timely recovery of significant SIR costs, mitigate future buildup of the deferral balance, and avoid future rate shock to customers. While KEDLI is willing to eliminate its SIR Recovery Surcharge as Staff recommends because it does not currently anticipate significant deviations from its forecast of costs in base rates, KEDNY fully expects that its costs to remediate the Gowanus and Newtown Creek sites, which are excluded from base rates, will be significant and believes its proposal to recover these costs through the SIR Recovery Surcharge is reasonable and in the best interest of customers.

Q. Please address PULP's recommendation with respect to SIR costs.

A. PULP claims that shareholders should bear 20 percent of future SIR costs to, among other things, provide an incentive to management to minimize costs. PULP, however, cites no evidence or analysis to support this claim. While PULP makes a passing reference to the section of the Commission's SIR Generic Order that sets forth the reasons utility shareholders may be held responsible for a portion of SIR costs, it cites neither of them to support its recommendation. Indeed, KEDNY's cost control efforts are well documented, follow the Commission's best practices inventory set forth in the SIR Generic Order, and have been reviewed by Staff in this and other proceedings and found to be

reasonable. PULP conducted no discovery on the Company's cost mitigation strategies and procurement practices and offered no testimony to suggest the Company's practices were inadequate or imprudent. In fact, PULP's only argument, a blanket statement that shareholders should, in equity, bear a portion of costs because of their role through successive changes in management in creating and assuming SIR liabilities, was rejected by the Commission in the SIR Generic Order.

B. <u>Merchant Function Charge</u>

Q. What is Staff's recommendation regarding the MFC?

A. Staff proposed an adjustment to KEDNY's MFC revenue to align with the Company's MFC expense. As explained in the rebuttal testimony of the Rate Design Panel, Staff's proposed adjustment does not affect overall costs to or revenue from customers and the Company accepts the adjustment.

C. <u>New York Facilities Surcharge</u>

Q. What is Staff's recommendation regarding the NYFS?

A. Staff recommends that the NYFS the Company proposed for recovering the costs of joint facilities should not be adopted on the grounds that the agreement governing joint facilities costs is currently being renegotiated

and is too uncertain. Instead, Staff proposes that the Company continue to recover its facilities costs through base rates and should file a petition with the Commission seeking alternative ratemaking for the revenues received and costs incurred once the updated agreement is finalized. As discussed in the Rate Design Panel's rebuttal testimony, does not accept this proposal.

D. <u>Energy Efficiency and System Benefits Charges</u>

Q. What does Staff recommend regarding Energy Efficiency ("EE") and the SBC?

A. Staff Witness Mammen recommends adjustments to SBC revenues and matching adjustments to EE expenses to reflect the results of recent Commission orders in Cases 14-M-0094 and 15-M-0252. These adjustments do not impact the Company's revenue requirement or the amounts recovered from customers in the Rate Year and the Company accepts them. Staff also accepts the Company's proposal to recover the costs of internal labor associated with EE programs in base rates rather than through the SBC.

Q. Does the Company have any additional adjustments to EE labor?

A. Yes. The Company is making a downward adjustment to Rate Year EE

labor and labor adders of $0.175 million to remove costs that were overstated in the Historic Test Year, as provided in Exhibit ___ (RRP-7R).

Q. Please explain the reason for the Company's adjustment.

A. The Company derived its Rate Year labor forecast using employees on payroll as of September 30, 2015, and the associated labor was allocated to KEDNY using the accounting allocations in the Historic Test Year. As described in the rebuttal testimony of KEDLI's Revenue Requirements Panel, the suspension of KEDLI's EE program in early 2015 resulted in the diversion of costs to KEDNY in the Historic Test Year that it is not expected to incur in the Rate Year.

Q. What analysis did the Company perform to support its adjustment?

A. The Company analyzed KEDLI's EE labor costs for the periods of calendar year 2014 and the Historic Test Year. The results show that $0.093 million more in EE base labor was charged to KEDNY in the Historic Test Year as a result of KEDLI's program suspension. However, given that KEDLI's EE program will resume by the beginning of the Rate Year, these costs should be removed from KEDNY's cost of service to avoid overstating Rate Year expense. Exhibit ___ (RRP-7R) shows the calculation of the adjustment.

E. <u>Low Income Program</u>

Q. What is the Company's response to Staff's recommendation regarding the Low Income Program?

A. As discussed in the rebuttal testimony of the Shared Services Panel, the changes in low income rates required by the Commission's recent Order in Case 14-M-0565 are not expected to be implemented until January 1, 2018 at the earliest—which is after the Rate Year—and the Company maintains that its low income discount proposal is reasonable in the interim. Therefore, the five percent increased benefit level and associated low income program revenue requirement in the Rate Year are unchanged from the Company's direct filing.

Q. What is Staff's recommendation regarding how Low Income Program costs should be recovered?

A. Staff recommends that the costs of the Low Income Program be recovered in base delivery rates following the revenue allocation and rate design process to recover the total revenue requirement approved in this case. Differences between actual and projected Low Income Program costs would be deferred for later disposition.

Q. Does the Company agree with Staff's proposal?

A. Yes. Because a corresponding adjustment would be made to operating expenses, the net effect on revenues and expenses would be zero.

F. <u>Sales Forecast</u>

Q. What is the Company's position with regard to the sales forecast Staff recommends using?

A. As explained in the rebuttal testimony of Company Witness Poe, the Company does not agree with Staff's sales forecast and does not propose any changes to its forecast.

G. <u>Other Corrections</u>

Q. Did Staff propose any other changes or corrections?

A. Yes. Staff also proposed an adjustment to KEDNY's operating revenues to correct disagreement between the operating revenues submitted in the Company's corrections and updates Exhibit __ (RRP-1CU) and Exhibit __ (RDP-2CU). The Company acknowledged the need for the correction identified by Staff in its response to IR DPS-413 (JPC-16), a copy of which is included in Staff's Exhibit __ (SAP-3), which results in an upward adjustment of $0.090 million.

IV. O&M Expense Adjustments

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

A. Staff's proposed adjustments to O&M expense are shown in Exhibit ___ (SAP-2), Schedule 6.

A. Contractors

Q. Did Staff propose adjustments to contractors expense?

A. Yes. Staff proposes one normalizing adjustment to contractors expense that would reduce the Company's revenue requirement by $0.578 million.

Q. Please discuss Staff's adjustment.

A. Staff generally agrees with the methodology used by the Company to calculate contractors expense. However, Staff recommends removing several charges associated with ULC Robotics, Inc. in the Historic Test Year. In its response to IR DPS-422 (MEW-32), a copy of which is included in Staff's Exhibit __ (SAP-3), the Company recognized the basis for Staff's proposed adjustment and agrees with it.

B. Other Expense

Q. Did Staff propose adjustments to other expense?

A. Yes. Staff proposes one normalizing adjustment to other expense that

reduces the Company's revenue requirements by $1.098 million.

Q. What is the basis for the proposed adjustment?

A. Staff's adjustment removes charges associated with violations and fines incurred by KEDNY for work performed in New York City. Staff also recommends that adjustments be made to remove the violations and fines from the Company's Rate Year rate base and associated depreciation expense. This recommendation results in three additional adjustments:

1. A downward adjustment of $3.252 million to net plant;
2. An upward adjustment of $0.865 million to accumulated deferred income taxes; and
3. A downward adjustment to depreciation expense of $0.063 million.

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

A. No. In response to IR DPS-485 (MEW-33), a copy of which is included in Staff's Exhibit __ (SAP-3), the Company explained that these costs are incurred in its ordinary course of business as the Company must regularly excavate in streets and sidewalks in the City of New York. The Company takes precautions to avoid such fines and violations, if practical; however, given the nature of many of the Company's projects, these costs are not cost-effectively avoidable. For example, the Company could take

measures, such as repeated demobilizations and remobilizations, to mitigate the charges, but such measures would be more costly than the amounts incurred in fines and violations. Thus, while the Company will continue its efforts to avoid fines and violations to the extent possible, it believes that these charges are a reasonable cost of doing business in its service territory and should be recoverable from customers.

C. <u>Service Company Rent Expense</u>

Q. Does Staff make any adjustments to Service Company rents?

A. Yes. Staff proposes three adjustments to Service Company rents.

Q. Please describe Staff's first adjustment.

A. Staff proposes removing the costs of the GTIS project. The adjustment results in a reduction in Service Company rent expense of $1.416 million for KEDNY. Staff's adjustment is based on the Company's delays in implementing the system. Once the system is implemented, Staff recommends that costs be revisited and a determination made as to how much should be allocated to customers in a future rate case.

Q. Does the Company agree with Staff's proposal?

A. No. The GTIS project is designed to enhance the Company's retail access program. The Company recognizes there have been delays that have been frustrating to all involved, and indeed has removed costs from the Rate Year and the Data Years to reflect its share of a $0.521 million total adjustment for both KEDNY and KEDLI representing the AFUDC amount for the period of delay from the initial GTIS target implementation date through April 30, 2016. The GTIS project is expected to be in-service in the Rate Year and the costs associated with that project are appropriately recoverable from customers. Staff's recommended adjustment would eliminate Rate Year recovery of this project altogether despite the fact that the GTIS project will be in-service and providing customer benefits by the Rate Year. For these reasons, the Company does not accept Staff's proposed downward adjustment for GTIS.

Q. Please describe Staff's second adjustment.

A. Staff recommends revising the downward adjustment relating to a recently enacted extension of the bonus depreciation law to $0.612 million from the Company's proposed level of $0.699 million.

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

A. The Company agrees that the effects of the bonus depreciation extension

should be reflected in the revenue requirement. However, because the Company does not agree with Staff regarding the removal of the GTIS project from the Company's revenue requirement, we do not agree with Staff on the amount of adjustment for bonus depreciation. Based on including GTIS in the revenue requirement, the resulting bonus depreciation-related adjustment would be a downward adjustment of $0.699 million for KEDNY, compared to Staff's proposed downward adjustment of $0.612 million.

Q. Please describe Staff's third adjustment.

A. Staff recommends a downward adjustment of $0.552 million to Rate Year Service Company rent expense to reflect its reduction of the Service Company return on assets rate from 9.95% to 8.81%.

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

A. In principle, the Company agrees that for ratemaking purposes the ROE for the Service Company asset recovery should match KEDNY's ROE. Because the Company's position on KEDNY's ROE differs from Staff's, the Company is setting the Service Company ROE to match KEDNY's ROE as supported by Company Witness Bulkley.

Q. Did Staff have any other adjustments to the return used for the Service Company asset recovery?

A. Yes, Staff adjusted the Service Company debt rates to match those used to calculate KEDNY's rate of return.

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

A. No. The Service Company has its own debt, which should be the basis for setting the return for the Service Company asset recovery.

Q. Does the Company have any other adjustments to Service Company Rent Expense?

A. Yes. In their response to IR DPS-482 (JS-10), KEDNY and KEDLI advised Staff that they had identified certain existing Service Company assets/projects that were not included in Exhibit __ (RRP-11CU), Workpapers to Exhibit __ (RRP-CU), Schedule 9, Workpaper 2 to the Companies' corrections and updates filing. The effect of the omissions was described in Attachment 2 to the response to IR DPS-482 (JS-10), and is reflected in Exhibit __ (RRP-2R).

D. <u>Labor Expense</u>

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

A. Staff makes one adjustment that decreases the Company's labor expense forecast by $0.093 million. The adjustment reflects a reduction in the Company's management wage increase factor from 3.2% to 3.0%, as discussed in the testimony of Staff Witness Gadomski. Staff's proposed adjustment also results in corresponding flow-through adjustments to payroll taxes and productivity.

Q. Does the Company agree with Staff's recommendation?

A. No. As indicated in the rebuttal testimony of Company Witness Heaphy, the Company does not agree with Mr. Gadomski's testimony on this issue and does not accept the related proposed adjustments.

E. <u>Transportation Lease Expense</u>

Q. Please describe Staff's proposed adjustment to the Company's forecast of transportation lease expense.

A. Staff proposes a downward adjustment of $0.732 million to Rate Year transportation lease expense. However, Staff's methodology to forecast transportation lease expense omits significant transportation lease costs the Company expects to incur in the Rate Year and Staff's proposed adjustment should be rejected.

Q. Please explain.

A. The methodology used by Staff, which uses Historic Test Year lease costs plus inflation, then adds the lease costs for incremental vehicles plus inflation, omits significant costs associated with replacement vehicles. By contrast, the Company's vehicle-by-vehicle replacement analysis to forecast Rate Year costs accounts for the projected cost of new vehicles in accordance with current vehicle and equipment lifecycles. Vehicle inventory and associated lease expense vary on a monthly basis due to the continuous replacement of vehicles and updating of lease terms. As explained in the response to IR DPS-429 (JPC-18), a copy of which is included in Staff's Exhibit __ (SAP-3), the Company forecast transportation lease expense by starting with the vehicle inventory as of September 30, 2015, and then adding, removing and modifying vehicles and lease terms to reflect the expected changes to inventory in the link period and through the Rate Year. The forecast increase in lease expense from September 30, 2015 to the Rate Year is driven largely by replacement vehicles. For example, as of the end of the Historic Test Year, several vehicles were fully amortized and thus incurred only a small nominal monthly fee (from $7 to $30). These vehicles are forecast to be replaced sometime after September 30, 2015 at a normal monthly lease expense that is significantly higher than the nominal monthly fee.

As described in the response to IR DPS-308 (JPC-12), a copy of which is included in Staff's Exhibit __ (SAP-3), KEDNY and KEDLI projected that during the link period from the end of the Historic Test Year to the Rate Year they would replace 295 vehicles (109 for KEDNY, 186 for KEDLI). Exhibit __ (RRP-3R), pages 2 – 7, show the Historic Test Year lease costs of 253 of the 295 replacement vehicles, and that on average 225 of these vehicles were fully amortized in the Historic Test Year. Exhibit __ (RRP-3R), page 8, shows that 41 of the 295 vehicles incurred no lease cost in the Historic Test Year because they were either sold or owned by the Companies. Because the Historic Test Year lease costs reflect the reduced costs associated with these fully amortized, sold or owned vehicles, applying Staff's methodology of using Historic Test Year costs for these 295 vehicles, inflated, and not accounting for the costs of replacement vehicles would significantly understate the anticipated Rate Year expense. Exhibit __ (RRP-3R), page 1, summarizes the difference in forecast lease expense for the 295 replaced vehicles using Staff's forecast methodology and the Companies' forecast methodology.

Q. What is the status of the Companies' efforts to replace the vehicles targeted for replacement?

A. To date, 92 of the 295 replacement vehicles are in service, 80 are on order and 123 are in the process of being ordered.

Q. Has the methodology used by KEDNY and KEDLI to forecast transportation lease expense been used previously?

A. Yes. This same methodology for forecasting vehicle lease expense was applied and accepted by the Commission in the three previous Niagara Mohawk rate cases.

F. <u>Other Initiatives</u>

Q. Does Staff recommend any adjustments to other initiatives?

A. Yes. Staff recommends three adjustments, all of which relate to full-time employee ("FTE") positions in the Company's labor expense forecast.

Q. Please summarize Staff's first adjustment.

A. Staff recommends reducing the total incremental FTE count for KEDNY and KEDLI from 393.4 to 376, which results in the removal of 17 FTE positions from the labor forecast.

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

A. No. As explained in the rebuttal testimony of the Gas Infrastructure and

Operations Panel, the Companies accept Staff's adjustment to remove one estimator position from each Company's respective revenue requirement, and agree to reduce their respective allocation of the Gas Estimating manager position from one-half to one-third, as shown in Exhibit __ (RRP-4R). However, the Companies do not agree with Staff's adjustments to remove the other 15 FTE positions for the reasons set forth in the rebuttal testimony of the Gas Infrastructure and Operations Panel and Gas Safety Panel.

Q. Please summarize Staff's second adjustment.

A. Staff's second adjustment is to reduce salaries for certain incremental positions. As described in the rebuttal testimony of the Gas Infrastructure and Operations Panels, the Companies do not accept this adjustment.

Q. Please summarize Staff's third adjustment.

A. Staff proposes a two percent productivity adjustment for the incremental FTEs applied to labor and payroll tax. Staff recommends that this adjustment be reflected in labor and payroll tax expense for the incremental employees, resulting in an upward adjustment of $0.013 million.

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

A. Not entirely. The Company disagrees with Staff's proposed two percent productivity adjustment and believes the Commission should apply its traditional one percent productivity adjustment as discussed below. The Company agrees with Staff on removal of benefits from the calculation of the productivity adjustment.

G. <u>Productivity</u>

Q. Describe the productivity adjustments the Company reflected in its filing.

A. KEDNY reflected a one percent productivity adjustment in its filing of $3.338 million consistent with Commission precedent. In addition to this adjustment, KEDNY reflected forecast aspirational savings of $2.171 million related to certain PEX initiatives that were undertaken in the Historic Test Year. Together, the one percent productivity adjustment and the aspirational PEX savings reduced the revenue requirement for KEDNY by $5.509 million.

Q. Please summarize Staff's proposed productivity adjustment.

A. Staff claims that a two percent productivity adjustment is warranted because KEDNY will be hiring new employees who should generate

productivity savings as they gain experience and implementing new programs in the Rate Year, including Reforming the Energy Vision ("REV") demonstration projects, sales promotion, economic development and technology utilization programs that should result in productivity savings beyond the traditional one percent adjustment. Staff also references the recent gas management audit recommendation to develop a gas estimating program as additional support for the adjustment. Staff's proposed adjustment results in an incremental revenue requirement reduction of $3.313 million for KEDNY.

Q. Does the Company agree with Staff's proposal to double the productivity adjustment?

A. No. As explained in the response to IR DPS-279 (JPC-10), the Company revised the forecast PEX savings target to an amount that was lower than the amount reflected in the initial filing ($0.59 million for KEDNY) because the anticipated savings did not materialize. However, the Company did not adjust the revenue requirement to reflect the lower savings target in its Corrections and Updates filings, choosing to keep the original forecast amount as undefined productivity savings that reduced the revenue requirement for the benefit of customers.

As filed by the Company, the one percent productivity adjustment together with the aspirational PEX savings that were reflected, but not achieved, is close to a two percent productivity adjustment. In proposing its adjustment, Staff did not account for the Company's inclusion of the PEX savings that were not achieved in the revenue requirements. Staff's imputation of an additional one percent productivity factor on top of the savings already reflected, but not achieved, increases the total productivity savings adjustment to $8.822 million for KEDNY, which is equal to almost a three percent adjustment. This level of savings is not achievable notwithstanding the Company's best efforts.

Q. Do the reasons cited by Staff support departing from the Commission's traditional one percent productivity adjustment?

A. No, they do not. The new employees are being added to execute the Company's increased capital and O&M programs. While these employees will become more productive as they gain experience, this will not occur in the Rate Year, as Staff's adjustment presumes. Training and on-the job experience are required before newly hired employees can become productive and it cannot be expected that they would be able to deliver productivity savings in the Rate Year incremental to the level of savings the Company already reflected in its filing. It also is unrealistic to expect

that productivity gains from a relatively small number of new employees would be so significant as to produce an additional one percent productivity gain from the entire pre-existing workforce.

Similarly, the new initiatives cited by Staff are neither designed nor expected to deliver near term productivity savings. The gas growth marketing and economic development initiatives are designed to address load growth, which will increase, not decrease, the Company's maintenance responsibilities, especially in the short term. The research and development utilization technology initiative is geared toward improving gas technologies used by customers, and the REV demonstration projects are designed to test new technologies to determine whether potential exists to proceed with larger projects in the future. No O&M savings will be delivered from these projects in the near term.

Finally, the primary benefit of the new estimating program is to increase the accuracy of estimates for capital projects. Staff acknowledges that NorthStar's Customer Benefit Analysis did not identify any savings from implementing this recommendation. Further, as shown in Exhibit ___ (RRP-11CU), Workpapers to Exhibit RRP-3CU, Schedule 27, Workpaper 14, the new department will be staffed by project estimators who charge

the majority of their time (95 percent) to capital projects. Therefore, there will be minimal, if any, near term productivity savings from this program once it has been implemented. Any efficiency improvements in execution of the capital plan that did result from the estimating program would be picked up in the net plant tracker proposed by Staff.

Staff has provided no support or analysis for its higher productivity factor and its proposal should not be adopted. If the Commission were to adopt Staff's proposal, the aspirational PEX savings that were not achieved must be removed, as these savings amount to a double count of Staff's productivity adjustment.

H. <u>Regulatory Assessments</u>

Q. Please explain Staff's adjustment to Regulatory Assessment fees.

A. Staff recommends updating the Company's O&M expense to use the latest General Assessment amounts reflected in the February 2016 billings, plus inflation.

Q. Does the Company agree that the General Assessment should be updated to reflect amounts in the February 2016 billings?

A. Yes. The Company agrees that these amounts are appropriate for

estimating fiscal years 2017 and 2018 General Assessment fees.

Q. Does the Company agree with the inflation rate of 1.35% used in Staff's calculation of General Assessment fees for fiscal years 2017 and 2018?

A. No. As shown in Exhibit __ (RRP-5R), the Company believes an inflation rate of 1.52% is appropriate.

Q. What would be the Company's adjustment to General Assessment fees using the inflation rate of 1.52%?

A. The total adjustment to General Assessment fees, using the inflation rate of 1.52%, would amount to a decrease of $0.422 million for KEDNY compared to Staff's decrease of $0.428 million.

I. <u>Credit Card Payments and Third-Party Processing Fees</u>

Q. Did Staff propose any adjustments regarding credit card payment functionality?

A. Yes, Staff proposed that KEDNY include in its base rates the costs of credit/debit card fees incurred by residential customers that use credit or debit cards to pay their bills, and asked the Company to estimate these costs in its rebuttal testimony.

Q. What is the Company's position on Staff's proposal?

A. As explained in the rebuttal testimony of the Shared Services Panel, the Company estimates the incremental cost to KEDNY of Staff's proposal is between $4.7 million to $5.2 million, but there is uncertainty how many customers would pay their bills by credit/debit cards. KEDNY has not adjusted the revenue requirement to reflect these costs. If Staff's proposal is adopted, the Company requests authority to defer the difference between the actual credit/debit card costs it incurs and the amount reflected in base rates.

Q. **Did Staff recommend any changes with respect to transaction fees at third-party payment centers?**

A. Yes. Staff proposed that third-party payment center transaction fees be waived for KEDNY customers. As explained in the rebuttal testimony of the Shared Services Panel, the Company does not agree with Staff's proposal, which it estimates would result in $0.410 million in incremental cost to KEDNY. No adjustment has been made to KEDNY's revenue requirements to reflect these costs. If the Commission chooses to adopt Staff's proposal, the Company requests authority to defer the difference

between the actual third-party payment center transaction fee costs it incurs and the amount reflected in base rates.

V. <u>Regulatory Deferrals</u>

Q. What is Staff's position regarding KEDNY's proposal to record a regulatory asset related to pension and OPEB curtailment and/or settlement gains/losses in connection with the termination of the Management Services Agreement with LIPA?

A. Staff does not agree at this time that KEDNY should be allowed to record this regulatory asset. Staff indicates that it is still auditing the proposed pension and OPEB deferral and cannot yet determine if the proposed treatment is appropriate.

Q. What is the Company's response to Staff's position?

A. The Company understands Staff's need to adequately examine the pension and OPEB deferral and related information before forming a recommendation on the Company's proposal. The Company is prepared to provide additional information as may be requested to facilitate Staff's review.

VI. <u>Taxes Other Than Income Taxes</u>

Q. What does Staff recommend regarding KEDNY's property taxes?

A. Staff agrees with the Company's proposed 0 percent growth factor for KEDNY's property tax expense. However, as discussed in the rebuttal testimony of the Shared Services Panel, Staff's proposal to eliminate the property tax reconciliation mechanism places undue level of risk on the Company and its customers even in a one-year case, and the Company does not accept Staff's proposal in this regard.

VII. <u>Rate Base</u>

Q. Did Staff propose adjustments to the Company's proposed capital investment plan?

A. Yes, Staff proposed several adjustments to KEDNY's capital investment plan. The rebuttal testimony of the Gas Infrastructure and Operations Panel responds to Staff's adjustments.

Q. Where are the revenue requirement effects of the capital investment adjustments accepted by KEDNY shown?

A. The effects of the accepted capital investment adjustments are reflected in Exhibit __ (RRP-6R), Schedule 1.

Q. What is the Company's response to Staff's adjustments to KEDNY's

depreciation rates?

A. As explained in the rebuttal testimony of Company Witness Normand, the Company does not accept Staff's proposed adjustments with respect to changes in any depreciation parameters or rates.

VIII. <u>Flow-Through Adjustments</u>

Q. Has the Company reflected any additional flow-through adjustments in its revenue requirement?

A. Yes. Changes to O&M expense have an impact on working capital requirements. Additionally, any change in rate base results in a change to return on rate base. Moreover, there are flow-through adjustments for uncollectible expense, income taxes, and deferred taxes. The flow-through adjustments are reflected in Exhibit ___ (RRP-1R).

IX. <u>Other Adjustments and Corrections</u>

Q. Does the Company have any further comment on other adjustments or proposals presented by Staff?

A. Yes. In some instances, Staff's testimony proposed adjustments that were not reflected in Staff's exhibits. In other instances, flow-through adjustments were not reflected. In a small number of instances, Staff's case did not reflect certain changes that the Company had identified and

described during the discovery process. Although the Company does not necessarily agree with all of Staff's proposed adjustments, the Company presented Staff with an information request (IR BULI-7 (RRP-2)) that lists all the differences it identified between what the Company believes Staff intended and what was reflected in Staff's revenue requirement, and has requested that Staff confirm those differences. As of the date our rebuttal testimony went to print, Staff has not yet responded to all portions of IR BULI-7 (RRP-2). Staff did, however, agree to the Company's corrections to Staff's plant model in Staff's response to IR BULI-5 (RRP-2). Exhibit __ (RRP-9R) includes a copy of Staff's response to IR BULI-5 (RRP-2) and a copy of IR BULI-7 (RRP-2). Although the revenue requirement supported by and reflected in the Company's rebuttal case includes the effects of the adjustments shown in IR BULI-7 (RRP-2), Staff has not yet responded to all of the indicated adjustments at this time.

X. <u>Conclusion</u>

Q. Does this conclude the Panel's rebuttal testimony?

A. Yes.

Rebuttal Testimony of the Revenue Requirements Panel

Index of Exhibits

Exhibit ___ (RRP-1R)	Summary Revenue Requirements Pages
Exhibit ___ (RRP-2R)	Service Company Rent Adjustments
Exhibit ___ (RRP-3R)	Transportation Expense Adjustments
Exhibit ___ (RRP-4R)	Other Initiatives Adjustments
Exhibit ___ (RRP-5R)	General Assessment Inflation Change
Exhibit ___ (RRP-6R)	Net Utility Plant Model
Exhibit ___ (RRP-7R)	Energy Efficiency Labor Adjustments
Exhibit ___ (RRP-8R)	Relevant Portions of Company IR Responses
Exhibit ___ (RRP-9R)	Staff IR Responses

Exhibit __ (RRP-1R)

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-1R)

Summary Revenue Requirements Pages

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Statement of Operating Income - Company Rebuttal
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Adj. #	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adjustments to Staff Case	Rate Year Company Rebuttal	Base Revenue Increase Required	Rate Year Ending December 31, 2017 with Base Revenue Requirement
Operating Revenues	$ 1,351,079	(1)	$ (49,108)	$ 1,301,971	$ (19,936)	$ 1,282,035	$ 331,120	$ 1,613,155
Deductions								
Purchased Gas Costs	399,388	(2)	24,220	423,608	(24,220)	399,388		399,388
Revenue Taxes	46,931	(3)	1,545	48,476	(1,064)	47,412	12,247	59,659
Total Deductions	446,319		25,765	472,084	(25,284)	446,800	12,247	459,047
Gross Margin	904,760		(74,873)	829,887	5,348	835,235	318,873	1,154,108
Total Operation & Maintenance Expenses	554,049	(4)	16,902	570,951	14,119	585,070	3,495	588,565
Amortization of Regulatory Deferrals	61,759	(5)	(61,759)	0	0	0		0
Depreciation, Amort. & Loss on Disposition	117,796	(6)	(18,786)	99,010	18,682	117,693		117,693
Taxes Other Than Revenue & Income Taxes	151,424	(7)	(5)	151,419	5	151,424		151,424
Total Operating Revenue Deductions	885,029		(63,648)	821,381	32,806	854,186	3,495	857,681
Operating Income Before Income Taxes	19,732		(11,225)	8,507	(27,458)	(18,951)	315,378	296,427
Income Taxes								
Federal Income Taxes	(12,782)		(2,123)	(14,905)	(10,280)	(25,184)	101,198	76,014
State Income Taxes	(4,032)		(550)	(4,582)	(2,666)	(7,248)	26,239	18,991
Total Income Taxes	(16,814)		(2,673)	(19,487)	(12,946)	(32,432)	127,437	95,005
Operating Income After Income Taxes	$ 36,545		$ (8,552)	$ 27,993	$ (14,512)	$ 13,481	$ 187,940	$ 201,422
Rate Base	$ 2,959,293		$ (9,189)	$ 2,950,104	$ 7,613	$ 2,957,717		$ 2,957,717
Rate of Return	1.23%			0.95%				6.81%

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Company Rebuttal
Statement of Operating Income
Exhibit ____ (RRP-1R)
Schedule 1 of 11
Page 1 of 1

The Brooklyn Union Gas Company d/b/a NATIONAL GRID NY
PSC Case No. 16-G-0059
Summary of O&M Expenses - Company Rebuttal
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Adj. #	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Operation & Maintenance Expenses:						
Departmental Items:						
Consultants	$ 10,510	(4m)	$ -	$ 10,510	$ (56)	$ 10,454
Contractors	61,344	(4a)	(578)	60,766	-	60,766
Donations	0		0	0	-	0
Employee Expenses	2,949		0	2,949	-	2,949
Hardware	280		0	280	-	280
Software	4,069		0	4,069	-	4,069
Other	18,622	(4b)	(1,098)	17,524	1,098	18,622
Rents	4,668		0	4,668	-	4,668
Service Company Rents	15,225	(4c)	(2,580)	12,645	3,029	15,674
Construction Reimbursement	(422)		0	(422)	-	(422)
FAS 106	14,087		0	14,087	-	14,087
FAS 112	263		0	263	-	263
Health Care	18,827		0	18,827	-	18,827
Group Life Insurance	948		0	948	-	948
Other Benefits	169		0	169	-	169
Pensions	38,683		0	38,683	-	38,683
Thrift Plan	4,326		0	4,326	-	4,326
Workers Comp	2,196		0	2,196	-	2,196
Materials Outside Vendor	5,706		0	5,706	-	5,706
Materials From Inventory	5,753		0	5,753	-	5,753
Materials Stores Handling	1,364		0	1,364	-	1,364
Postage	9,690		0	9,690	-	9,690
Total Labor	143,074	(4d)	(93)	142,981	93	143,074
Transportation	7,974	(4e)	(732)	7,242	683	7,925
Energy Efficiency program	20,345	(4f)	871	21,216	-	21,216
Injuries and Damages	11,070		0	11,070	-	11,070
Other Initiatives	61,170	(4g)	(6,544)	54,626	6,415	61,041
Productivity Adjustment	(3,351)	(4h)	(3,312)	(6,663)	3,312	(3,351)
Rate Case Expense	372		0	372	-	372
Regulatory Assessment Fees	8,506	(4i)	(428)	8,078	6	8,084
Uncollectible Accounts	13,864	(4l)	0	13,864	(662)	13,201
SIR	53,872		0	53,872	-	53,872
Amortization of SIR Deferral	0	(4j)	18,521	18,521	-	18,521
Joint Facilities	10,740		0	10,740	-	10,740
PEX Savings	(2,160)		0	(2,160)	-	(2,160)
Paving	5,435		0	5,435	-	5,435
Legal	2,008		0	2,008	-	2,008
Accounting	1,030		0	1,030	-	1,030
Incentive Programs	849	(4n)	0	849	200	1,049
Residential Reduced Rate Program	0	(4k)	12,875	12,875	-	12,875
Sub Total - Departmental	$ 554,049		$ 16,902	$ 570,951	$ 14,119	$ 585,070
TOTAL	$ 554,049		$ 16,902	$ 570,951	$ 14,119	$ 585,070

Exhibit __ (RRP-1R)
Schedule 3 of 11
Page 1 of 2

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Federal Income Taxes - Company Rebuttal
For the Rate Year Ending December 31, 2017
(Whole Dollars)

	Company Rebuttal Position						
	as Adj. Federal Taxable Income	Deferrable Basis	Staff Adjustments	Book Taxable Income	@ the Statutory Rate	DFIT Reversals	Net FIT Before Rev Req
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	$ (18,951,483)			$ (18,951,483)	$ (6,633,000)		$ (6,633,000)
ADDITIONS							
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION POVISION FOR DEPRECIATION	0		0	0	0	0	0
REAL ESTATE TAXES PER BOOKS	0		0	0	0	0	0
BUSINESS MEALS 50% DISALLOWANCE	84,438		0	84,438	30,000	0	30,000
DEDUCTIONS							
GAIN ON REDEMPTION BONDS	0		0	0	0	0	0
INTEREST	(60,337,000)		0	(60,337,000)	(21,118,000)	0	(21,118,000)
NEW YORK STATE RATE CHANGE (FITon SIT)	0		0	0	0	230,197	230,197
DIVIDEND PAID CREDIT	0		0	0	0	0	0
NEW YORK STATE INCOME TAXES - CURRENT PROVISION	6,590,000	0	0	6,590,000	2,307,000	0	2,307,000
OTHER STATE INCOME TAXES	0		0	0	0	0	0
COST OF REMOVAL	0	0	0	0	0	0	0
TAX DEPRECIATION	0		0	0	0	0	0
REAL ESTATE TAXES FOR TAX	0		0	0	0	0	0
AMORTIZATION PASNY CONTRACT	0		0	0	0	0	0
CLASS B CONTRACTS AMORTIZATION	0		0	0	0	0	0
TOTAL FIT EXPENSE	$ (72,614,045)	$ -	$ (72,614,045)	$ (72,614,045)	$ (25,414,000)	$ 230,197	$ (25,183,803)

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
State Income Taxes - Company Rebuttal
For the Rate Year Ending December 31, 2017
(Whole Dollars)

	Company Rebuttal Position						
	as Adj. State Taxable Income	Deferrable Basis	Staff Adjustments	Book Taxable Income	@ blended Statutory Rate	DSIT Reversals	Net SIT Before Rev Req
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	$ (18,951,483)			$ (18,951,483)	$ (1,577,000)		$ (1,577,000)
ADDITIONS							
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION POVISION FOR DEPRECIATION	0		0	0	0		0
REAL ESTATE TAXES PER BOOKS			0	84,438	7,000		7,000
BUSINESS MEALS 50% DISALLOWANCE	84,438		0				
DEDUCTIONS							
GAIN ON REDEMPTION BONDS	0		0	0	0		0
OTHER POST RETIREMENT BENEFIT LIABILITY-MEDICARE PIECE			0	0	0		0
INTEREST	(60,337,000)	0	0	(60,337,000)	(5,020,000)		(5,020,000)
NEW YORK STATE RATE CHANGE	0		0	0	0	(657,706)	(657,706)
GAS CONTINGENCY RESERVE	0		0	0	0		0
IBM CUSTOMER SYSTEM SETTLEMENT	0		0	0	0		
REAL ESTATE TAXES FOR TAX	0		0	0	0		
TOTAL SIT EXPENSE	$ (79,204,045)	$ -	$ -	$ (79,204,045)	$ (6,590,000)	$ (657,706)	$ (7,247,706)
	8.32%						

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Federal Income Taxes - Company Rebuttal
For the Rate Year Ending December 31, 2017
(Whole Dollars)

	Staff Adjusted						
	as Adj. Federal Taxable Income	Deferrable Basis	Staff Adjustments	Book Taxable Income	@ the Statutory Rate	DFIT Reversals	Net FIT Before Rev Req
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	$ 8,506,500			$ 8,506,500	$ 2,977,000		$ 2,977,000
ADDITIONS							
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION POVISION FOR DEPRECIATION	0		0	0	0	0	0
REAL ESTATE TAXES PER BOOKS	0		0	0	0	0	0
BUSINESS MEALS 50% DISALLOWANCE	84,438		0	84,438	30,000	0	30,000
DEDUCTIONS							
GAIN ON REDEMPTION BONDS	0		0	0	0	0	0
INTEREST	(55,757,000)		0	(55,757,000)	(19,515,000)	0	(19,515,000)
NEW YORK STATE RATE CHANGE (FITon SIT)	0		0	0	0	230,197	230,197
DIVIDEND PAID CREDIT	0		0	0	0	0	0
NEW YORK STATE INCOME TAXES - CURRENT PROVISION	3,924,000	0	0	3,924,000	1,373,000	0	1,373,000
OTHER STATE INCOME TAXES	0		0	0	0	0	0
COST OF REMOVAL	0	0	0	0	0	0	0
TAX DEPRECIATION	0		0	0	0	0	0
REAL ESTATE TAXES FOR TAX	0		0	0	0	0	0
AMORTIZATION PASNY CONTRACT	0		0	0	0	0	0
CLASS B CONTRACTS AMORTIZATION	0		0	0	0	0	0
TOTAL FIT EXPENSE	$ (43,242,062)	$ -	$ (43,242,062)	$ (43,242,062)	$ (15,135,000)	$ 230,197	$ (14,904,803)

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
State Income Taxes - Company Rebuttal
For the Rate Year Ending December 31, 2017
(Whole Dollars)

	Staff Adjusted						
	as Adj. State Taxable Income	Deferrable Basis	Staff Adjustments	Book Taxable Income	@ blended Statutory Rate	DSIT Reversals	Net SIT Before Rev Req
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	$ 8,506,500			$ 8,506,500	$ 708,000		$ 708,000
ADDITIONS							
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION POVISION FOR DEPRECIATION	0		0	0	0		0
REAL ESTATE TAXES PER BOOKS			0	84,438	7,000		7,000
BUSINESS MEALS 50% DISALLOWANCE	84,438		0				
DEDUCTIONS							
GAIN ON REDEMPTION BONDS	0		0	0	0		0
OTHER POST RETIREMENT BENEFIT LIABILITY-MEDICARE PIECE			0	0	0		0
INTEREST	(55,757,000)	0	0	(55,757,000)	(4,639,000)		(4,639,000)
NEW YORK STATE RATE CHANGE	0		0	0	0	(657,706)	(657,706)
GAS CONTINGENCY RESERVE	0		0	0	0		0
IBM CUSTOMER SYSTEM SETTLEMENT	0		0	0	0		
REAL ESTATE TAXES FOR TAX	0		0	0	0		
TOTAL SIT EXPENSE	$ (47,166,062)	$ -	$ -	$ (47,166,062)	$ (3,924,000)	$ (657,706)	$ (4,581,706)
	8.32%						

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Company Rebuttal
Income Tax Summary

Exhibit____(RRP-1R)
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The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Summary of Rate Base - Company Rebuttal
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Adj.	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Net Utility Plant	$ 3,644,261	(8a)	$ (18,246)	$ 3,626,015	$ 15,831	$ 3,641,846
Regulatory Assets / Liabilities	26,041		0	26,041	0	26,041
Accumulated Deferred Income Taxes - Federal	(818,351)	(8b)1,2	6,154	(812,197)	(5,615)	(817,812)
Accumulated Deferred Income Taxes - State	(121,258)	(8b)3	790	(120,468)	(417)	(120,885)
Working Capital						
Materials and supplies	113,823		0	113,823	0	113,823
Prepayments	54,871		0	54,871	0	54,871
O&M Cash Allowance (1/8 O&M exp)	64,649	(8c)	2,113	66,762	(2,186)	64,576
Supply Cash Allowance (Sep 09 lead/lag study)	44,511		0	44,511	0	44,511
Change in Supply Cash Allowance (3.64% x RY Gas exp)	(13,958)		0	(13,958)	0	(13,958)
subtotal Working Capital	263,895		2,113	266,009	(2,186)	263,823
subtotal avg. before EBCAP adj.	2,994,587		(9,189)	2,985,400	7,613	2,993,013
Excess Earnings Base adjustment	(35,294)		0	(35,294)	0	(35,294)
Total Rate Base	$ 2,959,293		$ (9,189)	$ 2,950,106	$ 7,613	$ 2,957,719

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Company Rebuttal
Summary of Rate Base
Exhibit ___ (RRP-1R)
Schedule 4 of 11
Page 1 of 1

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Capital Structure - Company Rebuttal
For the Rate Year Ending December 31, 2017

Company Rebuttal Position
Company's Capital Structure Forecast

	Total Annual Avg	Weighting Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	$ 1,472,415	51.18%	3.96%	2.03%	2.03%
Customer Deposits	23,591	0.82%	0.85%	0.01%	0.01%
Common Equity	1,380,928	48.00%	9.94%	4.77%	8.00%
Total	$ 2,876,934	100.00%		6.81%	10.04%

Staff's Capital Structure Forecast

	Total Annual Avg	Weighting Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	$ 1,200,000	51.32%	3.67%	1.88%	1.88%
Customer Deposits	16,208	0.68%	0.85%	0.01%	0.01%
Common Equity	1,187,670	48.00%	8.60%	4.13%	6.93%
Total	$ 2,403,878	100.00%		6.02%	8.82%

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OTHER REVENUE REQUIREMENT INPUTS

Forecast Rate Year Rates to apply to Rev Req				
Bad Debt % for Rev Req	1.06%	1.057%	GRT	$ 47,412
GRT rate for Rev Req	3.70%		tax	$ 1,282,035
Federal Income Tax rate	35.00%		revenue	0.03698183
NYS Income Tax rate	8.32%	59.59%		
Historic Year EBCAP	0.00%			
General Inflation (from 09/30/15 to 12/31/17)	3.77%			

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The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Company Rebuttal
Capital Structure
Exhibit____(RRP-1R)
Schedule 5 of 11
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The Brooklyn Union Gas Company d/b/a NATIONAL GRID NY
PSC Case No. 16-G-0059
Company Rebuttal to PSC Staff Direct Case
Company Rebuttal to Staff Adjustments for the Rate Year Ending December 31, 2017
($000's)

		Staff Direct Amount		Company Adjustments Amount		Company Rebuttal Amount	
Adj. 1	Operating Revenues						
(a)	To properly reconcile SIR Surcharge revenues to the amortization expense	$ (43,238)		-		(43,238)	
(b)	To transfer amortization of SIR deferral balance to base rates	(18,521)		-		(18,521)	
(c)	To properly reconcile MFC revenues to the associated expenses	(11,522)		(875)		(12,397)	
(d)	To adjust Joint Facilities revenue to reflect historic year level increased for inflation	(6,493)		-		(6,493)	
(e)	To reflect the Commission authorizations for the Company's EE tracker surcharges	(221)		-		(221)	
(f)	To reflect the Commission authorizations for the Company's NYSERDA SBC	1,092		-		1,092	
(g)	To correct Company correction and updates operating revenues to reconcile with the Company Rate Design Panel operating revenues	90		-		90	
(h)	To reflect the Residential Reduced Rate Program in Revenues	9,240		923		10,163	
(i)	To adjust operating revenues to reflect Staff's Sales forecast	20,465	$ (49,108)	(19,984)	$ (19,936)	481	$ (69,044)
Adj. 2	Purchased Gas Costs						
	To adjust purchased gas costs to reflect Staff's forecast	24,220	$ 24,220	(24,220)	$ (24,220)	-	$ -
Adj. 3	Revenue Taxes						
	To adjust revenue taxes to reflect Staff's forecast	1,545	$ 1,545	(1,064)	$ (1,064)	481	$ 481
Adj. 4	Operating and Maintenance Expenses						
(a)	Contractors						
	To normalize out the historic test year costs associated with ULC Robotics charges	(578)	$ (578)	-	$ -	(578)	$ (578)
(b)	Other Expense						
	To normalize out the historic test year costs associated with the NYC Commissioner of Finance charges	(1,098)	$ (1,098)	1,098	$ 1,098	-	$ -
(c)	Service Company Rents						
(1)	To reflect the removal of the Customer Choice ESCO Gas project (INVP #3564)	(1,416)		1,416		-	
(2)	To reflect removal of bonus depreciation	(612)		(87)		(699)	
(3)	To reflect Staff service company return allowance of 8.81% which is based on Staff capital structure	(552)		552			
(4)	To add additional projects excluded from Corrections and Updates filing	0	$ (2,580)	1,148	$ 3,029	1,148	$ 449
(d)	Total Labor						
	To reflect the reduction of management wage increases from 3.2% to 3.0%	(93)	$ (93)	93	$ 93	-	$ -
(e)	Transportation						
	To reflect Staffs forecast of transportation lease expense	(732)	$ (732)	683	$ 683	(49)	$ (49)
(f)	Energy Efficiency program						
	To reflect the Commission authorizations for the Company's EE tracker surcharges and NYSERDA SBC	871	$ 871	0	$ -	871	$ 871
(g)	Other Initiatives						
(1)	To remove 3 call center representatives and 1 call center supervisor	(119)		119		-	
(2)	To remove 3.5 FTEs compliance analysts	(361)		361		-	
(3)	To remove 1 gas estimator and adjust allocation of gas estimator manager	(8)		-		(8)	
(4)	To adjust salaries on select engineering titles	(5,759)		5,759		-	
(5)	To remove 2.3 I&R tech FTEs and 1 LNG field engineer	(310)		310		-	
(6)	To adjust productivity adjustment from 1.0% to 2.0% for incremental employees	13		41		54	
(7)	To adjust Energy Efficiency labor - underspent in HTY	0	$ (6,544)	(175)	$ 6,415	(175)	$ (129)
(h)	Productivity Adjustment						
(1)	Tracking adjustment for management wage increase reduction from 3.2% to 3.0%.	1		(1)		-	
(2)	To adjust productivity adjustment from 1.0% to 2.0% on total labor expense item	(3,313)	$ (3,312)	3,313	$ 3,312	-	$ -
(i)	Regulatory Assessment Fees						
	To reflect the latest assessment as of February 2016	(428)	$ (428)	6	$ 6	(422)	$ (422)
(j)	Amortization of SIR Deferral						
	To include amortization of SIR deferral in base rates	18,521	$ 18,521	0	$ -	18,521	$ 18,521
(k)	Residential Reduced Rate Program						
	To reflect the residential reduced rate program expense in the rate year	12,875	$ 12,875	0	$ -	12,875	$ 12,875
(l)	Uncollectible Accounts						
	To reflect the change in revenue forecast	0	$ -	(662)	$ (662)	(662)	$ (662)
(m)	Consultants						
	To reflect adjustment for Lobbying expenses per IR DPS-402	0	$ -	(56)	$ (56)	(56)	$ (56)
(n)	Incentive Programs						
	To reflect Sales Promotion expenses per Staff Testimony	0	$ -	200	$ 200	200	$ 200
	Total Operating & Maintenance Expense Adjustments		$ 16,902		$ 14,119		$ 31,021

The Brooklyn Union Gas Company d/b/a NATIONAL GRID NY
PSC Case No. 16-G-0059
Company Rebuttal to PSC Staff Direct Case
Company Rebuttal to Staff Adjustments for the Rate Year Ending December 31, 2017
($000's)

Adj. 5	Amortization of Regulatory Deferrals						
(1)	To properly reflect the Company's proposal for rate year amortization of SIR deferral	$ (43,238)		$ -		$ (43,238)	
(2)	To reflect the amortization of SIR deferral as an O&M expense item	(18,521)	$ (61,759)	-	$ -	(18,521)	$ (61,759)
Adj. 6	Depreciation Expense						
(1)	To adjust depreciation expense to reflect Staff's deprecation rates	(18,723)		18,619		(104)	
(2)	To reflect the removal of amounts included in the Company's rate year projection of depreciation expense for historic year costs charged to capital and plant in service for NYC Commissioner of Finance charges (fines and violations)	(63)	$ (18,786)	63	$ 18,682	-	$ (104)
Adj. 7	Taxes Other Than Revenue & Income Taxes						
	Payroll Taxes						
	Tracking adjustment for management wage increase reduction from 3.2% to 3.0%	(5)	$ (5)	5	$ 5	-	$ -
	Total Taxes Other Than Revenue & Income Taxes		$ (5)		$ 5		$ -
Adj. 8	Rate Base						
a.	Net Utility Plant						
(1)	To reflect Staff's forecast of plant additions.	(14,994)		12,579		(2,415)	
(2)	To reflect the removal of amounts included in the Company's rate year projection of net utility plant for historic year costs charged to capital and plant in service for NYC Commissioner of Finance charges (fines and violations)	(3,252)	$ (18,246)	3,252	$ 15,831	-	$ (2,415)
b.	Accumulated Deferred Income Taxes						
(1)	To reflect the removal of amounts included in the Company's rate year projection of ADIT for historic year costs charged to capital and plant in service for NYC Commissioner of Finance charges (fines and violations)	865		(865)		-	
(2)	To adjust ADFIT tracking OEGW's plant in service adjustments at a rate of 25.58% per Company, allocated between ADFIT and ADSIT	5,289		(4,750)		539	
(3)	To adjust ADSIT tracking OEGW's plant in service adjustments at a rate of 25.58% per Company, allocated between ADFIT and ADSIT	790	$ 6,944	(417)	$ (6,032)	373	$ 912
c.	Working Capital						
	To adjust working capital to reflect staffs O&M Adjustments	2,113	$ 2,113	(2,186)	$ (2,186)	(73)	$ (73)
	Total Rate Base Adjustments		$ (9,189)		$ 7,613		$ (1,576)

Exhibit __ (RRP-1R)
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The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Taxes Other Than Income Taxes - Company Rebuttal
For the Rate Year Ending December 31, 2017
($000's)

Taxes Other Than Revenue and Income Taxes	C&U Filing Rate Year Ending December 31, 2017	Adj. #	Staff Adjustments	Rate Year As Adjusted By Staff	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Real Estate Taxes						
Real Property	$ 15,297		$ -	$ 15,297	$ -	$ 15,297
Special Franchise	125,612		0	125,612	0	125,612
Total Real Estate Taxes	140,909		0	140,909	0	140,909
Payroll Taxes	10,421	(7)	(5)	10,416	5	10,421
Other	94		0	94	0	94
Total Taxes Other Than Revenue and Income Taxes	$ 151,424		$ (5)	$ 151,419	$ 5	$ 151,424

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Summary of Depreciation and Amortization Expense - Company Rebuttal
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Adj.	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Depreciation Expense (acct 403)	$ 117,796	(6)	$ (18,786)	$ 99,010	$ 18,682	$ 117,693
Amortization Expense (acct 404-405)	0		0	0	0	0
Accretion Expense (acct 411.10)	0		0	0	0	0
(Gain) Loss on Disposition of Utility Plant (acct 411.7)	0		0	0	0	0
Total Depreciation & Amortization Expense	$ 117,796		$ (18,786)	$ 99,010	$ 18,682	$ 117,693

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Company Rebuttal
Summary of Depreciation and Amortization Expense

Exhibit____(RRP-1R)
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The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Tax Deduction for Interest Expense - Company Rebuttal
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Avg Rate Base Per Books	$ 2,994,587	$ (9,187)	$ 2,985,400	$ 7,613	$ 2,993,013
Plus: Forecast of Avg Interest Bearing CWIP	0	0	0	0	0
Less: Rate Base moved to GAC	0	0	0	0	0
Less: Excess Earnings Adj (EBCAP)	35,294	0	35,294	0	35,294
Rate Base	2,959,293	(9,187)	2,950,106	7,613	2,957,719
Weighted Cost of LTD Debt	2.03%	-0.15%	1.88%	0.15%	2.03%
Weighted Cost of Cust Deposits	0.01%	0.00%	0.01%	0.00%	0.01%
subtotal weighted cost of debt	2.04%	-0.15%	1.89%	0.15%	2.04%
Total Income Tax Interest Deduction	$ 60,370	$ (4,613)	$ 55,757	$ 4,580	$ 60,337

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Company Rebuttal
Tax Deduction for Interest Expense
Exhibit____(RRP-1R)
Schedule 9 of 11
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The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Working Capital - Cash Allowance - Company Rebuttal
For the Rate Year Ending December 31, 2017
($000's)

Description	C&U Filing Rate Year Ending December 31, 2017	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adjustments to Staff Case	Rate Year Company Rebuttal
Total O&M Expense	$ 554,049	$ 16,902	$ 570,951	$ 14,119	$ 585,070
Remove major non-cash items included O&M expense :					
Bad Debt expense	(13,863)	0	(13,863)	662	(13,201)
Other (Energy Efficiency, 18-a Assessment, Residential Reduced Rate Program, and Amortization SIR Deferral)	(22,995)	0	(22,995)	(32,267)	(55,262)
Subtotal	(36,858)	0	(36,858)	(31,605)	(68,463)
Add major cash items not included in O&M expense:					
Other	0	0	0		
Subtotal	0	0	0	0	0
Total Adjustments	(36,858)	0	(36,858)	(31,605)	(68,463)
Adjusted O&M Expense	$ 517,191	$ 16,902	$ 534,093	$ (17,486)	$ 516,607
Departmental Cash Allowance - 1/8 (45 days)	64,649	2,113	66,762	(2,186)	64,576
Supply Cost Cash Allowance (3.64% x HY Gas exp)	0	0	0	0	0

(note: The Supply Cost Allowance is being presented separately, therefore will be removed from the historic Excess Earnings Base Adjustment)

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Company Rebuttal
Working Capital - Cash Allowance
Exhibit____(RRP-1R)
Schedule 10 of 11
Page 1 of 1

Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Comparison of Average Historic Rate Base and Capitalization - Company Rebuttal
For the Rate Year Ended December 31, 2017
($000's)

		TOTAL	Staff Adjustments	TOTAL	Company Adjustments	TOTAL
(A)	AVERAGE RATE BASE - PER BOOKS	$ 2,367,917	0	$ 2,367,917	0	$ 2,367,917
(B)	ADD: Average interest-bearing CWIP	193,463	0	193,463	0	193,463
(C)	TOTAL EARNINGS BASE (A+B)	2,561,380	0	2,561,380	0	2,561,380
	Percent	100.00%				
(D)	AVERAGE CAPITALIZATION (CE excludes merger Goodwill, and may be adj for TCI if required):					
	Long Term Debt	1,040,500		1,040,500		1,040,500
	Notes Payable	0		0		0
	Gas Supplier Refunds	961		961		961
	Customer Deposits	27,855		27,855		27,855
	Preferred Stock	0		0		0
	Common Equity (excludes merger GW; incl TCI adj)	1,360,578 [1]		1,360,578		1,360,578
	Avg. Allocated to Gas based on Earnings Base	2,429,894		2,429,894		2,429,894
(E)	Add dividends declared but unpaid representing the timing difference between declaration and payment	0	0	0	0	0
(F)	SUBTOTAL (D+E)	2,429,894		2,429,894		2,429,894
	LESS Average Investments in:					
	Detailed balance sheet accounts	(83,398)	0	(83,398)	0	(83,398)
	Accumulated Def Inc Tax Adjustment	(57,304)	0	(57,304)	0	(57,304)
	Goodwill	n/a [1]				
(G)	Total Deductions	(140,702)		(140,702)		(140,702)
(H)	Capitalization Dedicated to Public Service (F-G)	2,570,596		2,570,596		2,570,596
(J)	Excess Earnings Base (Total Earnings Base) less Average Capitalization Devoted to Service Current Customers) (C-H)	$ (9,216)		$ (9,216)		$ (9,216)

[1] Goodwill related to the NM merger with National Grid is excluded from the equity component of capitalization, pursuant to section 6.1 of the approved Stipulation Agreement.

Exhibit __ (RRP-2R)

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-2R)

Service Company Rent Adjustments

The Brooklyn Union Gas Company d/b/a National Grid NY
Operating Expenses by Component
Service Company Rents
($000's)

	Historic Year Ended September 30, 2015 (Per Books)	Adjustments to Normalize Historic Test Year	Historic Year Ended September 30, 2015 (as Adjusted)
	Total	Total	Total
Provider Company:			
Brooklyn Union Gas Company	$ 12,938.3	$ (12,938.3)	$ -
National Grid USA Service Company	-	9,899.6	9,899.6
All Other Companies	-	-	-
Total	$ 12,938.3	$ (3,038.7)	$ 9,899.6
Operation:			
Production Expenses	$ -	$ -	$ -
Power Production Expenses	-	-	-
Natural Gas Storag, Terminaling and Processing Exp.	-	-	-
Transmission Expenses	-	-	-
Regional Market Expenses	-	-	-
Distribution Expenses	-	-	-
Customer Accounts Expenses	-	-	-
Customer Service and Informational Expenses	-	-	-
Sales Expenses	-	-	-
Administrative & General Expenses	12,938.3	(3,038.7)	9,899.6
Sub Total	$ 12,938.3	$ (3,038.7)	$ 9,899.6
Maintenance:			
Transmission Expenses	$ -	$ -	$ -
Distribution Expenses	-	-	-
Administrative & General Expenses	-	-	-
Sub Total	$ -	$ -	$ -
TOTAL	$ 12,938.3	$ (3,038.7)	$ 9,899.6

The Brooklyn Union Gas Company d/b/a National Grid NY
Operating Expenses by Component
Service Company Rents
($000's)

	Historic Year Ended September 30, 2015 (as Adjusted)	Adjustments to Reflect Conditions in Rate Year	Rate Year Ending December 31, 2017
	Total	Total	Total
Provider Company:			
Brooklyn Union Gas Company	$ -	$ -	$ -
National Grid USA Service Company	9,899.6	5,774.4	15,674.0
All Other Companies	-	-	-
Total	$ 9,899.6	$ 5,774.4	$ 15,674.0
Operation:			
Production Expenses	$ -	$ -	$ -
Power Production Expenses	-	-	-
Natural Gas Storag, Terminaling and Processing Exp.	-	-	-
Transmission Expenses	-	-	-
Regional Market Expenses	-	-	-
Distribution Expenses	-	-	-
Customer Accounts Expenses	-	-	-
Customer Service and Informational Expenses	-	-	-
Sales Expenses	-	-	-
Administrative & General Expenses	9,899.6	5,774.4	15,674.0
Sub Total	$ 9,899.6	$ 5,774.4	$ 15,674.0
Maintenance:			
Transmission Expenses	$ -	$ -	$ -
Distribution Expenses	-	-	-
Administrative & General Expenses	-	-	-
Sub Total	$ -	$ -	$ -
TOTAL	$ 9,899.6	$ 5,774.4	$ 15,674.0

Exhibit_____(RRP-3CU)
Schedule 9
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The Brooklyn Union Gas Company d/b/a National Grid NY
Operating Expenses by Component
Service Company Rents
($000's)

	Rate Year Ending December 31, 2017	Adjustments to Reflect Conditions in Data Year	Data Year Ending December 31, 2018	Adjustments to Reflect Conditions in Data Year	Data Year Ending December 31, 2019
	Gas	Gas	Gas	Gas	Gas
Provider Company:					
Brooklyn Union Gas Company	$ -	$ -	$ -	$ -	$ -
National Grid USA Service Company	15,674.0	247.1	15,921.1	1,283.4	17,204.4
All Other Companies	-	-	-	-	-
Total	$ 15,674.0	$ 247.1	$ 15,921.1	$ 1,283.4	$ 17,204.4
Operation:					
Production Expenses	$ -	$ -	$ -	$ -	$ -
Power Production Expenses	-	-	-	-	-
Natural Gas Storag, Terminaling and Processing Exp.	-	-	-	-	-
Transmission Expenses	-	-	-	-	-
Regional Market Expenses	-	-	-	-	-
Distribution Expenses	-	-	-	-	-
Customer Accounts Expenses	-	-	-	-	-
Customer Service and Informational Expenses	-	-	-	-	-
Sales Expenses	-	-	-	-	-
Administrative & General Expenses	15,674.0	247.1	15,921.1	1,283.4	17,204.4
Sub Total	$ 15,674.0	$ 247.1	$ 15,921.1	$ 1,283.4	$ 17,204.4
Maintenance:					
Transmission Expenses	$ -	$ -	$ -	$ -	$ -
Distribution Expenses	-	-	-	-	-
Administrative & General Expenses	-	-	-	-	-
Sub Total	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 15,674.0	$ 247.1	$ 15,921.1	$ 1,283.4	$ 17,204.4

The Brooklyn Union Gas Company d/b/a National Grid NY
Operating Expenses by Component
Service Company Rents
($000's)

		Provider Company	Source Workpaper		Total
Explanation of Adjustments:					
Page 1	Adjustments: (to normalize Historic Year)				
	Reclass to originating Service Company	Brooklyn Union Gas Company		$	(12,938.3)
	Reclass to originating Service Company	National Grid USA Service Co.			12,938.3
	Normalizing Adjustment	National Grid USA Service Co.	WP-1		(3,038.7)
	TOTAL			$	(3,038.7)
Page 2	Adjustments: (to reflect conditions in the Rate Year 2017)				
	General inflation %	Brooklyn Union Gas Company		$	-
	3.7732%	National Grid USA Service Co.			-
	IS Rate Year Adjustment	National Grid USA Service Co.	WP-2	$	5,624.6
	Facilities Rate Year Adjustment	National Grid USA Service Co.	WP-3	$	149.8
	TOTAL			$	5,774.4
Page 3	Adjustments: (to reflect conditions in the Data Year 2018)				
	General inflation %	Brooklyn Union Gas Company		$	-
	2.1000%	National Grid USA Service Co.			-
	IS Data Year Adjustment	National Grid USA Service Co.	WP-4		49.1
	Facilities Data Year Adjustment	National Grid USA Service Co.	WP-5	$	198.0
	TOTAL			$	247.1
Page 3	Adjustments: (to reflect conditions in the Data Year 2019)				
	General inflation %	Brooklyn Union Gas Company		$	-
	2.1000%	National Grid USA Service Co.			-
	IS Data Year Adjustment	National Grid USA Service Co.	WP-6	$	1,297.6
	Facilities Data Year Adjustment	National Grid USA Service Co.	WP-7	$	(14.2)
	TOTAL			$	1,283.4

Exhibit _____(RRP-11CU)
Workpapers to Exhibit RRP-3CU
Schedule 9
Workpaper 1
Page 1 of 1

The Brooklyn Union Gas Company d/b/a National Grid NY
Service Company Rents
Normalizing Adjustment

Test Year
Asset Recovery Charge Per Books

ARC-DEBT RECOVERY CHGE	320,661
ARC-DEPRECIATION RECOVERY CHGE	7,392,812
ARC-EQUITY RECOVERY CHGE	4,108,714
ARC-PROPERTY TAX RECOVERY CHGE	1,116,065
Grand Total	12,938,252

Test Year
Return & Depreciation Calculation Adjustment

IS Existing Projects	$	9,147,151
Facilities Test Year		$752,432
Total Calculated Return & Depreciation		$9,899,583
Per Books		$12,938,252
Normalizing Adjustment		($3,038,669)

The Brooklyn Union Gas Company d/b/a National Grid NY
Service Company Rents
Service Company Capital Software allocated to Operating Companies as Rent Expense
For the Rate Year ended December 31, 2017

			(a)	(b)	(c)	(d) = (a)+(c)	(e)	(f)	(g)	(h)	(i) = (g+h)/2
									12/31/2016	12/31/2017	
	Investment Name	INVP #	Inception to Date $	Bill Pool	Adjustments	Total US Spend	In Service Date	Amortization Period	12/31/2016 Balance	12/31/2017 Balance	Average Balance
3	AMAG Upgrades	1172	$3,698,542	G020		$5,991,812	10/1/2016	84	$ 5,777,818	$ 4,921,845	$ 5,349,832
4	US CNI DKMS	3019A	$249,414	G098	-$249,414	$0	3/1/2017	84	$ -	$ 0	$ 0
7	CI Services Foundation	3492	$2,197,232	G020		$2,644,306	2/1/2016	84	$ 2,298,028	$ 1,920,270	$ 2,109,149
8	US CNI Frame Relay Replacement	2495H	$6,071,268	G210		$6,398,268	12/1/2015	84	$ 5,408,060	$ 4,494,022	$ 4,951,041
9	Cascade System for Gas	3629	$2,282,823	G210		$2,282,823	11/1/2015	84	$ 1,902,352	$ 1,576,235	$ 1,739,294
10	Customer Choice ESCO Gas	3564	$7,774,478	C225	-$521,285	$9,629,193	4/1/2016	84	$ 8,597,494	$ 7,221,895	$ 7,909,694
14	IAM Ph2: Federated Identity (Cyber Security)	3614A1	$1,598,706	G020		$1,598,706	12/1/2015	84	$ 1,351,287	$ 1,122,900	$ 1,237,094
15	IAM Ph3 Identity Administration - (Cyber Security)	3614A2	$661	G020		$1,240,600	9/1/2016	84	$ 1,181,524	$ 1,004,296	$ 1,092,910
17	CNI Network Security - (Cyber Security)	3614B7	$556,501	G020		$3,801,588	9/1/2016	84	$ 3,620,560	$ 3,077,476	$ 3,349,018
18	Security Incident & Event Monitoring (SIEM) 2 - (Cyber Security)	3614E3	$144,307	G020		$1,362,769	6/1/2016	84	$ 1,249,205	$ 1,054,524	$ 1,151,864
21	CNI SIEM - (Cyber Security)	3614B14	$0	G020		$1,106,000	9/1/2016	84	$ 1,053,333	$ 895,333	$ 974,333
22	Enterprise Network Security - (Cyber Security)	3614D1	$3,000,805	G020		$5,946,273	9/1/2016	84	$ 5,663,117	$ 4,813,650	$ 5,238,384
24	Security Operations Center - (Cyber Security)	3614E2	$27,818	G020		$1,461,890	4/1/2016	84	$ 1,305,259	$ 1,096,417	$ 1,200,838
25	End user initiated secure file & email transfer - (Cyber Security)	3614C1	$0	G020		$121,600	4/1/2016	84	$ 108,571	$ 91,200	$ 99,886
26	Security Reference Architecture - (Cyber Security)	3614G1	$0	G020		$60,800	9/1/2016	84	$ 57,905	$ 49,219	$ 53,562
27	Cyber Security prioritised investments - (Cyber Security)	3614	$0	G020		$725,146	9/1/2016	84	$ 690,615	$ 587,023	$ 638,819
28	NY Retail Access	3839	$2,088,663	G170		$2,872,399	12/1/2016	84	$ 2,838,204	$ 2,427,861	$ 2,633,033
29	US Web Initiatives 2	3600B	$3,402,522	C175		$3,831,522	2/1/2016	84	$ 3,329,775	$ 2,782,415	$ 3,056,095
32	DSNY Capitalized Equipment Installs - Physical Security	3617B		G235		$475,000	4/1/2016	84	$ 424,107	$ 356,250	$ 390,179
35	EHR1 - PMO		$6,218,548	G012		$8,928,548	12/1/2015	84	$ 7,546,749	$ 6,271,242	$ 6,908,996
36	EHR1 - Supply Chain		$10,339,439	G012		$14,769,439	12/1/2015	84	$ 12,483,692	$ 10,373,772	$ 11,428,732
37	EHR1 - Finance		$15,565,346	G012		$16,145,346	12/1/2015	84	$ 13,646,661	$ 11,340,183	$ 12,493,422
38	EHR1 - IT Delivery		$2,414,316	G012		$2,414,316	12/1/2015	84	$ 2,040,672	$ 1,695,769	$ 1,868,220
39	EHR1 - Payroll		$10,937,165	G012		$12,187,165	12/1/2015	84	$ 10,301,056	$ 8,560,033	$ 9,430,545
43	US Desktop Refresh	2927	$5,813,532	G020		$7,430,690	3/1/2016	48	$ 5,882,629	$ 4,024,957	$ 4,953,793
44	Internet Explorer Upgrade	3644	$137,061	G020		$300,090	3/1/2016	84	$ 264,365	$ 221,495	$ 242,930
45	Mobile Device for PTO	3883	$242,471	G173		$2,442,471	9/1/2016	48	$ 2,238,932	$ 1,628,314	$ 1,933,623
46	SMI Conversion Mobilization	3896	$402,655	G020		$2,187,292	7/1/2016	84	$ 2,031,057	$ 1,718,586	$ 1,874,822
47	S005242 M112 Systemic Improvement		$843,635	G012		$3,500,000	3/1/2016	12	$ 583,333	$ -	$ 291,667
48	Cadency Account Reconciliation Tool		$146,894	G012		$146,894	3/1/2016	12	$ 24,482	$ -	$ 12,241
49	Soft Off Program	4024	$836,485	C207		$1,278,485	2/1/2016	84	$ 1,111,064	$ 928,423	$ 1,019,744
51	Mobile Capture of Data Fusion	4102	$0	G207		$1,580,000	10/1/2016	84	$ 1,523,571	$ 1,297,857	$ 1,410,714
52	Gas GIS Upgrade	2577C	$0	G210		$1,200,000	10/1/2016	84	$ 1,157,143	$ 985,714	$ 1,071,429
53	NY Pipeline Safety CMS Regulatory Compliance	3882	$0	G207		$3,374,000	10/1/2016	84	$ 3,253,500	$ 2,771,500	$ 3,012,500
56	Team Center Replacement or Upgrade	3958	$0	G236		$600,000	10/1/2016	84	$ 578,571	$ 492,857	$ 535,714
58	Legacy VSTIG Migration and Decommission	3538		G020		$1,501,788	9/1/2017	84	$ -	$ 1,430,274	$ 715,137
61	US Mobile Device Refresh	2935		G173		$4,000,000	4/1/2017	48	$ -	$ 3,250,000	$ 1,625,000
64	KEDNY AMR Project - FDM Interface to CRIS	4183		5220		$356,000	9/1/2016	84	$ 339,048	$ 288,190	$ 313,619
65	Cross Company Customer System Enhancements	4172		C246		$9,143,000	9/1/2016	84	$ 8,707,619	$ 7,401,476	$ 8,054,548
66	New Redundant SCC	3840		G020		$900,000	3/1/2017	84	$ -	$ 792,857	$ 396,429
75	DSNY Capitalized Equipment Installs - Physical Security	3617B		G235		$649,000	4/1/2017	84	$ -	$ 579,464	$ 289,732
81	Field PC Refresh	2935	$155,070	5220		$1,417,990	1/1/2016	72	$ 1,181,658	$ 945,327	$ 1,063,493
82	Access Violation (& Regulation) Management	3922		G020		$290,000	4/1/2017	84	$ -	$ 258,929	$ 129,464
83	Active Directory Upgrade	4287		G020		$350,000	4/1/2017	84	$ -	$ 312,500	$ 156,250
87	Risk Based Authentication (Cyber Security)	3863		G020		$235,080	6/1/2017	84	$ -	$ 215,490	$ 107,745
88	Enhanced Phishing Protection (Cyber Security)	3863		G020		$120,000	8/1/2017	84	$ -	$ 112,857	$ 56,429
91	Identity & Access Management - Role Based Access Management (Cyber Security)	3863		G020		$1,650,000	10/1/2017	84	$ -	$ 1,591,071	$ 795,536
99	Enhanced DLP Gateway and Endpoint (Cyber Security)	3863		G020		$1,305,780	12/1/2017	84	$ -	$ 1,290,235	$ 645,118
100	Cloud Security (Cyber Security)	3863		G020		$1,460,000	5/1/2017	84	$ -	$ 1,320,952	$ 660,476
101	Situational Intelligence & Cyber Intelligence - Phase 1 (Cyber Security)	3863		G020		$100,000	11/1/2017	84	$ -	$ 97,619	$ 48,810
109	Threat Behavior Modeling (Cyber Security)	3863		G020		$800,000	3/1/2017	84	$ -	$ 704,762	$ 352,381

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			(j)	(k) = (i)*(j)	(l) = (-ac)	(m) = (k) + (l)	(n)	(o)	(p) = (m)* (n)	(q) = (n)* (o)
			9.9500%					5220G		
	Investment Name	INVP #	Service Co Return	Rate Year Return	RY Return on Accum Taxes	Total Return	Rate Year Amortization	KEDNY Allocation	KEDNY Rate Year Rent Return	KEDNY Rate Year Rent Depn
3	AMAG Upgrades	1172	9.9500%	$ 532,308	$ (154,065)	$ 378,243	855,973	11.50%	$ 43,498	$ 98,437
4	US CNI DKMS	3019A	9.9500%	$ 0	$ (0)	$ 0	0	11.85%	$ 0	$ 0
7	CI Services Foundation	3492	9.9500%	$ 209,860	$ (57,919)	$ 151,942	377,758	11.50%	$ 17,473	$ 43,442
8	US CNI Frame Relay Replacement	2495H	9.9500%	$ 492,629	$ (176,705)	$ 315,923	914,038	30.66%	$ 96,862	$ 280,244
9	Cascade System for Gas	3629	9.9500%	$ 173,060	$ (61,959)	$ 111,100	326,118	30.66%	$ 34,063	$ 99,988
10	Customer Choice ESCO Gas	3564	9.9500%	$ 787,015	$ (220,081)	$ 566,934	1,375,599	68.37%	$ -	$ -
14	IAM Ph2: Federated Identity (Cyber Security)	3614A1	9.9500%	$ 123,091	$ (44,153)	$ 78,938	228,387	11.50%	$ 9,078	$ 26,264
15	IAM Ph3 Identity Administration - (Cyber Security)	3614A2	9.9500%	$ 108,745	$ (31,308)	$ 77,436	177,229	11.50%	$ 8,905	$ 20,381
17	CNI Network Security - (Cyber Security)	3614B7	9.9500%	$ 333,227	$ (95,939)	$ 237,289	543,084	11.50%	$ 27,288	$ 62,455
18	Security Incident & Event Monitoring (SIEM) 2 - (Cyber Security)	3614E3	9.9500%	$ 114,610	$ (32,445)	$ 82,166	194,681	11.50%	$ 9,449	$ 22,388
21	CNI SIEM - (Cyber Security)	3614B14	9.9500%	$ 96,946	$ (27,912)	$ 69,035	158,000	11.50%	$ 7,939	$ 18,170
22	Enterprise Network Security - (Cyber Security)	3614D1	9.9500%	$ 521,219	$ (150,063)	$ 371,156	849,468	11.50%	$ 42,683	$ 97,689
24	Security Operations Center - (Cyber Security)	3614E2	9.9500%	$ 119,483	$ (33,412)	$ 86,071	208,841	11.50%	$ 9,898	$ 24,017
25	End user initiated secure file & email transfer - (Cyber Security)	3614C1	9.9500%	$ 9,939	$ (2,779)	$ 7,159	17,371	11.50%	$ 823	$ 1,998
26	Security Reference Architecture - (Cyber Security)	3614G1	9.9500%	$ 5,329	$ (1,534)	$ 3,795	8,686	11.50%	$ 436	$ 999
27	Cyber Security prioritised investments - (Cyber Security)	3614	9.9500%	$ 63,562	$ (18,300)	$ 45,262	103,592	11.50%	$ 5,205	$ 11,913
28	NY Retail Access	3839	9.9500%	$ 261,987	$ (76,593)	$ 185,394	410,343	26.23%	$ 48,629	$ 107,633
29	US Web Initiatives 2	3600B	9.9500%	$ 304,081	$ (83,923)	$ 220,159	547,360	17.92%	$ 39,452	$ 98,087
32	DSNY Capitalized Equipment Installs - Physical Security	3617B	9.9500%	$ 38,823	$ (10,856)	$ 27,966	67,857	47.90%	$ 13,396	$ 32,504
35	EHR1 - PMO		9.9500%	$ 687,445	$ (246,586)	$ 440,859	1,275,507	11.50%	$ 50,699	$ 146,683
36	EHR1 - Supply Chain		9.9500%	$ 1,137,159	$ (407,898)	$ 729,261	2,109,920	11.50%	$ 83,865	$ 242,641
37	EHR1 - Finance		9.9500%	$ 1,243,096	$ (445,897)	$ 797,198	2,306,478	11.50%	$ 91,678	$ 265,245
38	EHR1 - IT Delivery		9.9500%	$ 185,888	$ (66,678)	$ 119,210	344,902	11.50%	$ 13,709	$ 39,664
39	EHR1 - Payroll		9.9500%	$ 938,339	$ (336,581)	$ 601,758	1,741,024	11.50%	$ 69,202	$ 200,218
43	US Desktop Refresh	2927	9.9500%	$ 492,902	$ (123,834)	$ 369,068	1,857,672	11.50%	$ 42,443	$ 213,632
44	Internet Explorer Upgrade	3644	9.9500%	$ 24,172	$ (6,716)	$ 17,456	42,870	11.50%	$ 2,007	$ 4,930
45	Mobile Device for PTO	3883	9.9500%	$ 192,396	$ (52,916)	$ 139,479	610,618	14.24%	$ 19,862	$ 86,952
46	SMI Conversion Mobilization	3896	9.9500%	$ 186,545	$ (53,116)	$ 133,428	312,470	11.50%	$ 15,344	$ 35,934
47	S005242 M112 Systemic Improvement		9.9500%	$ 29,021	$ 23,336	$ 52,357	583,333	11.50%	$ 6,021	$ 67,083
48	Cadency Account Reconciliation Tool		9.9500%	$ 1,218	$ 979	$ 2,197	24,482	11.50%	$ 253	$ 2,815
49	Soft Off Program	4024	9.9500%	$ 101,465	$ (28,003)	$ 73,462	182,641	51.42%	$ 37,774	$ 93,914
51	Mobile Capture of Data Fusion	4102	9.9500%	$ 140,366	$ (40,626)	$ 99,740	225,714	45.91%	$ 45,791	$ 103,625
52	Gas GIS Upgrade	2577C	9.9500%	$ 106,607	$ (30,855)	$ 75,752	171,429	30.66%	$ 23,226	$ 52,560
53	NY Pipeline Safety CMS Regulatory Compliance	3882	9.9500%	$ 299,744	$ (86,754)	$ 212,989	482,000	45.91%	$ 97,783	$ 221,286
56	Team Center Replacement or Upgrade	3958	9.9500%	$ 53,304	$ (15,428)	$ 37,876	85,714	47.25%	$ 17,896	$ 40,500
58	Legacy VSTIG Migration and Decommission	3538	9.9500%	$ 71,156	$ (33,610)	$ 37,546	71,514	11.50%	$ 4,318	$ 8,224
61	US Mobile Device Refresh	2935	9.9500%	$ 161,688	$ (78,330)	$ 83,357	750,000	14.24%	$ 11,870	$ 106,800
64	KEDNY AMR Project - FDM Interface to CRIS	4183	9.9500%	$ 31,205	$ (8,984)	$ 22,221	50,857	100.00%	$ 22,221	$ 50,857
65	Cross Company Customer System Enhancements	4172	9.9500%	$ 801,427	$ (230,737)	$ 570,690	1,306,143	58.82%	$ 335,680	$ 768,273
66	New Redundant SCC	3840	9.9500%	$ 39,445	$ (18,856)	$ 20,588	107,143	11.50%	$ 2,368	$ 12,321
75	DSNY Capitalized Equipment Installs - Physical Security	3617B	9.9500%	$ 28,828	$ (13,752)	$ 15,076	69,536	47.90%	$ 7,222	$ 33,308
81	Field PC Refresh	2935	9.9500%	$ 105,818	$ (28,358)	$ 77,460	236,332	100.00%	$ 77,460	$ 236,332
82	Access Violation (& Regulation) Management	3922	9.9500%	$ 12,882	$ (6,145)	$ 6,737	31,071	11.50%	$ 775	$ 3,573
83	Active Directory Upgrade	4287	9.9500%	$ 15,547	$ (7,416)	$ 8,131	37,500	11.50%	$ 935	$ 4,313
87	Risk Based Authentication (Cyber Security)	3863	9.9500%	$ 10,721	$ (5,093)	$ 5,627	19,590	11.50%	$ 647	$ 2,253
88	Enhanced Phishing Protection (Cyber Security)	3863	9.9500%	$ 5,615	$ (2,657)	$ 2,958	7,143	11.50%	$ 340	$ 821
91	Identity & Access Management - Role Based Access Management (Cyber Security)	3863	9.9500%	$ 79,156	$ (37,320)	$ 41,836	58,929	11.50%	$ 4,811	$ 6,777
99	Enhanced DLP Gateway and Endpoint (Cyber Security)	3863	9.9500%	$ 64,189	$ (30,156)	$ 34,033	15,545	11.50%	$ 3,914	$ 1,788
100	Cloud Security (Cyber Security)	3863	9.9500%	$ 65,717	$ (31,284)	$ 34,433	139,048	11.50%	$ 3,960	$ 15,990
101	Situational Intelligence & Cyber Intelligence - Phase 1 (Cyber Security)	3863	9.9500%	$ 4,857	$ (2,286)	$ 2,571	2,381	11.50%	$ 296	$ 274
109	Threat Behavior Modeling (Cyber Security)	3863	9.9500%	$ 35,062	$ (16,761)	$ 18,301	95,238	11.50%	$ 2,105	$ 10,952

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			(r)	(s)		(t)	(u)	(v) = (t) + (u)/2	(w) = (v)*Eff Rate
				Cumulative Tax Depreciation					
						12/31/2016	12/31/2017		40.2000%
	Investment Name	INVP #	Amortization Period	Tax Expensing	Bonus Depreciation	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Cash Tax
3	AMAG Upgrades	1172	36	-	2,995,906	$ 3,994,441	$ 4,992,977	$ 4,493,709	$ 1,806,471
4	US CNI DKMS	3019A	36	-	0	$ 0	$ 0	$ 0	$ 0
7	CI Services Foundation	3492	36	-	1,322,153	$ 1,762,827	$ 2,203,500	$ 1,983,163	$ 797,232
8	US CNI Frame Relay Replacement	2495H	36	-	3,199,134	$ 5,331,677	$ 6,398,268	$ 5,864,972	$ 2,357,719
9	Cascade System for Gas	3629	36	-	1,141,411	$ 1,902,276	$ 2,282,823	$ 2,092,549	$ 841,205
10	Customer Choice ESCO Gas	3564	36	-	4,814,596	$ 6,419,301	$ 8,024,006	$ 7,221,654	$ 2,903,105
14	IAM Ph2: Federated Identity (Cyber Security)	3614A1	36	-	799,353	$ 1,332,202	$ 1,598,706	$ 1,465,454	$ 589,112
15	IAM Ph3 Identity Administration - (Cyber Security)	3614A2	36	-	620,300	$ 827,046	$ 1,033,792	$ 930,419	$ 374,029
17	CNI Network Security - (Cyber Security)	3614B7	36	-	1,900,794	$ 2,534,328	$ 3,167,863	$ 2,851,096	$ 1,146,140
18	Security Incident & Event Monitoring (SIEM) 2 - (Cyber Security)	3614E3	36	-	681,384	$ 908,490	$ 1,135,595	$ 1,022,043	$ 410,861
21	CNI SIEM - (Cyber Security)	3614B14	36	-	553,000	$ 737,315	$ 921,630	$ 829,472	$ 333,448
22	Enterprise Network Security - (Cyber Security)	3614D1	36	-	2,973,137	$ 3,964,083	$ 4,955,030	$ 4,459,556	$ 1,792,742
24	Security Operations Center - (Cyber Security)	3614E2	36	-	730,945	$ 974,569	$ 1,218,193	$ 1,096,381	$ 440,745
25	End user initiated secure file & email transfer - (Cyber Security)	3614C1	36	-	60,800	$ 81,065	$ 101,329	$ 91,197	$ 36,661
26	Security Reference Architecture - (Cyber Security)	3614G1	36	-	30,400	$ 40,532	$ 50,665	$ 45,598	$ 18,331
27	Cyber Security prioritised investments - (Cyber Security)	3614	36	-	362,573	$ 483,419	$ 604,264	$ 543,841	$ 218,624
28	NY Retail Access	3839	36	-	1,436,200	$ 1,914,885	$ 2,393,570	$ 2,154,228	$ 866,000
29	US Web Initiatives 2	3600B	36	-	1,915,761	$ 2,554,284	$ 3,192,808	$ 2,873,546	$ 1,155,165
32	DSNY Capitalized Equipment Installs - Physical Security	3617B	36	-	237,500	$ 316,659	$ 395,818	$ 356,238	$ 143,208
35	EHR1 - PMO		36	-	4,464,274	$ 7,440,159	$ 8,928,548	$ 8,184,354	$ 3,290,110
36	EHR1 - Supply Chain		36	-	7,384,719	$ 12,307,373	$ 14,769,439	$ 13,538,406	$ 5,442,439
37	EHR1 - Finance		36	-	8,072,673	$ 13,453,917	$ 16,145,346	$ 14,799,631	$ 5,949,452
38	EHR1 - IT Delivery		36	-	1,207,158	$ 2,011,849	$ 2,414,316	$ 2,213,082	$ 889,659
39	EHR1 - Payroll		36	-	6,093,583	$ 10,155,565	$ 12,187,165	$ 11,171,365	$ 4,490,889
43	US Desktop Refresh	2927	36	-	3,715,345	$ 4,953,669	$ 6,191,994	$ 5,572,832	$ 2,240,278
44	Internet Explorer Upgrade	3644	36	-	150,045	$ 200,055	$ 250,065	$ 225,060	$ 90,474
45	Mobile Device for PTO	3883	36	-	1,221,236	$ 1,628,274	$ 2,035,311	$ 1,831,793	$ 736,381
46	SMI Conversion Mobilization	3896	36	-	1,093,646	$ 1,458,158	$ 1,822,670	$ 1,640,414	$ 659,446
47	S005242 M112 Systemic Improvement		36	-	1,750,000	$ 2,333,275	$ 2,916,550	$ 2,624,912	$ 1,055,215
48	Cadency Account Reconciliation Tool		36	-	73,447	$ 97,927	$ 122,407	$ 110,167	$ 44,287
49	Soft Off Program	4024	36	-	639,242	$ 852,302	$ 1,065,361	$ 958,832	$ 385,450
51	Mobile Capture of Data Fusion	4102	36	-	790,000	$ 1,053,307	$ 1,316,614	$ 1,184,961	$ 476,354
52	Gas GIS Upgrade	2577C	36	-	600,000	$ 799,980	$ 999,960	$ 899,970	$ 361,788
53	NY Pipeline Safety CMS Regulatory Compliance	3882	36	-	1,687,000	$ 2,249,277	$ 2,811,554	$ 2,530,416	$ 1,017,227
56	Team Center Replacement or Upgrade	3958	36	-	300,000	$ 399,990	$ 499,980	$ 449,985	$ 180,894
58	Legacy VSTIG Migration and Decommission	3538	36	-	750,894	$ 750,894	$ 1,001,167	$ 876,030	$ 352,164
61	US Mobile Device Refresh	2935	36	-	2,000,000	$ 2,000,000	$ 2,666,600	$ 2,333,300	$ 937,987
64	KEDNY AMR Project - FDM Interface to CRIS	4183	36	-	178,000	$ 237,327	$ 296,655	$ 266,991	$ 107,330
65	Cross Company Customer System Enhancements	4172	36	-	4,571,500	$ 6,095,181	$ 7,618,862	$ 6,857,021	$ 2,756,523
66	New Redundant SCC	3840	36	-	450,000	$ 450,000	$ 599,985	$ 524,993	$ 211,047
75	DSNY Capitalized Equipment Installs - Physical Security	3617B	36	-	324,500	$ 324,500	$ 432,656	$ 378,578	$ 152,188
81	Field PC Refresh	2935	36	-	708,995	$ 945,303	$ 1,181,611	$ 1,063,457	$ 427,510
82	Access Violation (& Regulation) Management	3922	36	-	145,000	$ 145,000	$ 193,329	$ 169,164	$ 68,004
83	Active Directory Upgrade	4287	36	-	175,000	$ 175,000	$ 233,328	$ 204,164	$ 82,074
87	Risk Based Authentication (Cyber Security)	3863	36	-	117,540	$ 117,540	$ 156,716	$ 137,128	$ 55,125
88	Enhanced Phishing Protection (Cyber Security)	3863	36	-	60,000	$ 60,000	$ 79,998	$ 69,999	$ 28,140
91	Identity & Access Management - Role Based Access Management (Cyber Security)	3863	36	-	825,000	$ 825,000	$ 1,099,973	$ 962,486	$ 386,919
99	Enhanced DLP Gateway and Endpoint (Cyber Security)	3863	36	-	652,890	$ 652,890	$ 870,498	$ 761,694	$ 306,201
100	Cloud Security (Cyber Security)	3863	36	-	730,000	$ 730,000	$ 973,309	$ 851,655	$ 342,365
101	Situational Intelligence & Cyber Intelligence - Phase 1 (Cyber Security)	3863	36	-	50,000	$ 50,000	$ 66,665	$ 58,333	$ 23,450
109	Threat Behavior Modeling (Cyber Security)	3863	36	-	400,000	$ 400,000	$ 533,320	$ 466,660	$ 187,597

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			(x)	(y)	(z) = (x) + (y)/2			
			Cumulative Book Depreciation			(aa) = (z)* Eff Rate	(ab) = (w) - (aa)	(ac) = (ab)* Eff Rate
			12/31/2016	12/31/2017		40.2000%		9.9500%
	Investment Name	INVP #	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Book Tax	Cash to Book Tax Difference	Return on Accum Taxes
3	AMAG Upgrades	1172	$ 213,993	$ 1,069,966	$ 641,980	$ 258,076	$ 1,548,395	$ 154,065
4	US CNI DKMS	3019A	$ -	$ 0	$ 0	$ 0	$ 0	$ 0
7	CI Services Foundation	3492	$ 346,278	$ 724,036	$ 535,157	$ 215,133	$ 582,099	$ 57,919
8	US CNI Frame Relay Replacement	2495H	$ 990,208	$ 1,904,246	$ 1,447,227	$ 581,785	$ 1,775,934	$ 176,705
9	Cascade System for Gas	3629	$ 380,470	$ 706,588	$ 543,529	$ 218,499	$ 622,706	$ 61,959
10	Customer Choice ESCO Gas	3564	$ 1,031,699	$ 2,407,298	$ 1,719,499	$ 691,238	$ 2,211,866	$ 220,081
14	IAM Ph2: Federated Identity (Cyber Security)	3614A1	$ 247,419	$ 475,805	$ 361,612	$ 145,368	$ 443,744	$ 44,153
15	IAM Ph3 Identity Administration - (Cyber Security)	3614A2	$ 59,076	$ 236,305	$ 147,691	$ 59,372	$ 314,657	$ 31,308
17	CNI Network Security - (Cyber Security)	3614B7	$ 181,028	$ 724,112	$ 452,570	$ 181,933	$ 964,207	$ 95,939
18	Security Incident & Event Monitoring (SIEM) 2 - (Cyber Security)	3614E3	$ 113,564	$ 308,245	$ 210,905	$ 84,784	$ 326,077	$ 32,445
21	CNI SIEM - (Cyber Security)	3614B14	$ 52,667	$ 210,667	$ 131,667	$ 52,930	$ 280,518	$ 27,912
22	Enterprise Network Security - (Cyber Security)	3614D1	$ 283,156	$ 1,132,623	$ 707,890	$ 284,572	$ 1,508,170	$ 150,063
24	Security Operations Center - (Cyber Security)	3614E2	$ 156,631	$ 365,472	$ 261,052	$ 104,943	$ 335,802	$ 33,412
25	End user initiated secure file & email transfer - (Cyber Security)	3614C1	$ 13,029	$ 30,400	$ 21,714	$ 8,729	$ 27,932	$ 2,779
26	Security Reference Architecture - (Cyber Security)	3614G1	$ 2,895	$ 11,581	$ 7,238	$ 2,910	$ 15,421	$ 1,534
27	Cyber Security prioritised investments - (Cyber Security)	3614	$ 34,531	$ 138,123	$ 86,327	$ 34,703	$ 183,921	$ 18,300
28	NY Retail Access	3839	$ 34,195	$ 444,538	$ 239,367	$ 96,225	$ 769,774	$ 76,593
29	US Web Initiatives 2	3600B	$ 501,747	$ 1,049,107	$ 775,427	$ 311,722	$ 843,444	$ 83,923
32	DSNY Capitalized Equipment Installs - Physical Security	3617B	$ 50,893	$ 118,750	$ 84,821	$ 34,098	$ 109,110	$ 10,856
35	EHR1 - PMO		$ 1,381,799	$ 2,657,306	$ 2,019,553	$ 811,860	$ 2,478,250	$ 246,586
36	EHR1 - Supply Chain		$ 2,285,746	$ 4,395,666	$ 3,340,706	$ 1,342,964	$ 4,099,475	$ 407,898
37	EHR1 - Finance		$ 2,498,684	$ 4,805,162	$ 3,651,923	$ 1,468,073	$ 4,481,379	$ 445,897
38	EHR1 - IT Delivery		$ 373,644	$ 718,546	$ 546,095	$ 219,530	$ 670,129	$ 66,678
39	EHR1 - Payroll		$ 1,886,109	$ 3,627,133	$ 2,756,621	$ 1,108,162	$ 3,382,727	$ 336,581
43	US Desktop Refresh	2927	$ 1,548,060	$ 3,405,733	$ 2,476,897	$ 995,712	$ 1,244,566	$ 123,834
44	Internet Explorer Upgrade	3644	$ 35,725	$ 78,595	$ 57,160	$ 22,978	$ 67,496	$ 6,716
45	Mobile Device for PTO	3883	$ 203,539	$ 814,157	$ 508,848	$ 204,557	$ 531,824	$ 52,916
46	SMI Conversion Mobilization	3896	$ 156,235	$ 468,705	$ 312,470	$ 125,613	$ 533,833	$ 53,116
47	S005242 M112 Systemic Improvement		$ 2,916,667	$ 3,500,000	$ 3,208,333	$ 1,289,750	$ (234,535)	$ (23,336)
48	Cadency Account Reconciliation Tool		$ 122,412	$ 146,894	$ 134,653	$ 54,130	$ (9,843)	$ (979)
49	Soft Off Program	4024	$ 167,421	$ 350,061	$ 258,741	$ 104,014	$ 281,436	$ 28,003
51	Mobile Capture of Data Fusion	4102	$ 56,429	$ 282,143	$ 169,286	$ 68,053	$ 408,301	$ 40,626
52	Gas GIS Upgrade	2577C	$ 42,857	$ 214,286	$ 128,571	$ 51,686	$ 310,102	$ 30,855
53	NY Pipeline Safety CMS Regulatory Compliance	3882	$ 120,500	$ 602,500	$ 361,500	$ 145,323	$ 871,904	$ 86,754
56	Team Center Replacement or Upgrade	3958	$ 21,429	$ 107,143	$ 64,286	$ 25,843	$ 155,051	$ 15,428
58	Legacy VSTIG Migration and Decommission	3538	$ -	$ 71,514	$ 35,757	$ 14,374	$ 337,790	$ 33,610
61	US Mobile Device Refresh	2935	$ -	$ 750,000	$ 375,000	$ 150,750	$ 787,237	$ 78,330
64	KEDNY AMR Project - FDM Interface to CRIS	4183	$ 16,952	$ 67,810	$ 42,381	$ 17,037	$ 90,293	$ 8,984
65	Cross Company Customer System Enhancements	4172	$ 435,381	$ 1,741,524	$ 1,088,452	$ 437,558	$ 2,318,965	$ 230,737
66	New Redundant SCC	3840	$ -	$ 107,143	$ 53,571	$ 21,536	$ 189,511	$ 18,856
75	DSNY Capitalized Equipment Installs - Physical Security	3617B	$ -	$ 69,536	$ 34,768	$ 13,977	$ 138,212	$ 13,752
81	Field PC Refresh	2935	$ 236,332	$ 472,663	$ 354,498	$ 142,508	$ 285,002	$ 28,358
82	Access Violation (& Regulation) Management	3922	$ -	$ 31,071	$ 15,536	$ 6,245	$ 61,759	$ 6,145
83	Active Directory Upgrade	4287	$ -	$ 37,500	$ 18,750	$ 7,538	$ 74,536	$ 7,416
87	Risk Based Authentication (Cyber Security)	3863	$ -	$ 19,590	$ 9,795	$ 3,938	$ 51,188	$ 5,093
88	Enhanced Phishing Protection (Cyber Security)	3863	$ -	$ 7,143	$ 3,571	$ 1,436	$ 26,704	$ 2,657
91	Identity & Access Management - Role Based Access Management (Cyber Security)	3863	$ -	$ 58,929	$ 29,464	$ 11,845	$ 375,075	$ 37,320
99	Enhanced DLP Gateway and Endpoint (Cyber Security)	3863	$ -	$ 15,545	$ 7,773	$ 3,125	$ 303,076	$ 30,156
100	Cloud Security (Cyber Security)	3863	$ -	$ 139,048	$ 69,524	$ 27,949	$ 314,417	$ 31,284
101	Situational Intelligence & Cyber Intelligence - Phase 1 (Cyber Security)	3863	$ -	$ 2,381	$ 1,190	$ 479	$ 22,971	$ 2,286
109	Threat Behavior Modeling (Cyber Security)	3863	$ -	$ 95,238	$ 47,619	$ 19,143	$ 168,454	$ 16,761

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	Investment Name	INVP #	Adj. In Service Date	Adjustment	FY16 Sep - Mar 16	FY17 (16/17)	FY18 (17/18)	FY19 (18/19)	FY20 (19/20)	Total US Spend
3	AMAG Upgrades	1172			1,699,270	$594,000				$5,991,812
4	US CNI DKMS	3019A		-$249,414	-					$0
7	CI Services Foundation	3492			447,074					$2,644,306
8	US CNI Frame Relay Replacement	2495H			327,000					$6,398,268
9	Cascade System for Gas	3629								$2,282,823
10	Customer Choice ESCO Gas	3564			1,380,000	$996,000				$10,150,478
14	IAM Ph2: Federated Identity (Cyber Security)	3614A1			-	$0	$0	$0	$0	$1,598,706
15	IAM Ph3 Identity Administration - (Cyber Security)	3614A2			785,539	$454,400	$0	$0	$0	$1,240,600
17	CNI Network Security - (Cyber Security)	3614B7			2,873,025	$372,062	$0	$0	$0	$3,801,588
18	Security Incident & Event Monitoring (SIEM) 2 - (Cyber Security)	3614E3			1,154,642	$63,820	$0	$0	$0	$1,362,769
21	CNI SIEM - (Cyber Security)	3614B14			1,106,000	$0	$0	$0	$0	$1,106,000
22	Enterprise Network Security - (Cyber Security)	3614D1			2,269,431	$676,037				$5,946,273
24	Security Operations Center - (Cyber Security)	3614E2			1,434,072	$0	$0	$0	$0	$1,461,890
25	End user initiated secure file & email transfer - (Cyber Security)	3614C1			112,000	$9,600				$121,600
26	Security Reference Architecture - (Cyber Security)	3614G1			59,200	$1,600				$60,800
27	Cyber Security prioritised investments - (Cyber Security)	3614			-	$725,146				$725,146
28	NY Retail Access	3839			783,736					$2,872,399
29	US Web Initiatives 2	3600B			429,000					$3,831,522
32	DSNY Capitalized Equipment Installs - Physical Security	3617B			475,000					$475,000
35	EHR1 - PMO				2,710,000					$8,928,548
36	EHR1 - Supply Chain				4,430,000					$14,769,439
37	EHR1 - Finance				580,000					$16,145,346
38	EHR1 - IT Delivery									$2,414,316
39	EHR1 - Payroll				1,250,000					$12,187,165
43	US Desktop Refresh	2927			1,617,158					$7,430,690
44	Internet Explorer Upgrade	3644			163,029					$300,090
45	Mobile Device for PTO	3883			1,900,000	$300,000				$2,442,471
46	SMI Conversion Mobilization	3896			1,464,637	$320,000				$2,187,292
47	S005242 M112 Systemic Improvement				2,656,365					$3,500,000
48	Cadency Account Reconciliation Tool									$146,894
49	Soft Off Program	4024			442,000					$1,278,485
51	Mobile Capture of Data Fusion	4102			1,080,000	$500,000				$1,580,000
52	Gas GIS Upgrade	2577C			600,000	$600,000				$1,200,000
53	NY Pipeline Safety CMS Regulatory Compliance	3882			1,874,000	$1,500,000				$3,374,000
56	Team Center Replacement or Upgrade	3958			450,000	$150,000				$600,000
58	Legacy VSTIG Migration and Decommission	3538	Dec-14		1,451,788	$50,000	$50,000			$1,551,788
61	US Mobile Device Refresh	2935				$4,000,000				$4,000,000
64	KEDNY AMR Project - FDM Interface to CRIS	4183			197,000	$159,000				$356,000
65	Cross Company Customer System Enhancements	4172			8,723,000	$420,000				$9,143,000
66	New Redundant SCC	3840			350,000	$550,000				$900,000
75	DSNY Capitalized Equipment Installs - Physical Security	3617B				$649,000				$649,000
81	Field PC Refresh	2935			1,262,920					$1,417,990
82	Access Violation (& Regulation) Management	3922				$290,000				$290,000
83	Active Directory Upgrade	4287				$350,000				$350,000
87	Risk Based Authentication (Cyber Security)	3863				$235,080				$235,080
88	Enhanced Phishing Protection (Cyber Security)	3863				$120,000				$120,000
91	Identity & Access Management - Role Based Access Management (Cyber Security)	3863				$1,650,000				$1,650,000
99	Enhanced DLP Gateway and Endpoint (Cyber Security)	3863				$1,305,780	$932,700			$2,238,480
100	Cloud Security (Cyber Security)	3863				$1,460,000				$1,460,000
101	Situational Intelligence & Cyber Intelligence - Phase 1 (Cyber Security)	3863				$100,000				$100,000
109	Threat Behavior Modeling (Cyber Security)	3863				$800,000				$800,000

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			(a)	(b)	(c)	(d) = (a)+(c)	(e)	(f)	(g)	(h)	(i) = (g+h)/2
									12/31/2016	12/31/2017	
	Investment Name	**INVP #**	**Inception to Date $**	**Bill Pool**	**Adjustments**	**Total US Spend**	**In Service Date**	**Amortization Period**	**12/31/2016 Balance**	**12/31/2017 Balance**	**Average Balance**
117	Mobility - Mobile Device Management (MDM) System	3430		G020		$100,000	3/1/2017	84	$ -	$ 88,095	$ 44,048
119	RAS Re-Platform/Mobile	4269		G020		$400,000	4/1/2017	84	$ -	$ 357,143	$ 178,571
124	US Network Improvements	4289		G020		$350,000	4/1/2017	84	$ -	$ 312,500	$ 156,250
126	VSTIG Hardware Refresh	4274		G020		$300,000	4/1/2017	84	$ -	$ 267,857	$ 133,929
127	VSTIG upgrade Phase 2	4280		G020		$2,600,000	4/1/2017	84	$ -	$ 2,321,429	$ 1,160,714
128	VSTIG upgrade Phase 3	4266		G020		$1,300,000	4/1/2017	84	$ -	$ 1,160,714	$ 580,357
129	Wireless Network Expansion	3425		G020		$1,600,000	6/1/2017	84	$ -	$ 1,466,667	$ 733,333
130	Mandated Customer Systems Projects - FY16	4094		C173		$828,000	4/1/2016	84	$ 739,286	$ 621,000	$ 680,143
131	Mandated Customer Systems Projects - FY17	4207		C173		$4,000,000	4/1/2017	84	$ -	$ 3,571,429	$ 1,785,714
141	Distributed Generation Application Tracking	3941		C173		$600,000	12/1/2016	84	$ 592,857	$ 507,143	$ 550,000
143	Mandated Customer Choice Systems Projects	4186		C173		$3,100,000	4/1/2017	84	$ -	$ 2,767,857	$ 1,383,929
149	US SAP: Business Planning Consolidation - HANA	4217		G020		$3,500,000	4/1/2017	84	$ -	$ 3,125,000	$ 1,562,500
155	New Medical System	3718		G020		$800,000	10/31/2017	84	$ -	$ 780,952	$ 390,476
162	Ageing System Stabization/Upgrades/Replacements	4188		G020		$1,500,000	3/31/2017	84	$ -	$ 1,339,286	$ 669,643
166	Document Management System Replacement	3985		G020		$4,040,000	5/31/2017	84	$ -	$ 3,703,333	$ 1,851,667
181	US Control-Electroinic Bulletin Board Gas Trading Day Changes	4244		G210		$2,200,000	3/31/2016	84	$ 1,964,286	$ 1,650,000	$ 1,807,143
	Subtotal		**$ 188,734,505**		**$ (946,189)**	**$ 327,804,227**			**$ 200,629,413**	**$ 202,459,155**	**$ 201,544,284**

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			(j)	(k) = (i)*(j)	(l) = (-ac)	(m) = (k) + (l)	(n)	(o)	(p) = (m)* (n)	(q) = (n)* (o)
			9.9500%					5220G		
	Investment Name	**INVP #**	**Service Co Return**	**Rate Year Return**	**RY Return on Accum Taxes**	**Total Return**	**Rate Year Amortization**	**KEDNY Allocation**	**KEDNY Rate Year Rent-Return**	**KEDNY Rate Year Rent - Depn**
117	Mobility - Mobile Device Management (MDM) System	3430	9.9500%	$ 4,383	$ (2,095)	$ 2,288	11,905	11.50%	$ 263	$ 1,369
119	RAS Re-Platform/Mobile	4269	9.9500%	$ 17,768	$ (8,476)	$ 9,292	42,857	11.50%	$ 1,069	$ 4,929
124	US Network Improvements	4289	9.9500%	$ 15,547	$ (7,416)	$ 8,131	37,500	11.50%	$ 935	$ 4,313
126	VSTIG Hardware Refresh	4274	9.9500%	$ 13,326	$ (6,357)	$ 6,969	32,143	11.50%	$ 801	$ 3,696
127	VSTIG upgrade Phase 2	4280	9.9500%	$ 115,491	$ (55,093)	$ 60,398	278,571	11.50%	$ 6,946	$ 32,036
128	VSTIG upgrade Phase 3	4266	9.9500%	$ 57,746	$ (27,546)	$ 30,199	139,286	11.50%	$ 3,473	$ 16,018
129	Wireless Network Expansion	3425	9.9500%	$ 72,967	$ (34,665)	$ 38,301	133,333	11.50%	$ 4,405	$ 15,333
130	Mandated Customer Systems Projects - FY16	4094	9.9500%	$ 67,674	$ (18,924)	$ 48,750	118,286	17.92%	$ 8,736	$ 21,197
131	Mandated Customer Systems Projects - FY17	4207	9.9500%	$ 177,679	$ (84,758)	$ 92,920	428,571	17.92%	$ 16,651	$ 76,800
141	Distributed Generation Application Tracking	3941	9.9500%	$ 54,725	$ (15,999)	$ 38,726	85,714	17.92%	$ 6,940	$ 15,360
143	Mandated Customer Choice Systems Projects	4186	9.9500%	$ 137,701	$ (65,688)	$ 72,013	332,143	17.92%	$ 12,905	$ 59,520
149	US SAP: Business Planning Consolidation - HANA	4217	9.9500%	$ 155,469	$ (74,164)	$ 81,305	375,000	11.50%	$ 9,350	$ 43,125
155	New Medical System	3718	9.9500%	$ 38,852	$ (18,285)	$ 20,567	19,048	11.50%	$ 2,365	$ 2,190
162	Ageing System Stabization/Upgrades/Replacements	4188	9.9500%	$ 66,629	$ (31,784)	$ 34,845	160,714	11.50%	$ 4,007	$ 18,482
166	Document Management System Replacement	3985	9.9500%	$ 184,241	$ (87,530)	$ 96,711	336,667	11.50%	$ 11,122	$ 38,717
181	US Control-Electroinic Bulletin Board Gas Trading Day Changes	4244	9.9500%	$ 179,811	$ (50,282)	$ 129,528	314,286	30.66%	$ 39,713	$ 96,360
	Subtotal			**$ 20,053,656**	**$ (6,382,909)**	**$ 13,670,747**	**$ 38,604,334**		**$ 1,641,233**	**$ 4,576,592**
									$ 6,217,825	**Rate Year IS Projects**

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			(r)	(s)		(t)	(u)		
				Cumulative Tax Depreciation				(v) = (t) + (u)/2	(w) = (v)*Eff Rate
						12/31/2016	12/31/2017		40.2000%
	Investment Name	INVP #	Amortization Period	Tax Expensing	Bonus Depreciation	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Cash Tax
117	Mobility - Mobile Device Management (MDM) System	3430	36	-	50,000	$ 50,000	$ 66,665	$ 58,333	$ 23,450
119	RAS Re-Platform/Mobile	4269	36	-	200,000	$ 200,000	$ 266,660	$ 233,330	$ 93,799
124	US Network Improvements	4289	36	-	175,000	$ 175,000	$ 233,328	$ 204,164	$ 82,074
126	VSTIG Hardware Refresh	4274	36	-	150,000	$ 150,000	$ 199,995	$ 174,998	$ 70,349
127	VSTIG upgrade Phase 2	4280	36	-	1,300,000	$ 1,300,000	$ 1,733,290	$ 1,516,645	$ 609,691
128	VSTIG upgrade Phase 3	4266	36	-	650,000	$ 650,000	$ 866,645	$ 758,323	$ 304,846
129	Wireless Network Expansion	3425	36	-	800,000	$ 800,000	$ 1,066,640	$ 933,320	$ 375,195
130	Mandated Customer Systems Projects - FY16	4094	36	-	414,000	$ 551,986	$ 689,972	$ 620,979	$ 249,634
131	Mandated Customer Systems Projects - FY17	4207	36	-	2,000,000	$ 2,000,000	$ 2,666,600	$ 2,333,300	$ 937,987
141	Distributed Generation Application Tracking	3941	36	-	300,000	$ 399,990	$ 499,980	$ 449,985	$ 180,894
143	Mandated Customer Choice Systems Projects	4186	36	-	1,550,000	$ 1,550,000	$ 2,066,615	$ 1,808,308	$ 726,940
149	US SAP: Business Planning Consolidation - HANA	4217	36	-	1,750,000	$ 1,750,000	$ 2,333,275	$ 2,041,638	$ 820,738
155	New Medical System	3718	36	-	400,000	$ 400,000	$ 533,320	$ 466,660	$ 187,597
162	Ageing System Stabization/Upgrades/Replacements	4188	36	-	750,000	$ 750,000	$ 999,975	$ 874,988	$ 351,745
166	Document Management System Replacement	3985	36	-	2,020,000	$ 2,020,000	$ 2,693,266	$ 2,356,633	$ 947,366
181	US Control-Electroinic Bulletin Board Gas Trading Day Changes	4244	36	-	1,100,000	$ 1,466,630	$ 1,833,260	$ 1,649,945	$ 663,278
	Subtotal			**$ -**	**$ 136,428,012**	**$ 187,990,263**	**$ 233,352,577**	**$ 210,671,420**	**$ 84,689,911**

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			(x)	(y)	(z) = (x) + (y)/2			
			Cumulative Book Depreciation			(aa) = (z)* Eff Rate	(ab) = (w) - (aa)	(ac) = (ab)* Eff Rate
			12/31/2016	12/31/2017		40.2000%		9.9500%
	Investment Name	INVP #	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Book Tax	Cash to Book Tax Difference	Return on Accum Taxes
117	Mobility - Mobile Device Management (MDM) System	3430	$ -	$ 11,905	$ 5,952	$ 2,393	$ 21,057	$ 2,095
119	RAS Re-Platform/Mobile	4269	$ -	$ 42,857	$ 21,429	$ 8,614	$ 85,184	$ 8,476
124	US Network Improvements	4289	$ -	$ 37,500	$ 18,750	$ 7,538	$ 74,536	$ 7,416
126	VSTIG Hardware Refresh	4274	$ -	$ 32,143	$ 16,071	$ 6,461	$ 63,888	$ 6,357
127	VSTIG upgrade Phase 2	4280	$ -	$ 278,571	$ 139,286	$ 55,993	$ 553,698	$ 55,093
128	VSTIG upgrade Phase 3	4266	$ -	$ 139,286	$ 69,643	$ 27,996	$ 276,849	$ 27,546
129	Wireless Network Expansion	3425	$ -	$ 133,333	$ 66,667	$ 26,800	$ 348,395	$ 34,665
130	Mandated Customer Systems Projects - FY16	4094	$ 88,714	$ 207,000	$ 147,857	$ 59,439	$ 190,195	$ 18,924
131	Mandated Customer Systems Projects - FY17	4207	$ -	$ 428,571	$ 214,286	$ 86,143	$ 851,844	$ 84,758
141	Distributed Generation Application Tracking	3941	$ 7,143	$ 92,857	$ 50,000	$ 20,100	$ 160,794	$ 15,999
143	Mandated Customer Choice Systems Projects	4186	$ -	$ 332,143	$ 166,071	$ 66,761	$ 660,179	$ 65,688
149	US SAP: Business Planning Consolidation - HANA	4217	$ -	$ 375,000	$ 187,500	$ 75,375	$ 745,363	$ 74,164
155	New Medical System	3718	$ -	$ 19,048	$ 9,524	$ 3,829	$ 183,769	$ 18,285
162	Ageing System Stabization/Upgrades/Replacements	4188	$ -	$ 160,714	$ 80,357	$ 32,304	$ 319,441	$ 31,784
166	Document Management System Replacement	3985	$ -	$ 336,667	$ 168,333	$ 67,670	$ 879,696	$ 87,530
181	US Control-Electroinic Bulletin Board Gas Trading Day Changes	4244	$ 235,714	$ 550,000	$ 392,857	$ 157,929	$ 505,349	$ 50,282
	Subtotal		**$ 31,792,535**	**$ 70,396,869**	**$ 51,094,702**	**$ 20,540,070**	**$ 64,149,840**	**$ 6,382,909**

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	Investment Name	INVP #	Adj. In Service Date	Adjustment	FY16 Sep - Mar 16	FY17 (16/17)	FY18 (17/18)	FY19 (18/19)	FY20 (19/20)	Total US Spend
117	Mobility - Mobile Device Management (MDM) System	3430				$100,000				$100,000
119	RAS Re-Platform/Mobile	4269				$400,000				$400,000
124	US Network Improvements	4289				$350,000				$350,000
126	VSTIG Hardware Refresh	4274				$300,000				$300,000
127	VSTIG upgrade Phase 2	4280				$2,600,000				$2,600,000
128	VSTIG upgrade Phase 3	4266				$1,300,000				$1,300,000
129	Wireless Network Expansion	3425				$1,600,000				$1,600,000
130	Mandated Customer Systems Projects - FY16	4094			828,000					$828,000
131	Mandated Customer Systems Projects - FY17	4207				$4,000,000				$4,000,000
141	Distributed Generation Application Tracking	3941				$600,000				$600,000
143	Mandated Customer Choice Systems Projects	4186				$3,100,000				$3,100,000
149	US SAP: Business Planning Consolidation - HANA	4217				$3,500,000				$3,500,000
155	New Medical System	3718				$800,000	$300,000			$1,100,000
162	Ageing System Stabization/Upgrades/Replacements	4188				$1,500,000				$1,500,000
166	Document Management System Replacement	3985				$4,040,000				$4,040,000
181	US Control-Electroinic Bulletin Board Gas Trading Day Changes	4244			2,200,000					$2,200,000
	Subtotal		**$ 84,038**	**$ (424,904)**	**68,925,998**	**$ 71,089,913**	**$ 66,639,626**	**$ 81,959,926**	**$ 98,435,544**	**$ 575,360,608**

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			(a)	(b)	(c)	(d) = (a)+(c)	(e)	(f)	(g)	(h)	(i) = (g+h)/2
									12/31/2016	12/31/2017	
	Investment Name	**INVP #**	**Inception to Date $**	**Bill Pool**	**Adjustments**	**Total US Spend**	**In Service Date**	**Amortization Period**	**12/31/2016 Balance**	**12/31/2017 Balance**	**Average Balance**
1	CDH Acct Initiation		$516,140	G012		$516,140	3/1/2012	84	$159,758	$86,023	$122,891
2	CM-NEW02-Simp Order Proc		$7,803	G198		$7,803	2/1/2014	84	$4,552	$3,437	$3,994
3	CNI Transformation		$114,360	G012		$114,360	3/1/2014	120	$81,958	$70,522	$76,240
4	Combine Meter Reading Routes		$364,462	G285		$364,462	5/1/2011	84	$69,421	$17,355	$43,388
5	Contact Centers Call Recording		$361,473	G012		$361,473	3/1/2010	84	$8,606	$0	$4,303
6	CSS Consolidation		$28,900,771	C284		$28,900,771	9/1/2010	87	$3,654,120	$0	$1,827,060
7	Data Center Rationalization		$793,491	GT03		$793,491	3/1/2012	84	$245,604	$132,248	$188,926
8	DECUS05-Autom for Mng Req		$1,914,655	G198		$1,914,655	10/1/2011	84	$478,664	$205,142	$341,903
9	Desktop (email, AD & SharePoint)		$1,258,446	GT03		$1,258,446	3/1/2012	84	$389,519	$209,741	$299,630
10	Desktop (refresh)		$950,271	G012		$950,271	3/1/2012	84	$294,131	$158,378	$226,255
11	EDOT-Customer Management-CM-NEW03		$208,231	G198		$208,231	11/1/2013	84	$114,031	$84,284	$99,157
12	EMS - IN N/A NE & NY EMS NERC-CEMS - IP Auth MW		$64,286	U273		$64,286	3/1/2014	84	$38,266	$29,082	$33,674
13	EMS - IN1043 NE EMS Replacement		$27,313,654	U273		$27,313,654	4/22/2015	84	$20,810,403	$16,908,452	$18,859,428
14	EMS - INVP N/A- NE EMS TSS		$255,055	U273		$255,055	3/1/2014	84	$151,819	$115,382	$133,600
15	GIS		$4,345,552	G198		$4,345,552	6/1/2012	84	$1,500,250	$879,457	$1,189,853
16	GIS		$309,785	G198		$309,785	7/1/2014	84	$199,148	$154,893	$177,020
17	GIS		$2,882,206	G429		$2,882,206	1/1/2015	84	$2,058,719	$1,646,975	$1,852,847
18	Global Web Implementation		$4,281,380	G012		$4,281,380	11/1/2013	120	$2,925,610	$2,497,472	$2,711,541
19	IN0309-SCM-ENGAGE VENDOR		$312,721	GT03		$312,721	3/1/2011	84	$52,120	$7,446	$29,783
20	IN0823 Security Enhance Project		$313,244	GT03		$313,244	9/1/2011	84	$74,582	$29,833	$52,207
21	IN0980E - FiServ Solutions		$453,167	G179		$453,167	3/1/2012	84	$140,266	$75,528	$107,897
22	IN1242D-ISP-Integrated Strat Plan		$360,244	G198		$360,244	12/1/2010	84	$47,175	$0	$23,587
23	IN1482--ACIS Target Pricing Model		$569,716	G198		$569,716	6/1/2012	84	$196,688	$115,300	$155,994
24	IN1488-Remote Access to Fault REC		$247,958	G220		$247,958	9/1/2012	84	$94,460	$59,038	$76,749
25	IN1588-21st Cent. FOR SYRACUSE/NORTHBORO		$273,401	G012		$273,401	9/1/2010	84	$26,038	$0	$13,019
26	IN1642--Radio Standardization Cons		$3,046,691	G012		$3,046,691	7/1/2014	120	$2,285,018	$1,980,349	$2,132,684
27	IN1642--Radio Standardization Cons		$130,644	G012		$130,644	10/1/2014	120	$101,249	$88,185	$94,717
28	IN1671-US Transaction DEL HUB		$526,002	G012		$526,002	8/1/2012	84	$194,120	$118,977	$156,548
29	IN2172-IDS Reporting & Analysis		$710,520	G198		$710,520	11/1/2013	84	$389,094	$287,591	$338,343
30	IN2330 ETRM Repl Nucleus-Elec Bene		$579,164	G194		$579,164	10/1/2012	84	$227,529	$144,791	$186,160
31	IN2960B CRM SAAS IMPLEMEN		$1,117,121	G175		$1,117,121	10/1/2013	120	$754,057	$642,345	$698,201
32	IN3124B GLOBAL HR STRATEGY		$1,752,217	G012		$1,752,217	4/1/2015	120	$1,445,579	$1,270,358	$1,357,968
33	INN/A-NERC CIP Compliance		$1,155,595	G186		$1,155,595	7/1/2010	84	$82,543	$0	$41,271
34	Inspect System Resources/Hard/Softw		$26,246	G160		$26,246	2/1/2014	84	$15,310	$11,561	$13,436
35	INVP 0887		$258,131	G077		$258,131	3/1/2014	84	$153,649	$116,774	$135,211
36	INVP N/A-Talent Management		$208,232	G012		$208,232	3/1/2011	84	$34,705	$4,958	$19,832
37	INVP0823 DATA LOSS PREVENTION		$312,017	G012		$312,017	3/1/2015	120	$254,814	$223,612	$239,213
38	INVP0823 DATA LOSS PREVENTION		$312,017	G012		$312,017	3/1/2015	120	$254,814	$223,612	$239,213
39	INVP0823c Laptop & Port Device Info		$1,180,029	G012		$1,180,029	3/1/2015	120	$963,690	$845,687	$904,689
40	INVP0823c Laptop & Port Device Info		$1,363,055	G012		$1,363,055	3/1/2015	120	$1,113,162	$976,856	$1,045,009
41	INVP0845		$464,135	G012		$464,135	9/1/2010	84	$44,203	$0	$22,102
42	INVP1224		$601,562	G220		$601,562	10/1/2011	84	$150,391	$64,453	$107,422
43	INVP1242 - DECUS05		$253,998	G198		$253,998	10/1/2011	84	$63,500	$27,214	$45,357
44	INVP1242 - WCOR01		$3,750	G198		$3,750	3/1/2014	84	$2,232	$1,696	$1,964
45	INVP1242TB - KPI Metrics		$622,592	G198		$622,592	10/1/2011	84	$155,648	$66,706	$111,177
46	INVP1356A US Retail Web Customer &		$6,726,634	G179		$6,726,634	11/1/2013	84	$3,683,633	$2,722,685	$3,203,159
47	INVP1389 US Computing Minor Works		$267,594	G012		$267,594	11/1/2013	120	$182,856	$156,096	$169,476
48	INVP1391		$523,093	G077		$523,093	9/1/2011	84	$124,546	$49,818	$87,182
49	INVP1401		$527,701	G012		$527,701	9/1/2010	84	$50,257	$0	$25,129
50	INVP1485 Computapole		$28,705	G186		$28,705	3/1/2015	84	$21,187	$17,086	$19,137
51	INVP1485 Computapole Migration W7		$845,398	G186		$845,398	7/1/2014	84	$543,470	$422,699	$483,085

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			(j)	(k) = (i)*(j)	(l) = (-ac)	(m) = (k) + (l)	(n)	(o)	(p) = (m)* (n)	(q) = (n)* (o)
			9.9500%					5220G		
	Investment Name	INVP #	Service Co Return	Rate Year Return	RY Return on Accum Taxes	Total Return	Rate Year Amortization	KEDNY Allocation	KEDNY Rate Year Rent-Return	KEDNY Rate Year Rent - Depn
1	CDH Acct Initiation		9.9500%	$12,228	($4,915)	$7,312	$73,734	11.50%	$ 841	$ 8,479
2	CM-NEW02-Simp Order Proc		9.9500%	$397	($160)	$238	$1,115	0.00%	$ -	$ -
3	CNI Transformation		9.9500%	$7,586	($3,050)	$4,536	$11,436	11.50%	$ 522	$ 1,315
4	Combine Meter Reading Routes		9.9500%	$4,317	($1,735)	$2,582	$52,066	0.00%	$ -	$ -
5	Contact Centers Call Recording		9.9500%	$428	($172)	$256	$8,606	11.50%	$ 29	$ 990
6	CSS Consolidation		9.9500%	$181,792	($73,081)	$108,712	$3,654,120	0.00%	$ -	$ -
7	Data Center Rationalization		9.9500%	$18,798	($7,557)	$11,241	$113,356	10.01%	$ 1,125	$ 11,347
8	DECUS05-Autom for Mng Req		9.9500%	$34,019	($13,676)	$20,344	$273,522	0.00%	$ -	$ -
9	Desktop (email, AD & SharePoint)		9.9500%	$29,813	($11,985)	$17,828	$179,778	10.01%	$ 1,785	$ 17,996
10	Desktop (refresh)		9.9500%	$22,512	($9,050)	$13,462	$135,753	11.50%	$ 1,548	$ 15,612
11	EDOT-Customer Management-CM-NEW03		9.9500%	$9,866	($3,966)	$5,900	$29,747	0.00%	$ -	$ -
12	EMS - IN N/A NE & NY EMS NERC-CEMS - IP Auth MW		9.9500%	$3,351	($1,347)	$2,004	$9,184	0.00%	$ -	$ -
13	EMS - IN1043 NE EMS Replacement		9.9500%	$1,876,513	($742,856)	$1,133,657	$3,901,951	0.00%	$ -	$ -
14	EMS - INVP N/A- NE EMS TSS		9.9500%	$13,293	($5,344)	$7,949	$36,436	0.00%	$ -	$ -
15	GIS		9.9500%	$118,390	($47,593)	$70,797	$620,793	0.00%	$ -	$ -
16	GIS		9.9500%	$17,614	($7,081)	$10,533	$44,255	0.00%	$ -	$ -
17	GIS		9.9500%	$184,358	($64,503)	$119,855	$411,744	12.15%	$ 14,562	$ 50,027
18	Global Web Implementation		9.9500%	$269,798	($108,459)	$161,339	$428,138	11.50%	$ 18,554	$ 49,236
19	IN0309-SCM-ENGAGE VENDOR		9.9500%	$2,963	($1,191)	$1,772	$44,674	10.01%	$ 177	$ 4,472
20	IN0823 Security Enhance Project		9.9500%	$5,195	($2,088)	$3,106	$44,749	10.01%	$ 311	$ 4,479
21	IN0980E - FiServ Solutions		9.9500%	$10,736	($4,316)	$6,420	$64,738	0.00%	$ -	$ -
22	IN1242D-ISP-Integrated Strat Plan		9.9500%	$2,347	($943)	$1,403	$47,175	0.00%	$ -	$ -
23	IN1482--ACIS Target Pricing Model		9.9500%	$15,521	($6,240)	$9,282	$81,388	0.00%	$ -	$ -
24	IN1488-Remote Access to Fault REC		9.9500%	$7,637	($3,070)	$4,567	$35,423	0.00%	$ -	$ -
25	IN1588-21st Cent. FOR SYRACUSE/NORTHBORO		9.9500%	$1,295	($521)	$775	$26,038	11.50%	$ 89	$ 2,994
26	IN1642--Radio Standardization Cons		9.9500%	$212,202	($85,305)	$126,897	$304,669	11.50%	$ 14,593	$ 35,037
27	IN1642--Radio Standardization Cons		9.9500%	$9,424	($3,789)	$5,636	$13,064	11.50%	$ 648	$ 1,502
28	IN1671-US Transaction DEL HUB		9.9500%	$15,577	($6,262)	$9,315	$75,143	11.50%	$ 1,071	$ 8,641
29	IN2172-IDS Reporting & Analysis		9.9500%	$33,665	($13,533)	$20,132	$101,503	0.00%	$ -	$ -
30	IN2330 ETRM Repl Nucleus-Elec Bene		9.9500%	$18,523	($7,446)	$11,077	$82,738	0.00%	$ -	$ -
31	IN2960B CRM SAAS IMPLEMEN		9.9500%	$69,471	($27,927)	$41,544	$111,712	13.92%	$ 5,783	$ 15,550
32	IN3124B GLOBAL HR STRATEGY		9.9500%	$135,118	($54,317)	$80,800	$175,222	11.50%	$ 9,292	$ 20,150
33	INN/A-NERC CIP Compliance		9.9500%	$4,106	($1,651)	$2,456	$82,543	0.00%	$ -	$ -
34	Inspect System Resources/Hard/Softw		9.9500%	$1,337	($537)	$799	$3,749	0.00%	$ -	$ -
35	INVP 0887		9.9500%	$13,454	($5,408)	$8,045	$36,876	0.00%	$ -	$ -
36	INVP N/A-Talent Management		9.9500%	$1,973	($793)	$1,180	$29,747	11.50%	$ 136	$ 3,421
37	INVP0823 DATA LOSS PREVENTION		9.9500%	$23,802	($8,528)	$15,274	$31,202	11.50%	$ 1,756	$ 3,588
38	INVP0823 DATA LOSS PREVENTION		9.9500%	$23,802	($8,528)	$15,274	$31,202	11.50%	$ 1,756	$ 3,588
39	INVP0823c Laptop & Port Device Info		9.9500%	$90,017	($32,253)	$57,764	$118,003	11.50%	$ 6,643	$ 13,570
40	INVP0823c Laptop & Port Device Info		9.9500%	$103,978	($37,255)	$66,723	$136,306	11.50%	$ 7,673	$ 15,675
41	INVP0845		9.9500%	$2,199	($884)	$1,315	$44,203	11.50%	$ 151	$ 5,083
42	INVP1224		9.9500%	$10,688	($4,297)	$6,392	$85,937	0.00%	$ -	$ -
43	INVP1242 - DECUS05		9.9500%	$4,513	($1,814)	$2,699	$36,285	0.00%	$ -	$ -
44	INVP1242 - WCOR01		9.9500%	$195	($79)	$117	$536	0.00%	$ -	$ -
45	INVP1242TB - KPI Metrics		9.9500%	$11,062	($4,447)	$6,615	$88,942	0.00%	$ -	$ -
46	INVP1356A US Retail Web Customer &		9.9500%	$318,714	($128,123)	$190,591	$960,948	0.00%	$ -	$ -
47	INVP1389 US Computing Minor Works		9.9500%	$16,863	($6,779)	$10,084	$26,759	11.50%	$ 1,160	$ 3,077
48	INVP1391		9.9500%	$8,675	($3,487)	$5,187	$74,728	0.00%	$ -	$ -
49	INVP1401		9.9500%	$2,500	($1,005)	$1,495	$50,257	11.50%	$ 172	$ 5,780
50	INVP1485 Computapole		9.9500%	$1,904	($670)	$1,234	$4,101	0.00%	$ -	$ -
51	INVP1485 Computapole Migration W7		9.9500%	$48,067	($19,323)	$28,744	$120,771	0.00%	$ -	$ -

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			(r)	(s)		(t)	(u)		(v) = (t) + (u)/2	(w) = (v)*Eff Rate
				Cumulative Tax Depreciation						
						12/31/2016	12/31/2017			40.2000%
	Investment Name	INVP #	Amortization Period	Tax Expensing	Bonus Depreciation	12/31/2016 Balance	12/31/2017 Balance		Average Balance	Cash Tax
1	CDH Acct Initiation		36		258,070	$ 516,140	$ 516,140		$ 516,140	$207,488
2	CM-NEW02-Simp Order Proc		36		3,901	$ 7,803	$ 7,803		$ 7,803	$3,137
3	CNI Transformation		36		57,180	$ 114,360	$ 114,360		$ 114,360	$45,973
4	Combine Meter Reading Routes		36		364,462	$ 364,462	$ 364,462		$ 364,462	$146,514
5	Contact Centers Call Recording		36		180,736	$ 361,473	$ 361,473		$ 361,473	$145,312
6	CSS Consolidation		36	28,900,771	-	$ 28,900,771	$ 28,900,771		$ 28,900,771	$11,618,110
7	Data Center Rationalization		36		396,745	$ 793,491	$ 793,491		$ 793,491	$318,983
8	DECUS05-Autom for Mng Req		36	546,007	1,368,648	$ 1,914,655	$ 1,914,655		$ 1,914,655	$769,692
9	Desktop (email, AD & SharePoint)		36	772,466	242,990	$ 1,258,446	$ 1,258,446		$ 1,258,446	$505,895
10	Desktop (refresh)		36		475,135	$ 950,271	$ 950,271		$ 950,271	$382,009
11	EDOT-Customer Management-CM-NEW03		36		104,115	$ 208,231	$ 208,231		$ 208,231	$83,709
12	EMS - IN N/A NE & NY EMS NERC-CEMS - IP Auth MW		36		32,143	$ 64,286	$ 64,286		$ 64,286	$25,843
13	EMS - IN1043 NE EMS Replacement		36	23,863,614	1,725,020	$ 26,738,532	$ 27,313,654		$ 27,026,093	$10,864,489
14	EMS - INVP N/A- NE EMS TSS		36		127,528	$ 255,055	$ 255,055		$ 255,055	$102,532
15	GIS		36	3,330,245	507,653	$ 4,345,552	$ 4,345,552		$ 4,345,552	$1,746,912
16	GIS		36		154,893	$ 309,785	$ 309,785		$ 309,785	$124,534
17	GIS		36		1,441,103	$ 2,401,743	$ 2,882,206		$ 2,641,974	$1,062,074
18	Global Web Implementation		36	122,333	2,079,524	$ 4,281,380	$ 4,281,380		$ 4,281,380	$1,721,115
19	IN0309-SCM-ENGAGE VENDOR		36		312,721	$ 312,721	$ 312,721		$ 312,721	$125,714
20	IN0823 Security Enhance Project		36		313,244	$ 313,244	$ 313,244		$ 313,244	$125,924
21	IN0980E - FiServ Solutions		36		226,583	$ 453,167	$ 453,167		$ 453,167	$182,173
22	IN1242D-ISP-Integrated Strat Plan		36		180,122	$ 360,244	$ 360,244		$ 360,244	$144,818
23	IN1482--ACIS Target Pricing Model		36		284,858	$ 569,716	$ 569,716		$ 569,716	$229,026
24	IN1488-Remote Access to Fault REC		36		123,979	$ 247,958	$ 247,958		$ 247,958	$99,679
25	IN1588-21st Cent. FOR SYRACUSE/NORTHBORO		36		136,700	$ 273,401	$ 273,401		$ 273,401	$109,907
26	IN1642--Radio Standardization Cons		36	3,046,691	-	$ 3,046,691	$ 3,046,691		$ 3,046,691	$1,224,770
27	IN1642--Radio Standardization Cons		36		65,322	$ 130,644	$ 130,644		$ 130,644	$52,519
28	IN1671-US Transaction DEL HUB		36		263,001	$ 526,002	$ 526,002		$ 526,002	$211,453
29	IN2172-IDS Reporting & Analysis		36		355,260	$ 710,520	$ 710,520		$ 710,520	$285,629
30	IN2330 ETRM Repl Nucleus-Elec Bene		36		289,582	$ 579,164	$ 579,164		$ 579,164	$232,824
31	IN2960B CRM SAAS IMPLEMEN		36		558,560	$ 1,117,121	$ 1,117,121		$ 1,117,121	$449,083
32	IN3124B GLOBAL HR STRATEGY		36	1,752,217	-	$ 1,752,217	$ 1,752,217		$ 1,752,217	$704,391
33	INN/A-NERC CIP Compliance		36		577,798	$ 1,155,595	$ 1,155,595		$ 1,155,595	$464,549
34	Inspect System Resources/Hard/Softw		36		13,123	$ 26,246	$ 26,246		$ 26,246	$10,551
35	INVP 0887		36		129,065	$ 258,131	$ 258,131		$ 258,131	$103,769
36	INVP N/A-Talent Management		36	208,232	0	$ 208,232	$ 208,232		$ 208,232	$83,709
37	INVP0823 DATA LOSS PREVENTION		36		156,008	$ 260,003	$ 312,017		$ 286,010	$114,976
38	INVP0823 DATA LOSS PREVENTION		36		156,008	$ 260,003	$ 312,017		$ 286,010	$114,976
39	INVP0823c Laptop & Port Device Info		36		590,014	$ 983,318	$ 1,180,029		$ 1,081,674	$434,833
40	INVP0823c Laptop & Port Device Info		36		681,528	$ 1,135,834	$ 1,363,055		$ 1,249,445	$502,277
41	INVP0845		36	464,135	-	$ 464,135	$ 464,135		$ 464,135	$186,582
42	INVP1224		36	119,205	482,357	$ 601,562	$ 601,562		$ 601,562	$241,828
43	INVP1242 - DECUS05		36		253,998	$ 253,998	$ 253,998		$ 253,998	$102,107
44	INVP1242 - WCOR01		36		1,875	$ 3,750	$ 3,750		$ 3,750	$1,507
45	INVP1242TB - KPI Metrics		36		622,592	$ 622,592	$ 622,592		$ 622,592	$250,282
46	INVP1356A US Retail Web Customer &		36	6,414,974	155,830	$ 6,726,634	$ 6,726,634		$ 6,726,634	$2,704,107
47	INVP1389 US Computing Minor Works		36	135,731	65,931	$ 267,594	$ 267,594		$ 267,594	$107,573
48	INVP1391		36		523,093	$ 523,093	$ 523,093		$ 523,093	$210,283
49	INVP1401		36		263,851	$ 527,701	$ 527,701		$ 527,701	$212,136
50	INVP1485 Computapole		36		14,353	$ 23,920	$ 28,705		$ 26,312	$10,578
51	INVP1485 Computapole Migration W7		36	679,342	83,028	$ 845,398	$ 845,398		$ 845,398	$339,850

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			(x)	(y)	(z) = (x) + (y)/2			
			Cumulative Book Depreciation			(aa) = (z)* Eff Rate	(ab) = (w) - (aa)	(ac) = (ab)* Eff Rate
			12/31/2016	12/31/2017		40.2000%		9.9500%
	Investment Name	INVP #	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Book Tax	Cash to Book Tax Difference	Return on Accum Taxes
1	CDH Acct Initiation		$356,383	$430,117	$393,250	$158,086	$49,402	$4,915
2	CM-NEW02-Simp Order Proc		$3,251	$4,366	$3,809	$1,531	$1,606	$160
3	CNI Transformation		$32,402	$43,838	$38,120	$15,324	$30,649	$3,050
4	Combine Meter Reading Routes		$295,041	$347,107	$321,074	$129,072	$17,442	$1,735
5	Contact Centers Call Recording		$352,866	$361,473	$357,170	$143,582	$1,730	$172
6	CSS Consolidation		$25,246,650	$28,900,771	$27,073,711	$10,883,632	$734,478	$73,081
7	Data Center Rationalization		$547,886	$661,242	$604,564	$243,035	$75,948	$7,557
8	DECUS05-Autom for Mng Req		$1,435,992	$1,709,514	$1,572,753	$632,247	$137,445	$13,676
9	Desktop (email, AD & SharePoint)		$868,927	$1,048,705	$958,816	$385,444	$120,451	$11,985
10	Desktop (refresh)		$656,139	$791,892	$724,016	$291,054	$90,954	$9,050
11	EDOT-Customer Management-CM-NEW03		$94,200	$123,947	$109,073	$43,847	$39,861	$3,966
12	EMS - IN N/A NE & NY EMS NERC-CEMS - IP Auth MW		$26,021	$35,204	$30,613	$12,306	$13,537	$1,347
13	EMS - IN1043 NE EMS Replacement		$6,503,251	$10,405,202	$8,454,226	$3,398,599	$7,465,891	$742,856
14	EMS - INVP N/A- NE EMS TSS		$103,237	$139,673	$121,455	$48,825	$53,707	$5,344
15	GIS		$2,845,302	$3,466,095	$3,155,698	$1,268,591	$478,321	$47,593
16	GIS		$110,638	$154,893	$132,765	$53,372	$71,162	$7,081
17	GIS		$823,488	$1,235,231	$1,029,359	$413,802	$648,271	$64,503
18	Global Web Implementation		$1,355,770	$1,783,908	$1,569,839	$631,075	$1,090,039	$108,459
19	IN0309-SCM-ENGAGE VENDOR		$260,601	$305,275	$282,938	$113,741	$11,973	$1,191
20	IN0823 Security Enhance Project		$238,662	$283,411	$261,037	$104,937	$20,987	$2,088
21	IN0980E - FiServ Solutions		$312,901	$377,639	$345,270	$138,798	$43,375	$4,316
22	IN1242D-ISP-Integrated Strat Plan		$313,069	$360,244	$336,656	$135,336	$9,482	$943
23	IN1482--ACIS Target Pricing Model		$373,028	$454,416	$413,722	$166,316	$62,709	$6,240
24	IN1488-Remote Access to Fault REC		$153,498	$188,921	$171,209	$68,826	$30,853	$3,070
25	IN1588-21st Cent. FOR SYRACUSE/NORTHBORO		$247,363	$273,401	$260,382	$104,673	$5,234	$521
26	IN1642--Radio Standardization Cons		$761,673	$1,066,342	$914,007	$367,431	$857,339	$85,305
27	IN1642--Radio Standardization Cons		$29,395	$42,459	$35,927	$14,443	$38,076	$3,789
28	IN1671-US Transaction DEL HUB		$331,882	$407,025	$369,454	$148,520	$62,932	$6,262
29	IN2172-IDS Reporting & Analysis		$321,426	$422,929	$372,177	$149,615	$136,014	$13,533
30	IN2330 ETRM Repl Nucleus-Elec Bene		$351,635	$434,373	$393,004	$157,988	$74,836	$7,446
31	IN2960B CRM SAAS IMPLEMEN		$363,064	$474,776	$418,920	$168,406	$280,677	$27,927
32	IN3124B GLOBAL HR STRATEGY		$306,638	$481,860	$394,249	$158,488	$545,903	$54,317
33	INN/A-NERC CIP Compliance		$1,073,053	$1,155,595	$1,114,324	$447,958	$16,591	$1,651
34	Inspect System Resources/Hard/Softw		$10,936	$14,685	$12,811	$5,150	$5,401	$537
35	INVP 0887		$104,482	$141,357	$122,919	$49,414	$54,355	$5,408
36	INVP N/A-Talent Management		$173,527	$203,274	$188,400	$75,737	$7,972	$793
37	INVP0823 DATA LOSS PREVENTION		$57,203	$88,405	$72,804	$29,267	$85,709	$8,528
38	INVP0823 DATA LOSS PREVENTION		$57,203	$88,405	$72,804	$29,267	$85,709	$8,528
39	INVP0823c Laptop & Port Device Info		$216,339	$334,342	$275,340	$110,687	$324,146	$32,253
40	INVP0823c Laptop & Port Device Info		$249,893	$386,199	$318,046	$127,855	$374,422	$37,255
41	INVP0845		$419,931	$464,135	$442,033	$177,697	$8,885	$884
42	INVP1224		$451,172	$537,109	$494,140	$198,644	$43,184	$4,297
43	INVP1242 - DECUS05		$190,499	$226,784	$208,642	$83,874	$18,233	$1,814
44	INVP1242 - WCOR01		$1,518	$2,053	$1,786	$718	$790	$79
45	INVP1242TB - KPI Metrics		$466,944	$555,886	$511,415	$205,589	$44,693	$4,447
46	INVP1356A US Retail Web Customer &		$3,043,001	$4,003,949	$3,523,475	$1,416,437	$1,287,670	$128,123
47	INVP1389 US Computing Minor Works		$84,738	$111,497	$98,118	$39,443	$68,129	$6,779
48	INVP1391		$398,547	$473,275	$435,911	$175,236	$35,047	$3,487
49	INVP1401		$477,444	$527,701	$502,573	$202,034	$10,102	$1,005
50	INVP1485 Computapole		$7,518	$11,619	$9,568	$3,846	$6,731	$670
51	INVP1485 Computapole Migration W7		$301,928	$422,699	$362,314	$145,650	$194,200	$19,323

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			(a)	(b)	(c)	(d) = (a)+(c)	(e)	(f)	(g)	(h)	(i) = (g+h)/2
									12/31/2016	12/31/2017	
	Investment Name	**INVP #**	**Inception to Date $**	**Bill Pool**	**Adjustments**	**Total US Spend**	**In Service Date**	**Amortization Period**	**12/31/2016 Balance**	**12/31/2017 Balance**	**Average Balance**
52	INVP1549B Meter Reading System Con		$1,176,389	G173		$1,176,389	3/1/2015	84	$868,287	$700,232	$784,260
53	INVP1549-Non-Interval Collect Sys C		$1,099,783	G012		$1,099,783	11/1/2013	84	$602,262	$445,150	$523,706
54	INVP2135-Cust Choice Email Tracking		$621,113	G012		$621,113	11/1/2013	84	$340,133	$251,403	$295,768
55	INVP2162 - PRIMAVERA EXPANSION		$228,928	G376		$228,928	7/1/2014	84	$147,168	$114,464	$130,816
56	INVP2391-Implement UI Planner-CAPEX		$1,686,410	G138		$1,686,410	3/1/2011	84	$281,068	$40,153	$160,610
57	INVP2522 VTL Replacement Cap Software		$648,194	HT71		$648,194	11/1/2013	84	$354,963	$262,364	$308,664
58	INVP2630 Intelligent Mail Barcode		$1,023,605	G012		$1,023,605	11/1/2013	84	$560,546	$414,316	$487,431
59	INVP2732 US Storage Switch Replace		$588,353	G012		$588,353	11/1/2013	120	$402,042	$343,206	$372,624
60	INVP2832 - ACIS Alliance Contracts		$324,412	G186		$324,412	11/1/2013	84	$177,654	$131,309	$154,482
61	INVP2892B Security Access Panels		$687,129	G220		$687,129	12/21/2014	84	$490,806	$392,645	$441,726
62	INVP2940-GRC Enterprise Risk & Comp		$3,533,188	G020		$3,533,188	9/1/2014	84	$2,355,459	$1,850,718	$2,103,088
63	INVP2951 - Legal Hold Automation		$647,040	G012		$647,040	3/1/2015	120	$528,416	$463,712	$496,064
64	INVP2970 Security Info & Event Mgm		$1,547,795	G012		$1,547,795	4/1/2015	120	$1,276,931	$1,122,151	$1,199,541
65	INVP2981 US Security Awareness		$250,393	G012		$250,393	3/1/2014	120	$179,448	$154,409	$166,929
66	INVP2982b Identity & Access Mgt Pr		$4,137,815	G012		$4,137,815	3/1/2015	120	$3,379,216	$2,965,434	$3,172,325
67	INVP2982b Identity & Access Mgt Pr		$2,708	G012		$2,708	5/1/2015	120	$2,257	$1,986	$2,122
68	INVP2983a CNI Network Security Pro		$115,489	G012		$115,489	12/1/2014	120	$91,428	$79,880	$85,654
69	INVP2997 Earned Value Mgmt Rptg		$603,575	G186		$603,575	7/1/2014	84	$388,013	$301,788	$344,900
70	INVP2997B EVM Phase 2		$138,248	G186		$138,248	7/1/2014	84	$88,874	$69,124	$78,999
71	INVP3022 Internet Toolset		$233,866	G173		$233,866	3/1/2015	84	$172,616	$139,206	$155,911
72	INVP3039 US eDiscovery		$393,008	G012		$393,008	3/1/2015	120	$320,956	$281,655	$301,306
73	INVP3076-QAS Address Hygiene		$270,279	G012		$270,279	11/1/2013	84	$148,010	$109,399	$128,704
74	INVP3103 Business Capture Software		$3,036,545	G012		$3,036,545	2/1/2014	120	$2,150,886	$1,847,231	$1,999,059
75	INVP3195 Storms Archive Tool Imple		$627,573	G160		$627,573	12/1/2013	84	$351,142	$261,489	$306,316
76	INVP3210 - Infographics Conversion		$1,327,228	G259		$1,327,228	11/1/2013	84	$726,816	$537,211	$632,014
77	INVP3232A - Tallyman & Paperless B		$953,115	G179		$953,115	11/1/2013	84	$521,944	$385,785	$453,864
78	INVP3294 - PowerPlant Leased Asset		$969,208	G012		$969,208	2/1/2014	120	$686,522	$589,602	$638,062
79	INVP3294B PowerPlan Phase 2		$244,374	G012		$244,374	3/1/2015	120	$199,572	$175,135	$187,354
80	INVP3307 iFactor Storm Center Host		$668,684	G012		$668,684	11/1/2013	84	$366,184	$270,658	$318,421
81	INVP3310 US HR Applicant Track Sys		$326,615	G012		$326,615	10/1/2013	120	$220,465	$187,804	$204,135
82	INVP3375B Challenge the Limits XML		$592,576	G179		$592,576	3/15/2015	84	$437,378	$352,724	$395,051
83	INVP3375D Challenge Limit Letters		$372,232	C434		$372,232	6/15/2015	84	$288,037	$234,861	$261,449
84	INVP3378 Rubber Goods Testing		$379,536	G186		$379,536	3/1/2015	84	$280,134	$225,915	$253,024
85	INVP3393 Enhancement Res Woods Cap SW		$101,136	J063		$101,136	2/1/2014	84	$58,996	$44,548	$51,772
86	INVP3412 - New Security Control Ctr		$1,385,615	G012		$1,385,615	3/1/2015	120	$1,131,585	$993,024	$1,062,304
87	INVP3425 Wireless LAN Network Expansion		$147,233	G020		$147,233	3/1/2015	84	$108,672	$87,638	$98,155
88	INVP3600 - US Web Initiatives		$1,380,415	G173		$1,380,415	3/1/2015	84	$1,018,878	$821,676	$920,277
89	INVP3615 Success Enterprise Reporti		$623,254	G186		$623,254	3/1/2015	84	$460,021	$370,985	$415,503
90	INVP823D Guardium		$158,135	G012		$158,135	3/1/2015	120	$129,144	$113,330	$121,237
91	ISP01-Integrated Strat Plan		$1,105,706	G198		$1,105,706	12/1/2010	84	$144,795	$0	$72,397
92	IVR Project Work		$1,193,074	C284		$1,193,074	9/1/2010	84	$113,626	$0	$56,813
93	JBCRD01I-Wholesale Re-Des		$436,385	G198		$436,385	10/1/2011	84	$109,096	$46,756	$77,926
94	KPI Reporting Tool		$1,184,110	G012		$1,184,110	8/1/2012	84	$436,993	$267,834	$352,414
95	LIM/ZEMA Project		$402,988	G012		$402,988	3/1/2011	84	$67,165	$9,595	$38,380
96	Meter Test Equipment		$186,308	G284		$186,308	10/1/2014	84	$126,423	$99,808	$113,115
97	New England Telecom Network Alarm		$88,951	G284		$88,951	10/1/2014	84	$60,360	$47,652	$54,006
98	OneNet		$4,483,264	G012		$4,483,264	6/1/2010	84	$266,861	$0	$133,430
99	S&M Data Warehouse Expansion		$981,583	GT03		$981,583	3/1/2011	84	$163,597	$23,371	$93,484
100	SHORT04-Prima P6 Upgrade		$1,443,524	G198		$1,443,524	12/1/2010	84	$189,033	$0	$94,516
101	STD01-Concept Est Tool		$873,898	G198		$873,898	2/1/2014	84	$509,774	$384,931	$447,353
102	UHF Spectrum Purchase Project		$2,116,624	G284		$2,116,624	10/1/2011	84	$529,156	$226,781	$377,969

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			(j)	(k) = (i)*(j)	(l) = (-ac)	(m) = (k) + (l)	(n)	(o)	(p) = (m)* (n)	(q) = (n)* (o)
			9.9500%					5220G		
	Investment Name	INVP #	Service Co Return	Rate Year Return	RY Return on Accum Taxes	Total Return	Rate Year Amortization	KEDNY Allocation	KEDNY Rate Year Rent-Return	KEDNY Rate Year Rent - Depn
52	INVP1549B Meter Reading System Con		9.9500%	$78,034	($27,812)	$50,222	$168,056	14.24%	$ 7,152	$ 23,931
53	INVP1549-Non-Interval Collect Sys C		9.9500%	$52,109	($20,948)	$31,161	$157,112	11.50%	$ 3,584	$ 18,068
54	INVP2135-Cust Choice Email Tracking		9.9500%	$29,429	($11,830)	$17,598	$88,730	11.50%	$ 2,024	$ 10,204
55	INVP2162 - PRIMAVERA EXPANSION		9.9500%	$13,016	($5,233)	$7,784	$32,704	15.25%	$ 1,187	$ 4,987
56	INVP2391-Implement UI Planner-CAPEX		9.9500%	$15,981	($6,424)	$9,556	$240,916	11.55%	$ 1,104	$ 27,826
57	INVP2522 VTL Replacement Cap Software		9.9500%	$30,712	($12,346)	$18,366	$92,599	16.59%	$ 3,047	$ 15,362
58	INVP2630 Intelligent Mail Barcode		9.9500%	$48,499	($19,497)	$29,003	$146,229	11.50%	$ 3,335	$ 16,816
59	INVP2732 US Storage Switch Replace		9.9500%	$37,076	($14,905)	$22,171	$58,835	11.50%	$ 2,550	$ 6,766
60	INVP2832 - ACIS Alliance Contracts		9.9500%	$15,371	($6,179)	$9,192	$46,345	0.00%	$ -	$ -
61	INVP2892B Security Access Panels		9.9500%	$43,952	($15,378)	$28,574	$98,161	0.00%	$ -	$ -
62	INVP2940-GRC Enterprise Risk & Comp		9.9500%	$209,257	($84,121)	$125,136	$504,741	11.50%	$ 14,391	$ 58,045
63	INVP2951 - Legal Hold Automation		9.9500%	$49,358	($17,685)	$31,673	$64,704	11.50%	$ 3,642	$ 7,441
64	INVP2970 Security Info & Event Mgm		9.9500%	$119,354	($42,820)	$76,534	$154,779	11.50%	$ 8,801	$ 17,800
65	INVP2981 US Security Awareness		9.9500%	$16,609	($6,677)	$9,932	$25,039	11.50%	$ 1,142	$ 2,880
66	INVP2982b Identity & Access Mgt Pr		9.9500%	$315,646	($116,024)	$199,623	$413,782	11.50%	$ 22,957	$ 47,585
67	INVP2982b Identity & Access Mgt Pr		9.9500%	$211	($76)	$135	$271	11.50%	$ 16	$ 31
68	INVP2983a CNI Network Security Pro		9.9500%	$8,523	($3,426)	$5,097	$11,549	11.50%	$ 586	$ 1,328
69	INVP2997 Earned Value Mgmt Rptg		9.9500%	$34,318	($13,796)	$20,522	$86,225	0.00%	$ -	$ -
70	INVP2997B EVM Phase 2		9.9500%	$7,860	($3,160)	$4,701	$19,750	0.00%	$ -	$ -
71	INVP3022 Internet Toolset		9.9500%	$15,513	($5,457)	$10,057	$33,409	14.24%	$ 1,432	$ 4,758
72	INVP3039 US eDiscovery		9.9500%	$29,980	($10,742)	$19,238	$39,301	11.50%	$ 2,212	$ 4,520
73	INVP3076-QAS Address Hygiene		9.9500%	$12,806	($5,148)	$7,658	$38,611	11.50%	$ 881	$ 4,440
74	INVP3103 Business Capture Software		9.9500%	$198,906	($79,960)	$118,946	$303,654	11.50%	$ 13,679	$ 34,920
75	INVP3195 Storms Archive Tool Imple		9.9500%	$30,478	($12,252)	$18,226	$89,653	0.00%	$ -	$ -
76	INVP3210 - Infographics Conversion		9.9500%	$62,885	($25,280)	$37,605	$189,604	0.00%	$ -	$ -
77	INVP3232A - Tallyman & Paperless B		9.9500%	$45,159	($18,154)	$27,005	$136,159	0.00%	$ -	$ -
78	INVP3294 - PowerPlant Leased Asset		9.9500%	$63,487	($25,522)	$37,965	$96,921	11.50%	$ 4,366	$ 11,146
79	INVP3294B PowerPlan Phase 2		9.9500%	$18,642	($6,679)	$11,962	$24,437	11.50%	$ 1,376	$ 2,810
80	INVP3307 iFactor Storm Center Host		9.9500%	$31,683	($12,737)	$18,946	$95,526	11.50%	$ 2,179	$ 10,986
81	INVP3310 US HR Applicant Track Sys		9.9500%	$20,311	($8,165)	$12,146	$32,662	11.50%	$ 1,397	$ 3,756
82	INVP3375B Challenge the Limits XML		9.9500%	$39,308	($13,826)	$25,482	$84,654	0.00%	$ -	$ -
83	INVP3375D Challenge Limit Letters		9.9500%	$26,014	($9,217)	$16,797	$53,176	0.00%	$ -	$ -
84	INVP3378 Rubber Goods Testing		9.9500%	$25,176	($8,855)	$16,321	$54,219	0.00%	$ -	$ -
85	INVP3393 Enhancement Res Woods Cap SW		9.9500%	$5,151	($2,071)	$3,080	$14,448	10.88%	$ 335	$ 1,572
86	INVP3412 - New Security Control Ctr		9.9500%	$105,699	($37,872)	$67,828	$138,561	11.50%	$ 7,800	$ 15,935
87	INVP3425 Wireless LAN Network Expansion		9.9500%	$9,766	($3,435)	$6,331	$21,033	11.50%	$ 728	$ 2,419
88	INVP3600 - US Web Initiatives		9.9500%	$91,568	($32,617)	$58,951	$197,202	14.24%	$ 8,395	$ 28,082
89	INVP3615 Success Enterprise Reporti		9.9500%	$41,343	($14,542)	$26,801	$89,036	0.00%	$ -	$ -
90	INVP823D Guardium		9.9500%	$12,063	($4,322)	$7,741	$15,814	11.50%	$ 890	$ 1,819
91	ISP01-Integrated Strat Plan		9.9500%	$7,204	($2,896)	$4,308	$144,795	0.00%	$ -	$ -
92	IVR Project Work		9.9500%	$5,653	($2,272)	$3,380	$113,626	0.00%	$ -	$ -
93	JBCRD01I-Wholesale Re-Des		9.9500%	$7,754	($3,117)	$4,637	$62,341	0.00%	$ -	$ -
94	KPI Reporting Tool		9.9500%	$35,065	($14,096)	$20,969	$169,159	11.50%	$ 2,411	$ 19,453
95	LIM/ZEMA Project		9.9500%	$3,819	($1,535)	$2,284	$57,570	11.50%	$ 263	$ 6,621
96	Meter Test Equipment		9.9500%	$11,255	($4,524)	$6,730	$26,615	0.00%	$ -	$ -
97	New England Telecom Network Alarm		9.9500%	$5,374	($2,160)	$3,213	$12,707	0.00%	$ -	$ -
98	OneNet		9.9500%	$13,276	($5,337)	$7,939	$266,861	11.50%	$ 913	$ 30,689
99	S&M Data Warehouse Expansion		9.9500%	$9,302	($3,739)	$5,562	$140,226	10.01%	$ 557	$ 14,037
100	SHORT04-Prima P6 Upgrade		9.9500%	$9,404	($3,781)	$5,624	$189,033	0.00%	$ -	$ -
101	STD01-Concept Est Tool		9.9500%	$44,512	($17,894)	$26,618	$124,843	0.00%	$ -	$ -
102	UHF Spectrum Purchase Project		9.9500%	$37,608	($15,118)	$22,490	$302,375	0.00%	$ -	$ -

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			(r)	(s)		(t)	(u)	(v) = (t) + (u)/2	(w) = (v)*Eff Rate
				Cumulative Tax Depreciation					
						12/31/2016	12/31/2017		40.2000%
	Investment Name	INVP #	Amortization Period	Tax Expensing	Bonus Depreciation	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Cash Tax
52	INVP1549B Meter Reading System Con		36	109,290	533,550	$ 998,504	$ 1,176,389	$ 1,087,447	$437,154
53	INVP1549-Non-Interval Collect Sys C		36		549,891	$ 1,099,783	$ 1,099,783	$ 1,099,783	$442,113
54	INVP2135-Cust Choice Email Tracking		36		310,556	$ 621,113	$ 621,113	$ 621,113	$249,687
55	INVP2162 - PRIMAVERA EXPANSION		36		114,464	$ 228,928	$ 228,928	$ 228,928	$92,029
56	INVP2391-Implement UI Planner-CAPEX		36	998,974	687,436	$ 1,686,410	$ 1,686,410	$ 1,686,410	$677,937
57	INVP2522 VTL Replacement Cap Software		36		324,097	$ 648,194	$ 648,194	$ 648,194	$260,574
58	INVP2630 Intelligent Mail Barcode		36		511,803	$ 1,023,605	$ 1,023,605	$ 1,023,605	$411,489
59	INVP2732 US Storage Switch Replace		36		294,177	$ 588,353	$ 588,353	$ 588,353	$236,518
60	INVP2832 - ACIS Alliance Contracts		36		162,206	$ 324,412	$ 324,412	$ 324,412	$130,413
61	INVP2892B Security Access Panels		36		343,564	$ 572,584	$ 687,129	$ 629,857	$253,202
62	INVP2940-GRC Enterprise Risk & Comp		36	2,698,257	417,466	$ 3,533,188	$ 3,533,188	$ 3,533,188	$1,420,342
63	INVP2951 - Legal Hold Automation		36		323,520	$ 539,178	$ 647,040	$ 593,109	$238,430
64	INVP2970 Security Info & Event Mgm		36		773,897	$ 1,289,777	$ 1,547,795	$ 1,418,786	$570,352
65	INVP2981 US Security Awareness		36		125,197	$ 250,393	$ 250,393	$ 250,393	$100,658
66	INVP2982b Identity & Access Mgt Pr		36	878,570	1,629,623	$ 3,594,499	$ 4,137,815	$ 3,866,157	$1,554,195
67	INVP2982b Identity & Access Mgt Pr		36		1,354	$ 2,257	$ 2,708	$ 2,483	$998
68	INVP2983a CNI Network Security Pro		36		57,744	$ 115,489	$ 115,489	$ 115,489	$46,426
69	INVP2997 Earned Value Mgmt Rptg		36		301,788	$ 603,575	$ 603,575	$ 603,575	$242,637
70	INVP2997B EVM Phase 2		36		69,124	$ 138,248	$ 138,248	$ 138,248	$55,576
71	INVP3022 Internet Toolset		36		116,933	$ 194,881	$ 233,866	$ 214,373	$86,178
72	INVP3039 US eDiscovery		36		196,504	$ 327,493	$ 393,008	$ 360,250	$144,821
73	INVP3076-QAS Address Hygiene		36		135,140	$ 270,279	$ 270,279	$ 270,279	$108,652
74	INVP3103 Business Capture Software		36		1,518,272	$ 3,036,545	$ 3,036,545	$ 3,036,545	$1,220,691
75	INVP3195 Storms Archive Tool Imple		36		313,787	$ 627,573	$ 627,573	$ 627,573	$252,284
76	INVP3210 - Infographics Conversion		36	1,287,669	19,780	$ 1,327,228	$ 1,327,228	$ 1,327,228	$533,546
77	INVP3232A - Tallyman & Paperless B		36		476,557	$ 953,115	$ 953,115	$ 953,115	$383,152
78	INVP3294 - PowerPlant Leased Asset		36		484,604	$ 969,208	$ 969,208	$ 969,208	$389,622
79	INVP3294B PowerPlan Phase 2		36		122,187	$ 203,637	$ 244,374	$ 224,006	$90,050
80	INVP3307 iFactor Storm Center Host		36		334,342	$ 668,684	$ 668,684	$ 668,684	$268,811
81	INVP3310 US HR Applicant Track Sys		36		163,308	$ 326,615	$ 326,615	$ 326,615	$131,299
82	INVP3375B Challenge the Limits XML		36		296,288	$ 493,794	$ 592,576	$ 543,185	$218,360
83	INVP3375D Challenge Limit Letters		36		186,116	$ 310,181	$ 372,232	$ 341,206	$137,165
84	INVP3378 Rubber Goods Testing		36		189,768	$ 316,268	$ 379,536	$ 347,902	$139,857
85	INVP3393 Enhancement Res Woods Cap SW		36		50,568	$ 101,136	$ 101,136	$ 101,136	$40,656
86	INVP3412 - New Security Control Ctr		36		692,807	$ 1,154,633	$ 1,385,615	$ 1,270,124	$510,590
87	INVP3425 Wireless LAN Network Expansion		36		73,616	$ 122,689	$ 147,233	$ 134,961	$54,254
88	INVP3600 - US Web Initiatives		36	122,634	628,891	$ 1,170,743	$ 1,380,415	$ 1,275,579	$512,783
89	INVP3615 Success Enterprise Reporti		36		311,627	$ 519,358	$ 623,254	$ 571,306	$229,665
90	INVP823D Guardium		36		79,068	$ 131,774	$ 158,135	$ 144,955	$58,272
91	ISP01-Integrated Strat Plan		36		552,853	$ 1,105,706	$ 1,105,706	$ 1,105,706	$444,494
92	IVR Project Work		36	1,193,074	-	$ 1,193,074	$ 1,193,074	$ 1,193,074	$479,616
93	JBCRD01I-Wholesale Re-Des		36		436,385	$ 436,385	$ 436,385	$ 436,385	$175,427
94	KPI Reporting Tool		36		592,055	$ 1,184,110	$ 1,184,110	$ 1,184,110	$476,012
95	LIM/ZEMA Project		36	402,988	0	$ 402,988	$ 402,988	$ 402,988	$162,001
96	Meter Test Equipment		36		93,154	$ 186,308	$ 186,308	$ 186,308	$74,896
97	New England Telecom Network Alarm		36		44,475	$ 88,951	$ 88,951	$ 88,951	$35,758
98	OneNet		36	124,068	2,179,598	$ 4,483,264	$ 4,483,264	$ 4,483,264	$1,802,272
99	S&M Data Warehouse Expansion		36		981,583	$ 981,583	$ 981,583	$ 981,583	$394,596
100	SHORT04-Prima P6 Upgrade		36	(9,549)	726,537	$ 1,443,524	$ 1,443,524	$ 1,443,524	$580,297
101	STD01-Concept Est Tool		36		436,949	$ 873,898	$ 873,898	$ 873,898	$351,307
102	UHF Spectrum Purchase Project		36	1,133,824	982,800	$ 2,116,624	$ 2,116,624	$ 2,116,624	$850,883

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			(x)	(y)	(z) = (x) + (y)/2			
			Cumulative Book Depreciation			(aa) = (z)* Eff Rate	(ab) = (w) - (aa)	(ac) = (ab)* Eff Rate
			12/31/2016	12/31/2017		40.2000%		9.9500%
	Investment Name	INVP #	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Book Tax	Cash to Book Tax Difference	Return on Accum Taxes
52	INVP1549B Meter Reading System Con		$308,102	$476,158	$392,130	$157,636	$279,517	$27,812
53	INVP1549-Non-Interval Collect Sys C		$497,521	$654,633	$576,077	$231,583	$210,530	$20,948
54	INVP2135-Cust Choice Email Tracking		$280,980	$369,710	$325,345	$130,789	$118,899	$11,830
55	INVP2162 - PRIMAVERA EXPANSION		$81,760	$114,464	$98,112	$39,441	$52,588	$5,233
56	INVP2391-Implement UI Planner-CAPEX		$1,405,341	$1,646,257	$1,525,799	$613,371	$64,565	$6,424
57	INVP2522 VTL Replacement Cap Software		$293,231	$385,830	$339,530	$136,491	$124,083	$12,346
58	INVP2630 Intelligent Mail Barcode		$463,060	$609,289	$536,174	$215,542	$195,947	$19,497
59	INVP2732 US Storage Switch Replace		$186,312	$245,147	$215,730	$86,723	$149,795	$14,905
60	INVP2832 - ACIS Alliance Contracts		$146,758	$193,102	$169,930	$68,312	$62,102	$6,179
61	INVP2892B Security Access Panels		$196,323	$294,484	$245,403	$98,652	$154,550	$15,378
62	INVP2940-GRC Enterprise Risk & Comp		$1,177,729	$1,682,471	$1,430,100	$574,900	$845,441	$84,121
63	INVP2951 - Legal Hold Automation		$118,624	$183,328	$150,976	$60,692	$177,737	$17,685
64	INVP2970 Security Info & Event Mgm		$270,864	$425,644	$348,254	$139,998	$430,354	$42,820
65	INVP2981 US Security Awareness		$70,945	$95,984	$83,464	$33,553	$67,105	$6,677
66	INVP2982b Identity & Access Mgt Pr		$758,600	$1,172,381	$965,490	$388,127	$1,166,068	$116,024
67	INVP2982b Identity & Access Mgt Pr		$451	$722	$587	$236	$762	$76
68	INVP2983a CNI Network Security Pro		$24,060	$35,609	$29,835	$11,993	$34,433	$3,426
69	INVP2997 Earned Value Mgmt Rptg		$215,563	$301,788	$258,675	$103,987	$138,650	$13,796
70	INVP2997B EVM Phase 2		$49,374	$69,124	$59,249	$23,818	$31,758	$3,160
71	INVP3022 Internet Toolset		$61,251	$94,660	$77,955	$31,338	$54,840	$5,457
72	INVP3039 US eDiscovery		$72,051	$111,352	$91,702	$36,864	$107,957	$10,742
73	INVP3076-QAS Address Hygiene		$122,269	$160,880	$141,575	$56,913	$51,739	$5,148
74	INVP3103 Business Capture Software		$885,659	$1,189,313	$1,037,486	$417,069	$803,622	$79,960
75	INVP3195 Storms Archive Tool Imple		$276,431	$366,084	$321,258	$129,146	$123,139	$12,252
76	INVP3210 - Infographics Conversion		$600,413	$790,017	$695,215	$279,476	$254,069	$25,280
77	INVP3232A - Tallyman & Paperless B		$431,171	$567,330	$499,251	$200,699	$182,453	$18,154
78	INVP3294 - PowerPlant Leased Asset		$282,686	$379,607	$331,146	$133,121	$256,501	$25,522
79	INVP3294B PowerPlan Phase 2		$44,802	$69,239	$57,021	$22,922	$67,128	$6,679
80	INVP3307 iFactor Storm Center Host		$302,500	$398,026	$350,263	$140,806	$128,005	$12,737
81	INVP3310 US HR Applicant Track Sys		$106,150	$138,812	$122,481	$49,237	$82,062	$8,165
82	INVP3375B Challenge the Limits XML		$155,199	$239,852	$197,525	$79,405	$138,955	$13,826
83	INVP3375D Challenge Limit Letters		$84,195	$137,371	$110,783	$44,535	$92,630	$9,217
84	INVP3378 Rubber Goods Testing		$99,402	$153,622	$126,512	$50,858	$88,999	$8,855
85	INVP3393 Enhancement Res Woods Cap SW		$42,140	$56,588	$49,364	$19,844	$20,812	$2,071
86	INVP3412 - New Security Control Ctr		$254,029	$392,591	$323,310	$129,971	$380,619	$37,872
87	INVP3425 Wireless LAN Network Expansion		$38,561	$59,594	$49,078	$19,729	$34,525	$3,435
88	INVP3600 - US Web Initiatives		$361,537	$558,740	$460,138	$184,976	$327,807	$32,617
89	INVP3615 Success Enterprise Reporti		$163,233	$252,270	$207,751	$83,516	$146,149	$14,542
90	INVP823D Guardium		$28,991	$44,805	$36,898	$14,833	$43,439	$4,322
91	ISP01-Integrated Strat Plan		$960,911	$1,105,706	$1,033,309	$415,390	$29,104	$2,896
92	IVR Project Work		$1,079,448	$1,193,074	$1,136,261	$456,777	$22,839	$2,272
93	JBCRD01I-Wholesale Re-Des		$327,289	$389,630	$358,459	$144,101	$31,326	$3,117
94	KPI Reporting Tool		$747,117	$916,275	$831,696	$334,342	$141,670	$14,096
95	LIM/ZEMA Project		$335,823	$393,393	$364,608	$146,573	$15,429	$1,535
96	Meter Test Equipment		$59,885	$86,500	$73,192	$29,423	$45,472	$4,524
97	New England Telecom Network Alarm		$28,591	$41,299	$34,945	$14,048	$21,710	$2,160
98	OneNet		$4,216,403	$4,483,264	$4,349,834	$1,748,633	$53,639	$5,337
99	S&M Data Warehouse Expansion		$817,986	$958,212	$888,099	$357,016	$37,581	$3,739
100	SHORT04-Prima P6 Upgrade		$1,254,491	$1,443,524	$1,349,008	$542,301	$37,996	$3,781
101	STD01-Concept Est Tool		$364,124	$488,967	$426,545	$171,471	$179,836	$17,894
102	UHF Spectrum Purchase Project		$1,587,468	$1,889,843	$1,738,655	$698,939	$151,943	$15,118

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			(a)	(b)	(c)	(d) = (a)+(c)	(e)	(f)	(g)	(h)	(i) = (g+h)/2
									12/31/2016	12/31/2017	
	Investment Name	INVP #	Inception to Date $	Bill Pool	Adjustments	Total US Spend	In Service Date	Amortization Period	12/31/2016 Balance	12/31/2017 Balance	Average Balance
103	USFP - Build & Unit Test -R1		$26,765,794	G012		$26,765,794	11/1/2012	120	$15,613,380	$12,936,801	$14,275,090
104	USFP - Build & Unit Test-DD		$2,783,413	G012		$2,783,413	11/1/2012	120	$1,623,657	$1,345,316	$1,484,487
105	USFP - Business Engagement -R1		$154,570	G012		$154,570	11/1/2012	120	$90,166	$74,709	$82,438
106	USFP - Business Readiness -R1		$2,020,438	G012		$2,020,438	11/1/2012	120	$1,178,589	$976,545	$1,077,567
107	USFP - Controls & Roles -R1		$7,773,544	G012		$7,773,544	11/1/2012	120	$4,534,567	$3,757,213	$4,145,890
108	USFP - Controls & Roles-DD		$2,694,151	G012		$2,694,151	11/1/2012	120	$1,571,588	$1,302,173	$1,436,881
109	USFP - Cutover -R1		$2,728,737	G012		$2,728,737	11/1/2012	120	$1,591,763	$1,318,890	$1,455,326
110	USFP - Cutover-DD		$118,108	G012		$118,108	11/1/2012	120	$68,896	$57,085	$62,991
111	USFP - Data Strategy - R1		$7,738,324	G012		$7,738,324	11/1/2012	120	$4,514,022	$3,740,190	$4,127,106
112	USFP - Data Strategy-DD		$2,531,924	G012		$2,531,924	11/1/2012	120	$1,476,955	$1,223,763	$1,350,359
113	USFP - DESIGN AUTH - DESIGN CAPEX		$318,531	G012		$318,531	11/1/2012	120	$185,810	$153,957	$169,883
114	USFP - FINANCE STREAM - DESIGN CAPEX		$1,441,354	G012		$1,441,354	11/1/2012	120	$840,790	$696,655	$768,722
115	USFP - Hardware & Software-DD		$2,770,640	G012		$2,770,640	11/1/2012	120	$1,616,206	$1,339,142	$1,477,674
116	USFP - Hardware & Software-R1		$23,426,143	G012		$23,426,143	11/1/2012	120	$13,665,250	$11,322,636	$12,493,943
117	USFP - HR STREAM - DESIGN CAPEX		$826,202	G012		$826,202	11/1/2012	120	$481,951	$399,331	$440,641
118	USFP - INFORMATION MGMT - DESIGN CAPEX		$346,941	G012		$346,941	11/1/2012	120	$202,382	$167,688	$185,035
119	USFP - Plan & Perf for Exec & US Dir		$294,053	G012		$294,053	3/1/2011	84	$49,009	$7,001	$28,005
120	USFP - PMO - R1		$13,294,040	G012		$13,294,040	11/1/2012	120	$7,754,856	$6,425,452	$7,090,154
121	USFP - PMO TEAM - DESIGN CAPEX		$5,995,338	G012		$5,995,338	11/1/2012	120	$3,497,280	$2,897,747	$3,197,513
122	USFP - PMO-DD		$4,761,712	G012		$4,761,712	11/1/2012	120	$2,777,665	$2,301,494	$2,539,579
123	USFP - PROCESS & DATA - DESIGN CAPEX		$271,405	G012		$271,405	11/1/2012	120	$158,320	$131,179	$144,750
124	USFP - Process & Design -R1		$7,564,718	G012		$7,564,718	11/1/2012	120	$4,412,752	$3,656,281	$4,034,517
125	USFP - Process & Design-DD		$17,463,817	G012		$17,463,817	11/1/2012	120	$10,187,226	$8,440,845	$9,314,036
126	USFP - PROCESS CONTROL - DESIGN CAPEX		$138,806	G012		$138,806	11/1/2012	120	$80,970	$67,090	$74,030
127	USFP - R3 Finance		$73,762	G012		$73,762	1/1/2015	120	$59,010	$51,634	$55,322
128	USFP - R3 Finance		$1,392	G012		$1,392	2/1/2015	120	$1,125	$986	$1,055
129	USFP - R3 Finance		$13,701,999	G012		$13,701,999	1/1/2015	96	$10,276,499	$8,563,749	$9,420,124
130	USFP - R3 Payroll		$1,812,281	G012		$1,812,281	1/1/2015	120	$1,449,825	$1,268,597	$1,359,211
131	USFP - R3 Payroll		$5,600,000	G012		$5,600,000	1/1/2015	96	$4,200,000	$3,500,000	$3,850,000
132	USFP - R3 Supply Chain		$14,175	G012		$14,175	1/1/2015	120	$11,340	$9,922	$10,631
133	USFP - R3 Supply Chain		$9,800,000	G012		$9,800,000	1/1/2015	96	$7,350,000	$6,125,000	$6,737,500
134	USFP - Release 3 - IT Delivery		$8,773,460	G012		$8,773,460	1/1/2015	120	$7,018,768	$6,141,422	$6,580,095
135	USFP - Release 3 - IT Delivery		$518,239	G012		$518,239	1/1/2015	96	$388,679	$323,899	$356,289
136	USFP - Reporting & Info - R1		$6,197,728	G012		$6,197,728	11/1/2012	120	$3,615,341	$2,995,568	$3,305,455
137	USFP - Reporting & Info-DD		$2,503,961	G012		$2,503,961	11/1/2012	120	$1,460,644	$1,210,248	$1,335,446
138	USFP - S\CHAIN STREAM - DESIGN CAPEX		$1,038,127	G012		$1,038,127	11/1/2012	120	$605,574	$501,761	$553,668
139	USFP - SOLUTION ARCH - DESIGN CAPEX		$199,928	G012		$199,928	11/1/2012	120	$116,625	$96,632	$106,628
140	USFP - Solution Architecture-DD		$2,908,470	G012		$2,908,470	11/1/2012	120	$1,696,608	$1,405,761	$1,551,184
141	USFP - Solution Architecture-R1		$2,536,861	G012		$2,536,861	11/1/2012	120	$1,479,836	$1,226,150	$1,352,993
142	USFP - SOLUTION DEL - DESIGN CAPEX		$906,402	G012		$906,402	11/1/2012	120	$528,734	$438,094	$483,414
143	USFP - Tech Delivery - R1		$4,595,067	G012		$4,595,067	11/1/2012	120	$2,680,456	$2,220,949	$2,450,702
144	USFP - Tech Delivery-DD		$1,708,792	G012		$1,708,792	11/1/2012	120	$996,795	$825,916	$911,356
145	USFP - Test Finance		$3,910,865	G012		$3,910,865	11/1/2012	120	$2,281,338	$1,890,251	$2,085,795
146	USFP - Test HR		$9,899	G012		$9,899	11/1/2012	120	$5,775	$4,785	$5,280
147	USFP - Test Net Strat		$1,305,452	G012		$1,305,452	11/1/2012	120	$761,514	$630,969	$696,241
148	USFP - Test Ops		$4,359,638	G012		$4,359,638	11/1/2012	120	$2,543,122	$2,107,158	$2,325,140
149	USFP - Test Procure		$311,956	G012		$311,956	11/1/2012	120	$181,975	$150,779	$166,377
150	USFP - Test SS		$46,113,564	G012		$46,113,564	11/1/2012	120	$26,899,579	$22,288,223	$24,593,901
151	USFP - Testing -R1		$61,366,885	G012		$61,366,885	11/1/2012	120	$35,797,349	$29,660,661	$32,729,005
152	USFP - Testing-DD		$209,496	G012		$209,496	11/1/2012	120	$122,206	$101,257	$111,731
153	USFP - US FOUNDATION PRGM ARCH/DECOM		$1,242,446	G012		$1,242,446	11/1/2012	120	$724,760	$600,515	$662,638

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			(j)	(k) = (i)*(j)	(l) = (-ac)	(m) = (k) + (l)	(n)	(o)	(p) = (m)* (n)	(q) = (n)* (o)
			9.9500%					5220G		
	Investment Name	INVP #	Service Co Return	Rate Year Return	RY Return on Accum Taxes	Total Return	Rate Year Amortization	KEDNY Allocation	KEDNY Rate Year Rent-Return	KEDNY Rate Year Rent - Depn
103	USFP - Build & Unit Test -R1		9.9500%	$1,420,371	($570,989)	$849,382	$2,676,579	11.50%	$ 97,679	$ 307,807
104	USFP - Build & Unit Test-DD		9.9500%	$147,706	($59,378)	$88,328	$278,341	11.50%	$ 10,158	$ 32,009
105	USFP - Business Engagement -R1		9.9500%	$8,203	($3,297)	$4,905	$15,457	11.50%	$ 564	$ 1,778
106	USFP - Business Readiness -R1		9.9500%	$107,218	($43,102)	$64,116	$202,044	11.50%	$ 7,373	$ 23,235
107	USFP - Controls & Roles -R1		9.9500%	$412,516	($165,831)	$246,685	$777,354	11.50%	$ 28,369	$ 89,396
108	USFP - Controls & Roles-DD		9.9500%	$142,970	($57,474)	$85,496	$269,415	11.50%	$ 9,832	$ 30,983
109	USFP - Cutover -R1		9.9500%	$144,805	($58,212)	$86,593	$272,874	11.50%	$ 9,958	$ 31,380
110	USFP - Cutover-DD		9.9500%	$6,268	($2,520)	$3,748	$11,811	11.50%	$ 431	$ 1,358
111	USFP - Data Strategy - R1		9.9500%	$410,647	($165,080)	$245,567	$773,832	11.50%	$ 28,240	$ 88,991
112	USFP - Data Strategy-DD		9.9500%	$134,361	($54,013)	$80,348	$253,192	11.50%	$ 9,240	$ 29,117
113	USFP - DESIGN AUTH - DESIGN CAPEX		9.9500%	$16,903	($6,795)	$10,108	$31,853	11.50%	$ 1,162	$ 3,663
114	USFP - FINANCE STREAM - DESIGN CAPEX		9.9500%	$76,488	($30,748)	$45,740	$144,135	11.50%	$ 5,260	$ 16,576
115	USFP - Hardware & Software-DD		9.9500%	$147,029	($59,106)	$87,923	$277,064	11.50%	$ 10,111	$ 31,862
116	USFP - Hardware & Software-R1		9.9500%	$1,243,147	($499,745)	$743,402	$2,342,614	11.50%	$ 85,491	$ 269,401
117	USFP - HR STREAM - DESIGN CAPEX		9.9500%	$43,844	($17,625)	$26,219	$82,620	11.50%	$ 3,015	$ 9,501
118	USFP - INFORMATION MGMT - DESIGN CAPEX		9.9500%	$18,411	($7,401)	$11,010	$34,694	11.50%	$ 1,266	$ 3,990
119	USFP - Plan & Perf for Exec & US Dir		9.9500%	$2,787	($1,120)	$1,666	$42,008	11.50%	$ 192	$ 4,831
120	USFP - PMO - R1		9.9500%	$705,470	($283,599)	$421,871	$1,329,404	11.50%	$ 48,515	$ 152,881
121	USFP - PMO TEAM - DESIGN CAPEX		9.9500%	$318,153	($127,897)	$190,255	$599,534	11.50%	$ 21,879	$ 68,946
122	USFP - PMO-DD		9.9500%	$252,688	($101,581)	$151,108	$476,171	11.50%	$ 17,377	$ 54,760
123	USFP - PROCESS & DATA - DESIGN CAPEX		9.9500%	$14,403	($5,790)	$8,613	$27,141	11.50%	$ 990	$ 3,121
124	USFP - Process & Design -R1		9.9500%	$401,434	($161,377)	$240,058	$756,472	11.50%	$ 27,607	$ 86,994
125	USFP - Process & Design-DD		9.9500%	$926,747	($372,552)	$554,194	$1,746,382	11.50%	$ 63,732	$ 200,834
126	USFP - PROCESS CONTROL - DESIGN CAPEX		9.9500%	$7,366	($2,961)	$4,405	$13,881	11.50%	$ 507	$ 1,596
127	USFP - R3 Finance		9.9500%	$5,505	($1,967)	$3,538	$7,376	11.50%	$ 407	$ 848
128	USFP - R3 Finance		9.9500%	$105	($38)	$67	$139	11.50%	$ 8	$ 16
129	USFP - R3 Finance		9.9500%	$937,302	($331,114)	$606,188	$1,712,750	11.50%	$ 69,712	$ 196,966
130	USFP - R3 Payroll		9.9500%	$135,241	($48,325)	$86,916	$181,228	11.50%	$ 9,995	$ 20,841
131	USFP - R3 Payroll		9.9500%	$383,075	($135,326)	$247,749	$700,000	11.50%	$ 28,491	$ 80,500
132	USFP - R3 Supply Chain		9.9500%	$1,058	($378)	$680	$1,417	11.50%	$ 78	$ 163
133	USFP - R3 Supply Chain		9.9500%	$670,381	($236,821)	$433,560	$1,225,000	11.50%	$ 49,859	$ 140,875
134	USFP - Release 3 - IT Delivery		9.9500%	$654,719	($233,947)	$420,772	$877,346	11.50%	$ 48,389	$ 100,895
135	USFP - Release 3 - IT Delivery		9.9500%	$35,451	($12,523)	$22,927	$64,780	11.50%	$ 2,637	$ 7,450
136	USFP - Reporting & Info - R1		9.9500%	$328,893	($132,215)	$196,678	$619,773	11.50%	$ 22,618	$ 71,274
137	USFP - Reporting & Info-DD		9.9500%	$132,877	($53,416)	$79,460	$250,396	11.50%	$ 9,138	$ 28,796
138	USFP - S\CHAIN STREAM - DESIGN CAPEX		9.9500%	$55,090	($22,146)	$32,944	$103,813	11.50%	$ 3,789	$ 11,938
139	USFP - SOLUTION ARCH - DESIGN CAPEX		9.9500%	$10,610	($4,265)	$6,344	$19,993	11.50%	$ 730	$ 2,299
140	USFP - Solution Architecture-DD		9.9500%	$154,343	($62,046)	$92,297	$290,847	11.50%	$ 10,614	$ 33,447
141	USFP - Solution Architecture-R1		9.9500%	$134,623	($54,118)	$80,504	$253,686	11.50%	$ 9,258	$ 29,174
142	USFP - SOLUTION DEL - DESIGN CAPEX		9.9500%	$48,100	($19,336)	$28,764	$90,640	11.50%	$ 3,308	$ 10,424
143	USFP - Tech Delivery - R1		9.9500%	$243,845	($98,026)	$145,819	$459,507	11.50%	$ 16,769	$ 52,843
144	USFP - Tech Delivery-DD		9.9500%	$90,680	($36,453)	$54,227	$170,879	11.50%	$ 6,236	$ 19,651
145	USFP - Test Finance		9.9500%	$207,537	($83,430)	$124,107	$391,086	11.50%	$ 14,272	$ 44,975
146	USFP - Test HR		9.9500%	$525	($211)	$314	$990	11.50%	$ 36	$ 114
147	USFP - Test Net Strat		9.9500%	$69,276	($27,849)	$41,427	$130,545	11.50%	$ 4,764	$ 15,013
148	USFP - Test Ops		9.9500%	$231,351	($93,003)	$138,348	$435,964	11.50%	$ 15,910	$ 50,136
149	USFP - Test Procure		9.9500%	$16,554	($6,655)	$9,900	$31,196	11.50%	$ 1,138	$ 3,587
150	USFP - Test SS		9.9500%	$2,447,093	($983,731)	$1,463,362	$4,611,356	11.50%	$ 168,287	$ 530,306
151	USFP - Testing -R1		9.9500%	$3,256,536	($1,309,127)	$1,947,409	$6,136,688	11.50%	$ 223,952	$ 705,719
152	USFP - Testing-DD		9.9500%	$11,117	($4,469)	$6,648	$20,950	11.50%	$ 765	$ 2,409
153	USFP - US FOUNDATION PRGM ARCH/DECOM		9.9500%	$65,932	($26,505)	$39,428	$124,245	11.50%	$ 4,534	$ 14,288

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			(r)	(s)		(t)	(u)		(v) = (t) + (u)/2	(w) = (v)*Eff Rate
				Cumulative Tax Depreciation						
						12/31/2016	12/31/2017			40.2000%
	Investment Name	INVP #	Amortization Period	Tax Expensing	Bonus Depreciation	12/31/2016 Balance	12/31/2017 Balance		Average Balance	Cash Tax
103	USFP - Build & Unit Test -R1		36		13,382,897	$ 26,765,794	$ 26,765,794		$ 26,765,794	$10,759,849
104	USFP - Build & Unit Test-DD		36		1,391,706	$ 2,783,413	$ 2,783,413		$ 2,783,413	$1,118,932
105	USFP - Business Engagement -R1		36		77,285	$ 154,570	$ 154,570		$ 154,570	$62,137
106	USFP - Business Readiness -R1		36		1,010,219	$ 2,020,438	$ 2,020,438		$ 2,020,438	$812,216
107	USFP - Controls & Roles -R1		36		3,886,772	$ 7,773,544	$ 7,773,544		$ 7,773,544	$3,124,965
108	USFP - Controls & Roles-DD		36		1,347,075	$ 2,694,151	$ 2,694,151		$ 2,694,151	$1,083,049
109	USFP - Cutover -R1		36		1,364,369	$ 2,728,737	$ 2,728,737		$ 2,728,737	$1,096,952
110	USFP - Cutover-DD		36		59,054	$ 118,108	$ 118,108		$ 118,108	$47,479
111	USFP - Data Strategy - R1		36		3,869,162	$ 7,738,324	$ 7,738,324		$ 7,738,324	$3,110,806
112	USFP - Data Strategy-DD		36		1,265,962	$ 2,531,924	$ 2,531,924		$ 2,531,924	$1,017,833
113	USFP - DESIGN AUTH - DESIGN CAPEX		36		159,266	$ 318,531	$ 318,531		$ 318,531	$128,050
114	USFP - FINANCE STREAM - DESIGN CAPEX		36		720,677	$ 1,441,354	$ 1,441,354		$ 1,441,354	$579,424
115	USFP - Hardware & Software-DD		36		1,385,320	$ 2,770,640	$ 2,770,640		$ 2,770,640	$1,113,797
116	USFP - Hardware & Software-R1		36		11,713,072	$ 23,426,143	$ 23,426,143		$ 23,426,143	$9,417,310
117	USFP - HR STREAM - DESIGN CAPEX		36		413,101	$ 826,202	$ 826,202		$ 826,202	$332,133
118	USFP - INFORMATION MGMT - DESIGN CAPEX		36		173,470	$ 346,941	$ 346,941		$ 346,941	$139,470
119	USFP - Plan & Perf for Exec & US Dir		36		294,053	$ 294,053	$ 294,053		$ 294,053	$118,209
120	USFP - PMO - R1		36		6,647,020	$ 13,294,040	$ 13,294,040		$ 13,294,040	$5,344,204
121	USFP - PMO TEAM - DESIGN CAPEX		36		2,997,669	$ 5,995,338	$ 5,995,338		$ 5,995,338	$2,410,126
122	USFP - PMO-DD		36		2,380,856	$ 4,761,712	$ 4,761,712		$ 4,761,712	$1,914,208
123	USFP - PROCESS & DATA - DESIGN CAPEX		36		135,703	$ 271,405	$ 271,405		$ 271,405	$109,105
124	USFP - Process & Design -R1		36		3,782,359	$ 7,564,718	$ 7,564,718		$ 7,564,718	$3,041,017
125	USFP - Process & Design-DD		36		8,731,908	$ 17,463,817	$ 17,463,817		$ 17,463,817	$7,020,454
126	USFP - PROCESS CONTROL - DESIGN CAPEX		36		69,403	$ 138,806	$ 138,806		$ 138,806	$55,800
127	USFP - R3 Finance		36		36,881	$ 61,466	$ 73,762		$ 67,614	$27,181
128	USFP - R3 Finance		36		696	$ 1,160	$ 1,392		$ 1,276	$513
129	USFP - R3 Finance		36		6,851,000	$ 11,417,876	$ 13,701,999		$ 12,559,938	$5,049,095
130	USFP - R3 Payroll		36		906,141	$ 1,510,174	$ 1,812,281		$ 1,661,228	$667,813
131	USFP - R3 Payroll		36		2,800,000	$ 4,666,480	$ 5,600,000		$ 5,133,240	$2,063,563
132	USFP - R3 Supply Chain		36		7,087	$ 11,812	$ 14,175		$ 12,993	$5,223
133	USFP - R3 Supply Chain		36		4,900,000	$ 8,166,340	$ 9,800,000		$ 8,983,170	$3,611,234
134	USFP - Release 3 - IT Delivery		36		4,386,730	$ 7,310,925	$ 8,773,460		$ 8,042,193	$3,232,961
135	USFP - Release 3 - IT Delivery		36		259,119	$ 431,848	$ 518,239		$ 475,044	$190,968
136	USFP - Reporting & Info - R1		36		3,098,864	$ 6,197,728	$ 6,197,728		$ 6,197,728	$2,491,486
137	USFP - Reporting & Info-DD		36		1,251,980	$ 2,503,961	$ 2,503,961		$ 2,503,961	$1,006,592
138	USFP - S\CHAIN STREAM - DESIGN CAPEX		36		519,063	$ 1,038,127	$ 1,038,127		$ 1,038,127	$417,327
139	USFP - SOLUTION ARCH - DESIGN CAPEX		36		99,964	$ 199,928	$ 199,928		$ 199,928	$80,371
140	USFP - Solution Architecture-DD		36		1,454,235	$ 2,908,470	$ 2,908,470		$ 2,908,470	$1,169,205
141	USFP - Solution Architecture-R1		36		1,268,431	$ 2,536,861	$ 2,536,861		$ 2,536,861	$1,019,818
142	USFP - SOLUTION DEL - DESIGN CAPEX		36		453,201	$ 906,402	$ 906,402		$ 906,402	$364,374
143	USFP - Tech Delivery - R1		36		2,297,534	$ 4,595,067	$ 4,595,067		$ 4,595,067	$1,847,217
144	USFP - Tech Delivery-DD		36		854,396	$ 1,708,792	$ 1,708,792		$ 1,708,792	$686,934
145	USFP - Test Finance		36		1,955,432	$ 3,910,865	$ 3,910,865		$ 3,910,865	$1,572,168
146	USFP - Test HR		36		4,950	$ 9,899	$ 9,899		$ 9,899	$3,979
147	USFP - Test Net Strat		36		652,726	$ 1,305,452	$ 1,305,452		$ 1,305,452	$524,792
148	USFP - Test Ops		36		2,179,819	$ 4,359,638	$ 4,359,638		$ 4,359,638	$1,752,574
149	USFP - Test Procure		36		155,978	$ 311,956	$ 311,956		$ 311,956	$125,406
150	USFP - Test SS		36		23,056,782	$ 46,113,564	$ 46,113,564		$ 46,113,564	$18,537,653
151	USFP - Testing -R1		36		30,683,442	$ 61,366,885	$ 61,366,885		$ 61,366,885	$24,669,488
152	USFP - Testing-DD		36		104,748	$ 209,496	$ 209,496		$ 209,496	$84,218
153	USFP - US FOUNDATION PRGM ARCH/DECOM		36		621,223	$ 1,242,446	$ 1,242,446		$ 1,242,446	$499,463

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			(x)	(y)	(z) = (x) + (y)/2			
			Cumulative Book Depreciation			(aa) = (z)* Eff Rate	(ab) = (w) - (aa)	(ac) = (ab)* Eff Rate
			12/31/2016	12/31/2017		40.2000%		9.9500%
	Investment Name	INVP #	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Book Tax	Cash to Book Tax Difference	Return on Accum Taxes
103	USFP - Build & Unit Test -R1		$11,152,414	$13,828,994	$12,490,704	$5,021,263	$5,738,586	$570,989
104	USFP - Build & Unit Test-DD		$1,159,755	$1,438,097	$1,298,926	$522,168	$596,764	$59,378
105	USFP - Business Engagement -R1		$64,404	$79,861	$72,133	$28,997	$33,140	$3,297
106	USFP - Business Readiness -R1		$841,849	$1,043,893	$942,871	$379,034	$433,182	$43,102
107	USFP - Controls & Roles -R1		$3,238,977	$4,016,331	$3,627,654	$1,458,317	$1,666,648	$165,831
108	USFP - Controls & Roles-DD		$1,122,563	$1,391,978	$1,257,270	$505,423	$577,626	$57,474
109	USFP - Cutover -R1		$1,136,974	$1,409,847	$1,273,411	$511,911	$585,041	$58,212
110	USFP - Cutover-DD		$49,212	$61,022	$55,117	$22,157	$25,322	$2,520
111	USFP - Data Strategy - R1		$3,224,302	$3,998,134	$3,611,218	$1,451,710	$1,659,097	$165,080
112	USFP - Data Strategy-DD		$1,054,968	$1,308,161	$1,181,564	$474,989	$542,844	$54,013
113	USFP - DESIGN AUTH - DESIGN CAPEX		$132,721	$164,574	$148,648	$59,756	$68,293	$6,795
114	USFP - FINANCE STREAM - DESIGN CAPEX		$600,564	$744,700	$672,632	$270,398	$309,026	$30,748
115	USFP - Hardware & Software-DD		$1,154,433	$1,431,497	$1,292,965	$519,772	$594,025	$59,106
116	USFP - Hardware & Software-R1		$9,760,893	$12,103,507	$10,932,200	$4,394,745	$5,022,565	$499,745
117	USFP - HR STREAM - DESIGN CAPEX		$344,251	$426,871	$385,561	$154,996	$177,138	$17,625
118	USFP - INFORMATION MGMT - DESIGN CAPEX		$144,559	$179,253	$161,906	$65,086	$74,384	$7,401
119	USFP - Plan & Perf for Exec & US Dir		$245,044	$287,052	$266,048	$106,951	$11,258	$1,120
120	USFP - PMO - R1		$5,539,183	$6,868,587	$6,203,885	$2,493,962	$2,850,242	$283,599
121	USFP - PMO TEAM - DESIGN CAPEX		$2,498,057	$3,097,591	$2,797,824	$1,124,725	$1,285,400	$127,897
122	USFP - PMO-DD		$1,984,046	$2,460,218	$2,222,132	$893,297	$1,020,911	$101,581
123	USFP - PROCESS & DATA - DESIGN CAPEX		$113,086	$140,226	$126,656	$50,916	$58,189	$5,790
124	USFP - Process & Design -R1		$3,151,966	$3,908,438	$3,530,202	$1,419,141	$1,621,876	$161,377
125	USFP - Process & Design-DD		$7,276,590	$9,022,972	$8,149,781	$3,276,212	$3,744,242	$372,552
126	USFP - PROCESS CONTROL - DESIGN CAPEX		$57,836	$71,717	$64,776	$26,040	$29,760	$2,961
127	USFP - R3 Finance		$14,752	$22,129	$18,441	$7,413	$19,768	$1,967
128	USFP - R3 Finance		$267	$406	$336	$135	$378	$38
129	USFP - R3 Finance		$3,425,500	$5,138,250	$4,281,875	$1,721,314	$3,327,781	$331,114
130	USFP - R3 Payroll		$362,456	$543,684	$453,070	$182,134	$485,679	$48,325
131	USFP - R3 Payroll		$1,400,000	$2,100,000	$1,750,000	$703,500	$1,360,063	$135,326
132	USFP - R3 Supply Chain		$2,835	$4,252	$3,544	$1,425	$3,799	$378
133	USFP - R3 Supply Chain		$2,450,000	$3,675,000	$3,062,500	$1,231,125	$2,380,109	$236,821
134	USFP - Release 3 - IT Delivery		$1,754,692	$2,632,038	$2,193,365	$881,733	$2,351,229	$233,947
135	USFP - Release 3 - IT Delivery		$129,560	$194,340	$161,950	$65,104	$125,864	$12,523
136	USFP - Reporting & Info - R1		$2,582,386	$3,202,159	$2,892,273	$1,162,694	$1,328,793	$132,215
137	USFP - Reporting & Info-DD		$1,043,317	$1,293,713	$1,168,515	$469,743	$536,849	$53,416
138	USFP - S\CHAIN STREAM - DESIGN CAPEX		$432,553	$536,365	$484,459	$194,753	$222,574	$22,146
139	USFP - SOLUTION ARCH - DESIGN CAPEX		$83,303	$103,296	$93,300	$37,507	$42,865	$4,265
140	USFP - Solution Architecture-DD		$1,211,863	$1,502,710	$1,357,286	$545,629	$623,576	$62,046
141	USFP - Solution Architecture-R1		$1,057,026	$1,310,712	$1,183,869	$475,915	$543,903	$54,118
142	USFP - SOLUTION DEL - DESIGN CAPEX		$377,667	$468,308	$422,987	$170,041	$194,333	$19,336
143	USFP - Tech Delivery - R1		$1,914,611	$2,374,118	$2,144,365	$862,035	$985,182	$98,026
144	USFP - Tech Delivery-DD		$711,997	$882,876	$797,436	$320,569	$366,365	$36,453
145	USFP - Test Finance		$1,629,527	$2,020,614	$1,825,070	$733,678	$838,489	$83,430
146	USFP - Test HR		$4,125	$5,115	$4,620	$1,857	$2,122	$211
147	USFP - Test Net Strat		$543,938	$674,484	$609,211	$244,903	$279,889	$27,849
148	USFP - Test Ops		$1,816,516	$2,252,480	$2,034,498	$817,868	$934,706	$93,003
149	USFP - Test Procure		$129,982	$161,177	$145,580	$58,523	$66,883	$6,655
150	USFP - Test SS		$19,213,985	$23,825,342	$21,519,663	$8,650,905	$9,886,748	$983,731
151	USFP - Testing -R1		$25,569,535	$31,706,224	$28,637,879	$11,512,428	$13,157,060	$1,309,127
152	USFP - Testing-DD		$87,290	$108,240	$97,765	$39,302	$44,916	$4,469
153	USFP - US FOUNDATION PRGM ARCH/DECOM		$517,686	$641,930	$579,808	$233,083	$266,380	$26,505

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			(a)	(b)	(c)	(d) = (a)+(c)	(e)	(f)	(g)	(h)	(i) = (g+h)/2
									12/31/2016	12/31/2017	
	Investment Name	**INVP #**	**Inception to Date $**	**Bill Pool**	**Adjustments**	**Total US Spend**	**In Service Date**	**Amortization Period**	**12/31/2016 Balance**	**12/31/2017 Balance**	**Average Balance**
154	USFP - US Pre-BLUEPRINT STRATEGY PLAN		$6,530,003	G012		$6,530,003	11/1/2012	120	$3,809,168	$3,156,168	$3,482,668
155	US-NG Global Intranet Design CAPEX		$1,617,868	GT03		$1,617,868	2/1/2012	84	$481,508	$250,384	$365,946
156	Video Conferencing		$1,207,479	G012		$1,207,479	10/1/2011	84	$301,870	$129,373	$215,621
157	WCLS13 - Auto Gen Work Req		$20,566	G198		$20,566	2/1/2014	84	$11,997	$9,059	$10,528
158	WCOR09 - AVLS Integration		$313,523	G198		$313,523	10/1/2011	84	$78,381	$33,592	$55,986
159	Web Initiatives FY09 - Phase 1		$2,010,464	G012		$2,010,464	9/1/2010	84	$191,473	$0	$95,736
160	BUS TRANS - WIRES & PIPES - CAPITAL	1TXFER00099	$178	G227		$178	3/1/2007	84	$0	$0	$0
161	FDC Enhancement	1TXFER00099	$2,245,499	C310		$2,245,499	10/1/2012	84	$882,160	$561,375	$721,768
162	FFA (NIMO)	90000108449	$7,411,737	G750		$7,411,737	3/1/2011	29	$0	$0	$0
163	GAS SCADA Upgrade/Modernize	1TXFER00099	$2,987,041	G239		$2,987,041	9/1/2010	84	$284,480	$0	$142,240
164	GTIS	1TXFER00099	$3,866,615	C225		$3,866,615	6/1/2012	84	$1,334,903	$782,529	$1,058,716
165	GTIS	90000124369	$1,780,960	G227		$1,780,960	7/1/2014	84	$1,144,903	$890,480	$1,017,691
166	Meter Route Consolidation	90000124368	$410,384	G227		$410,384	3/1/2014	84	$244,276	$185,650	$214,963
167	GTIS	90000124375	$1,675,640	N237		$1,675,640	3/1/2014	84	$997,405	$758,028	$877,716
168	HR BENEFITS	1TXFER00099	$5,405,642	N237		$5,405,642	7/1/1999	84	$0	$0	$0
169	IN1656-CUST.Systems Agent desktop	90000104112	$10,436,678	C225		$10,436,678	8/1/2012	84	$3,851,631	$2,360,677	$3,106,154
170	IN2330 ETRM Repl Nucleus-Gas Benef	90000106246	$6,005,256	G210		$6,005,256	10/1/2012	84	$2,359,208	$1,501,314	$1,930,261
171	IN2366 LI CNI Direct HW Upgrade	90000124371	$66,932	C225		$66,932	8/1/2014	84	$43,825	$34,263	$39,044
172	INVP2960C GridForce SaaS Phase 2	90000144051	$3,049,009	G210		$3,049,009	3/1/2015	84	$2,250,459	$1,814,887	$2,032,673
173	**Subtotal**		**$ 521,647,949**			**$ 521,647,949**			**$ 281,812,148**	**$ 224,738,991**	**$ 253,275,569**

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			(j)	(k) = (i)*(j)	(l) = (-ac)	(m) = (k) + (l)	(n)	(o)	(p) = (m)* (n)	(q) = (n)* (o)
			9.9500%					5220G		
	Investment Name	**INVP #**	**Service Co Return**	**Rate Year Return**	**RY Return on Accum Taxes**	**Total Return**	**Rate Year Amortization**	**KEDNY Allocation**	**KEDNY Rate Year Rent-Return**	**KEDNY Rate Year Rent - Depn**
154	USFP - US Pre-BLUEPRINT STRATEGY PLAN		9.9500%	$346,525	($139,303)	$207,222	$653,000	11.50%	$ 23,831	$ 75,095
155	US-NG Global Intranet Design CAPEX		9.9500%	$36,412	($14,637)	$21,774	$231,124	10.01%	$ 2,180	$ 23,136
156	Video Conferencing		9.9500%	$21,454	($8,625)	$12,830	$172,497	11.50%	$ 1,475	$ 19,837
157	WCLS13 - Auto Gen Work Req		9.9500%	$1,048	($421)	$626	$2,938	0.00%	$ -	$ -
158	WCOR09 - AVLS Integration		9.9500%	$5,571	($2,239)	$3,331	$44,789	0.00%	$ -	$ -
159	Web Initiatives FY09 - Phase 1		9.9500%	$9,526	($3,829)	$5,696	$191,473	11.50%	$ 655	$ 22,019
160	BUS TRANS - WIRES & PIPES - CAPITAL	1TXFER00099	9.9500%	$0	$0	$0	$0	38.38%	$ -	$ -
161	FDC Enhancement	1TXFER00099	9.9500%	$71,816	($28,870)	$42,946	$320,786	0.00%	$ -	$ -
162	FFA (NIMO)	90000108449	9.9500%	$0	$0	$0	$0	0.00%	$ -	$ -
163	GAS SCADA Upgrade/Modernize	1TXFER00099	9.9500%	$14,153	($5,689)	$8,463	$284,480	38.38%	$ 3,248	$ 109,183
164	GTIS	1TXFER00099	9.9500%	$105,342	($42,348)	$62,995	$552,374	68.37%	$ 43,069	$ 377,658
165	GTIS	90000124369	9.9500%	$101,260	($40,707)	$60,554	$254,423	38.38%	$ 23,240	$ 97,647
166	Meter Route Consolidation	90000124368	9.9500%	$21,389	($8,598)	$12,791	$58,626	38.38%	$ 4,909	$ 22,501
167	GTIS	90000124375	9.9500%	$87,333	($35,108)	$52,225	$239,377	58.10%	$ 30,343	$ 139,078
168	HR BENEFITS	1TXFER00099	9.9500%	$0	$0	$0	$0	58.10%	$ -	$ -
169	IN1656-CUST.Systems Agent desktop	90000104112	9.9500%	$309,062	($124,243)	$184,819	$1,490,954	68.37%	$ 126,361	$ 1,019,365
170	IN2330 ETRM Repl Nucleus-Gas Benef	90000106246	9.9500%	$192,061	($77,208)	$114,852	$857,894	30.66%	$ 35,214	$ 263,030
171	IN2366 LI CNI Direct HW Upgrade	90000124371	9.9500%	$3,885	($1,562)	$2,323	$9,562	68.37%	$ 1,588	$ 6,537
172	INVP2960C GridForce SaaS Phase 2	90000144051	9.9500%	$202,251	($71,140)	$131,111	$435,573	30.66%	$ 40,199	$ 133,547
173	**Subtotal**			**$ 25,200,919**	**$ (9,911,161)**	**$ 15,289,758**	**$ 57,073,157**		**$ 1,766,665**	**$ 6,787,235**

$	**8,553,899**	**Existing IS Projects**
$	**14,771,725**	**Total RY 17 IS Projects**
$	**9,147,151**	**Test Year IS Projects**
$	**5,624,573**	**Adjustment**

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			(r)	(s)		(t)	(u)		
				Cumulative Tax Depreciation				(v) = (t) + (u)/2	(w) = (v)*Eff Rate
						12/31/2016	12/31/2017		40.2000%
	Investment Name	INVP #	Amortization Period	Tax Expensing	Bonus Depreciation	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Cash Tax
154	USFP - US Pre-BLUEPRINT STRATEGY PLAN		36	6,529,917	43	$ 6,530,003	$ 6,530,003	$ 6,530,003	$2,625,061
155	US-NG Global Intranet Design CAPEX		36	680,873	468,498	$ 1,617,868	$ 1,617,868	$ 1,617,868	$650,383
156	Video Conferencing		36		1,207,479	$ 1,207,479	$ 1,207,479	$ 1,207,479	$485,407
157	WCLS13 - Auto Gen Work Req		36		10,283	$ 20,566	$ 20,566	$ 20,566	$8,267
158	WCOR09 - AVLS Integration		36		313,523	$ 313,523	$ 313,523	$ 313,523	$126,036
159	Web Initiatives FY09 - Phase 1		36	392,714	808,875	$ 2,010,464	$ 2,010,464	$ 2,010,464	$808,206
160	BUS TRANS - WIRES & PIPES - CAPITAL	1TXFER00099	36	-	89	$ 178	$ 178	$ 178	$72
161	FDC Enhancement	1TXFER00099	36	-	1,122,750	$ 2,245,499	$ 2,245,499	$ 2,245,499	$902,691
162	FFA (NIMO)	90000108449	36	-	3,705,869	$ 7,411,737	$ 7,411,737	$ 7,411,737	$2,979,518
163	GAS SCADA Upgrade/Modernize	1TXFER00099	36	-	1,493,520	$ 2,987,041	$ 2,987,041	$ 2,987,041	$1,200,790
164	GTIS	1TXFER00099	36	-	1,933,307	$ 3,866,615	$ 3,866,615	$ 3,866,615	$1,554,379
165	GTIS	90000124369	36	-	890,480	$ 1,780,960	$ 1,780,960	$ 1,780,960	$715,946
166	Meter Route Consolidation	90000124368	36	-	205,192	$ 410,384	$ 410,384	$ 410,384	$164,974
167	GTIS	90000124375	36	-	837,820	$ 1,675,640	$ 1,675,640	$ 1,675,640	$673,607
168	HR BENEFITS	1TXFER00099	36	-	2,702,821	$ 5,405,642	$ 5,405,642	$ 5,405,642	$2,173,068
169	IN1656-CUST.Systems Agent desktop	90000104112	36	-	5,218,339	$ 10,436,678	$ 10,436,678	$ 10,436,678	$4,195,545
170	IN2330 ETRM Repl Nucleus-Gas Benef	90000106246	36	-	3,002,628	$ 6,005,256	$ 6,005,256	$ 6,005,256	$2,414,113
171	IN2366 LI CNI Direct HW Upgrade	90000124371	36	-	33,466	$ 66,932	$ 66,932	$ 66,932	$26,907
172	INVP2960C GridForce SaaS Phase 2	90000144051	36	-	1,524,505	$ 2,540,740	$ 3,049,009	$ 2,794,874	$1,123,540
173	**Subtotal**			**$ 86,899,266**	**$ 221,946,529**	**$ 510,667,251**	**$ 521,647,949**	**$ 516,157,600**	**$ 207,495,355**

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			(x)	(y)	(z) = (x) + (y)/2			
			Cumulative Book Depreciation			(aa) = (z)* Eff Rate	(ab) = (w) - (aa)	(ac) = (ab)* Eff Rate
			12/31/2016	12/31/2017		40.2000%		9.9500%
	Investment Name	INVP #	12/31/2016 Balance	12/31/2017 Balance	Average Balance	Book Tax	Cash to Book Tax Difference	Return on Accum Taxes
154	USFP - US Pre-BLUEPRINT STRATEGY PLAN		$2,720,835	$3,373,835	$3,047,335	$1,225,029	$1,400,033	$139,303
155	US-NG Global Intranet Design CAPEX		$1,136,360	$1,367,484	$1,251,922	$503,273	$147,110	$14,637
156	Video Conferencing		$905,609	$1,078,106	$991,858	$398,727	$86,680	$8,625
157	WCLS13 - Auto Gen Work Req		$8,569	$11,507	$10,038	$4,035	$4,232	$421
158	WCOR09 - AVLS Integration		$235,142	$279,931	$257,537	$103,530	$22,506	$2,239
159	Web Initiatives FY09 - Phase 1		$1,818,991	$2,010,464	$1,914,727	$769,720	$38,486	$3,829
160	BUS TRANS - WIRES & PIPES - CAPITAL	1TXFER00099	$178	$178	$178	$72	$0	$0
161	FDC Enhancement	1TXFER00099	$1,363,339	$1,684,124	$1,523,732	$612,540	$290,151	$28,870
162	FFA (NIMO)	90000108449	$7,411,737	$7,411,737	$7,411,737	$2,979,518	$0	$0
163	GAS SCADA Upgrade/Modernize	1TXFER00099	$2,702,561	$2,987,041	$2,844,801	$1,143,610	$57,180	$5,689
164	GTIS	1TXFER00099	$2,531,712	$3,084,086	$2,807,899	$1,128,775	$425,604	$42,348
165	GTIS	90000124369	$636,057	$890,480	$763,269	$306,834	$409,112	$40,707
166	Meter Route Consolidation	90000124368	$166,108	$224,734	$195,421	$78,559	$86,415	$8,598
167	GTIS	90000124375	$678,235	$917,613	$797,924	$320,765	$352,842	$35,108
168	HR BENEFITS	1TXFER00099	$5,405,642	$5,405,642	$5,405,642	$2,173,068	$0	$0
169	IN1656-CUST.Systems Agent desktop	90000104112	$6,585,047	$8,076,001	$7,330,524	$2,946,871	$1,248,674	$124,243
170	IN2330 ETRM Repl Nucleus-Gas Benef	90000106246	$3,646,048	$4,503,942	$4,074,995	$1,638,148	$775,965	$77,208
171	IN2366 LI CNI Direct HW Upgrade	90000124371	$23,108	$32,669	$27,888	$11,211	$15,696	$1,562
172	INVP2960C GridForce SaaS Phase 2	90000144051	$798,550	$1,234,123	$1,016,336	$408,567	$714,972	$71,140
173	**Subtotal**		**$ 239,835,801**	**$ 296,908,958**	**$ 268,372,380**	**$ 107,885,697**	**$ 99,609,658**	**$ 9,911,161**

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			(a)	(c)	(d)	(e)	(f)	(g)	(h)= (f+g)/2
Line	**Work order**	**Investment Name**	**Inception to Date $**	**Bill Pool**	**In Service Date**	**Amortization Period**	**12/31/2016 Balance**	**12/31/2017 Balance**	**Average Balance**
2	90000095326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	879	J128	11/1/2013	120	$601	$513	$557
3	90000099326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	1,683,316	J128	7/1/2014	120	$1,262,487	$1,094,155	$1,178,321
4	90000104257	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	738,425	J128	11/1/2013	120	$504,590	$430,748	$467,669
6	90000104631	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	1,271,599	J128	11/1/2013	120	$868,926	$741,766	$805,346
8	90000117533	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	1,253	J128	3/1/2014	120	$898	$773	$835
9	90000124378	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	98,728	J128	10/1/2014	120	$76,514	$66,641	$71,577
10	90000124268	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	9,485	J135	6/1/2013	243	$7,806	$7,338	$7,572
12	90000097849	SVC8000 - Servco Capital Major Location - MA	63,793	G012	11/1/2012	120	$37,212	$30,833	$34,023
13	90000098934	SVC8000 - Servco Capital Major Location - MA	31,861	G012	4/1/2012	120	$16,727	$13,541	$15,134
14	90000111311	SVC8000 - Servco Capital Major Location - MA	44,636	G012	10/1/2014	243	$39,676	$37,472	$38,574
15	90000095332	SVC8000 - Servco Capital Major Location - NY	517,010	G012	2/1/2012	60	$8,617	$0	$4,308
16	90000096381	SVC8000 - Servco Capital Major Location - NY	794,589	G012	7/1/2010	120	$278,106	$198,647	$238,377
17	90000096390	SVC8000 - Servco Capital Major Location - NY	1,676,102	G012	12/1/2011	120	$824,083	$656,473	$740,278
22	90000103784	SVC8000 - Servco Capital Major Location - NY	828,258	G012	3/1/2012	120	$427,933	$345,107	$386,520
31	90000140143	SVC8000 - Servco Intangible Major Location-NY	274,180	G173	8/1/2014	120	$207,919	$180,502	$194,211
32	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	27,628,137	J063	9/1/2009	120	$7,367,503	$4,604,690	$5,986,096
33	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	5,860,234	J063	3/1/2010	60	$0	$0	$0
34	90000102548	SVC8000 - Waltham Reservoir Woods Building Asset Location	572,006	J063	4/1/2012	120	$300,303	$243,102	$271,703
35	90000131767	SVC8000 - Waltham Reservoir Woods Building Asset Location	100,103	J063	11/1/2013	243	$84,449	$79,506	$81,977
36	90000133949	SVC8000 - Waltham Reservoir Woods Building Asset Location	19,847	J063	11/1/2013	120	$13,562	$11,577	$12,570
37	90000135359	SVC8000 - Waltham Reservoir Woods Building Asset Location	18,572	J063	5/1/2015	243	$17,044	$16,127	$16,585
38	90000114690	SVC8000 - Company 99 tax district - INVP 2974 IDS/IPS Service	1,483,732	G012	3/1/2015	120	$1,211,715	$1,063,341	$1,137,528

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Line	Work order	Investment Name	(i) 9.9500% Service Co Return	(j)=(h)*(i) RY Dec 2017 Return	(k) = -(dd) TY Return on Accum Taxes	(l)= (j)+(k) Total Return	(m) RY Dec 2017 Amortization	(n) 5220G KEDNY Allocation	(q)= l*(n+o) KEDNY Rate Year Rent-Return
2	90000095326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$55	($20)	$35	$88	4.96%	$2
3	90000099326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$117,243	($39,375)	$77,868	$168,332	4.96%	$3,866
4	90000104257	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$46,533	($17,005)	$29,528	$73,842	4.96%	$1,466
6	90000104631	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$80,132	($29,283)	$50,849	$127,160	4.96%	$2,524
8	90000117533	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$83	($28)	$55	$125	4.96%	$3
9	90000124378	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$7,122	($2,408)	$4,714	$9,873	4.96%	$234
10	90000124268	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	9.9500%	$753	($281)	$472	$468	26.08%	$123
12	90000097849	SVC8000 - Servco Capital Major Location - MA	9.9500%	$3,385	($1,324)	$2,061	$6,379	11.50%	$237
13	90000098934	SVC8000 - Servco Capital Major Location - MA	9.9500%	$1,506	($587)	$919	$3,186	11.50%	$106
14	90000111311	SVC8000 - Servco Capital Major Location - MA	9.9500%	$3,838	($1,337)	$2,501	$2,204	11.50%	$288
15	90000095332	SVC8000 - Servco Capital Major Location - NY	9.9500%	$429	$125	$554	$8,617	11.50%	$64
16	90000096381	SVC8000 - Servco Capital Major Location - NY	9.9500%	$23,718	($9,535)	$14,184	$79,459	11.50%	$1,631
17	90000096390	SVC8000 - Servco Capital Major Location - NY	9.9500%	$73,658	($29,610)	$44,047	$167,610	11.50%	$5,065
22	90000103784	SVC8000 - Servco Capital Major Location - NY	9.9500%	$38,459	($14,983)	$23,475	$82,826	11.50%	$2,700
31	90000140143	SVC8000 - Servco Intangible Major Location-NY	9.9500%	$19,324	($6,505)	$12,819	$27,418	14.24%	$1,825
32	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	9.9500%	$595,617	($239,438)	$356,179	$2,762,814	6.57%	$23,401
33	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	9.9500%	$0	$0	$0	$0	6.57%	$0
34	90000102548	SVC8000 - Waltham Reservoir Woods Building Asset Location	9.9500%	$27,034	($10,209)	$16,826	$57,201	6.57%	$1,105
35	90000131767	SVC8000 - Waltham Reservoir Woods Building Asset Location	9.9500%	$8,157	($2,818)	$5,339	$4,943	6.57%	$351
36	90000133949	SVC8000 - Waltham Reservoir Woods Building Asset Location	9.9500%	$1,251	($411)	$839	$1,985	6.57%	$55
37	90000135359	SVC8000 - Waltham Reservoir Woods Building Asset Location	9.9500%	$1,650	($378)	$1,272	$917	6.57%	$84
38	90000114690	SVC8000 - Company 99 tax district - INVP 2974 IDS/IPS Service	9.9500%	$113,184	($34,105)	$79,079	$148,373	11.50%	$9,094

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Line	Work order	Investment Name	(r)= m*(n+o) KEDNY Rate Year Rent - Depn	(u) Amortization Period	(u) Cumulative Tax Depreciation Bonus Depreciation	(u) Cumulative Tax Depreciation 12/31/2016 Balance	(v) Cumulative Tax Depreciation 12/31/2017 Balance	(w)= (u+v)/2 Average Balance	(x)= (w) * Eff rate 40.2000% Cash Tax
2	90000095326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$4	60	439	$803.03	$853.66	$828	$333
3	90000099326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$8,357	60	841,658	$1,440,918.58	$1,537,877.59	$1,489,398	$598,738
4	90000104257	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$3,666	60	369,212	$674,624.68	$717,157.93	$695,891	$279,748
6	90000104631	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$6,313	60	635,800	$1,161,733.18	$1,234,977.31	$1,198,355	$481,739
8	90000117533	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$6	60	626	$1,072.37	$1,144.53	$1,108	$446
9	90000124378	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$490	60	49,364	$84,510.74	$90,197.44	$87,354	$35,116
10	90000124268	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	$122	60	4,742	$8,665.35	$9,211.68	$8,939	$3,593
12	90000097849	SVC8000 - Servco Capital Major Location - MA	$734	60	31,896	$61,955.36	$63,792.59	$62,874	$25,275
13	90000098934	SVC8000 - Servco Capital Major Location - MA	$366	60	15,931	$30,943.51	$31,861.11	$31,402	$12,624
14	90000111311	SVC8000 - Servco Capital Major Location - MA	$253	60	22,318	$38,208.29	$40,779.31	$39,494	$15,877
15	90000095332	SVC8000 - Servco Capital Major Location - NY	$991	60	258,505	$502,120.15	$517,010.04	$509,565	$204,845
16	90000096381	SVC8000 - Servco Capital Major Location - NY	$9,138	60	397,294	$794,588.52	$794,588.52	$794,589	$319,425
17	90000096390	SVC8000 - Servco Capital Major Location - NY	$19,275	60	1,676,102	$1,676,101.67	$1,676,101.67	$1,676,102	$673,793
22	90000103784	SVC8000 - Servco Capital Major Location - NY	$9,525	60	414,129	$804,403.88	$828,257.70	$816,331	$328,165
31	90000140143	SVC8000 - Servco Intangible Major Location-NY	$3,904	60	137,090	$234,697.70	$250,490.45	$242,594	$97,523
32	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	$181,517	468	-	$27,628,137.04	$27,628,137.04	$27,628,137	$11,106,511
33	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	$0	468	-	$5,860,234.39	$5,860,234.39	$5,860,234	$2,355,814
34	90000102548	SVC8000 - Waltham Reservoir Woods Building Asset Location	$3,758	468	-	$539,058.07	$572,005.59	$555,532	$223,324
35	90000131767	SVC8000 - Waltham Reservoir Woods Building Asset Location	$325	468	-	$82,805.20	$94,337.07	$88,571	$35,606
36	90000133949	SVC8000 - Waltham Reservoir Woods Building Asset Location	$130	468	-	$16,417.44	$18,703.81	$17,561	$7,059
37	90000135359	SVC8000 - Waltham Reservoir Woods Building Asset Location	$60	468	-	$9,657.68	$13,223.60	$11,441	$4,599
38	90000114690	SVC8000 - Company 99 tax district - INVP 2974 IDS/IPS Service	$17,063	60	741,866	$1,127,636.36	$1,270,074.63	$1,198,855	$481,940

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			(y)	(z)	(aa)= (y+z)/2	(bb)= (aa) * Eff rate 40.2000%	(cc)= (x)-(bb)	(dd)= (cc) * (j) 9.9500%
			Cumulative Book Depreciation					
Line	**Work order**	**Investment Name**	**12/31/2016 Balance**	**12/31/2017 Balance**	**Average Balance**	**Book Tax**	**Cash to Book Tax Difference**	**Return on Accum Taxes**
2	90000095326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$278	$366	$322	$130	$203	$20
3	90000099326	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$420,829	$589,161	$504,995	$203,008	$395,730	$39,375
4	90000104257	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$233,834	$307,677	$270,756	$108,844	$170,905	$17,005
6	90000104631	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$402,673	$529,833	$466,253	$187,434	$294,305	$29,283
8	90000117533	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$355	$480	$418	$168	$278	$28
9	90000124378	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$22,214	$32,086	$27,150	$10,914	$24,202	$2,408
10	90000124268	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	$1,678	$2,147	$1,913	$769	$2,824	$281
12	90000097849	SVC8000 - Servco Capital Major Location - MA	$26,580	$32,960	$29,770	$11,967	$13,308	$1,324
13	90000098934	SVC8000 - Servco Capital Major Location - MA	$15,134	$18,320	$16,727	$6,724	$5,899	$587
14	90000111311	SVC8000 - Servco Capital Major Location - MA	$4,960	$7,164	$6,062	$2,437	$13,440	$1,337
15	90000095332	SVC8000 - Servco Capital Major Location - NY	$508,393	$517,010	$512,702	$206,106	($1,261)	($125)
16	90000096381	SVC8000 - Servco Capital Major Location - NY	$516,483	$595,941	$556,212	$223,597	$95,827	$9,535
17	90000096390	SVC8000 - Servco Capital Major Location - NY	$852,018	$1,019,629	$935,823	$376,201	$297,592	$29,610
22	90000103784	SVC8000 - Servco Capital Major Location - NY	$400,325	$483,150	$441,737	$177,578	$150,587	$14,983
31	90000140143	SVC8000 - Servco Intangible Major Location-NY	$66,260	$93,678	$79,969	$32,148	$65,375	$6,505
32	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	$20,260,634	$23,023,448	$21,642,041	$8,700,100	$2,406,411	$239,438
33	90000092476	SVC8000 - Waltham Reservoir Woods Building Asset Location	$5,860,234	$5,860,234	$5,860,234	$2,355,814	$0	$0
34	90000102548	SVC8000 - Waltham Reservoir Woods Building Asset Location	$271,703	$328,903	$300,303	$120,722	$102,602	$10,209
35	90000131767	SVC8000 - Waltham Reservoir Woods Building Asset Location	$15,654	$20,597	$18,126	$7,287	$28,319	$2,818
36	90000133949	SVC8000 - Waltham Reservoir Woods Building Asset Location	$6,285	$8,270	$7,277	$2,925	$4,134	$411
37	90000135359	SVC8000 - Waltham Reservoir Woods Building Asset Location	$1,529	$2,446	$1,987	$799	$3,800	$378
38	90000114690	SVC8000 - Company 99 tax district - INVP 2974 IDS/IPS Service	$272,018	$420,391	$346,204	$139,174	$342,766	$34,105

The Brooklyn Union Gas Company d/b/a National Grid NY
Service Company Rents
Service Company Capital for Facilities allocated to Operating Companies as Rent Expense
For the Rate Year ended December 31, 2017

Line	Work order	Investment Name	(a) Inception to Date $	(c) Bill Pool	(d) In Service Date	(e) Amortization Period	(f) 12/31/2016 Balance	(g) 12/31/2017 Balance	(h)= (f+g)/2 Average Balance
39	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	23,183,157	J152	7/1/2008		$23,183,055	$23,183,043	$23,183,049
40	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	616,843	J152	7/1/1900		$615,443	$615,431	$615,437
41	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	8,340,102	J106	7/1/2008		$8,340,000	$8,339,988	$8,339,994
42	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	484,898	J106	7/1/1900		$483,498	$483,486	$483,492
43	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION SI	19,960,443	J148	7/1/2008		$19,960,341	$19,960,329	$19,960,335
44	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION SI	39,557	J148	7/1/1900		$38,157	$38,145	$38,151
45	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	43,031,649	J128	7/1/2008		$43,031,547	$43,031,535	$43,031,541
46	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	417,215	J128	7/1/1900		$415,815	$415,803	$415,809
47	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	854,945	J135	7/1/2008		$854,843	$854,831	$854,837
48	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	145,055	J135	7/1/1900		$143,655	$143,643	$143,649
49	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	1,360,995	J140	7/1/2008		$1,360,893	$1,360,881	$1,360,887
50	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	676,493	J140	7/1/1900		$675,093	$675,081	$675,087
51	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	62,512	J140	7/1/1995		$62,254	$62,242	$62,248
52	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	217,445	J140	10/1/2011		$217,382	$217,370	$217,376
53	1TXFER00099	SVC8000 - 0500 - 00428 (BROOKHAVEN TOWN) - (CENTER MORICHES DISTR. SUBSTA. SITE / PORT. NOT IN UTIL SERV)	588,783	J140	7/1/2008		$588,681	$588,669	$588,675
61	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	6,645,822	J107	7/1/2008		$6,645,720	$6,645,708	$6,645,714
62	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	174,178	J107	7/1/1900		$172,778	$172,766	$172,772
68	1TXFER00099	SVC8000 - 0805 - 00065 (ISLANDIA) - (ISLANDIA DISTRIBUTION SUBSTATION / J W DYE CTR-TRAINING)	4,793	J107	7/1/1900		$3,393	$3,381	$3,387
69	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	7,791,103	J143	7/1/2008		$7,791,001	$7,790,989	$7,790,995
70	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	808,897	J143	7/1/1900		$807,497	$807,485	$807,491
74	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	1,000,000	J143	7/1/2008		$999,898	$999,886	$999,892
75	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	1	J143	9/1/2008		($99)	$0	($50)
76		Hub Drive Security Enhancements	770,000	G207	10/1/2016	120	$750,750	$673,750	$712,250
81		Metrotech - Asset Replacement	250,000	5220	4/1/2016	120	$231,250	$206,250	$218,750
82		Metrotech Sustain Hub / Cust Office2	1,500,000	5220	7/1/2017	120	$0	$1,425,000	$712,500
83		Res Woods Capital	500,000	J063	4/1/2016	120	$462,500	$412,500	$437,500
84		**Total Facilities**	**$ 208,615,579**				**$ 169,374,218**	**$ 166,796,316**	**$ 168,085,267**

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Line	Work order	Investment Name	(i) 9.9500% Service Co Return	(j)=(h)*(i) RY Dec 2017 Return	(k) = -(dd) TY Return on Accum Taxes	(l)= (j)+(k) Total Return	(m) RY Dec 2017 Amortization	(n) 5220G KEDNY Allocation	(q)= l*(n+o) KEDNY Rate Year Rent-Return
39	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	9.9500%	$2,306,713	$0	$2,306,713	$0	1.80%	$41,521
40	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	9.9500%	$61,236	$0	$61,236	$0	1.80%	$1,102
41	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	9.9500%	$829,829	$0	$829,829	$0	4.51%	$37,425
42	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	9.9500%	$48,107	$0	$48,107	$0	4.51%	$2,170
43	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION S1	9.9500%	$1,986,053	$0	$1,986,053	$0	0.77%	$15,375
44	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION S1	9.9500%	$3,796	$0	$3,796	$0	0.77%	$29
45	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$4,281,638	$0	$4,281,638	$0	4.96%	$212,570
46	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	9.9500%	$41,373	$0	$41,373	$0	4.96%	$2,054
47	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	9.9500%	$85,056	$0	$85,056	$0	26.08%	$22,183
48	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	9.9500%	$14,293	$0	$14,293	$0	26.08%	$3,728
49	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	9.9500%	$135,408	$0	$135,408	$0	1.45%	$1,958
50	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	9.9500%	$67,171	$0	$67,171	$0	1.45%	$971
51	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	9.9500%	$6,194	$0	$6,194	$0	1.45%	$90
52	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	9.9500%	$21,629	$0	$21,629	$0	1.45%	$313
53	1TXFER00099	SVC8000 - 0500 - 00428 (BROOKHAVEN TOWN) - (CENTER MORICHES DISTR. SUBSTA. SITE / PORT. NOT IN UTIL SERV)	9.9500%	$58,573	$0	$58,573	$0	1.45%	$847
61	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	9.9500%	$661,249	$0	$661,249	$0	1.92%	$12,696
62	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	9.9500%	$17,191	$0	$17,191	$0	1.92%	$330
68	1TXFER00099	SVC8000 - 0805 - 00065 (ISLANDIA) - (ISLANDIA DISTRIBUTION SUBSTATION / J W DYE CTR-TRAINING)	9.9500%	$337	$0	$337	$0	1.92%	$6
69	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	9.9500%	$775,204	$0	$775,204	$0	0.66%	$5,128
70	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	9.9500%	$80,345	$0	$80,345	$0	0.66%	$532
74	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	9.9500%	$99,489	$0	$99,489	$0	0.66%	$658
75	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	9.9500%	($5)	$0	($5)	$0	0.66%	($0)
76		Hub Drive Security Enhancements	9.9500%	$70,869	($18,634)	$52,235	$77,000	45.91%	$23,981
81		Metrotech - Asset Replacement	9.9500%	$21,766	($5,550)	$16,216	$25,000	100.00%	$16,216
82		Metrotech Sustain Hub / Cust Office2	9.9500%	$70,894	($31,499)	$39,395	$75,000	100.00%	$39,395
83		Res Woods Capital	9.9500%	$43,531	($11,100)	$32,432	$50,000	6.57%	$2,131
84		**Total Facilities**		**$ 16,724,484**	**$ (877,392)**	**$ 15,847,092**	**$ 5,807,568**		**$ 497,631**

$902,266
$752,432
$149,834

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For the Rate Year ended December 31, 2017

Line	Work order	Investment Name	(r)= m*(n+o) KEDNY Rate Year Rent - Depn	(u) Amortization Period	(u) Cumulative Tax Depreciation: Bonus Depreciation	(u) Cumulative Tax Depreciation: 12/31/2016 Balance	(v) Cumulative Tax Depreciation: 12/31/2017 Balance	(w)= (u+v)/2 Average Balance	(x)= (w) * Eff rate 40.2000% Cash Tax
39	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	$0	0	-	23,183,157	23,183,157	$23,183,157	$9,319,629
40	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	$0	0	-	616,843	616,843	$616,843	$247,971
41	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	$0	0	-	8,340,102	8,340,102	$8,340,102	$3,352,721
42	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	$0	0	-	484,898	484,898	$484,898	$194,929
43	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION SI	$0	0	-	19,960,443	19,960,443	$19,960,443	$8,024,098
44	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION SI	$0	0	-	39,557	39,557	$39,557	$15,902
45	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$0	0	-	43,031,649	43,031,649	$43,031,649	$17,298,723
46	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$0	0	-	417,215	417,215	$417,215	$167,721
47	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	$0	0	-	854,945	854,945	$854,945	$343,688
48	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	$0	0	-	145,055	145,055	$145,055	$58,312
49	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$0	0	-	1,360,995	1,360,995	$1,360,995	$547,120
50	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$0	0	-	676,493	676,493	$676,493	$271,950
51	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$0	0	-	62,512	62,512	$62,512	$25,130
52	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$0	0	-	217,445	217,445	$217,445	$87,413
53	1TXFER00099	SVC8000 - 0500 - 00428 (BROOKHAVEN TOWN) - (CENTER MORICHES DISTR. SUBSTA. SITE / PORT. NOT IN UTIL SERV)	$0	0	-	588,783	588,783	$588,783	$236,691
61	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	$0	0	-	6,645,822	6,645,822	$6,645,822	$2,671,620
62	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	$0	0	-	174,178	174,178	$174,178	$70,020
68	1TXFER00099	SVC8000 - 0805 - 00065 (ISLANDIA) - (ISLANDIA DISTRIBUTION SUBSTATION / J W DYE CTR-TRAINING)	$0	0	-	4,793	4,793	$4,793	$1,927
69	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	$0	0	-	7,791,103	7,791,103	$7,791,103	$3,132,023
70	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	$0	0	-	808,897	808,897	$808,897	$325,177
74	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	$0	0	-	1,000,000	1,000,000	$1,000,000	$402,000
75	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	$0	0	-	1	1	$1	$0
76		Hub Drive Security Enhancements	$35,351	60	385,000	462,000	585,200	$523,600	$210,487
81		Metrotech - Asset Replacement	$25,000	60	125,000	150,000	190,000	$170,000	$68,340
82		Metrotech Sustain Hub / Cust Office2	$75,000	60	750,000	750,000	900,000	$825,000	$331,650
83		Res Woods Capital	$3,285	60	250,000	300,000	380,000	$340,000	$136,680
84		**Total Facilities**	**$ 404,635**		**$ 19,725,979**	**$ 202,184,745**	**$ 204,547,402**	**$ 203,366,074**	**$ 81,753,162**

Total Facilities Return/Dep
Test Year Return/Dep
Adjustment

The Brooklyn Union Gas Company d/b/a National Grid NY
Service Company Rents
Service Company Capital for Facilities allocated to Operating Companies as Rent Expense
For the Rate Year ended December 31, 2017

			(y)	(z)	(aa)= (y+z)/2	(bb)= (aa) * Eff rate 40.2000%	(cc)= (x)-(bb)	(dd)= (cc) * (j) 9.9500%
			Cumulative Book Depreciation					
Line	**Work order**	**Investment Name**	**12/31/2016 Balance**	**12/31/2017 Balance**	**Average Balance**	**Book Tax**	**Cash to Book Tax Difference**	**Return on Accum Taxes**
39	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	$23,183,157	$23,183,157	$23,183,157	$9,319,629	$0	$0
40	1TXFER00099	SVC8000 - 0100 - 00285 (HEMPSTEAD TOWN) - (HEWLETT OPERATIONS CENTER)	$616,843	$616,843	$616,843	$247,971	$0	$0
41	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	$8,340,102	$8,340,102	$8,340,102	$3,352,721	$0	$0
42	1TXFER00099	SVC8000 - 0100 - 00372 (HEMPSTEAD TOWN) - (BELLMORE OPERATIONS CENTER)	$484,898	$484,898	$484,898	$194,929	$0	$0
43	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION SI	$19,960,443	$19,960,443	$19,960,443	$8,024,098	$0	$0
44	1TXFER00099	SVC8000 - 0200 - 00033 (NORTH HEMPSTEAD TOWN) - (ROSLYN OPERATIONS CENTER / DISTRIBUTION SUBSTATION SI	$39,557	$39,557	$39,557	$15,902	$0	$0
45	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$43,031,649	$43,031,649	$43,031,649	$17,298,723	$0	$0
46	1TXFER00099	SVC8000 - 0300 - 00227 (OYSTER BAY TOWN) - (HICKSVILLE OPERATIONS CENTER)	$417,215	$417,215	$417,215	$167,721	$0	$0
47	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	$854,945	$854,945	$854,945	$343,688	$0	$0
48	1TXFER00099	SVC8000 - 0300 - 00470 (OYSTER BAY TOWN) - (HICKSVILLE OFFICE BLDG 100 OLD COUNTRY RD)	$145,055	$145,055	$145,055	$58,312	$0	$0
49	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$1,360,995	$1,360,995	$1,360,995	$547,120	$0	$0
50	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$676,493	$676,493	$676,493	$271,950	$0	$0
51	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$62,512	$62,512	$62,512	$25,130	$0	$0
52	1TXFER00099	SVC8000 - 0500 - 00421 (BROOKHAVEN TOWN) - (PATCHOGUE OPERATIONS CENTER E. MAIN ST / CONKLIN AVE.)	$217,445	$217,445	$217,445	$87,413	$0	$0
53	1TXFER00099	SVC8000 - 0500 - 00428 (BROOKHAVEN TOWN) - (CENTER MORICHES DISTR. SUBSTA. SITE / PORT. NOT IN UTIL SERV)	$588,783	$588,783	$588,783	$236,691	$0	$0
61	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	$6,645,822	$6,645,822	$6,645,822	$2,671,620	$0	$0
62	1TXFER00099	SVC8000 - 0800 - 00300 (ISLIP TOWN) - (BRENTWOOD OPERATIONS CENTER / DISTRICT OFFICE)	$174,178	$174,178	$174,178	$70,020	$0	$0
68	1TXFER00099	SVC8000 - 0805 - 00065 (ISLANDIA) - (ISLANDIA DISTRIBUTION SUBSTATION / J W DYE CTR-TRAINING)	$4,793	$4,793	$4,793	$1,927	$0	$0
69	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	$7,791,103	$7,791,103	$7,791,103	$3,132,023	$0	$0
70	1TXFER00099	SVC8000 - 0900 - 00449 (RIVERHEAD TOWN) - (RIVERHEAD OPERATIONS CENTER)	$808,897	$808,897	$808,897	$325,177	$0	$0
74	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	$1,000,000	$1,000,000	$1,000,000	$402,000	$0	$0
75	1TXFER00099	SVC8000- 0900 - 00461 (RIVERHEAD TOWN) - (JAMESPORT FUTURE NUCLEAR POWER STATION	$1	$1	$1	$0	$0	$0
76		Hub Drive Security Enhancements	$19,250	$96,250	$57,750	$23,216	$187,272	$18,634
81		Metrotech - Asset Replacement	$18,750	$43,750	$31,250	$12,563	$55,778	$5,550
82		Metrotech Sustain Hub / Cust Office2	$0	$75,000	$37,500	$15,075	$316,575	$31,499
83		Res Woods Capital	$37,500	$87,500	$62,500	$25,125	$111,555	$11,100
84		**Total Facilities**	**$ 178,532,611**	**$ 184,339,236**	**$ 181,435,923**	**$ 72,937,241**	**$ 8,815,920**	**$ 877,184**

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-3R)

Transportation Expense Adjustments

Exhibit_____(RRP-3R)
Schedule 1
1 of 8

The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Compare Forecast Methods
Forecast Rate Year Lease Expense for 295 Replacement Vehicles
Replaced after HTY and before Rate Year 2017

	Companies' Forecast Method			Staff's Forecast Method (HTY Inflated)				
	Rate Year Replacement Cost	O&M Expense Ratio	O&M Expense	HTY Actual Cost	Inflated to RY @ 3.77%	O&M Expense Ratio	O&M Expense	Rate Year 2017 Difference in Methods
The Brooklyn Union Gas Co. (KEDNY)	1,160,752	54.13%	628,302	104,360	108,297	54.13%	58,620	569,682
Keyspan Gas East Corp. (KEDLI)	2,426,650	34.32%	832,904	266,249	276,295	34.32%	94,833	738,071
Total			1,461,206				153,453	1,307,753

Exhibit_____(RRP-3R)
Schedule 1
2 of 8

The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Case 16-G-0058, Case 16-G-0059
Lease Expense for 253 of 295 Replacement Vehicles
Vehicles replaced after HTY and before Rate Year 2017

Historic Test Year Lease Expense

		CY2014			CY2015									
Company	**Equipment #**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Grand Total**
KEDNY	13865	378	378	377	376	376	375	374	374	373	372	372	338	4,463
	15769	920	918	917	915	913	912	910	908	907	905	904	902	10,931
	15923	1,132	1,130	1,128	1,126	1,124	1,122	1,120	1,118	984	15	15	15	10,030
	16191	15	15	15	15	15	15	15	15	15	15	15	15	180
	16192	15	15	15	15	15	15	15	15	15	15	15	15	180
	16193	15	15	15	15	15	15	15	15	15	15	15	15	180
	16194	15	15	15	15	15	15	15	15	15	15	15	15	180
	16195	16	16	16	16	16	16	16	16	16	16	16	16	196
	16206	15	15	15	15	15	15	15	15	15	15	15	15	180
	16207	15	15	15	15	15	15	15	15	15	15	15	15	180
	16208	15	15	15	15	15	15	15	15	15	15	15	15	180
	17516	7	7	7	7	7	7	7	7	7	7	7	7	89
	17586	11	11	11	11	11	11	11	11	11	11	11	11	137
	17612	16	16	16	16	16	16	16	16	16	16	16	16	188
	17613	15	15	15	15	15	15	15	15	15	15	15	15	186
	17618	8	8	8	8	8	8	8	8	8	8	8	8	102
	17662	8	8	8	8	8	8	8	8	8	8	8	8	96
	17664	18	18	18	18	18	18	18	18	18	18	18	18	221
	17665	9	9	9	9	9	9	9	9	9	9	9	9	111
	17668	10	10	10	10	10	10	10	10	10	10	10	10	125
	17676	10	10	10	10	10	10	10	10	10	10	10	60	170
	17677	10	10	10	10	10	10	10	10	10	10	132	60	292
	17678	25	25	25	25	25	25	25	25	25	25	25	25	305
	17679	10	10	10	10	10	10	10	10	10	10	10	10	120
	17680	1,146	1,146	1,146	1,146	1,146	10	10	10	10	10	10	10	5,800
	17685	10	10	10	10	10	10	10	10	10	10	10	10	120
	17689	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	10	10	16,210
	17691	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	14,333
	17712	10	10	10	10	10	10	10	10	10	10	10	10	120
	17725	10	10	10	10	10	10	10	10	10	10	440	60	600
	17726	10	10	10	10	10	10	10	10	10	10	440	60	600
	17728	830	10	10	10	10	10	10	10	10	10	10	10	940
	17729	10	10	10	10	10	10	10	10	10	10	10	10	120
	17741	10	10	10	10	10	10	10	10	10	10	10	10	120
	17742	10	10	10	10	10	10	10	10	10	10	10	10	120
	17743	10	10	10	10	10	10	10	10	10	10	10	10	120
	17744	11	11	11	11	11	11	11	11	11	11	11	11	128
	17753	10	10	10	10	10	10	10	10	10	10	10	10	120
	17767	10	10	10	10	10	10	10	10	10	10	10	10	120
	17828	11	11	11	11	11	11	11	11	11	11	11	11	130
	17876	9	9	9	9	9	9	9	9	9	9	9	9	111
	17954	16	16	16	16	16	16	16	16	16	16	16	16	186
	17971	11	11	11	11	11	11	11	11	11	11	11	11	132
	17983	11	11	11	11	11	11	11	11	11	11	11	11	133

Fully Amortized Vehicles

(If monthly cost is nominal (<$50) vehicle is amortized and has count of 1.)

CY2014				CY2015								
Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1

The Brooklyn Union Gas Company d/b/a National Grid NY
Case No. 16-G-0059
Company Rebuttal Testimony
Transportation Expense

The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Case 16-G-0058, Case 16-G-0059
Lease Expense for 253 of 295 Replacement Vehicles
Vehicles replaced after HTY and before Rate Year 2017

		Historic Test Year Lease Expense													**Fully Amortized Vehicles** (If monthly cost is nominal (<$50) vehicle is amortized and has count of 1.)											
		CY2014			CY2015										CY2014			CY2015							
Company	**Equipment #**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Grand Total**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
	17990	11	11	11	11	11	11	11	11	11	11	11	11	131	1	1	1	1	1	1	1	1	1	1	1	1
	18001	10	10	10	10	10	10	10	10	10	10	10	10	124	1	1	1	1	1	1	1	1	1	1	1	1
	18002	10	10	10	10	10	10	10	10	10	10	10	10	124	1	1	1	1	1	1	1	1	1	1	1	1
	18010	9	9	9	9	9	9	9	9	9	9	9	9	111	1	1	1	1	1	1	1	1	1	1	1	1
	18011	9	9	9	9	9	9	9	9	9	9	9	9	111	1	1	1	1	1	1	1	1	1	1	1	1
	18012	9	9	9	9	9	9	9	9	9	9	9	9	112	1	1	1	1	1	1	1	1	1	1	1	1
	18013	10	10	10	10	10	10	10	10	10	10	10	10	123	1	1	1	1	1	1	1	1	1	1	1	1
	18014	10	10	10	10	10	10	10	10	10	10	10	10	122	1	1	1	1	1	1	1	1	1	1	1	1
	18018	14	14	14	14	14	14	14	14	14	14	14	14	172	1	1	1	1	1	1	1	1	1	1	1	1
	18029	26	26	26	26	26	26	26	26	26	26	26	26	179	1	1	1	1	1	1	1	1	1	1	1	1
	18030	26	26	26	26	26	26	26	26	26	26	26	26	315	1	1	1	1	1	1	1	1	1	1	1	1
	18031	26	26	26	26	26	26	26	26	26	26	26	26	315	1	1	1	1	1	1	1	1	1	1	1	1
	18032	26	26	26	26	26	26	26	26	26	26	26	26	316	1	1	1	1	1	1	1	1	1	1	1	1
	18034	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18037	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18038	31	31	31	31	31	31	31	31	31	31	31	31	376	1	1	1	1	1	1	1	1	1	1	1	1
	18039	25	25	25	25	25	25	25	25	25	25	25	25	301	1	1	1	1	1	1	1	1	1	1	1	1
	18070	10	10	10	10	10	10	10	10	10	10	10	60	170	1	1	1	1	1	1	1	1	1	1	1	0
	18073	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18074	(1,915)												(1,915)	1	1	1	1	1	1	1	1	1	1	1	1
	18080	10	10	10	10	10	10	10	10	10	10	560	60	720	1	1	1	1	1	1	1	1	1	1	0	0
	18082	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18088	10	10	10	10	10	10	10	10	10	10	242	60	402	1	1	1	1	1	1	1	1	1	1	0	0
	18103	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18113	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18147	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18150	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	18233	7	7	7	7	7	7	7	7	7	7	7	7	89	1	1	1	1	1	1	1	1	1	1	1	1
	18673	11	11	11	11	11	11	11	11	11	11	11	11	131	1	1	1	1	1	1	1	1	1	1	1	1
	18680	10	10	10	10	10	10	10	10	97				177	1	1	1	1	1	1	1	1	0	1	1	1
	18731	11	11	11	11	11	11	11	11	11	11	11	11	22	1	1	1	1	1	1	1	1	1	1	1	1
	19357	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	19703	16	16	16	16	16	16	16	16	16	16	16	16	186	1	1	1	1	1	1	1	1	1	1	1	1
	19707	10	10	10	10	10	10	10	10	10	10	10	10	115	1	1	1	1	1	1	1	1	1	1	1	1
	19722	12	12	12	12	12	12	12	12	12	12	12	12	143	1	1	1	1	1	1	1	1	1	1	1	1
	19723	18	18	18	18	18	18	18	18	18	18	18	18	221	1	1	1	1	1	1	1	1	1	1	1	1
	19726	9	9	9	9	9	9	9	9	9	9	9	9	111	1	1	1	1	1	1	1	1	1	1	1	1
	19732	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	19735	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	19748	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	19751	10	10	10	10	10	10	10	10	10	10	440	60	600	1	1	1	1	1	1	1	1	1	1	0	0
	20106	2,365	2,361	2,357	2,353	2,349	2,345	2,341	2,337	2,333	2,329	2,874	2,370	28,712	0	0	0	0	0	0	0	0	0	0	0	0
	6099	37	37	37	37	37	37	37	37	37	37	37	37	447	1	1	1	1	1	1	1	1	1	1	1	1
KEDNY Total		**8,676**	**9,763**	**9,754**	**9,746**	**9,738**	**8,594**	**8,585**	**8,577**	**8,524**	**7,451**	**8,580**	**6,246**	**103,998**	79	80	80	80	80	81	81	81	80	82	77	75

The Brooklyn Union Gas Company d/b/a National Grid NY
Case No. 16-G-0059
Company Rebuttal Testimony
Transportation Expense

The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Case 16-G-0058, Case 16-G-0059
Lease Expense for 253 of 295 Replacement Vehicles
Vehicles replaced after HTY and before Rate Year 2017

		Historic Test Year Lease Expense													**Fully Amortized Vehicles** (If monthly cost is nominal (<$50) vehicle is amortized and has count of 1.)											
		CY2014			CY2015										CY2014			CY2015							
Company	**Equipment #**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Grand Total**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
KEDLI	12904	(4,641)												(4,641)	1	1	1	1	1	1	1	1	1	1	1	1
	12952	1,875	11	11	11	11	11	11	11	11	11	11	11	1,995	0	1	1	1	1	1	1	1	1	1	1	1
	14840	291	291	290	290	289	289	254	8	8	8	8	8	2,034	0	0	0	0	0	0	0	1	1	1	1	1
	15307	584	583	583	582	581	580	579	578	577	576	575	506	6,883	0	0	0	0	0	0	0	0	0	0	0	0
	15860	16	16	16	16	16	16	16	16	16	16	16	16	195	1	1	1	1	1	1	1	1	1	1	1	1
	16187	16	16	16	16	16	16	16	16	16	16	16	16	195	1	1	1	1	1	1	1	1	1	1	1	1
	16199	16	16	16	16	16	16	16	16	16	16	16	16	195	1	1	1	1	1	1	1	1	1	1	1	1
	16209	16	16	16	16	16	16	16	16	16	16	16	16	195	1	1	1	1	1	1	1	1	1	1	1	1
	16497	1,467	1,465	1,463	1,460	1,458	1,456	1,453	1,451	1,448	1,446	1,444	1,441	17,452	0	0	0	0	0	0	0	0	0	0	0	0
	16812	12	12	12	12	12	12	12	12	12	12	12	12	150	1	1	1	1	1	1	1	1	1	1	1	1
	16818	12	12	12	12	12	12	12	12	12	12	12	12	145	1	1	1	1	1	1	1	1	1	1	1	1
	16819	12	12	12	12	12	12	12	12	12	12	12	12	146	1	1	1	1	1	1	1	1	1	1	1	1
	16822	12	12	12	12	12	12	12	12	12	12	12	12	145	1	1	1	1	1	1	1	1	1	1	1	1
	16828	12	12	12	12	12	12	12	12	12	12	12	12	142	1	1	1	1	1	1	1	1	1	1	1	1
	16832	26	26	26	26	26	26	26	26	26	26	26	26	309	1	1	1	1	1	1	1	1	1	1	1	1
	16833	25	25	25	25	25	25	25	25	(405)		286		84	1	1	1	1	1	1	1	1	1	1	0	1
	16836	24	24	24	24	24	24	24	24	24	24	24	24	283	1	1	1	1	1	1	1	1	1	1	1	1
	16837	24	24	24	24	24	24	24	24	24	24	24	24	282	1	1	1	1	1	1	1	1	1	1	1	1
	16838	24	24	24	24	24	24	24	24	24	24	24	24	282	1	1	1	1	1	1	1	1	1	1	1	1
	16839	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	16840	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	16844	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16845	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16846	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16847	11	11	11	11	11	11	11	11	11	11	11	61	181	1	1	1	1	1	1	1	1	1	1	1	0
	16848	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16851	11	11	11	11	11	11	11	11	11	11	287	61	456	1	1	1	1	1	1	1	1	1	1	0	0
	16853	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16854	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16855	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16856	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	16858	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,427	11	11	61	12,932	0	0	0	0	0	0	0	0	0	1	1	0
	16861	1,382	1,382	1,382	1,382	1,382	1,383	11	11	11	11	11	61	8,410	0	0	0	0	0	0	1	1	1	1	1	0
	16863	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	16868	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	16874	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	16875	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	16876	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17225	20	20	20	20	20	20	20	20	20	20	20	20	245	1	1	1	1	1	1	1	1	1	1	1	1
	17232	13	13	13	13	13	13	13	13	13	13	13	13	160	1	1	1	1	1	1	1	1	1	1	1	1
	17233	422	14	14	14	14	14	14	14	14	14	14	14	572	0	1	1	1	1	1	1	1	1	1	1	1
	17238	23	23	23	23	23	23	23	23	23	23	23	23	278	1	1	1	1	1	1	1	1	1	1	1	1
	17248	27	27	27	27	27	27	27	27	27	27	27	27	318	1	1	1	1	1	1	1	1	1	1	1	1

Exhibit_____(RRP-3R)
Schedule 1
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The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Case 16-G-0058, Case 16-G-0059
Lease Expense for 253 of 295 Replacement Vehicles
Vehicles replaced after HTY and before Rate Year 2017

		Historic Test Year Lease Expense													Fully Amortized Vehicles (If monthly cost is nominal (<$50) vehicle is amortized and has count of 1.)											
		CY2014			CY2015										CY2014			CY2015							
Company	Equipment #	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Grand Total	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
	17249	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17251	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17252	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17253	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17254	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17255	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17284	11	11	11	11	11	11	11	11	11	11	287	61	456	1	1	1	1	1	1	1	1	1	1	0	0
	17294	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	287	61	14,660	0	0	0	0	0	0	0	0	0	0	0	0
	17307	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17318	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17319	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17320	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17327	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17410	10	10	10	10	10	10	10	10	10	10	10	10	120	1	1	1	1	1	1	1	1	1	1	1	1
	17415	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17793	22	22	22	22	22	22	22	22	22	22	22	22	263	1	1	1	1	1	1	1	1	1	1	1	1
	17794	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17795	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17796	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17797	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17805	11	11	11	11	11	11	11	11	11	11	561	61	730	1	1	1	1	1	1	1	1	1	1	0	0
	17810	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	11	61	14,216	0	0	0	0	0	0	0	0	0	0	1	0
	17811	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	11	61	14,278	0	0	0	0	0	0	0	0	0	0	1	0
	17822	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17823	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	17963								10	10	10	10	10	50	1	1	1	1	1	1	1	1	1	1	1	1
	17976						11	11	11	11	11	11	11	76	1	1	1	1	1	1	1	1	1	1	1	1
	18173	14	14	14	14	159	14	14	14	14	14	14	14	312	1	1	1	1	0	1	1	1	1	1	1	1
	18208	12	12	12	12	12	12	12	12	12	12	12	12	142	1	1	1	1	1	1	1	1	1	1	1	1
	18236	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18237	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18238	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	18249	17	17	17	17	17	17	17	17	17	17	17	17	206	1	1	1	1	1	1	1	1	1	1	1	1
	18269	20	20	20	20	20	20	20	20	20	20	20	20	246	1	1	1	1	1	1	1	1	1	1	1	1
	18275	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18281	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18299	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	18309	11	11	11	11	11	11	11	11	11	11	561	61	730	1	1	1	1	1	1	1	1	1	1	0	0
	18311	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	18312	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	18313	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	18316	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	18320	1,441	1,441	11	11	11	11	11	11	11	11	11	61	3,040	0	0	1	1	1	1	1	1	1	1	1	0
	18322	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,399	11	11	287	61	11,558	0	0	0	0	0	0	0	0	1	1	0	0

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Schedule 1
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The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Case 16-G-0058, Case 16-G-0059
Lease Expense for 253 of 295 Replacement Vehicles
Vehicles replaced after HTY and before Rate Year 2017

		Historic Test Year Lease Expense													**Fully Amortized Vehicles** (If monthly cost is nominal (<$50) vehicle is amortized and has count of 1.)											
		CY2014			CY2015										CY2014			CY2015							
Company	**Equipment #**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Grand Total**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
	18325	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,407	11	11	61	12,751	0	0	0	0	0	0	0	0	0	1	1	0
	18326	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	11	11	61	12,873	0	0	0	0	0	0	0	0	0	1	1	0
	18327	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	11	11	61	12,853	0	0	0	0	0	0	0	0	0	1	1	0
	18328	1,364	1,364	1,364	1,364	1,364	1,364	11	11	11	11	11	61	8,301	0	0	0	0	0	0	1	1	1	1	1	0
	18329	1,364	1,364	1,364	1,364	1,364	1,364	11	11	11	11	287	61	8,577	0	0	0	0	0	0	1	1	1	1	0	0
	18334	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18340	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18341	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18342	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18351	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18352	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18362	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18363	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18364	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18365	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18541	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18542	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18543	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18603	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18607	18	18	18	18	18	18	18	18	18	18	18	18	212	1	1	1	1	1	1	1	1	1	1	1	1
	18612	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18613	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18633	11	11	11	11	11	11	11	11	11	11	11	61	180	1	1	1	1	1	1	1	1	1	1	1	0
	18652	11	11	11	11	11	11	11	11	11	11	243	61	412	1	1	1	1	1	1	1	1	1	1	0	0
	18654	1,351	1,351	11	11	11	11	11	11	11	11	287	61	3,137	0	0	1	1	1	1	1	1	1	1	0	0
	18655	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	11	287	61	13,141	0	0	0	0	0	0	0	0	0	1	0	0
	18656	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	11	287	61	13,209	0	0	0	0	0	0	0	0	0	1	0	0
	18671	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18697	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18698	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18710	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18711	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18712	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18717	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	18737	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	19052	13	13	13	13	13	13	13	13	13	13	13	13	156	1	1	1	1	1	1	1	1	1	1	1	1
	19081	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1
	19301	12	12	12	12	12	12	12	12	12	12	12	12	150	1	1	1	1	1	1	1	1	1	1	1	1
	19310	12	12	12	12	12	12	12	12	12	12	12	12	138	1	1	1	1	1	1	1	1	1	1	1	1
	19314	20	20	20	20	20	20	20	20	20	20	20	20	242	1	1	1	1	1	1	1	1	1	1	1	1
	19319	13	13	13	13	13	13	13	13	13	13	13	13	160	1	1	1	1	1	1	1	1	1	1	1	1
	19323	26	26	26	26	26	26	26	26	26	26	26	26	310	1	1	1	1	1	1	1	1	1	1	1	1
	19324	25	25	25	25	25	25	25	25	25	25	25	25	303	1	1	1	1	1	1	1	1	1	1	1	1
	19325	11	11	11	11	11	11	11	11	11	11	11	11	130	1	1	1	1	1	1	1	1	1	1	1	1

Exhibit_____(RRP-3R)
Schedule 1
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The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Case 16-G-0058, Case 16-G-0059
Lease Expense for 253 of 295 Replacement Vehicles
Vehicles replaced after HTY and before Rate Year 2017

Historic Test Year Lease Expense

		CY2014			CY2015									
Company	**Equipment #**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Grand Total**
	19326	11	11	11	11	11	11	11	11	11	11	111	61	280
	19327	11	11	11	11	11	11	11	11	11	11	11	11	130
	19334	11	11	11	11	11	11	11	11	11	11	11	61	180
	19342	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	11	287	61	13,078
	19349	11	11	11	11	11	11	11	11	11	11	11	11	130
	19360	11	11	11	11	11	11	11	11	11	11	11	11	130
	19363	11	11	11	11	11	11	11	11	11	11	11	11	130
	19432	22	22	22	22	22	22	22	22	22	22	22	22	267
	19443	13	13	13	13	13	13	13	13	13	13	13	13	161
	19444	13	13	13	13	13	13	13	13	13	13	13	13	161
	19452	11	11	11	11	11	11	11	11	11	11	11	11	130
	19463	11	11	11	11	11	11	11	11	11	11	561	61	730
	19465	11	11	11	11	11	11	11	11	11	11	11	61	180
	19472	11	11	11	11	11	11	11	11	11	11	11	11	130
	19479	11	11	11	11	11	11	11	11	11	11	11	11	130
	19485	11	11	11	11	11	11	11	11	11	11	11	11	130
	19486	11	11	11	11	11	11	11	11	11	11	11	11	130
	19488	11	11	11	11	11	11	11	11	11	11	11	11	130
	19493	11	11	11	11	11	11	11	11	11	11	11	11	130
	19574	11	11	11	11	11	11	11	11	11	11	11	11	130
	19590	(2,242)												(2,242)
	19591	21	21	21	21	21	21	21	21	21	21	21	21	257
	19611	11	11	11	11	11	11	11	11	11	11	11	61	180
	19612	11	11	11	11	11	11	11	11	11	11	11	61	180
	19618	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	11	11	61	12,933
	19619	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,423	11	11	61	12,884
	19625	11	11	11	11	11	11	11	11	11	11	11	11	130
	19626	11	11	11	11	11	11	11	11	11	11	11	11	130
	19628	11	11	11	11	11	11	11	11	11	11	11	11	130
	19641	11	11	11	11	11	11	11	11	11	11	11	11	130
	19642	11	11	11	11	11	11	11	11	11	11	11	11	130
	19644	11	11	11	11	11	11	11	11	11	11	11	11	130
	19645	11	11	11	11	11	11	11	11	11	11	11	11	130
	6260	10	10	10	10	10	10	10	10	10	10	10	10	120
	9413	1,384	1,382	1,381	1,380	1,378	1,377	1,376	1,375	1,373	1,372	1,371	1,369	10,991
KEDLI Total		**26,237**	**30,844**	**28,068**	**28,063**	**28,203**	**28,064**	**23,947**	**23,706**	**21,884**	**9,594**	**10,108**	**7,533**	**260,723**
Grand Total		**34,913**	**40,606**	**37,822**	**37,809**	**37,941**	**36,658**	**32,532**	**32,283**	**30,407**	**17,045**	**18,688**	**13,779**	**364,721**

Fully Amortized Vehicles

(If monthly cost is nominal (<$50) vehicle is amortized and has count of 1.)

CY2014				CY2015								
Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
1	1	1	1	1	1	1	1	1	1	0	0
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	0
0	0	0	0	0	0	0	0	0	1	0	0
1	1	1	1	1	1	1	1	1	1	1	1

Exhibit_____(RRP-3R)
Schedule 1
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The Brooklyn Union Gas Company (KEDNY)
KeySpan Gas East Corporation (KEDLI)
Case 16-G-0058, Case 16-G-0059
Equipment # of 41 of 295 Replacement Vehicles
Vehicles replaced after HTY and before Rate Year 2017

Company	Owned during HTY	Sold prior to HTY
KEDNY	17146	17466
	17765	17690
	18091	18033
	18140	18146
	18141	12973
	18142	13347
	18143	15773
	18144	17916
	18145	19705
	19764	19713
	6127	
	6140	
KEDLI	17427	16834
	17813	16835
	17824	17321
	18540	18254
	19366	18304
	19395	18331
	19487	18546
	19494	18691
		18725
		19320
		20163

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-4R)

Other Initiatives Adjustments

The Brooklyn Union Gas Company
National Grid Incremental FTE's
Rate Year Beginning January 31, 2017
Case 16-G-0059
Company Rebuttal - FTE Count and Opex Salary

CU W/P	Co	Function	Program/Position	C&U Count	Staff's Count	Co Adjust to Staff Count	Company Rebuttal Count	Band/Job Title	Mgmt/ Rep	Opex	Salary	Rebuttal Total Cost	KEDNY %	KEDLY %	KEDNY - End HTY Salary	KEDLI - End HTY Salary	KEDNY - RY17	KEDLI - RY17
9	ServCo	Services Delivery Ctr	SDC - A/C Maintenance	5.0	5.0	-	5.0	E	Mgmt	100%	$ 79,000.00	$ 395,000	19%	9%	75,287	34,997	78,709	36,588
9	ServCo	Services Delivery Ctr	SDC - A/C Maintenance	6.0	6.0	-	6.0	Union	Union	100%	$ 23,088.00	$ 138,528	58%	0%	80,693	-	84,510	-
9	ServCo	Customer	Customer - Process & Perf		-	-	-	C	Mgmt	100%	$ 140,000.00	$	18%	8%				
9	ServCo	Customer	Customer - Process & Perf		-	-	-	E/ D	Mgmt	100%	$ 115,000.00	$	18%	8%				
9	ServCo	Customer	Customer - Econ Dev	1.0	1.0	-	1.0	E/ D	Mgmt	100%	$ 100,000.00	$ 000	50%	50%	50,000	50,000	52,273	52,273
9	ServCo	Procurement	Procurement - Gas Growth	2.0	2.0	-	2.0	D2	Mgmt	100%	$ 110,000	$ 220,000	57%	43%	125,400	94,600	131,099	98,900
9	ServCo	Procurement	Procurement - Gas Growth	2.0	2.0	-	2.0	D1	Mgmt	100%	$ 100,000	$ 200,000	57%	43%	114,000	86,000	119,181	89,909
9	ServCo	Procurement	Procurement - Gas Growth	6.0	6.0	-	6.0	E2	Mgmt	100%	$ 80,000	$ 480,000	57%	43%	273,600	206,400	286,035	215,781
1	KEDNY	OPEX related to CAPEX	Gas Estimating Office of Excellence- Estimator	3.0	2.0	-	2.0	Engineer	Mgmt	5%	$ 79,099.24	$ 7,909.92	100%		7,910		8,269	-
1	KEDNY	OPEX related to CAPEX	Main & Service Replacement- Designer	3.0	3.0	-	3.0	Engineer	Mgmt	5%	$ 79,099.24	$ 11,864.89	100%		11,865		12,404	-
1	KEDNY	OPEX related to CAPEX	Gas Estimating Office of Excellence- Manager	0.5	0.3	-	0.3	Manager	Mgmt	5%	$ 123,482.01	$ 2,037.45	100%		2,037		2,130	-
1	KEDNY	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Clerks	2.0	2.0	-	2.0	Operations Clerk	Union	10%	$ 54,414.78	$ 10,882.96	100%		10,883		11,404	-
1	KEDNY	OPEX related to CAPEX	Gas Transmission Engineering- Engineer	0.5	0.5	-	0.5	Engineer	Mgmt	10%	$ 79,099.24	$ 3,954.96	100%		3,955		4,135	-
1	KEDNY	OPEX related to CAPEX	CNG/LNG- Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	10%	$ 79,099.24	$ 7,909.92	100%		7,910		8,269	-
1	KEDNY	OPEX related to CAPEX	Gas Long Term Planning- Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	10%	$ 79,099.24	$ 7,909.92	100%		7,910		8,269	-
1	KEDNY	OPEX related to CAPEX	Construction- Public Works- Engineer	2.0	2.0	-	2.0	Engineer	Mgmt	10%	$ 79,099.24	$ 15,819.85	100%		15,820		16,539	-
1	KEDNY	OPEX related to CAPEX	Pressure Regulation Engineering- Engineer	2.0	2.0	-	2.0	Engineer	Mgmt	10%	$ 79,099.24	$ 15,819.85	100%		15,820		16,539	-
1	KEDNY	OPEX related to CAPEX	Construction- Main Replacement- Engineer	3.0	3.0	-	3.0	Engineer	Mgmt	10%	$ 79,099.24	$ 23,729.77	100%		23,730		24,808	-
1	KEDNY	OPEX related to CAPEX	Gas Project Eng & Design- Designer	3.0	3.0	-	3.0	Engineer	Mgmt	10%	$ 79,099.24	$ 23,729.77	100%		23,730		24,808	-
1	KEDNY	OPEX related to CAPEX	Gas Project Eng & Design- Engineer	7.0	7.0	-	7.0	Engineer	Mgmt	10%	$ 79,099.24	$ 55,369.46	100%		55,369		57,886	-
1	KEDNY	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Inspectors	2.0	2.0	-	2.0	Field Operations Inspector A	Union	10%	$ 79,969.73	$ 15,993.95	100%		15,994		16,760	-
1	KEDNY	OPEX related to CAPEX	Construction- Main Replacement- Construction Inspectors	5.0	5.0	-	5.0	Field Operations Inspector A	Union	10%	$ 79,969.73	$ 39,984.86	100%		39,985		41,899	-
1	KEDNY	OPEX related to CAPEX	Construction- Main Replacement- Construction Inspection Supervisor	1.0	1.0	-	1.0	Supv Operations	Mgmt	10%	$ 88,265.91	$ 8,826.59	100%		8,827		9,228	-
1	KEDNY	OPEX related to CAPEX	Complex Construction- Construction Inspectors	9.8	9.8	-	9.8	Supv Operations	Mgmt	10%	$ 88,265.91	$ 86,500.59	100%		86,501		90,432	-
1	KEDNY	OPEX related to CAPEX	Resource Planning- Coordinator	1.0	1.0	-	1.0	Sr Coordinator	Mgmt	10%	$ 85,370.59	$ 8,537.06	100%		8,537		8,925	-
1	KEDNY	OPEX related to CAPEX	Construction- Permit/Summons/Paving Coordinator	2.0	2.0	-	2.0	Sr Coordinator	Mgmt	10%	$ 85,370.59	$ 17,074.12	100%		17,074		17,850	-
1	KEDNY	OPEX related to CAPEX	Corrosion- Techs	2.0	2.0	-	2.0	Corrosion Technician Sr	Union	10%	$ 85,155.00	$ 17,031.00	100%		17,031		17,846	-
1	KEDNY	OPEX related to CAPEX	Investment Planning- In Year Budget- Program Manager	1.0	1.0	-	1.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 8,601.04	100%		8,601		8,992	-
1	KEDNY	OPEX related to CAPEX	Resource Planning- Work Package Reviewer- Program Manager	1.0	1.0	-	1.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 8,601.04	100%		8,601		8,992	-
1	KEDNY	OPEX related to CAPEX	Investment Planning- Rate Case Support- Program Manager	2.0	2.0	-	2.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 17,202.08	100%		17,202		17,984	-
1	KEDNY	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Program Manager	2.0	2.0	-	2.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 17,202.08	100%		17,202		17,984	-
1	KEDNY	OPEX related to CAPEX	Contract Strategy & Administration- Program Manager	3.2	3.2	-	3.2	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 27,523.33	100%		27,523		28,774	-
1	KEDNY	OPEX related to CAPEX	Resource Planning- Program Manager	3.5	3.5	-	3.5	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 30,103.65	100%		30,104		31,472	-
1	KEDNY	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Lead Program Manager	1.0	1.0	-	1.0	Lead Program Manager	Mgmt	10%	$ 95,000.00	$ 9,500.00	100%		9,500		9,932	-
1	KEDNY	OPEX related to CAPEX	Construction- Main Replacement- Manager	1.0	1.0	-	1.0	Manager	Mgmt	10%	$ 123,482.01	$ 12,348.20	100%		12,348		12,909	-
1	KEDNY	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Manager	1.0	1.0	-	1.0	Manager	Mgmt	10%	$ 123,482.01	$ 12,348.20	100%		12,348		12,909	-
1	KEDNY	OPEX related to CAPEX	Resource Planning- Manager	1.0	1.0	-	1.0	Manager	Mgmt	10%	$ 123,482.01	$ 12,348.20	100%		12,348		12,909	-
1	KEDNY	OPEX related to CAPEX	Project Management- Project Manager	3.5	3.5	-	3.5	Sr Program Manager	Mgmt	15%	$ 86,010.42	$ 45,155.47	100%		45,155		47,208	-
1	KEDNY	OPEX related to CAPEX	Operations Support- Permit Clerks	5.0	5.0	-	5.0	Operations Clerk	Union	20%	$ 54,414.78	$ 54,414.78	100%		54,415		57,020	-
1	KEDNY	OPEX related to CAPEX	Operations Support- ESRI Analyst	2.0	2.0	-	2.0	Sr Analyst	Mgmt	20%	$ 81,502.83	$ 32,601.13	100%		32,601		34,083	-
1	KEDNY	OPEX related to CAPEX	Project Controls- Analyst	2.0	2.0	-	2.0	Sr Analyst	Mgmt	20%	$ 81,502.83	$ 32,601.13	100%		32,601		34,083	-
1	KEDNY	OPEX related to CAPEX	Operations Support- Supervisor	1.0	1.0	-	1.0	Supv Operations	Mgmt	20%	$ 88,265.91	$ 17,653.18	100%		17,653		18,456	-
1	KEDNY	OPEX related to CAPEX	Operations Support- Mappers	3.0	3.0	-	3.0	Graphic Techn Sr 40 Hr	Union	20%	$ 85,544.00	$ 51,326.40	100%		51,326		53,783	-
1	KEDNY	OPEX related to CAPEX	Operations Support- Manager	0.5	0.5	-	0.5	Manager	Mgmt	20%	$ 123,482.01	$ 12,348.20	100%		12,348		12,909	-
1	KEDNY	OPEX related to CAPEX	Resource Planning- Analyst	1.0	1.0	-	1.0	Sr Analyst	Mgmt	30%	$ 81,502.83	$ 24,450.85	100%		24,451		25,562	-
1	KEDNY	OPEX related to CAPEX	Resource Planning- Report Analyst	1.0	1.0	-	1.0	Sr Analyst	Mgmt	30%	$ 81,502.83	$ 24,450.85	100%		24,451		25,562	-
1	KEDNY	Safety Programs	Process Safety- Engineering	1.0	1.0	-	1.0	Engineer	Mgmt	40%	$ 79,099.24	$ 31,639.69	100%		31,640		33,078	-
1	KEDNY	Safety Programs	Process Safety- Analyst	0.5	0.5	-	0.5	Sr Analyst	Mgmt	40%	$ 81,502.83	$ 16,300.57	100%		16,301		17,041	-

The Brooklyn Union Gas Company d/b/a National Grid NY
Case No. 16-G-0059
Company Rebuttal Testimony
FTE Count and Opex Salary
Exhibit_____(RRP-4R)
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The Brooklyn Union Gas Company
National Grid Incremental FTE's
Rate Year Beginning January 31, 2017
Case 16-G-0059
Company Rebuttal - FTE Count and Opex Salary

CU W/P	Co	Function	Program/Position	C&U Count	Staff's Count	Co Adjust to Staff Count	Company Rebuttal Count	Band/Job Title	Mgmt/ Rep	Opex	Salary	Rebuttal Total Cost	KEDNY %	KEDLY %	KEDNY - End HTY Salary	KEDLI - End HTY Salary	KEDNY - RY17	KEDLI - RY17
1	KEDNY	Safety Programs	Process Safety- Lead Program Manager	1.0	1.0	-	1.0	Lead Program Manager	Mgmt	40%	$ 95,000.00	$ 38,000.00	100%		38,000		39,727	-
1	KEDNY	Safety Programs	Process Safety- Director	0.5	0.5	-	0.5	Director	Mgmt	40%	$ 156,123.41	$ 31,224.68	100%		31,225		32,644	-
1	KEDNY	OPEX related to CAPEX	Gas Operations Engineering	1.0	1.0	-	1.0	Engineer	Mgmt	80%	$ 79,099.24	$ 63,279.39	100%		63,279		66,155	-
1	KEDNY	OPEX related to CAPEX	Gas Operations Engineering	1.0	1.0	-	1.0	Engineer	Mgmt	80%	$ 79,099.24	$ 63,279.39	100%		63,279		66,155	-
1	KEDNY	Increased OPEX Workload	I&R- Supervisor	2.0	2.0	-	2.0	Supv Operations	Mgmt	80%	$ 88,265.91	$ 141,225.46	100%		141,225		147,644	-
1	KEDNY	Increased OPEX Workload	I&R- Techs	15.0	12.7	2.3	15.0	GSO Station & Field Operator	Union	80%	$ 83,732.00	$ 1,004,784.00	100%		1,004,784		1,052,885	-
1	KEDNY	Increased OPEX Workload	CMS- MSR (Helpers)	8.0	8.0	-	8.0	Meter Service Representative	Union	83%	$ 47,840.00	$ 317,657.60	100%		317,658		332,864	-
1	KEDNY	Increased OPEX Workload	CMS- Supervisor	3.0	3.0	-	3.0	Supv Operations	Mgmt	83%	$ 88,265.91	$ 219,782.12	100%		219,782		229,771	-
1	KEDNY	Increased OPEX Workload	CMS- Working Leader	5.0	5.0	-	5.0	Working Leader	Union	83%	$ 93,050.16	$ 386,158.17	100%		386,158		404,644	-
1	KEDNY	Increased OPEX Workload	CMS- Director	0.5	0.5	-	0.5	Director	Mgmt	83%	$ 156,123.41	$ 64,791.22	100%		64,791		67,736	-
1	KEDNY	OPEX related to CAPEX	Gas Distribution Engineering- Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	95%	$ 79,099.24	$ 75,144.27	100%		75,144		78,560	-
1	KEDNY	Safety Programs	Field Operations- Soft Offs	4.0	4.0	-	4.0	Crew AverageField Operations- Soft O	Union	100%	$ 29,624.50	$ 118,498.00	100%		118,498		124,171	-
1	KEDNY	Increased OPEX Workload	Field Operations- Pressure Testing	5.0	5.0	-	5.0	Crew AverageField Operations- Pressu	Union	100%	$ 33,932.70	$ 169,663.50	100%		169,664		177,786	-
1	KEDNY	OPEX related to CAPEX	LNG- Clerk	1.0	1.0	-	1.0	Operations Clerk	Union	100%	$ 54,414.78	$ 54,414.78	100%		54,415		57,020	-
1	KEDNY	Other OPEX	CMS- Meter Reading	-	-	-	-	Meter Service Representative	Union	100%	$ 47,840.00	$ -	100%		-		-	-
1	KEDNY	Increased OPEX Workload	CMS- Field Collections	10.0	10.0	-	10.0	Meter Service Representative	Union	100%	$ 47,840.00	$ 478,400.00	100%		478,400		501,302	-
1	KEDNY	Increased OPEX Workload	Field Operations- Type 3 Leaks	2.0	2.0	-	2.0	Crew AverageField Operations- Type 3	Union	100%	$ 49,894.88	$ 99,789.76	100%		99,790		104,567	-
1	KEDNY	Increased OPEX Workload	CMS- Related to Meter Reading	0.0	0.0	-	0.0	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 1,203.13	100%		1,203		1,261	-
1	KEDNY	Increased OPEX Workload	CMS- Other Emergency	0.6	0.6	-	0.6	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 42,826.08	100%		42,826		44,876	-
1	KEDNY	Increased OPEX Workload	CMS- Meter/Regulator	0.7	0.7	-	0.7	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 47,876.67	100%		47,877		50,169	-
1	KEDNY	Increased OPEX Workload	CMS- Investigations	5.3	5.3	-	5.3	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 352,458.65	100%		352,459		369,331	-
1	KEDNY	Increased OPEX Workload	CMS- Surveillance	7.9	7.9	-	7.9	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 528,709.43	100%		528,709		554,020	-
1	KEDNY	Increased OPEX Workload	CMS- Gas Leak Investigations	14.1	14.1	-	14.1	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 935,745.73	100%		935,746		980,541	-
1	KEDNY	Increased OPEX Workload	CMS- Meter Oriented Services	20.8	20.8	-	20.8	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 1,384,811.05	100%		1,384,811		1,451,104	-
1	KEDNY	Safety Programs	CMS- Soft Offs	29.8	29.8	-	29.8	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 1,984,008.14	100%		1,984,008		2,078,986	-
1	KEDNY	OPEX related to CAPEX	LNG- Field Engineer	1.0	-	1.0	1.0	Engineer	Mgmt	100%	$ 79,099.24	$ 79,099.24	100%		79,099		82,694	-
1	KEDNY	Safety Programs	Gas Pipeline and Safety Compliance- QA/QC Inspectors	1.0	1.0	-	1.0	Field Operations Inspector A	Mgmt	100%	$ 79,969.73	$ 79,969.73	100%		79,970		83,604	-
1	KEDNY	OPEX related to CAPEX	Damage Prevention- A Inspector	2.0	2.0	-	2.0	Field Operations Inspector A	Union	100%	$ 79,969.73	$ 159,939.45	100%		159,939		167,596	-
1	KEDNY	Safety Programs	Gas Pipeline and Safety Compliance- Compliance Analyst	3.5	-	3.5	3.5	Sr Analyst	Mgmt	100%	$ 81,502.83	$ 285,259.90	100%		285,260		298,225	-
1	KEDNY	OPEX related to CAPEX	Gas Control- Control Room Operator	3.0	3.0	-	3.0	Sr Gas Sys Operator	Mgmt	100%	$ 93,561.70	$ 280,685.10	100%		280,685		293,442	-
1	KEDNY	OPEX related to CAPEX	Gas Control- SOP Coordinator	1.5	1.5	-	1.5	Lead SOP Coordinator	Mgmt	100%	$ 96,638.00	$ 144,957.00	100%		144,957		151,545	-
1	KEDLI	Increased OPEX Workloa	CMS- Director	0.5	0.5	-	0.5	Director	Mgmt	85%	$ 156,123.41	$ 66,352.45		100%		66,352	-	69,368
1	KEDLI	Increased OPEX Workload	CMS- Field Collections	1.4	1.4	-	1.4	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 90,270.97		100%		90,271	-	94,270
1	KEDLI	Increased OPEX Workload	CMS- Gas Leak Investigations	0.8	0.8	-	0.8	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 53,261.96		100%		53,262	-	55,622
1	KEDLI	Other OPEX	CMS- Investigations	(0.3)	(0.3)	-	(0.3)	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ (19,973.24)		100%		(19,973)	-	(20,858)
1	KEDLI	Increased OPEX Workload	CMS- Meter Oriented Services	4.4	4.4	-	4.4	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 292,940.80		100%		292,941	-	305,920
1	KEDLI	Increased OPEX Workload	CMS- Meter/Regulator	0.4	0.4	-	0.4	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 26,630.98		100%		26,631	-	27,811
1	KEDLI	Other OPEX	CMS- Other Emergency	(0.1)	(0.1)	-	(0.1)	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ (6,657.75)		100%		(6,658)	-	(6,953)
1	KEDLI	Other OPEX	CMS- Related to Meter Reading	(6.6)	(6.6)	-	(6.6)	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ (439,411.20)		100%		(439,411)	-	(458,879)
1	KEDLI	Other OPEX	CMS- Shift Work	(1.0)	(1.0)	-	(1.0)	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ (66,577.45)		100%		(66,577)	-	(69,527)
1	KEDLI	Safety Programs	CMS- Soft Offs	2.1	2.1	-	2.1	Meter Service Technician C/B	Union	100%	$ 66,577.45	$ 139,812.65		100%		139,813	-	146,007
1	KEDLI	Increased OPEX Workload	CMS- Supervisor	1.0	1.0	-	1.0	Supv Operations	Mgmt	85%	$ 88,265.91	$ 75,026.03		100%		75,026	-	78,436
1	KEDLI	OPEX related to CAPEX	Complex Construction- Contractor Oversight	4.2	4.2	-	4.2	Supv Operations	Mgmt	10%	$ 88,265.91	$ 37,071.68		100%		37,072	-	38,757
1	KEDLI	OPEX related to CAPEX	Construction- Main Replacement- Construction Inspectors	6.0	6.0	-	6.0	Field Operations Inspector A	Union	10%	$ 79,969.73	$ 47,981.84		100%		47,982	-	50,108
1	KEDLI	OPEX related to CAPEX	Construction- Main Replacement- Engineer	3.0	3.0	-	3.0	Engineer	Mgmt	10%	$ 79,099.24	$ 23,729.77		100%		23,730	-	24,808
1	KEDLI	OPEX related to CAPEX	Construction- Main Replacement- Supervisor	1.0	1.0	-	1.0	Supv Operations	Mgmt	10%	$ 88,265.91	$ 8,826.59		100%		8,827	-	9,228
1	KEDLI	OPEX related to CAPEX	Construction- Permit/Summons/Paving Coordinator	2.0	2.0	-	2.0	Sr Coordinator	Mgmt	10%	$ 85,370.59	$ 17,074.12		100%		17,074	-	17,850
1	KEDLI	OPEX related to CAPEX	Contract Strategy & Administration- Program Manager	1.4	1.4	-	1.4	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 12,041.46		100%		12,041	-	12,589
1	KEDLI	OPEX related to CAPEX	Corrosion- Techs	2.0	2.0	-	2.0	Corrosion Technician Sr	Union	10%	$ 85,155.00	$ 17,031.00		100%		17,031	-	17,786
1	KEDLI	OPEX related to CAPEX	Damage Prevention- Supervisor	1.0	1.0	-	1.0	Supv Operations	Mgmt	100%	$ 88,265.91	$ 88,265.91		100%		88,266	-	92,278
1	KEDLI	Safety Programs	Field Operations- Soft Offs	2.0	2.0	-	2.0	Crew AverageField Operations- Soft O	Union	100%	$ 67,475.50	$ 134,951.00		100%		134,951	-	140,930

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The Brooklyn Union Gas Company
National Grid Incremental FTE's
Rate Year Beginning January 31, 2017
Case 16-G-0059
Company Rebuttal - FTE Count and Opex Salary

CU W/P	Co	Function	Program/Position	C&U Count	Staff's Count	Co Adjust to Staff Count	Company Rebuttal Count	Band/Job Title	Mgmt/ Rep	Opex	Salary	Rebuttal Total Cost	KEDNY %	KEDLY %	KEDNY - End HTY Salary	KEDLI - End HTY Salary	KEDNY - RY17	KEDLI - RY17
1	KEDLI	Increased OPEX Workload	Field Operations- Type 3 Leaks	4.0	4.0	-	4.0	Crew AverageField Operations- Type 3	Union	77%	$ 86,350.00	$ 265,958.00		100%		265,958	-	277,741
1	KEDLI	OPEX related to CAPEX	Gas Asset Management- Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	80%	$ 79,099.24	$ 63,279.39		100%		63,279	-	66,155
1	KEDLI	OPEX related to CAPEX	Gas Asset Management- Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	10%	$ 79,099.24	$ 7,909.92		100%		7,910	-	8,269
1	KEDLI	OPEX related to CAPEX	Gas Asset Management- Engineer	3.0	3.0	-	3.0	Engineer	Mgmt	10%	$ 79,099.24	$ 23,729.77		100%		23,730	-	24,808
1	KEDLI	OPEX related to CAPEX	Gas Control- Control Room Operator	3.0	3.0	-	3.0	Sr Gas Sys Operator	Mgmt	100%	$ 93,561.70	$ 280,685.10		100%		280,685	-	293,442
1	KEDLI	OPEX related to CAPEX	Gas Control- SOP Coordinator	1.5	1.5	-	1.5	Lead SOP Coordinator	Mgmt	100%	$ 96,638.00	$ 144,957.00		100%		144,957	-	151,545
1	KEDLI	OPEX related to CAPEX	Gas Distribution Engineering- Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	95%	$ 79,099.24	$ 75,144.27		100%		75,144	-	78,560
1	KEDLI	Safety Programs	Gas Pipeline and Safety Compliance- Compliance Analyst	3.5	-	3.5	3.5	Sr Analyst	Mgmt	100%	$ 81,502.83	$ 285,259.90		100%		285,260	-	298,225
1	KEDLI	Safety Programs	Gas Pipeline and Safety Compliance- QA/QC Inspectors	1.0	1.0	-	1.0	Field Operations Inspector A	Mgmt	100%	$ 79,969.73	$ 79,969.73		100%		79,970	-	83,604
1	KEDLI	OPEX related to CAPEX	Gas System Engineering- Designer	3.0	3.0	-	3.0	Engineer	Mgmt	10%	$ 79,099.24	$ 23,729.77		100%		23,730	-	24,808
1	KEDLI	OPEX related to CAPEX	Gas System Engineering- Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	80%	$ 79,099.24	$ 63,279.39		100%		63,279	-	66,155
1	KEDLI	OPEX related to CAPEX	Gas System Engineering- Engineer	2.0	2.0	-	2.0	Engineer	Mgmt	10%	$ 79,099.24	$ 15,819.85		100%		15,820	-	16,539
1	KEDLI	OPEX related to CAPEX	Gas System Engineering- Engineer	8.0	8.0	-	8.0	Engineer	Mgmt	10%	$ 79,099.24	$ 63,279.39		100%		63,279	-	66,155
1	KEDLI	OPEX related to CAPEX	Gas System Engineering- Engineer	3.0	3.0	-	3.0	Engineer	Mgmt	5%	$ 79,099.24	$ 11,864.89		100%		11,865	-	12,404
1	KEDLI	OPEX related to CAPEX	Gas System Engineering- Estimator	3.0	2.0	-	2.0	Engineer	Mgmt	5%	$ 79,099.24	$ 7,909.92		100%		7,910	-	8,269
1	KEDLI	OPEX related to CAPEX	Gas System Engineering- Manager	0.5	0.3	-	0.3	Manager	Mgmt	5%	$ 123,482.01	$ 2,037.45		100%		2,037	-	2,130
1	KEDLI	Increased OPEX Workload	I&R- Techs	3.0	2.2	0.8	3.0	FCM Elec/Instrument Tech	Union	80%	$ 98,183.00	$ 235,639.20		100%		235,639	-	246,079
1	KEDLI	OPEX related to CAPEX	Investment Planning- In Year Budget- Program Manager	1.0	1.0	-	1.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 8,601.04		100%		8,601	-	8,992
1	KEDLI	OPEX related to CAPEX	Investment Planning- Rate Case- Program Manager	2.0	2.0	-	2.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 17,202.08		100%		17,202	-	17,984
1	KEDLI	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Clerks	2.0	2.0	-	2.0	Operations Clerk	Union	10%	$ 54,414.78	$ 10,882.96		100%		10,883	-	11,365
1	KEDLI	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Inspectors	2.0	2.0	-	2.0	Field Operations Inspector A	Union	10%	$ 79,969.73	$ 15,993.95		100%		15,994	-	16,703
1	KEDLI	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Lead Program Manager	1.0	1.0	-	1.0	Lead Program Manager	Mgmt	10%	$ 95,000.00	$ 9,500.00		100%		9,500	-	9,932
1	KEDLI	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Manager	1.0	1.0	-	1.0	Manager	Mgmt	10%	$ 123,482.01	$ 12,348.20		100%		12,348	-	12,909
1	KEDLI	OPEX related to CAPEX	Investment Planning- Work Order Closeout- Program Manager	2.0	2.0	-	2.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 17,202.08		100%		17,202	-	17,984
1	KEDLI	OPEX related to CAPEX	LNG- Field Engineer	1.0	1.0	-	1.0	Engineer	Mgmt	100%	$ 79,099.24	$ 79,099.24		100%		79,099	-	82,694
1	KEDLI	Increased OPEX Workload	LNG- Mechanics	3.0	3.0	-	3.0	FCM Mechanic	Union	100%	$ 72,675.00	$ 218,025.00		100%		218,025	-	227,685
1	KEDLI	Increased OPEX Workload	LNG- Techs	2.0	2.0	-	2.0	FCM Elec/Instrument Tech	Union	100%	$ 98,183.00	$ 196,366.00		100%		196,366	-	205,066
1	KEDLI	OPEX related to CAPEX	Operations Support- ESRI Analyst	2.0	2.0	-	2.0	Sr Analyst	Mgmt	20%	$ 81,502.83	$ 32,601.13		100%		32,601	-	34,083
1	KEDLI	OPEX related to CAPEX	Operations Support- Manager	0.5	0.5	-	0.5	Manager	Mgmt	20%	$ 123,482.01	$ 12,348.20		100%		12,348	-	12,909
1	KEDLI	OPEX related to CAPEX	Operations Support- Mappers	7.0	7.0	-	7.0	Graphic Techn Sr 40 Hr	Union	20%	$ 85,544.00	$ 119,761.60		100%		119,762	-	125,068
1	KEDLI	OPEX related to CAPEX	Operations Support- Permit Clerks	2.0	2.0	-	2.0	Operations Clerk	Union	20%	$ 54,414.78	$ 21,765.91		100%		21,766	-	22,730
1	KEDLI	Safety Programs	Process Safety- Analyst	0.5	0.5	-	0.5	Sr Analyst	Mgmt	40%	$ 81,502.83	$ 16,300.57		100%		16,301	-	17,041
1	KEDLI	Safety Programs	Process Safety- Director	0.5	0.5	-	0.5	Director	Mgmt	40%	$ 156,123.41	$ 31,224.68		100%		31,225	-	32,644
1	KEDLI	Safety Programs	Process Safety- Engineering	1.0	1.0	-	1.0	Engineer	Mgmt	40%	$ 79,099.24	$ 31,639.69		100%		31,640	-	33,078
1	KEDLI	Safety Programs	Process Safety- Lead Program Manager	1.0	1.0	-	1.0	Lead Program Manager	Mgmt	40%	$ 95,000.00	$ 38,000.00		100%		38,000	-	39,727
1	KEDLI	OPEX related to CAPEX	Project Controls- Analyst	1.0	1.0	-	1.0	Sr Analyst	Mgmt	15%	$ 81,502.83	$ 12,225.42		100%		12,225	-	12,781
1	KEDLI	OPEX related to CAPEX	Project Management- Project Manager	2.5	2.5	-	2.5	Sr Program Manager	Mgmt	15%	$ 86,010.42	$ 32,253.91		100%		32,254	-	33,720
1	KEDLI	OPEX related to CAPEX	Resource Planning- Analyst	1.0	1.0	-	1.0	Sr Analyst	Mgmt	30%	$ 81,502.83	$ 24,450.85		100%		24,451	-	25,562
1	KEDLI	OPEX related to CAPEX	Resource Planning- Coordinator	1.0	1.0	-	1.0	Sr Coordinator	Mgmt	10%	$ 85,370.59	$ 8,537.06		100%		8,537	-	8,925
1	KEDLI	OPEX related to CAPEX	Resource Planning- Program Manager	3.5	3.5	-	3.5	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 30,103.65		100%		30,104	-	31,472
1	KEDLI	OPEX related to CAPEX	Resource Planning- Report Analyst	1.0	1.0	-	1.0	Sr Analyst	Mgmt	30%	$ 81,502.83	$ 24,450.85		100%		24,451	-	25,562
1	KEDLI	OPEX related to CAPEX	Resource Planning- Work Package Reviewer- Program Manager	1.0	1.0	-	1.0	Sr Program Manager	Mgmt	10%	$ 86,010.42	$ 8,601.04		100%		8,601	-	8,992
3	ServCo	Customer Care	Incremental headcount driven by increased SL reqt for call center	6.0	3.0	3.0	6.0	Union	Union	100%	$ 23,088.00	$ 138,528.00	100%	0%	138,528	-	72,541	-
3	ServCo	Customer Care	Incremental supervisor to maintain spans & controls	1.0	-	1.0	1.0	E	Mgmt	100%	$ 79,000.00	$ 79,000.00	100%	0%	79,000	-	41,295	-
3	ServCo	Customer Care	Incremental customer complaint analysts	2.0	1.0	1.0	2.0	E	Mgmt	100%	$ 79,000.00	$ 158,000.00	50%	50%	79,000	79,000	41,295	41,295
3	ServCo	Customer Care	Brentwood Outreach	2.0	2.0	-	2.0	E	Mgmt	100%	$ 79,000.00	$ 158,000.00	0%	100%	-	158,000	-	82,591
4	ServCo	Customer Care	Intern Sustainability Hub at Metrotech	1.0	1.0	-	1.0	Intern	Intern	100%	$ 37,440.00	$ 37,440.00	100%		37,440	-	18,720	-
12	KEDNY	SIR	SIR	2.0	2.0	-	2.0	D	Mgmt	100%	$ 112,133.73	$ 224,267.45	100%		224,267	-	234,460	-

The Brooklyn Union Gas Company d/b/a National Grid NY
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Company Rebuttal Testimony
FTE Count and Opex Salary

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The Brooklyn Union Gas Company
National Grid Incremental FTE's
Rate Year Beginning January 31, 2017
Case 16-G-0059
Company Rebuttal - FTE Count and Opex Salary

CU W/P	Co	Function	Program/Position	C&U Count	Staff's Count	Co Adjust to Staff Count	Company Rebuttal Count		Band/Job Title	Mgmt/ Rep	Opex	Salary	Rebuttal Total Cost	KEDNY %	KEDLY %	KEDNY - End HTY Salary	KEDLI - End HTY Salary	KEDNY - RY17	KEDLI - RY17
8	ServCo	Human Resources	HR - Technical Training	1.0	1.0	-	1.0	E		Mgmt	100%	$ 84,507.33	$ 84,507.33	66%	34%	55,559	28,948	58,085	30,264
8	ServCo	Human Resources	HR - Technical Training	1.0	1.0	-	1.0	E		Mgmt	100%	$ 84,507.33	$ 84,507.33	66%	34%	55,559	28,948	58,085	30,264
8	ServCo	Human Resources	Recruiting	1.0	1.0	-	1.0	E		Mgmt	100%	$ 84,507.33	$ 84,507.33	14%	7%	11,701	6,097	12,233	6,374
8	ServCo	Human Resources	Recruiting	1.0	1.0	-	1.0	E		Mgmt	100%	$ 84,507.33	$ 84,507.33	14%	7%	11,701	6,097	12,233	6,374
8	ServCo	Human Resources	Recruiting	1.0	1.0	-	1.0	E		Mgmt	100%	$ 84,507.33	$ 84,507.33	14%	7%	11,701	6,097	12,233	6,374
8	ServCo	Human Resources	HR - SWFP	1.0	1.0	-	1.0	D		Mgmt	100%	$ 112,133.73	$ 112,133.73	14%	7%	15,527	8,090	16,232	8,458
13,14	ServCo	Rev	REV	1.0	1.0	-	1.0	D		Mgmt	100%	$ 112,133.73	$ 112,133.73	50%	50%	56,067	56,067	58,615	58,615
16	ServCo	Energy Procurement	Gas Procurement	1.0	1.0	-	1.0	D		Mgmt	100%	$ 95,000.00	$ 95,000.00	35%	16%	33,279	15,400	34,791	16,099
R	ServCo	Energy Efficiency	Energy Efficiency LIP	-	-	1.0	1.0	E		Mgmt	100%	$ 84,507.33	$ 84,507.33		100%	-	84,507	-	88,348
				375.4	0	17.1	392.1												

Note:
* Incremental staff are forecast to start half way through Rate Year 2017 and thus 50% of salary is reflected in the revenue requirement for Rate Year 2017

Exhibit __ (RRP-5R)

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-5R)

General Assessment Inflation Change

Staff's Calculation:

12-Months Ending April 2017 (Base Year)

Year	Quarter	Weight (Month)	GDPIPD	Weighted	
2016	2	2	111.10000	74.06667	
2016	3	3	111.60000	111.60000	
2016	4	3	112.20000	112.20000	
2017	1	3	112.70000	112.70000	
2017	2	1	113.30000	37.76667	
			Weighted Average	112.08333	**A**

Forecast Year Ending December 2017 (Rate Year)

Year	Quarter	Weight (Month)	GDPIPD	Weighted	
2017	1	3	112.70000	112.70000	
2017	2	3	113.30000	113.30000	
2017	3	3	113.90000	113.90000	
2017	4	3	114.50000	114.50000	
			Weighted Average	113.60000	**B**

Inflation Rate for period April 1, 2017 through December 31, 2017 1.35% **(B/A)-1**

Company Calculation:

12-Months Ending March 2017 (Base Year)

Year	Quarter	Weight (Month)	GDPIPD	Weighted	
2016	2	3	111.10000	111.10000	
2016	3	3	111.60000	111.60000	
2016	4	3	112.20000	112.20000	
2017	1	3	112.70000	112.70000	
			Weighted Average	111.90000	**C**

Forecast Year Ending December 2017 (Rate Year)

Year	Quarter	Weight (Month)	GDPIPD	Weighted	
2017	1	3	112.70000	112.70000	
2017	2	3	113.30000	113.30000	
2017	3	3	113.90000	113.90000	
2017	4	3	114.50000	114.50000	
			Weighted Average	113.60000	**D**

Inflation Rate for period April 1, 2017 through December 31, 2017 1.52% **(D/C)-1**

Regulatory General Assessment Calculation:

	Staff	Company	Variance
General Assessment per February 2016 Invoice	$3,458,233	$3,458,233	
Inflation Rate - April 1, 2017 through December 31, 2017	1.35%	1.52%	
Subtotal	$3,505,029	$3,510,771	
General Assessment Included in Company's C&U Filing	$3,932,642	$3,932,642	
Adjustment to General Assessment	($427,613)	($421,871)	$5,743

Exhibit __ (RRP-6R)

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-6R)

Net Utility Plant Model

The Brooklyn Union Gas Company d/b/a National Grid NY
NY PSC Case 16-G-0059
Company Rebuttal
Rate Year and Data Years Balances of Gas Net Utility Plant
($000's)

	Rate Year and Data Years Ending December 31,		
	2017	2018	2019
Total Net Plant per Corrections and Updates	$ 3,644,260.7	$ 4,131,045.4	$ 4,663,595.2
Adjustments to Reflect Rebuttal:			
1. Updated Net Utility Plant Forecast			
Updates for capital investment changes	(2,414.9)	(343,929.5)	(4,342.5)
Total Adjustments	$ (2,414.9)	$ (343,929.5)	$ (4,342.5)
Revised Total Net Plant to Reflect Rebuttal	$ 3,641,845.8	$ 3,787,115.9	$ 4,659,252.7
Revenue Requirement Effect of Rate Base Change			
Total Adjustments	$ (2,414.9)	$ (343,929.5)	$ (4,342.5)
Pre-Tax Return %	10.04%	10.04%	10.04%
Revenue Requirement Change due to Net Plant Adjustments	$ (242.6)	$ (34,545.8)	$ (436.2)
Total Depreciation Expense per Corrections and Updates	$ 117,796.2	$ 127,584.0	$ 137,775.0
1. Updated Net Utility Plant Forecast			
Updates for capital investment changes	(102.4)	(10,826.9)	(202.4)
Total Adjustments	$ (102.4)	$ (10,826.9)	$ (202.4)
Revised Total Depreciation Expense Rebuttal	$ 117,693.8	$ 116,757.0	$ 137,572.6

The Brooklyn Union Gas Company d/b/a National Grid NY
NY PSC Case 16-G-0059
Company Rebuttal
Monthly Balances of Gas Net Utility Plant
Rate Year Ending December 31, 2017

($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	Dec-16 (1/2 month)	$ 2,358,766	$ 25,353	$ (656,682)	$ 1,727,438	
2	Jan-17	$ 4,738,998	$ 53,407	$ (1,315,627)	$ 3,476,779	$ 9,493
3	Feb-17	$ 4,761,874	$ 54,437	$ (1,318,262)	$ 3,498,049	$ 9,527
4	Mar-17	$ 4,786,536	$ 59,438	$ (1,318,665)	$ 3,527,309	$ 9,564
5	Apr-17	$ 4,812,956	$ 61,623	$ (1,320,638)	$ 3,553,941	$ 9,603
6	May-17	$ 4,872,860	$ 56,810	$ (1,321,983)	$ 3,607,687	$ 9,641
7	Jun-17	$ 4,905,733	$ 57,489	$ (1,323,041)	$ 3,640,182	$ 9,811
8	Jul-17	$ 4,939,569	$ 59,120	$ (1,323,606)	$ 3,675,083	$ 9,871
9	Aug-17	$ 4,970,103	$ 61,552	$ (1,324,673)	$ 3,706,982	$ 9,927
10	Sep-17	$ 5,004,801	$ 64,147	$ (1,324,520)	$ 3,744,428	$ 9,978
11	Oct-17	$ 5,031,749	$ 68,575	$ (1,325,719)	$ 3,774,605	$ 10,042
12	Nov-17	$ 5,076,333	$ 69,658	$ (1,323,226)	$ 3,822,766	$ 10,084
13	Dec-17 (1/2 month)	$ 2,577,372	$ 31,559	$ (662,030)	$ 1,946,901	$ 10,154
14	Total Gas (Sum of Lines 1 to 13)	58,837,652	723,169	(15,858,672)	43,702,150	117,694
17	Average Monthly Balance (Line 16 / 12)	$ 4,903,138	$ 60,264	$ (1,321,556)	$ 3,641,846	

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-6R)

The Brooklyn Union Gas Company d/b/a National Grid NY
NY PSC Case 16-G-0059
Company Rebuttal
Monthly Balances of Gas Net Utility Plant
Data Year Ending December 31, 2018

($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	Dec-17 (1/2 month)	$ 2,577,372	$ 31,559	$ (662,030)	$ 1,946,901	
2	Jan-18	$ 5,180,470	$ 67,150	$ (1,325,587)	$ 3,922,034	$ 10,280
3	Feb-18	$ 5,208,393	$ 68,923	$ (1,327,516)	$ 3,949,800	$ 10,322
4	Mar-18	$ 5,258,390	$ 71,218	$ (1,322,922)	$ 4,006,686	$ 10,366
5	Apr-18	$ 5,292,239	$ 72,198	$ (1,324,389)	$ 4,040,049	$ 10,445
6	May-18	$ 5,331,508	$ 71,167	$ (1,325,074)	$ 4,077,601	$ 10,499
7	Jun-18	$ 5,371,414	$ 70,638	$ (1,325,420)	$ 4,116,632	$ 10,562
8	Jul-18	$ 5,412,670	$ 70,933	$ (1,325,250)	$ 4,158,353	$ 10,630
9	Aug-18	$ 5,449,436	$ 72,265	$ (1,325,810)	$ 4,195,891	$ 10,694
10	Sep-18	$ 5,491,466	$ 73,519	$ (1,324,953)	$ 4,240,032	$ 10,751
11	Oct-18	$ 5,524,288	$ 76,654	$ (1,325,952)	$ 4,274,990	$ 10,822
12	Nov-18	$ 5,578,820	$ 75,988	$ (1,322,450)	$ 4,332,358	$ 10,874
13	Dec-18 (1/2 month)	$ 2,855,513	$ 29,521	$ (660,922)	$ 2,224,112	$ 10,958
14	Total Gas (Sum of Lines 1 to 13)	64,531,980	851,734	(15,898,275)	49,485,440	127,202
17	Average Monthly Balance (Line 16 / 12)	$ 5,377,665	$ 70,978	$ (1,324,856)	$ 4,123,787	

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-6R)

The Brooklyn Union Gas Company d/b/a National Grid NY
NY PSC Case 16-G-0059
Company Rebuttal
Monthly Balances of Gas Net Utility Plant
Data Year Ending December 31, 2019

($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	Dec-18 (1/2 month)	$ 2,855,513	$ 29,521	$ (660,922)	$ 2,224,112	
2	Jan-19	$ 5,736,630	$ 63,162	$ (1,324,442)	$ 4,475,350	$ 11,160
3	Feb-19	$ 5,764,560	$ 64,955	$ (1,327,406)	$ 4,502,110	$ 11,201
4	Mar-19	$ 5,811,459	$ 67,960	$ (1,324,534)	$ 4,554,885	$ 11,245
5	Apr-19	$ 5,845,199	$ 67,781	$ (1,326,952)	$ 4,586,028	$ 11,313
6	May-19	$ 5,884,430	$ 65,873	$ (1,328,604)	$ 4,621,698	$ 11,370
7	Jun-19	$ 5,921,243	$ 65,119	$ (1,330,520)	$ 4,655,842	$ 11,437
8	Jul-19	$ 5,961,666	$ 64,252	$ (1,331,518)	$ 4,694,400	$ 11,493
9	Aug-19	$ 5,997,582	$ 64,765	$ (1,333,269)	$ 4,729,078	$ 11,555
10	Sep-19	$ 6,037,264	$ 65,542	$ (1,333,898)	$ 4,768,908	$ 11,609
11	Oct-19	$ 6,069,136	$ 67,961	$ (1,336,104)	$ 4,800,993	$ 11,670
12	Nov-19	$ 6,123,124	$ 66,550	$ (1,333,719)	$ 4,855,956	$ 11,719
13	Dec-19 (1/2 month)	$ 3,075,743	$ 34,336	$ (668,407)	$ 2,441,672	$ 11,802
14	Total Gas (Sum of Lines 1 to 13)	71,083,548	787,777	(15,960,294)	55,911,032	137,573
17	Average Monthly Balance (Line 16 / 12)	$ 5,923,629	$ 65,648	$ (1,330,024)	$ 4,659,253	

Column (a) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (b) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (c) - Lines 1 through 13 - Per plant model detail supporting Exhibit (RRP-6R)
Column (d) - Lines 1 through 13 - Column (a) + Column (b) + Column (c)
Column (e) - Lines 2 through 13 - Per plant model detail supporting Exhibit (RRP-6R)

Exhibit_____(RRP-6R)
Schedule 1
Page 5 of 7

The Brooklyn Union Gas Company d/b/a National Grid NY
NY PSC Case 16-G-0059
Company Rebuttal
Capital Expenditures (CAPEX)
Based on CAPEX Budget Classifications

		In-Svc/ Closing Rule	(a) 3 mos Forecast Oct'15 - Dec'15	(b) CY2016	(c) CY2017	(d) CY2018	(e) CY2019	(f) CY2020
	GAS PLANT							
1	Gas Storage	9 months	0	11,082,711	19,387,000	14,223,000	11,709,750	7,143,750
2	Gas land & land rights	1 month	0	0	0	0	0	0
3	Gas Mains & Services	8 months	0	326,179,270	422,003,876	445,365,486	445,628,558	442,810,409
4	Gas Meters & House Regulators	2 month	0	14,997,586	13,717,394	14,253,578	14,697,098	15,159,377
5	Gas Measuring and Regulating	9 months	0	14,283,225	15,450,217	17,073,939	13,460,075	13,452,164
6	Gas General Equipment	2 month	0	2,572,944	3,538,384	3,903,702	4,245,532	4,617,592
7	Spring Creek Reconfiguration/Reinforcement	Dec-2018	0	147,750	5,416,150	10,936,900	2,159,200	0
8	Flatlands	Oct-2016	0	13,163,902	0	0	0	0
9	LaGuardia Redevelopment	Mar-2018	0	853,000	15,588,000	7,703,500	1,050,000	62,500
10	Northern Queens Gas T&D	Jun-2016	0	39,221,701	0	0	0	0
11	Newtown Creek	May-2017	0	15,934,567	10,773,500	0	0	0
12	MRI - Metropolitan Reliability Infrastructure	Various	0	1,739,745	46,818,625	86,691,875	56,720,750	54,050,000
13	LNG - Tank 2 Upgrade	Sep-2021	0	0	0	3,645,000	15,795,000	37,665,000
14	LNG - Salt Water Pump House	Mar-2019	0	375,000	6,500,000	8,125,000	4,250,000	750,000
15	AMR Installation	2 month	0	7,874,000	8,700,000	8,126,000	5,000,000	3,000,000
16	Customer Gas REV Demonstration	2 month	0	0	789,512	0	0	0
17	Facilities Projects	9 months	0	2,400,000	2,400,000	2,480,000	2,560,000	2,560,000
18	Fleet and Inventory Management	6 months	0	271,825	2,585,000	670,000	620,000	460,000
19	Total Gas Plant (Sum of Lines 35 to 40)		0	451,097,226	573,667,658	623,197,980	577,895,963	581,730,792

Column (a-f) - Lines 1 through 15 - Per plant model detail supporting Exhibit (RRP-6R)
Column (a-f) - Lines 16 - Per plant model detail supporting Exhibit (RRP-6R)
Column (a-f) - Lines 17 - Per plant model detail supporting Exhibit (RRP-6R)
Column (a-f) - Lines 18 - Per plant model detail supporting Exhibit (RRP-6R)

Exhibit_____(RRP-6R)
Schedule 1
Page 6 of 7

The Brooklyn Union Gas Company d/b/a National Grid NY
NY PSC Case 16-G-0059
Company Rebuttal
Cost of Removal (COR)
Based on CAPEX Budget Classifications

		(a) 3 mos Forecast Oct'15 - Dec'15	(b) CY2016	(c) CY2017	(d) CY2018	(e) CY2019	(f) CY2020
	GAS PLANT						
1	Gas Storage	0	0	0	0	0	0
2	Gas land & land rights	0	0	0	0	0	0
3	Gas Mains & Services	0	28,978,923	38,311,250	39,426,646	37,577,028	35,537,407
4	Gas Meters & House Regulators	0	0	0	0	0	0
5	Gas Measuring and Regulating	0	0	0	0	0	0
6	Gas General Equipment	0	0	0	0	0	0
7	Spring Creek Reconfiguration/Reinforcement	0	0	0	0	0	0
8	Flatlands	0	0	0	0	0	0
9	LaGuardia Redevelopment	0	0	0	0	0	0
10	Northern Queens Gas T&D	0	0	0	0	0	0
11	Newtown Creek	0	0	0	0	0	0
12	MRI - Metropolitan Reliability Infrastructure	0	0	0	0	0	0
13	LNG - Tank 2 Upgrade	0	0	0	0	0	0
14	LNG - Salt Water Pump House	0	0	0	0	0	0
15	AMR Installation	0	0	0	0	0	0
16	Customer Gas REV Demonstration	0	0	0	0	0	0
17	Facilities Projects	0	600,000	600,000	620,000	640,000	640,000
18	Fleet and Inventory Management	0	0	0	0	0	0
19	Total Gas Plant (Sum of Lines 35 to 40)	0	29,578,923	38,911,250	40,046,646	38,217,028	36,177,407

Column (a-f) - Lines 3 - Per plant model detail supporting Exhibit (RRP-6R)
Column (a-f) - Lines 17 - Per plant model detail supporting Exhibit (RRP-6R)

The Brooklyn Union Gas Company d/b/a National Grid NY
NY PSC Case 16-G-0059
Company Rebuttal
Capital Expenditures (Capex) and Cost of Removal (COR) Forecasts
For Calendar Years 2016 - 2020

Capex and COR Forecasts ($000)

		Company Corrections and Update					Co Rebuttal Adjustments					Co Rebuttal Proposal				
		CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
1	Gas Growth	118,627	135,233	137,568	133,624	131,212	-	-	-	-	-	118,627	135,233	137,568	133,624	131,212
2	Gas Mandated	252,558	341,947	353,068	349,734	345,702	-	-	-	-	-	252,558	341,947	353,068	349,734	345,702
3	Gas Reliability	89,932	112,704	152,790	115,590	125,530	-	(997)	(1,206)	(1,230)	(1,249)	89,932	111,707	151,584	114,360	124,281
4	Gas Non-Infrastructure	16,287	24,438	16,194	10,175	10,054	-	(7,121)	1,061	4,400	3,000	16,287	17,317	17,255	14,575	13,054
5	Facilities	3,000	3,000	3,100	3,200	3,200	-	-	-	-	-	3,000	3,000	3,100	3,200	3,200
6	Fleet and IM/IR	272	2,585	670	620	460	-	-	-	-	-	272	2,585	670	620	460
7	Customer		790				-	-	-	-	-	-	790	-	-	-
8	Total	480,676	620,697	663,390	612,943	616,157	0	-8,118	-145	3,170	1,751	480,676	612,579	663,245	616,113	617,908

The Brooklyn Union Gas Company d/b/a National Grid
Case 16-G-0059
Company Rebuttal
Capital Expenditures (Capex) and Cost of Removal (COR) Forecasts
For Calendar Years 2016 - 2020
Exhibit_____(RRP-6R)
Schedule 1
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Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-7R)

Energy Efficiency Labor Adjustments

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Historic Labor Charges by Energy Efficiency Employees

Exhibit_____(RRP-7R)
Schedule 1
Page 1 of 2

Total Productive labor charges by any employee who charged KEDLI Energy Efficiency during the period January 2014 through December 2015

	Calendar Year 2014			Calendar Year 2015			HTY Ending Sept 2015			CY 2014 vs HTY Charges		
Receiving Company - Key	**EE**	**O&M**	**Total**	**EE**	**O&M**	**Total**	**EE**	**O&M**	**Total**	**EE**	**Other O&M**	**Total**
Brooklyn Union Gas-KEDNY	**1,135,003**	**1,141,992**	**2,276,995**	**1,164,432**	**1,194,594**	**2,359,026**	**1,228,238**	**1,169,279**	**2,397,517**	**(93,235)**	**(27,287)**	**(120,522)**
KS Gas East Corp-KEDLI	**629,432**	**888,737**	**1,518,168**	**160,812**	**759,193**	**920,006**	**252,341**	**747,143**	**999,483**	**377,091**	**141,594**	**518,685**
Boston Gas Company	590,750	520,111	1,110,862	667,671	614,557	1,282,228	667,468	588,345	1,255,814	(76,718)	(68,234)	(144,952)
Colonial Gas Company	220,544	140,381	360,925	272,493	168,141	440,634	266,372	158,150	424,523	(45,828)	(17,769)	(63,597)
KeySpan Corporation		104	104		15	15		17	17	-	87	87
Massachusetts Electric Co	1,127,940	898,233	2,026,173	1,417,259	1,049,438	2,466,697	1,377,624	1,013,334	2,390,958	(249,684)	(115,101)	(364,785)
Nantucket Electric Co	29,666	9,680	39,346	43,565	14,899	58,464	42,432	14,674	57,106	(12,766)	(4,994)	(17,760)
Narragansett Electric Co	811,128	514,436	1,325,564	844,065	559,986	1,404,051	863,421	554,150	1,417,571	(52,293)	(39,714)	(92,007)
National Grid USA Parent		53,231	53,231		9,575	9,575		10,528	10,528	-	42,703	42,703
NE Electric Trans Corp		294	294		86	86		127	127	-	168	168
NE Hydro-Trans Corp		1,840	1,840		631	631		877	877	-	964	964
NE Hydro-Trans Elec Co		1,911	1,911		656	656		898	898	-	1,013	1,013
New England Power Company		44,620	44,620		18,909	18,909		24,985	24,985	-	19,635	19,635
NG Development Holdings		632	632		13,444	13,444		12,491	12,491	-	(11,859)	(11,859)
NG Energy Management LLC					1,291	1,291		1,291	1,291	-	(1,291)	(1,291)
NG Energy Trading Srvcs		135	135		17	17		23	23	-	112	112
NG Generation LLC		60,626	60,626		15,261	15,261		21,394	21,394	-	39,231	39,231
NG Glenwood Energy Center		1,688	1,688		610	610		843	843	-	846	846
NG LNG LP RegulatedEntity		398	398		189	189		224	224	-	175	175
NG PortJeff Energy Center		1,928	1,928		660	660		923	923	-	1,005	1,005
NG Services, Inc.		9,406	9,406		9,517	9,517		8,134	8,134	-	1,273	1,273
NGUSA Service Company		23,776	23,776		18,301	18,301		41,635	41,635	-	(17,858)	(17,858)
Niagara Mohawk Power Corp	1,802,969	1,553,777	3,356,747	1,338,409	2,026,072	3,364,481	1,518,124	1,880,412	3,398,536	284,846	(326,635)	(41,789)
PSEG Electric Serv TSA Co		1,613	1,613							-	1,613	1,613
PSEG Long Island		(12,631)	(12,631)							-	(12,631)	(12,631)
Transgas Inc		338	338		258	258		269	269	-	68	68
Valley Appliance & Merch		13,976	13,976		18,769	18,769		18,283	18,283	-	(4,307)	(4,307)
Grand Total	6,347,432	5,871,235	12,218,667	5,908,707	6,495,070	12,403,777	6,216,020	6,268,427	12,484,448	131,412	(397,193)	(265,781)
									KEDLI and KEDNY	283,856	114,307	398,163
									All Other Companies	(152,444)	(511,500)	(663,944)
										131,412	(397,193)	(265,781)

	Labor Adders Rates		KEDNY		KEDLI	
	KEDNY	**KEDLI**	**HTY**	**RY**	**HTY**	**RY**
Inflation				5.085%		5.085%
Adjustment to Productive Labor			**(93,235)**		**377,091**	
Time Not Worked	17.4%	16.8%	(16,252)		63,290	
Total Base Labor			(109,487)	(115,055)	440,381	462,777
Pension Burden	11.3%	15.1%	(12,349)	(12,977)	66,362	69,737
Other Post Retirement FAS 106 OPEB	14.1%	18.5%	(15,418)	(16,202)	81,400	85,539
Other Post Employment FAS 112 Benefits	0.0%	0.0%	-	-	-	-
Healthcare	13.0%	15.0%	(14,267)	(14,992)	65,899	69,250
Group Insurance	0.5%	0.7%	(551)	(579)	3,251	3,416
401K Match Burden Thrift	3.0%	2.4%	(3,284)	(3,451)	10,650	11,192
Workers' Compensation Burden	1.7%	1.3%	(1,908)	(2,005)	5,766	6,059
Total Benefits			(47,777)	(50,207)	233,327	245,193
Variable Pay - Mgmt	4.3%	4.9%	(4,714)	(4,954)	21,729	22,834
Payroll Taxes Burden	6.4%	6.5%	(7,293)	(7,664)	29,971	31,495
Labor & PR Tax Subject to Productivity				(127,673)		517,105
Productivity Adjustment (from HTY)	-2.29%	-2.29%		2,924		(11,842)
Total Labor and Labor Adders			(169,271)	(174,955)	725,408	750,456
Total net of Pensions & OPEB's			(141,504)	(145,777)	577,646	595,180

The Brooklyn Union Gas Company d/b/a National Grid NY
Case 16-G-0059
Historic and Forecast Energy Efficiency Spending

	IR DPS-256 Labor Actuals				Rate Case		
	2013 Actuals	**2014 Actuals**	**2015 Actuals**	**ETIP 2016**	**RY 2017**	**RY 2018**	**RY 2019**
KEDNY:							
Direct Labor (2)	$1,049,462	$1,481,223	$1,514,907	$1,537,600	$1,704,848	$1,755,993	$1,808,673
Overheads	$427,258	$639,429	$635,391	$538,160	$682,519	$698,785	$715,452
Pension/OPEB	$303,307	$435,344	$533,634	$538,160	$1,085,474	$843,468	$589,193
Total	**$1,780,027**	**$2,555,996**	**$2,683,932**	**$2,613,920**	**$3,472,841**	**$3,298,246**	**$3,113,318**
Net of Pension/OPEB	$1,476,720	$2,120,652	$2,150,298	$2,075,760	$2,387,367	$2,454,778	$2,524,125
Rebuttal Normalization Adjustment					($174,955)	($180,204)	($185,610)
Adjusted Total (Exclude Pension/OPEB)	$1,476,720	$2,120,652	$2,150,298	$2,075,760	$2,212,412	$2,274,574	$2,338,515
KEDLI:							
Direct Labor (2)	$818,291	$723,237	$183,991	$729,432	$309,680	$318,970	$328,539
Overheads	$320,407	$306,487	$75,872	$255,302	$126,003	$129,000	$132,071
Pension/OPEB	$249,532	$214,201	$62,142	$255,302	$128,390	$103,943	$78,735
Total	**$1,388,230**	**$1,243,925**	**$322,005**	**$1,240,036**	**$564,073**	**$551,913**	**$539,345**
Total Net of Pension/OPEB	$1,138,698	$1,029,724	$259,863	$984,734	$435,683	$447,970	$460,610
Rebuttal Adjustment					$750,456	$772,970	$796,159
Adjusted Total (Exclude Pension/OPEB)	$1,138,698	$1,029,724	$259,863	$984,734	$1,186,139	$1,220,940	$1,256,769

The Brooklyn Union Gas Company d/b/a National Grid NY
Case No. 16-G-0059
Company Rebuttal Testimony
Energy Efficiency Labor

Exhibit_____(RRP-7R)
Schedule 1
Page 2 of 2

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-8R)

Relevant Portions of Company IR Responses

Date of Request: March 9, 2016
Due Date: March 21, 2016

DPS Request No. DPS-279 JPC-10
KEDNY/ KEDLI Req. No. BULI-146

KEYSPAN GAS EAST CORPORATION d/b/a NATIONAL GRID
THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY

Case 16-G-0058 KeySpan Gas East Corporation d/b/a National Grid
Case 16-G-0059 The Brooklyn Union Gas Company d/b/a National Grid NY

Request for Information

FROM: NYPSC, John Castano

TO: National Grid, Revenue Requirements Panel

SUBJECT: Performance Excellence Program (PEX) Savings

Request:

In the testimony of the Revenue Requirements Panel, efficiency and productivity cost reductions are described relating to the PEX organization (see, KEDNY pp. 92-100; KEDLI pp. 93-100). The panel for both KEDNY and KEDLI stated on p. 92 and p. 93, respectively, that "National Grid established the PEX organization to improve overall performance, mitigate costs and enhance service to customers by simplifying and improving end-to-end processes across the business." PEX initiatives are classified into three types – Type I, Type II, Type III – based on the potential benefits they could provide. PEX teams have broken down the initiatives into (a) the "Top 35" most impactful initiatives and (b) "Other" initiatives that are considered to be outside of the Top 35.

1) Provide a list of the "Top 35" initiatives, broken by initiative type (*e.g.* Type I, Type II, Type III) and provide a detailed description of each. For each initiative identified, provide the initiative tracking form (similar to the workpapers provided in Exhibit __ (RRP-11) Schedule 34, Workpaper 3, pp. 1-25), and provide the backup calculations demonstrating the expected annual savings amount when fully implemented, and the various cost component elements the savings are expected to affect.

2) Provide a list of the "Other" initiatives, broken down by initiative type (*e.g.* Type I, Type II, Type III), and provide a detailed description of each. For each initiative identified, provide the initiative tracking form (similar to the workpapers provided in Exhibit __ (RRP-11) Schedule 34, Workpaper 3, pp. 1-25) and also provide the backup calculations

demonstrating the expected annual savings amount when fully implemented, and the various cost component elements the savings are expected to affect.

3) Provide the date the PEX Program was established, and copies of all (i) executive summaries provided to senior management related to the program and (2) communications from senior management to Company employees establishing and describing the program, and any PEX program updates.

4) Provide a list of employees within the PEX organization. In addition, provide their responsibility within the PEX organization, and their job title.

5) Provide all documents that identify which PEX initiatives were either approved to move forward, or denied for implementation by senior management.

6) For Each PEX savings initiative shown on Exhibit RRP-11, Schedule 34, Workpaper 2, p. 1 of 1, provide the backup calculations in excel format for:

    a. The identified Fiscal Year 2016 OPEX 1 savings amount;
    b. The identified Full Year OPEX 1 savings amount; and
    c. The derivation of the allocations, shown separately, for KEDNY and KEDLI.

7) Referring to p. 99 of Revenue Requirement Panel Testimony for KEDNY, the initial aspirational estimate for the Top 35 was identified as being in excess of $30 million for Type I O&M savings across the US companies. As work on the Top 35 progressed, the list of initiatives was updated and the aspiration savings was revised to $13.78 million for Type I O&M savings across the US companies. In the same format as Exhibit __ (RRP-11) Schedule 34, Workpaper 2, p. 1 of 1:

    a. Provide a breakdown of the Top 35 initiatives, and associated amount for each initiative, that make up the initial aspirational estimate amount of $30 million.

    b. Provide a breakdown of the Top 35 initiatives, and associated amount for each initiative, that make up the revised aspirational savings estimate amount of $13.78 million.

8) Provide a listing of the initiatives that have been determined to not be viable and that are closed. Provide a detailed explanation for each as to why that determination was made regarding viability and the determination to close the initiative.

9) Provide a listing of the initiatives that have been determined to not be viable and that are on hold. Provide a detailed explanation for each as to why the determination was made to put the initiative on hold.

10) Provide a detailed explanation as to whether all PEX initiatives will be fully implemented and whether all savings are expected to be achieved by the end of Fiscal Year 2016? If no, provide a schedule, in MS Excel, that identifies each initiative, with the expected date

of full implementation, the expected date of final savings achievement, and the aggregate annual savings amount.

Response:

1-2. Please see Attachment 1 for the following:

- A list of the "Top 35" and "Other" initiatives broken out by initiative type;
- Backup calculations; and
- An updated Workpaper 2 to Exhibit ___ (RRP-11), Schedule 34 that shows the current aspirational savings amounts.

Attachments 2 and 3 contain the initiative tracking forms for the Opex II, CapEx, and Revenue initiatives. Attachment 2 contains the "Top 35" initiatives. Attachment 3 contains the "Other" initiatives.

Please note the Company does not estimate the savings by cost element.

3. The PEX organization was established in October 2013. For copies of (1) executive summaries provided to senior management related to the PEX program and (2) communications from senior management to employees describing the PEX program and program updates, please see the following attachments:

- Attachment 4 – April 2014 Executive Summary
- Attachment 5 – June 2015 PEX Success Stories
- Attachment 6 – August 5, 2015 email communication from Terence Sobolewski
- Attachment 7 – Memorandum to US Executive Team from Terence Sobolewski

4. A list of employees working on PEX initiatives within the Business Planning and Performance organization as of 1) September 30, 2015 and 2) March 1, 2016 is provided in Attachment 8.

5. The "Top 35" and "Other" initiative lists contained in Attachments 1-3 are all of the PEX initiatives that are planned to be worked during FY16. Any initiative that was placed on hold, or cancelled, has been noted accordingly. Please see Attachment 9 for a list of all initiatives that have been placed on hold or canceled.

6. The backup calculations are shown in the "Top 35" and "Other" initiative lists provided in the answers to questions 1 and 2. An updated Workpaper has also been provided.

7.
   a. A breakdown of the initial aspirational savings estimate is contained in Attachment 7.
   b. A breakdown of the revised aspirational savings estimated is also shown in Attachment 7 as well as Exhibit ___ (RRP-11), Schedule 34, Workpapers 1 and 2.

8-9. For a listing of the initiatives that have been determined to not be viable and that are closed, please see Attachment 9.

10. All of the FY16 PEX initiatives are expected to be completed during the fiscal year, unless otherwise noted in Attachments 2 and 3.

The projected savings and backup provided in response to questions 1. and 2. above provide updates to the initiative estimates to reflect more recent information. However, the projected savings targets identified in the Companies' filing and the Executive Memo (Attachment 7) remain aspirational targets and the Companies will continue to hold to them. Therefore, no adjustment has been made, although the current forecast is lower than originally anticipated.

Name of Respondent:
Adam Stevens

Date of Reply:
March 21, 2016

Date of Request: April 5, 2016
Due Date: April 15, 2016

DPS Request No. DPS-402 MEW-30
KEDNY/ KEDLI Req. No. BULI-405

KEYSPAN GAS EAST CORPORATION d/b/a NATIONAL GRID
THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY

Case 16-G-0058 KeySpan Gas East Corporation d/b/a National Grid
Case 16-G-0059 The Brooklyn Union Gas Company d/b/a National Grid NY

Request for Information

FROM: NYPSC, Molly Wright

TO: National Grid, Revenue Requirements Panel

SUBJECT: Consultants-KEDNY

Request:

1. In the same format as KEDNY Exhibit___RRP-11, Schedule 1, Workpaper 1, pp. 6-7, provide a schedule showing by vendor, the Activity code, Activity Description, and total for Fiscal Year (FY) 2013, 2014, and 2015.

2. In the same format as KEDNY Exhibit___RRP-11, Schedule 1, Workpaper 1, pp.15-20, provide a schedule showing by vendor, the Activity code, Activity Description, and total for Fiscal Year (FY) 2013, 2014, and 2015.

3. Provide a detailed explanation of Activity description 5220, including when and why this activity description is utilized.

4. Referring to KEDNY Exhibit___RRP-11, Schedule 1, Workpaper 1, pp. 6-7, provide a copy of all historic test year costs incurred and charged either directly or indirectly to KEDNY for the entries below. Provide supporting documentation, calculations and workpapers for these costs. The supporting documentation should include invoices with the actual accounting applied so that verification of costs incurred can be reconciled with the historic test year Workpapers provided in RRP-11. If the number of invoices is voluminous please contact Staff to discuss the invoice request.

    a. The Liberty Consulting Group - $74,828;
    b. BL Companies - $74,654;
    c. Clough Harbour & Associates LLP - $110,783;

d. Commissioner of Taxation and Finance - $162,826;
e. Cullen and Dykman - $22,053;
f. Ernst & Young - $42,158;
g. H2M Architects, Engineers, Land - $40,000;
h. David M Israel Attorney at Law - $91,400; and
i. Horizon Media Inc - $76,677.

5. For (a.) to (i.) listed in question 4 above, provide a copy of the contract and purchase order KEDNY has with the vendor that supports and identifies the work being performed.

6. Referring to KEDNY Exhibit___RRP-11, Schedule 2, Workpaper 1, pp. 15-20, provide a copy of all historic test year costs incurred and charged indirectly to KEDNY for the entries below. Provide supporting documentation, calculations, and workpapers for these costs. The supporting documentation should include invoices with the actual accounting applied so that verification of costs incurred can be reconciled with the historic test year workpapers provided in RRP-11. If the number of invoices is voluminous please contact Staff to discuss the invoice request.

a. Accenture UK Limited $48,647;
b. American Indian Community House Inc - $355;
c. Ariba Inc - $118,550;
d. Bridge Energy Group - $104,657;
e. Deloitte & Touche LLP - $447,778;
f. Deloitte Consulting LLP - $4,022,441;
g. Ernst & Young LLP - $270,669;
h. IBM Corp - $88,701;
i. IBM Corp - $28,560;
j. Kearney Donovan & McGee - $17,056;
k. KPMG LLP - $257,696;
l. KPMG LLP - $249,054;
m. Mercer Human Resource Consulting - $377,912;
n. OC Tanner Recognition Co. - $198,137;
o. Padilla & Company LLP (Finance Remediation 9200)- $44,118;
p. Powerplan Inc - $128,964;
q. SAP America Inc - $56,584;
r. Statewide Public Affairs - $11,905;
s. Strategic Benefit Advisors - $165,793;
t. Tonio Burgos & Associates Inc - $4,745;
u. Unipart Services America - $1,784,592;
v. Wipro LTD - $1,696,394;
w. Wipro LTD - $795,719; and
x. Yoswein New York - $36,915.

7. For (a.) to (x.) listed in question 6 above, provide a copy of the contract and purchase order KEDNY has with the vendor that supports and identifies the work being performed.

8. For overall Consultant Expense, explain and provide a copy of the analysis that the Company undertook to determine that no additional normalizing adjustments to the historic test year were required for KEDNY, beyond the amount provided on RRP-3, Schedule 1, p. 4. Demonstrate how the analysis concludes that the historic year charges incurred would be recurring in the rate year, and that the charges were not non-recurring in nature.

9. Referring to KEDNY Exhibit___RRP-11, Schedule 1, Workpaper 1, pp. 21-49, for each charge/credit listed as $100,000 or more, provide a copy of the analysis that was done by KEDNY to conclude that the historic year charges/credits incurred would be recurring in the rate year, and that the charges/credits were not non-recurring in nature.

10. Provide an explanation of why there are law firm vendor charges included in the consultant costs when there is a separately identified legal expense cost element. Provide a detailed explanation of the Company's process to ensure there is no double count of expenses being requested for the rate year and/or supporting documentation that demonstrates there is no double count of expenses?

Response:

1 and 2. Please see Attachment 1 for FY13, Attachment 2 for FY14, and Attachment 3 for FY15 for the requested information in the same format as Exhibit___RRP-11, Schedule 1 Workpaper 1, pp. 6-7 and pp.15-20.

3. WBS elements with a company number for a description (5220 for KEDNY) are a result of the WBS element being generated by an external system (subsystem). Additional detailed information is maintained in the originating system.

4. Please see Attachment 4 for a detailed listing of the invoices and purchase order numbers for each of the vendors in part a through i. Please see Attachment 5 for copies of the invoices.

5. Please see Attachment 6 for copies of the purchase orders (if applicable) for the vendors in Part 4 above.

6. Please see Attachment 7 for a detailed listing of the invoices and purchase order numbers for each of the vendors in parts a through x. Please see Attachment 8 for copies of the invoices. For OC Tanner, due to the volume, a summary invoice is included. While preparing this response, the Company noted that the costs for 1) Tonio Burgos & Associates Inc; 2) Yoswein New York; and 3) Statewide Public Affairs were related to lobbying costs and should be removed from consultant expense. The amounts to be removed are $55,586 for the Rate Year, $56,753 for Data Year 1, and $57,945 for Data Year 2.

7. Please see Attachment 9 for copies of the purchase orders (if applicable) for the vendors in Part 6 above.

8. Please see pages 12 to 38 of KEDNY's Revenue Requirement Panel testimony (and the related exhibits referenced therein) for a description of the comprehensive analyses the Company undertook of its Historic Test Year O&M expenses (including but not limited to vendor analyses, project analyses and trending). The Company did not specifically perform the analyses by expense category; however, Consultant Expense was included in the data set for the analyses, which was designed to ensure that the Historic Test Year and Rate Year contained costs that were appropriately charged to KEDNY and were proper to include in the Company's cost of service.

9. Please see response to Part 8 for procedures performed. In addition, the majority of the dollar amount for credits greater $100,000 represents entries to reclass the capital portion of SAP (EHR1) costs from expense to capital. Many of the vendors shown in Part 6 are included in the capital/expense analysis. For the remaining charges/credits greater than $100,000, most represent accruals and reversals within the historic test year period resulting in a zero impact to overall consultant expense.

10. The Company used costs charged to legal department cost centers to identify the costs to include in the legal expense cost element. Because the law firm vendors included in the consultant cost element are related to collection services and charged to the credit and collection departments, these costs were not included in the legal expense cost element and remained in consultant expense. As such, there was no double count of expenses.

Due to size, all attachments are being provided to Staff on a CD. Please note that Attachments 5 and 8 contain confidential pricing information and should be protected from disclosure. Attachments 5Eand 5H have been redacted for attorney client and work product privileged information.

Name of Respondent:
Stephanie A. Briggs

Date of Reply:
April 15, 2016

Form 103

Date of Request: May 5, 2016
Due Date: May 16, 2016

DPS Request No. DPS-482 JS-10
KEDNY/ KEDLI Req. No. BULI-627

KEYSPAN GAS EAST CORPORATION d/b/a NATIONAL GRID
THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY

Case 16-G-0058 KeySpan Gas East Corporation d/b/a National Grid
Case 16-G-0059 The Brooklyn Union Gas Company d/b/a National Grid NY

Request for Information

FROM: NYPSC, John Sano

TO: National Grid, GIOP

SUBJECT: Information Systems Issues – Gas Transportation Information System (GTIS)

Request:

Referring to the Companies' response to information request DPS-350, Staff requested and received the year-to-date fiscal year budgeted versus actual expenditure amounts related to the GTIS system, temporary bulletin board, and staffing modifications during implementation of the GTIS system beginning in 2006. See the table of information provided below:

GTIS Financials ($000) as of February 29, 2016						
FY	**O&M**			**Capital**		
	Sanctioned	**Spent**	**Variance**	**Sanctioned**	**Spent**	**Variance**
FY10	196.0	2.1	(193.9)	600.0	599.0	(1.0)
FY11	202.0	64.2	(137.8)	2,500.0	2,500.0	826.5
FY12	23.0	3.1	(20.0)	2,820.0	3,014.1	194.2
FY13	24.0	14.7	(9.3)	1,779.0	775.0	(1,004.0)
FY14	404.0	293.5	(110.5)	1,110.0	1,631.1	521.1
FY15	81.0	43.3	(37.7)	7,044.0	4,635.0	(2,409.0)
FY16	267.0	134.5	(132.5)	4,852.0	4,215.0	(637.0)
Total	1,197.0	555.4	(641.6)	20,705.0	17,369.2	(3,335.8)
FY17	365.0			995.0		

Note that the total capital spend in the table above includes the $10.150 million for Customer Choice ESCO Gas project discussed in the Testimony of the Revenue Requirements Panel, as well as additional costs from other GTIS projects besides the Customer Choice ESCO Gas project

1. The Company notes the total capital spent is $17.369 million, and that is made up of costs for the Customer Choice ESCO Gas project as well as costs from other GTIS projects. The service company rent expense schedules, contained in Exhibit __ (RRP-11CU), Workpapers to Exhibit RRP-3CU, Schedule 9, Workpaper 2 for both KEDNY and KEDLI a listing of all the information services (IS) capital projects, the assets held at the service company level, and the costs expected to be incurred in rate year for either new or existing IS projects, and those that are included in the O&M rent expense cost element as well. Provide a list identifying every project (by line item) from both the attached KEDLI listing and the similar that comprises the $17.369 million shown in the table above.

2. For each project identified in response to question (1) above, provide a breakdown of costs in a format similar to the table above. The information should be broken down by specific project, and by year. Provide the information separately for KEDLI and KEDNY.

Response:

1) and 2)

Please see Attachment 1 for the projects that comprise $17,804,287 million in total capital spend for GTIS projects from FY2010 through February 2016. Please note that the Companies erroneously provided a total capital spend of $17.369 million in response to DPS-350. A total capital spend of $17,804,287 is reflected in the general ledger for GTIS projects, including the Customer Choice ESCO Gas project.

In the course of preparing Attachment 1, the Companies identified certain existing Service Company assets/projects that were not included in Exhibit __ (RRP-11-CU), Workpapers to Exhibit ___ (RRP-CU), Schedule 9, Workpaper 2 for both KEDNY and KEDLI. Attachment 2 identifies the missing projects and the total rent expense impact to KEDNY and KEDLI. The missing projects included three work orders for the GTIS project performed as part of investments INVP 1182 and INVP 1182B that delivered an early version of GTIS.

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Work Order	INVP#	Total US Spend
1TXFER00099	1182	$3,866,615
900000124369	1182	$1,780,960
900000124375	1182B	$1,675,640

An updated Exhibit __ (RRP-11CU), Workpapers to Exhibit ___ (RRP-3CU), Schedule 9, Workpaper 2 is also included in Attachment 2.

With respect to the Customer Choice ESCO gas project in particular, of the $17,804,287 included in Attachment 1, only $10,150,478 relates to the total capital spend for the Customer Choice ESCO Gas project as shown in Exhibit_(RRP-11CU), Workpapers to RRP-3CU, Schedule 9, Workpaper 2 (line 10). In their Corrections and Updates filings, the Companies made a further adjustment to remove their share of $521,285 representing the AFUDC amount for project delays from the initial target GTIS implementation date of November 1, 2014 through the anticipated implementation date of April 30, 2016. As a

result of this adjustment, the Companies' rent expense for the Customer Choice ESCO Gas project is based on a total US spend of $9,629,193.

Name of Respondent:
Christophe Chirol
Thomas Gill

Date of Reply:
May 16, 2016

KeySpan Gas East Corporation
d/b/a National Grid
The Brooklyn Union Gas Company
d/b/a National Grid NY
Case 16-G-0058 and 16-G-0059
Attachment 1 to DPS-482 JS-10 BULI-627
Page 1 of 1

GTIS Financials - INVP1182

	OPEX			CAPEX		
	Sanctioned	Spent	Variance	Sanctioned	Spent	Variance
FY10	$ 196,000	$ 192,236	$ (3,764)	$ 600,000	$ 599,000	$ (1,000)
FY11	$ 202,000	$ 64,156	$ (137,844)	$ 1,673,000	$ 2,028,588	$ 355,588
FY12	$ 23,000	$ 3,050	$ (19,950)	$ 2,820,000	$ 2,927,964	$ 107,964
FY13			$ -		$ 81,622	$ 81,622
FY14			$ -		$ -	$ -
FY15			$ -		$ 10,401	$ 10,401
Total	$ 421,000	$ 259,442	$ (161,558)	$ 5,093,000	$ 5,647,575	$ 554,575

GTIS Financials - INVP1182B

	OPEX			CAPEX		
	Sanctioned	Spent	Variance	Sanctioned	Spent	Variance
FY13 (Oct&Mar)	$ 24,000	$ 30,284	$ 6,284	$ 1,779,000	$ 1,644,095	$ (134,905)
FY14		$ 305	$ 305		$ 31,545	$ 31,545
Total	$ 24,000	$ 30,589	$ 6,589	$ 1,779,000	$ 1,675,640	$ (103,360)

GTIS Financials - INVP3564 (as of February 29th, 2016)

	OPEX			CAPEX		
	Sanctioned	Spent	Variance	Sanctioned	Spent	Variance
FY14	$ 404,000	$ 293,452	$ (110,548)	$ 1,110,000	$ 1,631,147	$ 521,147
FY15	$ 81,000	$ 43,257	$ (37,743)	$ 7,044,000	$ 4,634,955	$ (2,409,045)
FY16	$ 267,000	$ 134,455	$ (132,545)	$ 4,852,000	$ 4,214,970	$ (637,030)
Total	$ 752,000	$ 471,163	$ (280,837)	$ 13,006,000	$ 10,481,072	$ (2,524,928)

KeySpan Gas East Corporation
d/b/a National Grid
The Brooklyn Union Gas Company
d/b/a National Grid NY
Case 16-G-0058 and 16-G-0059
Attachment 2 to DPS-482 JS-10 BULI-627
Page 1 of 2

Missing Projects Adjustment - Service Company Rents

Information Systems Projects (As Reported in DPS-395)

	Rate Year 1	Data Year 1	Data Year 2
KEDNY	$ 13,623,116	$ 13,810,462	$ 15,842,291
KEDLI	$ 9,053,489	$ 9,225,013	$ 10,362,599
Total	**$ 22,676,604**	**$ 23,035,474**	**$ 26,204,890**

Information Systems Projects (With Missing Projects)

	Rate Year 1	Data Year 1	Data Year 2
KEDNY	$ 16,099,834	$ 16,049,098	$ 17,268,746
KEDLI	$ 10,415,299	$ 10,435,048	$ 11,169,813
Total	**$ 26,515,133**	**$ 26,484,146**	**$ 28,438,559**

Information Systems Projects (Difference)

	Rate Year 1	Data Year 1	Data Year 2
KEDNY	$ 2,476,719	$ 2,238,636	$ 1,426,455
KEDLI	$ 1,361,810	$ 1,210,036	$ 807,215
Total	**$ 3,838,529**	**$ 3,448,672**	**$ 2,233,670**

KeySpan Gas East Corporation
d/b/a National Grid
The Brooklyn Union Gas Company
d/b/a National Grid NY
Case 16-G-0058 and 16-G-0059
Attachment 2 to DPS-482 JS-10 BULI-627
Page 2 of 2

		KEDNY	Rate Year	Data Year 1	Data Year 2
1TXFER00099	GAS SCADA Upgrade/Modernize	38.38%	$ 112,432	$ -	$ -
1TXFER00099	GTIS	68.37%	$ 420,727	$ 398,256	$ 162,039
90000124369	GTIS	38.38%	$ 120,888	$ 115,078	$ 109,268
90000124368	Meter Route Consolidation	38.38%	$ 27,410	$ 26,071	$ 24,732
90000124375	GTIS	58.10%	$ 169,421	$ 161,146	$ 152,870
90000104112	IN1656-CUST.Systems Agent desktop	68.37%	$ 1,145,726	$ 1,085,073	$ 612,320
90000106246	IN2330 ETRM Repl Nucleus-Gas Benef	30.66%	$ 298,244	$ 282,593	$ 203,142
90000124371	IN2366 LI CNI Direct HW Upgrade	68.37%	$ 8,126	$ 7,737	$ 7,348
90000144051	INVP2960C GridForce SaaS Phase 2	30.66%	$ 173,745	$ 162,683	$ 154,736
			$ 2,476,719	**$ 2,238,636**	**$ 1,426,455**

		KEDLI	Rate Year	Data Year 1	Data Year 2
1TXFER00099	GAS SCADA Upgrade/Modernize	28.55%	$ 83,635	$ -	$ -
1TXFER00099	GTIS	31.63%	$ 194,641	$ 184,245	$ 74,964
90000124369	GTIS	28.55%	$ 89,926	$ 85,604	$ 81,282
90000124368	Meter Route Consolidation	28.55%	$ 20,389	$ 19,394	$ 18,398
90000124375	GTIS	30.27%	$ 88,268	$ 83,957	$ 79,645
90000104112	IN1656-CUST.Systems Agent desktop	31.63%	$ 530,047	$ 501,987	$ 283,278
90000106246	IN2330 ETRM Repl Nucleus-Gas Benef	22.81%	$ 221,883	$ 210,240	$ 151,130
90000124371	IN2366 LI CNI Direct HW Upgrade	31.63%	$ 3,759	$ 3,579	$ 3,399
90000144051	INVP2960C GridForce SaaS Phase 2	22.81%	$ 129,261	$ 121,030	$ 115,119
			$ 1,361,810	**$ 1,210,036**	**$ 807,215**
	Total Impact		**$ 3,838,529**	**$ 3,448,672**	**$ 2,233,670**

Rebuttal Testimony of the Revenue Requirements Panel

Exhibit __ (RRP-9R)

Staff IR Responses

Request No.: BULI-5
Requested By: KEDNY&KEDLI Revenue Requirements Panel
Name of Respondent: Staff Gas Infrastructure and Operations Panel
Date of Request: May 26, 2016
Date of Response: June 3, 2016
Subject: Plant Model

Question:

As discussed with the Staff Gas Infrastructure and Operations Panel, there were some inadvertent capital adjustments in Staff's net plant model that were not intended to be included in Staff's case. Please confirm that Attachment 1 represents the net plant balances and depreciation forecasts intended by Staff in their plant model, and that adjustments should be reflected accordingly.

Response:

The net plant model did include some unintended capital adjustments. Refer to Staff's "Attachment to BULI-5 Response" which correctly reflects Staff's forecasts for net plant balances and depreciation expense.

KEDNY Monthly Balances of Gas Net Utility Plant
Rate Year Ending December 31, 2017

($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	Dec-16 (1/2 month)	$ 2,358,766	$ 25,353	$ (656,682)	$ 1,727,438	
2	Jan-17	$ 4,738,998	$ 52,937	$(1,314,195)	$ 3,477,740	$ 8,040
3	Feb-17	$ 4,761,874	$ 53,529	$(1,315,392)	$ 3,500,012	$ 8,072
4	Mar-17	$ 4,786,271	$ 58,045	$(1,314,419)	$ 3,529,896	$ 8,107
5	Apr-17	$ 4,812,470	$ 59,708	$(1,314,992)	$ 3,557,186	$ 8,142
6	May-17	$ 4,843,008	$ 59,776	$(1,314,960)	$ 3,587,824	$ 8,177
7	Jun-17	$ 4,874,161	$ 60,313	$(1,314,578)	$ 3,619,895	$ 8,219
8	Jul-17	$ 4,906,698	$ 61,595	$(1,313,616)	$ 3,654,677	$ 8,269
9	Aug-17	$ 4,935,912	$ 63,768	$(1,313,152)	$ 3,686,528	$ 8,317
10	Sep-17	$ 4,968,928	$ 66,157	$(1,311,533)	$ 3,723,552	$ 8,360
11	Oct-17	$ 4,994,973	$ 70,336	$(1,311,303)	$ 3,754,007	$ 8,413
12	Nov-17	$ 5,038,812	$ 71,213	$(1,307,347)	$ 3,802,677	$ 8,452
13	Dec-17 (1/2 month)	$ 2,557,784	$ 32,345	$ (653,443)	$ 1,936,687	$ 8,516
15	Total Gas (Sum of Lines 1 to 13)	58,578,657	735,075	(15,755,611)	43,558,121	99,084
19	Average Monthly Balance (Line 15 / 12)	$ 4,881,555	$ 61,256	$(1,312,968)	$ 3,629,843	
	Company Forecasted	$ 4,904,937	$ 60,548	$(1,321,224)	$ 3,644,261	117,796
	Adjustment	$ (23,382)	$ 708	$ 8,256	$ (14,418)	$ (18,712)

Attachment 1
Revised Exhibit___(SGIOP-5)
Page 2 of 2

KEDLI Monthly Balances of Gas Net Utility Plant
Rate Year Ending December 31, 2017

($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	Dec-16 (1/2 month)	$ 1,837,442	$ 13,167	$ (415,681)	$ 1,434,928	
2	Jan-17	$ 3,696,203	$ 24,525	$ (834,848)	$ 2,885,881	$ 6,427
3	Feb-17	$ 3,722,346	$ 20,217	$ (838,052)	$ 2,904,511	$ 6,455
4	Mar-17	$ 3,746,613	$ 18,893	$ (841,070)	$ 2,924,436	$ 6,487
5	Apr-17	$ 3,768,111	$ 17,065	$ (844,787)	$ 2,940,390	$ 6,516
6	May-17	$ 3,782,614	$ 17,744	$ (849,169)	$ 2,951,188	$ 6,543
7	Jun-17	$ 3,793,064	$ 19,685	$ (853,974)	$ 2,958,775	$ 6,562
8	Jul-17	$ 3,811,850	$ 20,024	$ (857,792)	$ 2,974,082	$ 6,576
9	Aug-17	$ 3,823,362	$ 22,269	$ (862,420)	$ 2,983,212	$ 6,600
10	Sep-17	$ 3,836,763	$ 25,307	$ (866,637)	$ 2,995,433	$ 6,615
11	Oct-17	$ 3,850,876	$ 29,451	$ (870,573)	$ 3,009,754	$ 6,633
12	Nov-17	$ 3,867,432	$ 32,798	$ (874,291)	$ 3,025,939	$ 6,652
13	Dec-17 (1/2 month)	$ 1,942,039	$ 17,426	$ (439,120)	$ 1,520,345	$ 6,674
15	Total Gas (Sum of Lines 1 to 13)	45,478,715	278,572	(10,248,414)	35,508,873	78,738
17	Average Monthly Balance (Line 15 /	$ 3,789,893	$ 23,214 $ -	$ (854,034) $ -	$ 2,959,073	
	Company Forecasted	$ 3,799,416	$ 27,067	$ (858,921)	$ 2,967,562	93,836
	Adjustment	$ (9,523)	$ (3,853)	$ 4,887	$ (8,489)	$ (15,098)

Date of Request: June 3, 2016 KEDNY/KEDLI Request No. BULI-7 RRP-2
Due Date: June 13, 2016 Req. No. DPS-005

KEYSPAN GAS EAST CORPORATION d/b/a NATIONAL GRID
THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY

Case 16-G-0058 KeySpan Gas East Corporation d/b/a National Grid
Case 16-G-0059 The Brooklyn Union Gas Company d/b/a National Grid NY

Request for Information

FROM: KEDNY/KE DLI Revenue Requirement Panel

TO: Ronald Calkins, Staff Accounting Panel

SUBJECT: Revenue Requirement Models

Request:

The Company identified differences in Staff's adjustment amounts on the revenue requirement models (Exhibits SAP-1 and SAP-2). Attachment 1 to this request describes the differences. Attachments 2 and 3 to this request are revised Revenue Requirement models in excel format for KEDNY and KEDLI, respectively.

Please confirm if the Staff agrees with the identified differences and the revised models in Attachments 2 and 3.

Response:

Name of Respondent: Date of Reply:

The Brooklynm Union Gas Company
d/b/a National Grid NY
Case No. 16-G-0058
BULI-7 RRP-2 DPS-005
Attachment 1

O&M

Company	Company Adj #	Testimony	Testimony Page #'s	Testimony Description	Staff Adjustment	Staff Adjustment Description	Staff Adjustment Amount	Corrected Staff Adjustment	Difference	Description of Reconciling Item(s)
KEDNY	(2c)	Consumer Services Panel	55	Removal of 1 FTE call center escalation analyst, 3 call center reps & 1 call center supervisor	4 (g) (1)	To remove 3 call center representatives and 1 call center supervisor	(119,000.00)	(182,579.00)	(63,579.00)	Panel calls for removal of 5 positions and staff adjustment is for 4 positions; also staff's adjustment description is incorrect, the dollars indicate that staff is removing 3 call center reps and one FTE escalation analyst
KEDNY	(2a)	Revenue Requirements Panel	34	Revised Service Company return on assets percentage (8.81%)	4 (c) (3)	To reflect Staff service company return allowance of 8.81% which is based on Staff capital structure	(552,482.00)	(605,769.00)	(53,287.00)	Staffs adjustment of pre tax ROR was only calculated for IS Rents and did not include an adjustment to Facilities Rents. If done correctly it would be an additional ($53,287) in adjustments.
KEDNY	(2h)	Revenue Requirements Panel	N/A	N/A	N/A	N/A	-	(55,586.00)	(55,586.00)	In IR DPS-402, the Company stated lobbying costs should be removed from the RY and Data Years from consultant expense. Staff did not remove
KEDNY	(2g)	Accounting Panel/ Gas Rates Panel	11-15; 9-40	Change in Revenues - Staff did not include uncollectible expense flow through	N/A	N/A	-	(451,472.52)	(451,472.52)	Staff Model does not reflect flow through of uncollectible expense as a result of change in operating revenues
KEDNY	(2f)	Accounting Panel	50-51	To reflect the latest assessment as of February 2016	4 (g)	To reflect the latest assessment as of February 2016	(428,000.00)	(427,722.46)	277.54	Rounding
KEDNY	(2d)	Staff Gas Infrastructure Panel/SAP	77/47	FTE adjustment for reducing FTE's	4 (g) (5)	To remove 2.3 I&R tech FTEs and 1 LNG field engineer	(310,000.00)	(307,461.19)	2,538.81	Rounding - Staff rounded FTE adjustments to one decimal but SGIOP testimony pg 76 has to two decimals
KEDNY	(2e)	Staff Accounting Panel	48	Upward adjustment of productivity and flow thru on other labor adjustments	4 (g) (6)	To adjust productivity adjustment from 1.0% to 2.0% for incremental employees	13,000.00	13,613.30	613.30	Rounding - effects of FTE adjustment to one decimal
KEDNY	(2b)	Staff Accounting Panel	41	Lower KEDNY Transportation forecast to HTY inflated plus additional vehicles	4 (e)	To reflect Staff's forecast of transportation lease expense	(732,000.00)	(723,412.67)	8,587.33	Staff says they use HTY lease expense inflated to RY plus the forecast lease expense for additional vehicle DPS-429 Attachment 13 provides these amounts that staff should use. Cannot tie exactly to staff's numbers but rounding appears to be an issue.
KEDNY	(2i)	Gas Policy and Supply Panel	16	To add sales promotion expenses in support of rebates	N/A	N/A	-	200,000.00	200,000.00	Panel testimony calls for amounts to be added to Rate Year but not included in Staff Revenue Requirement

RATE BASE

Company	Company Adj #	Testimony	Testimony Page #'s	Testimony Description	Staff Adjustment	Staff Adjustment Description	Staff Adjustment Amount	Corrected Staff Adjustment	Difference	Description of Reconciling Item(s)
KEDNY	(3d)	Revenue Requirements Panel	N/A	N/A	N/A	N/A	-	2,127,000.00	2,127,000.00	Staff updated the commodity revenue forecast but did not flow through the change to Change in Supply Cas Allowance (Rate Base) calculation
KEDNY	(3b)	Revenue Requirements Panel	N/A	Flow through adjustment to ADIT	8 (b) 2 and 8 (b) 3	To adjust ADFIT and ADSIT tracking OEGW's plant in service adjustments at a rate of 25.58%...	6,079,000.00	2,890,000.00	(3,189,000.00)	Staff made a high level adjustment to Federal and NYS ADIT to flow through the capex reductions which did no accurately reflect the impact on ADIT. Main driver relates to Staff's adj. not including the reduced deprec composite rate on embedded plant
KEDNY	(3a)	Revenue Requirements Panel			8 (a) 1	To reflect Staff's forecast of plant additions	(14,993,439.81)	(14,417,323.27)	576,116.53	Staff inadvertently included capex adjustments for tools and facility that they did not ultimately intend - IR ha been sent to Staff to confirm this error
KEDNY	(3a)	Revenue Requirements Panel			6 (1)	To adjust depreciation expense to reflect Staff's depreciation rates	(18,723,563.07)	(18,712,598.79)	10,964.29	Staff inadvertently included capex adjustments for tools and facility that they did not ultimately intend - IR ha been sent to Staff to confirm this error
KEDNY	(3c)	Revenue Requirements Panel	SAP-2, Schedule 10 of 11	Flow through adjustment to working capital	8 (c)	To adjust working capital to reflect Staff's O&M adjustments	2,113,000.00	(1,921,000.00)	(4,028,000.00)	Staff's adjustment reflects all O&M adjustments as cash items. Changes to SIR amortization, Energy Efficiency and Residential Reduced Rate program should be non-cash. This also reflects flow through of above O&M adjustments

Revenue Requirement (Flow Through)

Company	Company Adj #	Testimony	Testimony Page #'s	Testimony Description	Staff Adjustment	Staff Adjustment Description	Staff Adjustment Amount	Corrected Staff Adjustment	Difference	Description of Reconciling Item(s)
KEDNY	(1)	Revenue Requirements Panel	N/A	N/A	N/A	N/A	-	666,000.00	666,000.00	Staff flow through adjustment to GRT for the revenue requirement increase used a GRT rate that wasn't update for the GRT and revenue changes (this amount reflects flow through of rate change and all above adjustments)

The Brooklyn Union Gas Company
d/b/a National Grid NY
Case No. 16-G-0059
BULI-7 RRP-2 DPS-005
Attachment 2
Page 1 of 12

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Statement of Operating Income -
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Staff Adj. #	Staff Adjustments	Company Adj. #	Adjustments to Staff Amounts	As Adjusted by Staff Rate Year Ending December 31, 2017	Base Revenue Increase Required	Rate Year Ending December 31, 2017 with Base Revenue Requirement
Operating Revenues	$ 1,351,079	(1)	$ (49,108)		$ -	$ 1,301,971	$ 262,733	$ 1,564,704
Deductions								
Purchased Gas Costs	399,388	(2)	24,220		-	423,608		423,608
Revenue Taxes	46,931	(3)	1,545	(1)	-	48,476	9,784	58,260
Total Deductions	446,319		25,765		0	472,084	9,784	481,868
Gross Margin	904,760		(74,873)		0	829,887	252,949	1,082,836
Total Operation & Maintenance Expenses	554,049	(4)	16,490	(2)	(412)	570,539	2,773	573,312
Amortization of Regulatory Deferrals	61,759	(5)	(61,759)		0	0		0
Depreciation, Amort. & Loss on Disposition	117,796	(6)	(18,786)		0	99,010		99,010
Taxes Other Than Revenue & Income Taxes	151,424	(7)	(5)		0	151,419		151,419
Total Operating Revenue Deductions	885,029		(64,060)		(412)	820,968	2,773	823,741
Operating Income Before Income Taxes	19,732		(10,813)		412	8,919	250,176	259,095
Income Taxes								
Federal Income Taxes	(12,782)		(1,989)	Flow through		(14,771)	80,276	65,505
State Income Taxes	(4,032)		(516)	Flow through		(4,548)	20,815	16,267
Total Income Taxes	(16,814)		(2,505)			(19,319)	101,091	81,772
Operating Income After Income Taxes	$ 36,545		$ (8,308)		$ 412	$ 28,237	$ 149,085	$ 177,322
Rate Base	$ 2,959,293		$ (9,241)	(3)	$ (4,503)	$ 2,945,549		$ 2,945,549
Rate of Return	1.23%					0.96%		6.02%

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Summary of O&M Expenses
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Adj. #	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adj. #	Adjustments to Staff Amounts	Revised Adjusted by Staff Rate Year Ending December 31, 2017
Operation & Maintenance Expenses:							
Departmental Items:							
Consultants	$ 10,510	(4m)	$ -	$ 10,510	(2h)	$ (56)	$ 10,454
Contractors	61,344	(4a)	(578)	60,766		-	60,766
Donations	0		0	0		-	0
Employee Expenses	2,949		0	2,949		-	2,949
Hardware	280		0	280		-	280
Software	4,069		0	4,069		-	4,069
Other	18,622	(4b)	(1,098)	17,524		-	17,524
Rents	4,668		0	4,668		-	4,668
Service Company Rents	15,225	(4c)	(2,580)	12,645	(2a)	(53)	12,591
Construction Reimbursement	(422)		0	(422)		-	(422)
FAS 106	14,087		0	14,087		-	14,087
FAS 112	263		0	263		-	263
Health Care	18,827		0	18,827		-	18,827
Group Life Insurance	948		0	948		-	948
Other Benefits	169		0	169		-	169
Pensions	38,683		0	38,683		-	38,683
Thrift Plan	4,326		0	4,326		-	4,326
Workers Comp	2,196		0	2,196		-	2,196
Materials Outside Vendor	5,706		0	5,706		-	5,706
Materials From Inventory	5,753		0	5,753		-	5,753
Materials Stores Handling	1,364		0	1,364		-	1,364
Postage	9,690		0	9,690		-	9,690
Total Labor	143,074	(4d)	(93)	142,981		-	142,981
Transportation	7,974	(4e)	(732)	7,242	(2b)	9	7,250
Energy Efficiency program	20,345	(4f)	871	21,216		-	21,216
Injuries and Damages	11,070		0	11,070		-	11,070
Other Initiatives	61,170	(4g)	(6,544)	54,626	(2c), (2d), (2e)	(60)	54,565
Productivity Adjustment	(3,351)	(4h)	(3,312)	(6,663)		-	(6,663)
Rate Case Expense	372		0	372		-	372
Regulatory Assessment Fees	8,506	(4i)	(428)	8,078	(2f)	0	8,078
Uncollectible Accounts	13,864	(4l)	0	13,864	(2g)	(452)	13,412
SIR	53,872		0	53,872		-	53,872
Amortization of SIR Deferral	0	(4j)	18,521	18,521		-	18,521
Joint Facilities	10,740		0	10,740		-	10,740
PEX Savings	(2,160)		0	(2,160)		-	(2,160)
Paving	5,435		0	5,435		-	5,435
Legal	2,008		0	2,008		-	2,008
Accounting	1,030		0	1,030		-	1,030
Incentive Programs	849	(4n)	0	849	(2i)	200	1,049
Residential Reduced Rate Program	0	(4k)	12,875	12,875		-	12,875
Sub Total - Departmental	$ 554,049		$ 16,902	$ 570,951		$ (412)	$ 570,539
TOTAL	$ 554,049		$ 16,902	$ 570,951		$ (412)	$ 570,539

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Federal Income Taxes -
For the Rate Year Ending December 31, 2017
(Whole Dollars)

	Staff Adjusted						
	as Adj. Federal Taxable Income	Deferrable Basis	Staff Adjustments	Book Taxable Income	@ the Statutory Rate	DFIT Reversals	Net FIT Before Rev Req
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	$ 8,918,600			$ 8,918,600	$ 3,122,000		$ 3,122,000
ADDITIONS							
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION POVISION FOR DEPRECIATION	0		0	0	0	0	0
REAL ESTATE TAXES PER BOOKS	0		0	0	0	0	0
BUSINESS MEALS 50% DISALLOWANCE	84,438		0	84,438	30,000	0	30,000
DEDUCTIONS							
GAIN ON REDEMPTION BONDS	0		0	0	0	0	0
INTEREST	(55,756,000)		0	(55,756,000)	(19,515,000)	0	(19,515,000)
NEW YORK STATE RATE CHANGE (FITon SIT)	0		0	0	0	230,197	230,197
DIVIDEND PAID CREDIT	0		0	0	0	0	0
NEW YORK STATE INCOME TAXES - CURRENT PROVISION	3,890,000	0	0	3,890,000	1,362,000	0	1,362,000
OTHER STATE INCOME TAXES	0		0	0	0	0	0
COST OF REMOVAL	0	0	0	0	0	0	0
TAX DEPRECIATION	0		0	0	0	0	0
REAL ESTATE TAXES FOR TAX	0		0	0	0	0	0
AMORTIZATION PASNY CONTRACT	0		0	0	0	0	0
CLASS B CONTRACTS AMORTIZATION	0		0	0	0	0	0
TOTAL FIT EXPENSE	$ (42,862,962)	$ -	$ (42,862,962)	$ (42,862,962)	$ (15,001,000)	$ 230,197	$ (14,770,803)

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
State Income Taxes
For the Rate Year Ending December 31, 2017
(Whole Dollars)

	Staff Adjusted						
	as Adj. State Taxable Income	Deferrable Basis	Staff Adjustments	Book Taxable Income	@ blended Statutory Rate	DSIT Reversals	Net SIT Before Rev Req
NET INCOME BEFORE FEDERAL & STATE INCOME TAXES	$ 8,918,600			$ 8,918,600	$ 742,000		$ 742,000
ADDITIONS							
MERGER RATE PLAN STRANDED COSTS-AMORTIZATION POVISION FOR DEPRECIATION	0		0	0	0		0
REAL ESTATE TAXES PER BOOKS			0	84,438	7,000		7,000
BUSINESS MEALS 50% DISALLOWANCE	84,438		0				
DEDUCTIONS							
GAIN ON REDEMPTION BONDS	0		0	0	0		0
OTHER POST RETIREMENT BENEFIT LIABILITY-MEDICARE PIECE			0	0	0		0
INTEREST	(55,756,000)	0	0	(55,756,000)	(4,639,000)		(4,639,000)
NEW YORK STATE RATE CHANGE	0		0	0	0	(657,706)	(657,706)
GAS CONTINGENCY RESERVE	0		0	0	0		0
IBM CUSTOMER SYSTEM SETTLEMENT	0		0	0	0		
REAL ESTATE TAXES FOR TAX	0		0	0	0		
TOTAL SIT EXPENSE	$ (46,752,962)	$ -	$ -	$ (46,752,962)	$ (3,890,000)	$ (657,706)	$ (4,547,706)
	8.32%						

The Brooklyn Union Gas Company
d/b/a National Grid NY
Case No. 16-G-0059
BULI-7 RRP-2 DPS-005
Attachment 2
Page 4 of 12

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Summary of Rate Base -
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Adj.	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Company Adj. #	Adjustments to Staff Amounts	Revised Adjusted by Staff Rate Year Ending December 31, 2017
Net Utility Plant	$ 3,644,261	(8a)	$ (18,246)	$ 3,626,015	(3a)	$ 587	$ 3,626,602
Regulatory Assets / Liabilities	26,041		0	26,041			26,041
Accumulated Deferred Income Taxes - Federal	(818,351)	(8b)1,2	6,154	(812,197)	(3b)	(2,774)	(814,972)
Accumulated Deferred Income Taxes - State	(121,258)	(8b)3	790	(120,468)	(3b)	(415)	(120,882)
Working Capital							
Materials and supplies	113,823		0	113,823			113,823
Prepayments	54,871		0	54,871			54,871
O&M Cash Allowance (1/8 O&M exp)	64,649	(8c)	2,061	66,710	(3c)	(4,028)	62,682
Supply Cash Allowance (Sep 09 lead/lag study)	44,511		0	44,511			44,511
Change in Supply Cash Allowance (3.64% x RY Gas exp)	(13,958)	(8d)	0	(13,958)	(3d)	2,127	(11,831)
subtotal Working Capital	263,895		2,061	265,957		(1,901)	264,056
subtotal avg. before EBCAP adj.	2,994,587		(9,241)	2,985,348		(4,503)	2,980,845
Excess Earnings Base adjustment	(35,294)		0	(35,294)		0	0
Total Rate Base	$ 2,959,293		$ (9,241)	$ 2,950,054		$ (4,503)	$ 2,980,845

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Capital Structure -
For the Rate Year Ending December 31, 2017

Company's Capital Structure Forecast

	Total Weighting Annual Avg	Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	$ 1,472,415	51.18%	3.96%	2.03%	2.03%
Customer Deposits	23,591	0.82%	0.85%	0.01%	0.01%
Common Equity	1,380,928	48.00%	9.94%	4.77%	8.00%
Total	$ 2,876,934	100.00%		6.81%	10.04%

Staff's Capital Structure Forecast

	Total Weighting Annual Avg	Percent	Cost	Weighted Cost	Pre-Tax Weighted Cost
Long Term Debt	$ 1,200,000	51.32%	3.67%	1.88%	1.88%
Customer Deposits	16,208	0.68%	0.85%	0.01%	0.01%
Common Equity	1,187,670	48.00%	8.60%	4.13%	6.93%
Total	$ 2,403,878	100.00%		6.02%	8.82%

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OTHER REVENUE REQUIREMENT INPUTS

						Company Adjustment
Forecast Rate Year Rates to apply to Rev Req						
Bad Debt % for Rev Req	1.06%	1.057%	GRT	$	48,476	(1)
GRT rate for Rev Req	3.72% (1)		tax	$	1,301,971	(1)
Federal Income Tax rate	35.00%		revenue		0.03723278	(1)
NYS Income Tax rate	8.32%	59.59%				
Historic Year EBCAP	0.00%					
General Inflation (from 09/30/15 to 12/31/17)	3.77%					

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The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
PSC Staff Direct Case
Company Rebuttal to Staff Adjustments for the Rate Year Ending December 31, 2017
($000's)

		Staff Direct Amount		Company Adjustment #	Adjustments to Staff Amounts Amount		Revised Staff Amount	
Adj. 1	Operating Revenues							
(a)	To properly reconcile SIR Surcharge revenues to the amortization expense	$ (43,238)					(43,238)	
(b)	To transfer amortization of SIR deferral balance to base rates	(18,521)					(18,521)	
(c)	To properly reconcile MFC revenues to the associated expenses	(11,522)					(11,522)	
(d)	To adjust Joint Facilities revenue to reflect historic year level increased for inflation	(6,493)					(6,493)	
(e)	To reflect the Commission authorizations for the Company's EE tracker surcharges	(221)					(221)	
(f)	To reflect the Commission authorizations for the Company's NYSERDA SBC	1,092					1,092	
(g)	To correct Company correction and updates operating revenues to reconcile with the Company Rate Design Panel operating revenues	90					90	
(h)	To reflect the Residential Reduced Rate Program in Revenues	9,240					9,240	
(i)	To adjust operating revenues to reflect Staff's Sales forecast	20,465	$ (49,108)			$ -	20,465	$ (49,108)
Adj. 2	Purchased Gas Costs							
	To adjust purchased gas costs to reflect Staff's forecast	24,220	$ 24,220		-	$ -	24,220	$ 24,220
Adj. 3	Revenue Taxes							
	To adjust revenue taxes to reflect Staff's forecast	1,545	$ 1,545		-	$ -	1,545	$ 1,545
Adj. 4	Operating and Maintenance Expenses							
(a)	Contractors							
	To normalize out the historic test year costs associated with ULC Robotics charges	(578)	$ (578)		-	$ -	(578)	$ (578)
(b)	Other Expense							
	To normalize out the historic test year costs associated with the NYC Commissioner of Finance charges	(1,098)	$ (1,098)		-	$ -	(1,098)	$ (1,098)
(c)	Service Company Rents							
	(1) To reflect the removal of the Customer Choice ESCO Gas project (INVP #3564)	(1,416)			-		(1,416)	
	(2) To reflect removal of bonus depreciation	(612)			-		(612)	
	(3) To reflect Staff service company return allowance of 8.81% which is based on Staff capital structure	(552)	$ (2,580)	(2a)	(53)	$ (53)	(605)	$ (2,633)
(d)	Total Labor							
	To reflect the reduction of management wage increases from 3.2% to 3.0%	(93)	$ (93)		0	$ -	(93)	$ (93)
(e)	Transportation							
	To reflect Staffs forecast of transportation lease expense	(732)	$ (732)	(2b)	9	$ 9	(723)	$ (723)
(f)	Energy Efficiency program							
	To reflect the Commission authorizations for the Company's EE tracker surcharges and NYSERDA SBC	871	$ 871		0	$ -	871	$ 871
(g)	Other Initiatives							
	(1) To remove 3 call center representatives and 1 call center supervisor	(119)		(2c)	(64)		(183)	
	(2) To remove 3.5 FTEs compliance analysts	(361)					(361)	
	(3) To remove 1 gas estimator and adjust allocation of gas estimator manager	(8)					(8)	
	(4) To adjust salaries on select engineering titles	(5,759)					(5,759)	
	(5) To remove 2.3 I&R tech FTEs and 1 LNG field engineer	(310)		(2d)	3		(308)	
	(6) To adjust productivity adjustment from 1.0% to 2.0% for incremental employees	13	$ (6,544)	(2e)	1	$ (60)	14	$ (6,604)
(h)	Productivity Adjustment							
	(1) Tracking adjustment for management wage increase reduction from 3.2% to 3.0%.	1					1	
	(2) To adjust productivity adjustment from 1.0% to 2.0% on total labor expense item	(3,313)	$ (3,312)			$ -	(3,313)	$ (3,312)
(i)	Regulatory Assessment Fees							
	To reflect the latest assessment as of February 2016	(428)	$ (428)	(2f)	0	$ 0	(428)	$ (428)
(j)	Amortization of SIR Deferral							
	To include amortization of SIR deferral in base rates	18,521	$ 18,521			$ -	18,521	$ 18,521
(k)	Residential Reduced Rate Program							
	To reflect the residential reduced rate program expense in the rate year	12,875	$ 12,875			$ -	12,875	$ 12,875
(l)	Uncollectible Expense							
	To reflect the flow through of changes to revenue	0	$ -	(2g)	(452)	$ (452)	(452)	$ (452)
(m)	Consultant Expense							
	To remove lobbying costs per DPS-402	0	$ -	(2h)	(56)	$ (56)	(56)	$ (56)
(n)	Incentive Programs							
	To add sales promotion expense	0	$ -	(2i)	200	$ 200	200	$ 200
	Total Operating & Maintenance Expense Adjustments		$ 16,902			$ (412)		$ 16,490

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
PSC Staff Direct Case
Company Rebuttal to Staff Adjustments for the Rate Year Ending December 31, 2017
($000's)

	Staff Direct Amount		Company Adjustment #	Adjustments to Staff Amounts Amount		Revised Staff Amount	
Adj. 5 Amortization of Regulatory Deferrals							
(1) To properly reflect the Company's proposal for rate year amortization of SIR deferral	$ (43,238)			$ -		$ (43,238)	
(2) To reflect the amortization of SIR deferral as an O&M expense item	(18,521)	$ (61,759)		-	$ -	(18,521)	$ (61,759)
Adj. 6 Depreciation Expense							
(1) To adjust depreciation expense to reflect Staff's deprecation rates	(18,723)			-		(18,723)	
(2) To reflect the removal of amounts included in the Company's rate year projection of depreciation expense for historic year costs charged to capital and plant in service for NYC Commissioner of Finance charges (fines and violations)	(63)	$ (18,786)		-	$ -	(63)	$ (18,786)
Adj. 7 Taxes Other Than Revenue & Income Taxes							
Payroll Taxes							
Tracking adjustment for management wage increase reduction from 3.2% to 3.0%	(5)	$ (5)		-	$ -	(5)	$ (5)
Total Taxes Other Than Revenue & Income Taxes		$ (5)			$ -		$ (5)
Adj. 8 Rate Base							
a. Net Utility Plant							
(1) To reflect Staff's forecast of plant additions.	(14,994)		(3a)	587		(14,407)	
(2) To reflect the removal of amounts included in the Company's rate year projection of net utility plant for historic year costs charged to capital and plant in service for NYC Commissioner of Finance charges (fines and violations)	(3,252)	$ (18,246)		-	$ 587	(3,252)	$ (17,659)
b. Accumulated Deferred Income Taxes							
(1) To reflect the removal of amounts included in the Company's rate year projection of ADIT for historic year costs charged to capital and plant in service for NYC Commissioner of Finance charges (fines and violations)	865			-		865	
(2) To adjust ADFIT tracking OEGW's plant in service adjustments at a rate of 25.58% per Company, allocated between ADFIT and ADSIT	5,289		(3b)	(2,774)		2,514	
(3) To adjust ADSIT tracking OEGW's plant in service adjustments at a rate of 25.58% per Company, allocated between ADFIT and ADSIT	790	$ 6,944	(3b)	(415)	$ (3,189)	376	$ 3,755
c. Working Capital							
To adjust working capital to reflect staffs O&M Adjustments	2,113	$ 2,113	(3c)	(4,028)	$ (4,028)	(1,915)	$ (1,915)
d. Working Capital							
To adjust Supply Cash Allowance to reflect Staff's Commodity change	0	$ -	(3d)	2,127	$ 2,127	2,127	$ 2,127
Total Rate Base Adjustments		$ (9,189)			$ (4,503)		$ (13,692)

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Taxes Other Than Income Taxes
For the Rate Year Ending December 31, 2017
($000's)

Taxes Other Than Revenue and Income Taxes	C&U Filing Rate Year Ending December 31, 2017	Adj. #	Staff Adjustments	Rate Year As Adjusted By Staff	Adjustments to Staff Amounts	Revised Rate Year As Adjusted By Staff
Real Estate Taxes						
Real Property	$ 15,297		$ -	$ 15,297	$ -	$ 15,297
Special Franchise	125,612		0	125,612	0	125,612
Total Real Estate Taxes	140,909		0	140,909	0	140,909
Payroll Taxes	10,421	(7)	(5)	10,416	0	10,416
Other	94		0	94	0	94
Total Taxes Other Than Revenue and Income Taxes	$ 151,424		$ (5)	$ 151,419	$ -	$ 151,419

The Brooklyn Union Gas Company
d/b/a National Grid NY
Case No. 16-G-0059
BULI-7 RRP-2 DPS-005
Attachment 2
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The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Summary of Depreciation and Amortization Expense
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Adjustments to Staff Amounts	Revised Adjusted by Staff Rate Year Ending December 31, 2017
Depreciation Expense (acct 403)	$ 117,796	$ (18,786)	$ 99,010	$ -	$ 99,010
Amortization Expense (acct 404-405)	0	0	0	0	0
Accretion Expense (acct 411.10)	0	0	0	0	0
(Gain) Loss on Disposition of Utility Plant (acct 411.7)	0	0	0	0	0
Total Depreciation & Amortization Expense	$ 117,796	$ (18,786)	$ 99,010	$ -	$ 99,010

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Tax Deduction for Interest Expense -
For the Rate Year Ending December 31, 2017
($000's)

	C&U Filing Rate Year Ending December 31, 2017	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Adjustments to Staff Amounts	Revised Adjusted by Staff Rate Year Ending December 31, 2017
Avg Rate Base Per Books	$ 2,994,587	$ (9,239)	$ 2,985,348	$ (4,505)	$ 2,980,843
Plus: Forecast of Avg Interest Bearing CWIP	0	0	0	0	0
Less: Rate Base moved to GAC	0	0	0	0	0
Less: Excess Earnings Adj (EBCAP)	35,294	0	35,294	0	35,294
Rate Base	2,959,293	(9,239)	2,950,054	(4,505)	2,945,549
Weighted Cost of LTD Debt	2.03%	-0.15%	1.88%	0.15%	2.03%
Weighted Cost of Cust Deposits	0.01%	0.00%	0.01%	0.00%	0.01%
subtotal weighted cost of debt	2.04%	-0.15%	1.89%	0.15%	2.04%
Total Income Tax Interest Deduction	$ 60,370	$ (4,614)	$ 55,756	$ 4,333	$ 60,089

The Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Working Capital - Cash Allowance -
For the Rate Year Ending December 31, 2017
($000's)

Description	C&U Filing Rate Year Ending December 31, 2017	Staff Adjustments	As Adjusted by Staff Rate Year Ending December 31, 2017	Adjustments to Staff Amounts	Revised Adjusted by Staff Rate Year Ending December 31, 2017
Total O&M Expense	$ 554,049	$ 16,490	$ 570,539	$ (412)	$ 570,127
Remove major non-cash items included O&M expense :					
Bad Debt expense	(13,863)	0	(13,863)	452	(13,412)
Other (Energy Efficiency, 18-a Assessment, SIR Deferral Amortization, Residential Reduced Rate Program)	(22,995)	0	(22,995)	(32,267)	(55,262)
Subtotal	(36,858)	0	(36,858)	(31,816)	(68,674)
Add major cash items not included in O&M expense:					
Other	0	0	0		
Subtotal	0	0	0	0	0
Total Adjustments	(36,858)	0	(36,858)	(31,816)	(68,674)
Adjusted O&M Expense	$ 517,191	$ 16,490	$ 533,681	$ (32,228)	$ 501,454
Departmental Cash Allowance - 1/8 (45 days)	64,649	2,061	66,710	(4,028)	62,682
Supply Cost Cash Allowance (3.64% x HY Gas exp)	0	0	0	0	0

(note: The Supply Cost Allowance is being presented separately, therefore will be removed from the historic Excess Earnings Base Adjustment)

Brooklyn Union Gas Company d/b/a NATIONAL GRID
PSC Case No. 16-G-0059
Comparison of Average Historic Rate Base and Capitalization -
For the Rate Year Ended December 31, 2017
($000's)

		TOTAL	Staff Adjustments	TOTAL	Adjustments	TOTAL
(A)	AVERAGE RATE BASE - PER BOOKS	$ 2,367,917	0	$ 2,367,917	0	$ 2,367,917
(B)	ADD: Average interest-bearing CWIP	193,463	0	193,463	0	193,463
(C)	TOTAL EARNINGS BASE (A+B)	2,561,380	0	2,561,380	0	2,561,380
	Percent	100.00%				
(D)	AVERAGE CAPITALIZATION (CE excludes merger Goodwill, and may be adj for TCI if required):					
	Long Term Debt	1,040,500		1,040,500		1,040,500
	Notes Payable	0		0		0
	Gas Supplier Refunds	961		961		961
	Customer Deposits	27,855		27,855		27,855
	Preferred Stock	0		0		0
	Common Equity (excludes merger GW; incl TCI adj)	1,360,578 [1]		1,360,578		1,360,578
	Avg. Allocated to Gas based on Earnings Base	2,429,894		2,429,894		2,429,894
(E)	Add dividends declared but unpaid representing the timing difference between declaration and payment	0	0	0	0	0
(F)	SUBTOTAL (D+E)	2,429,894		2,429,894		2,429,894
	LESS Average Investments in:					
	Detailed balance sheet accounts	(83,398)	0	(83,398)	0	(83,398)
	Accumulated Def Inc Tax Adjustment	(57,304)	0	(57,304)	0	(57,304)
	Goodwill	n/a [1]				
(G)	Total Deductions	(140,702)		(140,702)		(140,702)
(H)	Capitalization Dedicated to Public Service (F-G)	2,570,596		2,570,596		2,570,596
(J)	Excess Earnings Base (Total Earnings Base) less Average Capitalization Devoted to Service Current Customers) (C-H)	$ (9,216)		$ (9,216)		$ (9,216)

[1] Goodwill related to the NM merger with National Grid is excluded from the equity component of capitalization, pursuant to section 6.1 of the approved Stipulation Agreement.