

The Brooklyn Union Gas Company d/b/a National Grid NY
Rate Change Levelization Reconciliation
Gas Revenue Requirement Target
For the Rate Years Ending December 31, 2017, December 31, 2018, and December 31, 2019

	Rate Year 1	Rate Year 2	Rate Year 3	Total	
	1/1/2017	1/1/2018	1/1/2019		
Pre-Levelization Information					
1 Delivery Rate Increase	272,090	41,022	48,915		947,229
2 Total Revenues Before Increase	1,298,271				
3 Pre-Shaping Rate Increase %	21.0%				
Rate Change Levelization Calculation					
4 Delivery Revenue Before Rate Relief	755,262	764,040	772,616	base delivery	
5 Rate Relief From Prior Year	-	141,443	312,539.12		
6 Total Revenue Before Current Year Rate Relief	755,262	905,483	1,085,155		
7 Period Levelization Deferral	18.5%	18.5%	18.5%		
8 Delivery Rate Increase - Post Levelization	139,817.68	167,627.25	200,889.06		955,597
9 Total Revenues Before Levelization	1,298,271				
10 Post-Levelization Rate Increase %	10.8%				
Carrying Costs Calculation					
11 Starting Levelization Deferral	0	134,290	144,141		
12 Levelization Deferral	132,272	5,667	(146,307)		
13 Accrued Carrying Costs	2,018	4,184	2,166		
14 Ending Levelization Deferral	134,290	144,141	0		
15 Average Levelization Deferral	66,136	137,124	70,988		
16 Levelization Rate	5.12%	5.12%	5.12%		
17 Tax Rate	40.41%	40.41%	40.41%		
18 Accrued Carrying Costs	2,018	4,184	2,166	8,368	
Verification					
19 Pre-Levelization Cumulative Delivery Rate Increase	816,270	82,044	48,915		947,229
20 Post-Levelization Cumulative Delivery Rate Increase	419,453	335,254	200,889		955,597
21 Less: Carrying Costs				(8,368)	
22 Total - Cross Check				947,229	(0)
SIR Surcharge					
23 SIR Surcharge	(62,262)	-	-		
24 SIR Surcharge plus Original Levelization	77,556	167,627	200,889		
25 Levelization Adjustment for SIR Surcharge	34,612	(33,149)	(39,727)		
26 Levelization With SIR Adjustment	112,168	134,478	161,162		
27 Increase with SIR	10.27%	18.51%	18.51%		
28 Increase with SIR Adjusted Levelization	14.85%	14.85%	14.85%		
Carrying Costs Calculation					
29 Starting Levelization Deferral	0	(35,140)	(37,698)		
30 Levelization Deferral	(34,612)	(1,463)	38,264		
31 Accrued Carrying Costs	(528)	(1,094)	(566)		
32 Ending Levelization Deferral	(35,140)	(37,698)	(0)		
33 Average Levelization Deferral	(17,306)	(35,872)	(18,566)		
34 Levelization Rate	5.12%	5.12%	5.12%		
35 Tax Rate	40.41%	40.41%	40.41%		
36 Accrued Carrying Costs	(528)	(1,094)	(566)	(2,189)	
Verification					
37 Pre-Levelization Cumulative Delivery Rate Increase	-	-	-		-
38 Post-Levelization Cumulative Delivery Rate Increase	103,837	(66,299)	(39,727)		(2,189)
39 Less: Carrying Costs				2,189	
40 Total - Cross Check				0	0

The Brooklyn Union Gas Company d/b/a National Grid NY
Rate Year Four Reconciliations
Gas Revenue Requirement Target
For the Rate Years Ending December 31, 2017, December 31, 2018, and December 31, 2019

Rate Year 4

Company will defer difference between levelized rate increases and calculated revenue requirement.

Levelized Rate Increase	470,070
Revenue Requirement	362,027
Regulatory Liability	<u>108,043</u>
Pro-Rated for 6 months	54,021

Net plant tracker converted to a two way tracker in fourth year. Net plant in the fourth year compared to third year rate allowance capped at current forecast of fourth year plant.

Rate Year 3 Net Plant Forecast included in Revenue Requirement Settlement	4,719,342
Rate Year 4, 6 Months through June 2020 Net Plant Forecast	<u>5,075,171</u>
Net plant increase	355,829
Pre-tax Return %	<u>9.08%</u>
Revenue Requirement Change due to Net Plant	<u>32,307</u>
Revenue Requirement Change due to Net Plant Pro-Rated for 6 months	<u>16,153</u>

Rate Year 3 Depreciation Expense included in Revenue Requirement Settlement	110,075
Rate Year 3 Depreciation Expense Pro-Rated for 6 Months	55,037
Rate Year 4, 6 Months through June 2020 Depreciation Expense Forecast	<u>58,184</u>
Revenue Requirement Change due to Depreciation Expense Pro-Rated for 6 months	3,146

Return on Net Plant and Depreciation Cap	<u><u>19,300</u></u>
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Illustrations of Net Plant Tracker for Rate Year 4:

		Net Plant	Depreciation
Forecast included in Revenue Requirement Settlement - Rate Year Three Levels		4,719,342	110,075
Pre-tax Return % Applied	9.08%	428,483	
Rate Year Three Pro-Rated for 6 Months		214,241	55,037
Total Revenue Requirement Target		<u>269,279</u>	

Illustration of Net Plant Tracker with Actuals Higher than CY 20 Forecast

Total Actuals for 6 Months through June 2020		5,100,000	59,000
Pre-tax Return % Applied	9.08%	463,044	
Return Pro-Rated for 6 Months		231,522	
Total Revenue Requirement Actuals for 6 Months through June 2020		<u>290,522</u>	

Actuals higher/(lower) than Target		<u>21,243</u>	
Net Plant and Depreciation Regulatory Asset - Limited to Cap		<u>19,300</u>	

Illustration of Net Plant Tracker with Actuals Lower than CY 19 Forecast

Total Actuals for 6 Months through June 2020		4,700,000	55,000
Pre-tax Return % Applied	9.08%	426,727	
Return Pro-Rated for 6 Months		213,363	
Total Revenue Requirement Actuals for 6 Months through June 2020		<u>268,363</u>	

Actuals higher/(lower) than Target		<u>(915)</u>	
Net Plant and Depreciation Regulatory Liability		<u>(915)</u>	

The Brooklyn Union Gas Company d/b/a National Grid NY
Monthly Balances of Gas Net Utility Plant
For the 6 Months Ending June 30, 2020

		(\$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-19 (1/2 month)	\$ 3,074,820	\$ 34,684	\$ (621,097)	\$ 2,488,407	
2	Jan-20	\$ 6,176,346	\$ 72,876	(1,242,925)	\$ 5,006,298	\$ 9,582
3	Feb-20	\$ 6,205,587	\$ 73,891	(1,244,027)	\$ 5,035,451	\$ 9,624
4	Mar-20	\$ 6,238,234	\$ 79,927	(1,242,111)	\$ 5,076,050	\$ 9,669
5	Apr-20	\$ 6,272,347	\$ 79,694	(1,242,810)	\$ 5,109,231	\$ 9,719
6	May-20	\$ 6,312,493	\$ 77,584	(1,242,646)	\$ 5,147,431	\$ 9,772
7	Jun-20 (1/2 month)	\$ 3,175,762	\$ 38,219	(621,227)	\$ 2,592,754	\$ 9,834
14	Total Gas (Sum of Lines 1 to 7)	37,455,589	456,875	(7,456,843)	30,455,621	58,200
15	Average Monthly Balance (Line 14 / 6)	\$ 6,242,598	\$ 76,146	\$ (1,242,807)	\$ 5,075,937	
16	Adjustment to reflect NYC Commission of Finance charges (fines and violations) adj - Pro-rated for 6 months				(766)	(16)
17	Adjusted Average Monthly Balance (Line 15 + 16)				\$ 5,075,171	\$ 58,184