

NSTAR ELECTRIC COMPANY

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NSTAR ELECTRIC COMPANY
REVENUE REQUIREMENT

Operating Revenue and Expenses

Description	Per books	Proposed	At Proposed	Reference
	06/30/2016			
(A)	As adjusted	(C)	(D) = (B) + (C)	(E)
Operating Revenues	\$ 853,654,865	\$ -	\$ 853,654,865	Sch. DPH-5, Page 1, Line 56
Rate Increase	-	60,194,387	60,194,387	Sch. DPH-2, Line 30
Operating Revenues	853,654,865	60,194,387	913,849,251	Line 21 + Line 22
Operations & Maintenance Expenses	322,597,078		322,597,078	Sch. DPH-6, Page 1, Line 49
Uncollectibles Expense Associated with Revenue Increase		426,407	426,407	Sch. DPH-3, Line 24
Depreciation and Amortization Expense	176,196,743	-	176,196,743	Sch. DPH-33, Page 3, Line 23
Taxes Other Than Income Taxes	99,430,890	-	99,430,890	Sch. DPH-33, Page 7, Line 31
Operating Income Before Income Taxes	255,430,153	59,767,980	315,198,133	Line 23 - Sum of Line 25 through Line 30
Income Taxes	82,960,306	24,026,728	106,987,034	Sch. DPH-33, Page 8, Line 39
Operating Income After Income Taxes	\$ 172,469,847	\$ 35,741,252	\$ 208,211,099	Line 32 - Line 34
Rate Base			\$ 2,734,402,771	Sch. DPH-27, Line 36
Rate of Return on Rate Base			7.61%	Line 36 / Line 38

(B) Per book amounts adjusted for known and measurable changes

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
REVENUE DEFICIENCY SUMMARY
Test Year Ending June 30, 2016

Description (A)	Pro Forma Test Year (B)	Reference (C)
Rate Base	\$ 2,734,402,771	Sch. DPH-27, Line 36
Operating Income	\$ 172,469,847	Sch. DPH-1, Line 36
Earned Rate of Return	6.31%	Line 22 / Line 21
Return on Rate Base	7.61%	Sch. DPH-31, Page 1, Line 28
Required Return	\$ 208,211,099	Line 21 * Line 25
Shortfall	\$ 35,741,252	Line 26 - Line 22
Revenue Requirement Factor	1.6842	Sch. DPH-4, Line 35
Revenue Deficiency	\$ 60,194,387	Line 28 * Line 29

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY

COMPUTATION OF UNCOLLECTIBLES EXPENSE ASSOCIATED WITH REVENUE INCREASE

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Description	Pro Forma Test Year	Reference
(A)	(B)	(C)
Revenue Increase Required	60,194,387	Sch. DPH-2, Line 30
Uncollectibles Accrual Rate	0.7084%	Sch. DPH-8, Page 2, Line 23, Col. B
Uncollectibles Expense Associated with Required Revenue Increase	\$ 426,407	Line 20 * Line 22

NOTE: Numbers may not add due to rounding.

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NSTAR ELECTRIC COMPANY
COMPUTATION OF REVENUE REQUIREMENT FACTOR

Description (A)	Rate (B)	Pro Forma Test Year (C)	Reference (D)
Operating Revenue Percentage		100.0000%	
Less: Uncollectibles 3 Year Weighted Average Bad Debt Percentage		<u>0.7084%</u>	Sch. DPH-8, Page 2, Line 23, Col. B
Net Revenues		99.2916%	Line 20 - Line 22
Less: Massachusetts Income Tax	8.0%	<u>7.9433%</u>	Line 25 * Line 27, Col. B
Income Before Federal Income Tax		91.3483%	Line 25 - Line 27
Less: Federal Income Tax	35.0%	<u>31.9719%</u>	Line 29 * Line 31, Col. B
Operating Income Percentage		59.3764%	Line 29 - Line 31
Revenue Requirement Factor		<u><u>1.6842</u></u>	Line 20 / Line 33

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
OPERATING REVENUE SUMMARY

Description	Test Year 06/30/2016	Reclass	Normalizing Adjustments	Adjusted Test Year 06/30/2016	Distribution Pro forma Adjustment	Distribution Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Distribution Revenue							
Distribution Revenue	\$ 829,571,218	\$ (244,975)	\$ 366,039	\$ 829,692,282		\$ 829,692,282	Company records
Total Distribution Revenue	<u>\$ 829,571,218</u>	<u>\$ (244,975)</u>	<u>\$ 366,039</u>	<u>\$ 829,692,282</u>	<u>\$ -</u>	<u>\$ 829,692,282</u>	
Reconciliation Mechanism							
Retail Transmission Revenue	440,337,048		(440,337,048)	-		-	Company records
Energy Efficiency Revenue	245,460,887		(245,460,887)	-		-	" "
Transition Revenue	14,893,673		(14,893,673)	-		-	" "
Renewables Revenue	10,280,666		(10,280,666)	-		-	" "
Basic Service	713,936,822		(713,936,822)	-		-	" "
AMP	6,155,341		(6,155,341)	-		-	" "
Net Metering Revenue	43,305,944		(43,305,944)	-		-	" "
Storm Tracker	7,432,120		(7,432,120)	-		-	" "
Service Quality Performance Adjustment	858,232		(858,232)	-		-	" "
AGCE Revenue	111,604		(111,604)	-		-	" "
Pension Tracker Revenue	12,937,030		(12,937,030)	-		-	" "
NSTAR Green	3,542		(3,542)	-		-	" "
Smart Grid Adjustment Factor	454,771		(454,771)	-		-	" "
LT Renewables	(9,189,729)		9,189,729	-		-	" "
CPSL	7,224,231		(7,224,231)	-		-	" "
Total Reconciliation Mechanism	<u>\$ 1,494,202,183</u>	<u>\$ -</u>	<u>\$ (1,494,202,183)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Sum of Lines 26 through 40
Other Revenues							
Special Contracts - Distribution	\$ -	\$ 244,975	\$ (27,336)	\$ 217,639		\$ 217,639	Sch. DPH-5, Page 2, Line 44
Sales for Resale (447)	90,796,223		(90,796,223)	-		-	Sch. DPH-5, Page 2, Line 45
Provision for Rate Refunds (449)	4,450,316		(4,450,316)	-		-	Sch. DPH-5, Page 2, Line 46
Late Payment Charges (450)	3,437,879		-	3,437,879		3,437,879	Company records
Rent from Electric Property (454)	10,582,978		(2,934,166)	7,648,811	673,381	8,322,192	Exh. ES-DPH-3 (East), WP DPH-5, Page 2, Line 27
Other Electric Revenue (456)	86,141,766		(75,608,963)	10,532,803	1,115,894	11,648,697	Exh. ES-DPH-3 (East), WP DPH-5, Page 1, Line 32
Revenues from Transmission of Electricity of Others (456.1)	250,711,108		(250,374,933)	336,175		336,175	Sch. DPH-5, Page 2, Line 50
Misc. Revenues (451)	-		-	-		-	
Total Other Revenues	<u>\$ 446,120,270</u>	<u>\$ 244,975</u>	<u>\$ (424,191,938)</u>	<u>\$ 22,173,307</u>	<u>\$ 1,789,276</u>	<u>\$ 23,962,583</u>	Sum of Lines 45 through 52
Total Operating Revenues	<u>\$ 2,769,893,671</u>	<u>\$ -</u>	<u>\$ (1,918,028,082)</u>	<u>\$ 851,865,589</u>	<u>\$ 1,789,276</u>	<u>\$ 853,654,865</u>	Line 23 + Line 42 + Line 54

NSTAR ELECTRIC COMPANY
OPERATING REVENUE SUMMARY

Description	Test Year 06/30/2016	Retail Transmission	Energy Efficiency	Transition	Renewables	Basic Service	AMP	Net Metering	Storm	Service Quality	AGCE	Pension	NSTAR Green	Smart Grid	LT Renewables	CPSL	Transmission	Reclass	Normalizing Adjustments	Adjusted Test Year 06/30/2016	Distribution Pro forma Adjustment	Distribution Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)
Distribution Revenues	\$ 829,571,218																		\$ (244,975)	\$ 366,039	\$ 829,692,282	\$ 829,692,282
Total Distribution Revenues	\$ 829,571,218																		\$ (244,975)	\$ 366,039	\$ 829,692,282	\$ 829,692,282
Reconciliation Mechanism																						
Retail Transmission Revenue	440,337,048	(440,337,048)																		(440,337,048)	-	-
Energy Efficiency Revenue	245,460,887		(245,460,887)																	(245,460,887)	-	-
Transition Revenue	14,893,673			(14,893,673)																(14,893,673)	-	-
Renewables Revenue	10,280,666				(10,280,666)															(10,280,666)	-	-
Basic Service	713,936,822					(713,936,822)														(713,936,822)	-	-
AMP	6,155,341						(6,155,341)													(6,155,341)	-	-
Net Metering Revenue	43,305,944							(43,305,944)												(43,305,944)	-	-
Storm Tracker	7,432,120								(7,432,120)											(7,432,120)	-	-
Service Quality Performance Adjustment	858,232									(858,232)										(858,232)	-	-
AGCE Revenue	111,604										(111,604)									(111,604)	-	-
Pension Tracker Revenue	12,937,030											(12,937,030)								(12,937,030)	-	-
NSTAR Green	3,542												(3,542)							(3,542)	-	-
Smart Grid Adjustment Factor	454,771													(454,771)						(454,771)	-	-
LT Renewables	(9,189,729)														9,189,729					9,189,729	-	-
CPSL	7,224,231															(7,224,231)				(7,224,231)	-	-
Total Reconciliation Mechanisms	\$ 1,494,202,183	\$ (440,337,048)	\$ (245,460,887)	\$ (14,893,673)	\$ (10,280,666)	\$ (713,936,822)	\$ (6,155,341)	\$ (43,305,944)	\$ (7,432,120)	\$ (858,232)	\$ (111,604)	\$ (12,937,030)	\$ (3,542)	\$ (454,771)	\$ 9,189,729	\$ (7,224,231)	\$ -	\$ -	\$ (1,494,202,183)	\$ -	\$ -	\$ -
Other Revenues																						
Special Contracts - Distribution	\$ -																			\$ (27,336)	\$ 217,639	\$ 217,639
Sales for Resale (447)	90,796,233			(73,439,861)				(3,590,635)					(4,353,854)		(9,411,873)				\$ 244,975	\$ (90,796,233)	-	-
Provision for Rate Refunds (449)	4,450,316	(2,300,000)																		(4,450,316)	-	-
Late Payment Charges (450)	3,437,879																			-	3,437,879	3,437,879
Rent from Electric Property (454)	10,582,978															193,538	(3,117,761)			(2,934,166)	7,648,811	673,381
Other Electric Revenue (456)	86,141,766		(59,708,069)			(13,165)		(10,881,208)		858,232		(326,996)				(5,537,758)				(75,608,963)	10,532,803	1,115,894
Revenues from Transmission of Electricity of Others (456.1)	250,711,108			(6,280,048)													(244,094,885)			(250,374,933)	336,175	336,175
Misc. Revenues (451)	-																			-	-	-
Total Other Revenues	\$ 446,120,270	\$ (2,300,000)	\$ (59,708,069)	\$ (79,719,909)	\$ -	\$ (13,165)	\$ -	\$ (14,471,843)	\$ -	\$ 858,232	\$ -	\$ (326,996)	\$ (4,353,854)	\$ -	\$ (9,411,873)	\$ (5,344,220)	\$ (247,212,646)	\$ 244,975	\$ (424,191,938)	\$ 22,173,307	\$ 1,789,276	\$ 23,962,583
Total Operating Revenues	\$ 2,769,893,671	\$ (442,637,048)	\$ (305,168,956)	\$ (94,613,583)	\$ (10,280,666)	\$ (713,949,987)	\$ (6,155,341)	\$ (57,777,787)	\$ (7,432,120)	\$ (0)	\$ (111,604)	\$ (13,264,026)	\$ (4,357,396)	\$ (454,771)	\$ (222,144)	\$ (12,568,450)	\$ (247,212,646)	\$ -	\$ (1,918,028,082)	\$ 851,865,589	\$ 1,789,276	\$ 853,654,865

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NSTAR ELECTRIC COMPANY

SUMMARY OF ADJUSTMENTS

Test Year Ending June 30, 2016

	Test Year 06/30/16 (B)	Pro Forma Adjustment (C)	Rate Year Pro Forma (D)	Total Including Proposed Increase/ (Decrease) (E)	Reference (F)
DISTRIBUTION REVENUE					
Total Firm Distribution Revenue			\$ 829,692,282	\$ 829,692,282	Sch. DPH-5, Page 1, Line 23
Total Other Delivery Service Revenue			23,962,583	23,962,583	Sch. DPH-5, Page 1, Line 54
Proposed Revenue Increase				60,194,387	Sch. DPH-2, Line 30
Total Distribution Revenue			<u>853,654,865</u>	<u>913,849,251</u>	Sum of Lines 22 through 24
Uncollectibles Expense Associated with Revenue Increase				426,407	Sch. DPH-1, Line 26
OPERATIONS & MAINTENANCE EXPENSE					
Postage Expense	4,352,322	(126,159)	4,226,164	4,226,164	Sch. DPH-7
Uncollectibles Expense	15,073,652	(3,573,684)	11,499,968	11,499,968	Sch. DPH-8, Page 1
Fee Free Payment Processing	-	5,093,091	5,093,091	5,093,091	Sch. DPH-9
Dues And Memberships	784,558	(93,080)	691,479	691,479	Sch. DPH-10
Employee Benefits Costs	19,870,555	1,548,219	21,418,773	21,418,773	Sch. DPH-11, Page 1
Insurance Expense And Injuries & Damages	7,289,021	(87,075)	7,201,946	7,201,946	Sch. DPH-12, Page 1
Payroll Expense	119,525,370	10,035,441	129,560,812	129,560,812	Sch. DPH-13, Page 1
Variable Compensation	18,170,774	(3,057,252)	15,113,522	15,113,522	Sch. DPH-14, Page 1
Vegetation Expense Annualization	5,283,642	5,226,646	10,510,288	10,510,288	Sch. DPH-15, Page 2
Vegetation Management Resiliency Tree Work Pilot	-	22,752,025	22,752,025	22,752,025	Sch. DPH-15, Page 3
Rate Case Expense	-	471,976	471,976	471,976	Sch. DPH-16
Regulatory Assessments	6,713,485	(2,188,739)	4,524,746	4,524,746	Sch. DPH-17
Lease Expense	3,653,987	400,375	4,054,361	4,054,361	Sch. DPH-18, Page 1
Information Systems Expense Adjustment	6,100,492	1,362,605	7,463,097	7,463,097	Sch. DPH-19, Page 1
GIS Verification Adjustment	-	1,023,615	1,023,615	1,023,615	Sch. DPH-20
Storm Cost Adjustment	-	2,880,000	2,880,000	2,880,000	Sch. DPH-21, Page 3
Storm Fund Adjustment	4,500,000	3,500,000	8,000,000	8,000,000	Sch. DPH-21, Page 1
Residual O&M Inflation Adjustment	63,041,113	3,070,102	66,111,215	66,111,215	Sch. DPH-22
Total O&M Expense	<u>274,358,971</u>	<u>48,238,107</u>	<u>322,597,078</u>	<u>322,597,078</u>	Sum of Lines 30 through 47
OTHER OPERATING EXPENSES					
<u>Depreciation/Amortization</u>					
Depreciation & Amortization Expense	153,841,701	(1,688,572)	152,153,130	152,153,130	Sch. DPH-23
Amortization of Deferred Assets	17,590,044	6,453,570	24,043,614	24,043,614	Sch. DPH-24
Total Depreciation/Amortization	<u>171,431,745</u>	<u>4,764,998</u>	<u>176,196,743</u>	<u>176,196,743</u>	Line 54 + Line 55
<u>Taxes Other Than Income</u>					
FICA	6,168,209	517,888	6,686,097	6,686,097	Sch. DPH-26, Line 18
Medicare	1,666,702	139,938	1,806,639	1,806,639	Sch. DPH-26, Line 19
Federal Unemployment	45,739	-	45,739	45,739	Sch. DPH-26, Line 20
State Unemployment	259,370	-	259,370	259,370	Sch. DPH-26, Line 21
State Insurance Premium Excise Tax	230,381	-	230,381	230,381	Sch. DPH-26, Line 22
Federal Highway Tax	-	-	-	-	
Tangible Property Tax	1,275,000	-	1,275,000	1,275,000	Sch. DPH-26, Line 24
Universal Health Tax	40,372	-	40,372	40,372	Sch. DPH-26, Line 25
State Sales and Use Tax	3,918	-	3,918	3,918	Sch. DPH-26, Line 26
Property Tax Expense	87,288,884	1,794,489	89,083,373	89,083,373	Sch. DPH-25, Page 1
Total Other Taxes	<u>96,978,576</u>	<u>2,452,314</u>	<u>99,430,890</u>	<u>99,430,890</u>	Sum of Lines 60 through 69
<u>Income Taxes</u>					
Total Income Taxes			<u>82,960,306</u>	<u>106,987,034</u>	Sch. DPH-1
Total Distribution Expenses			<u>\$ 681,185,018</u>	<u>\$ 705,638,152</u>	Line 27 + Line 49 + Line 57 + Line 70 + Line 73
Distribution Operating Income			<u>\$ 172,469,847</u>	<u>\$ 208,211,099</u>	Line 25 - Line 75

NOTE: Numbers may not add due to rounding.

**NSTAR ELECTRIC COMPANY
Adjustment Clauses
Test Year Ending June 30, 2016**

(FERC Form 1)
Total Test Year
Expenses Per

Account	Description	Books	Transmission	Transition	Renewables	Energy Efficiency	Basic Service	AMP	Net Metering	NSTAR Green	LTRCA	Pension	Total Adjustment Clauses
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	Col. M	Col. N = Sum C - M
555	Purchased Power	\$ 857,131,031	\$ (8,792,127)	\$ (85,864,576)			\$ (704,209,917)		\$ (50,684,559)	\$ (8,651,011)	\$ 1,071,157		\$ (857,131,031)
556	System Control and Load Dispatching	1,384,896											-
557	Other Expenses	32,975,464		(22,694,798)	(10,280,666)								(32,975,464)
20	Other Power Supply Expenses	891,491,392	(8,792,127)	(108,559,374)	(10,280,666)	-	(704,209,917)	-	(50,684,559)	(8,651,011)	1,071,157	-	(890,106,496)
560	Operation Supervision and Engineering	4,937,437	(4,937,437)										(4,937,437)
561	Load Dispatch	16,216,842	(16,216,842)										(16,216,842)
562	Station Expenses	2,612,171	(2,612,171)										(2,612,171)
563	Overhead Lines Expenses	503,838	(503,838)										(503,838)
564	Underground Lines Expenses	2,356,808	(2,356,808)										(2,356,808)
565	Transmission of Electricity by Others	364,974,448	(359,825,440)	(5,149,009)									(364,974,448)
566	Miscellaneous Transmission Expenses	140,341	(140,341)										(140,341)
567	Rents	84,157	(84,157)										(84,157)
568	Maintenance Supervision and Engineering	440,597	(440,597)										(440,597)
569	Maintenance of Structures	1,799,055	(1,799,055)										(1,799,055)
570	Maintenance of Station Equipment	765,101	(765,101)										(765,101)
571	Maintenance of Overhead Lines	6,761,200	(6,761,200)										(6,761,200)
572	Maintenance of Underground Lines	1,145,064	(1,145,064)										(1,145,064)
573	Maintenance of Misc. Transmission Plant	-	-										-
35	Transmission Expenses	402,737,057	(397,588,050)	(5,149,009)	-	-	-	-	-	-	-	-	(402,737,057)
575	Market Monitoring and Compliance	275,040	-	(214,221)	-	-	-	-	-	(16,650)	(44,169)	-	(275,040)
37	Regional Market Expenses	275,040	-	(214,221)	-	-	-	-	-	(16,650)	(44,169)	-	(275,040)
580	Operation Supervision and Engineering	15,151,802											-
581	Load Dispatch	7,983,031											-
582	Station Expenses	7,520,171											-
583	Overhead Lines Expenses	11,718,283											-
584	Underground Lines Expenses	19,053,149											-
585	Street Lighting and Signal System Expenses	954,402											-
586	Meter Expenses	4,078,613											-
587	Customer Installations Expenses	953,436											-
588	Miscellaneous Expenses	1,747,301											-
589	Rents	1,625,911											-
590	Maintenance Supervision and Engineering	12,564											-
591	Maintenance of Structures	157,968											-
592	Maintenance of Station Equipment	3,055,487											-
593	Maintenance of Overhead Lines	24,063,264											-
594	Maintenance of Underground Lines	3,926,499											-
595	Maintenance of Line Transformers	479,557											-
596	Maintenance of Street Lighting and Signal Systems	106,793											-
597	Maintenance of Meters	355,026											-
598	Maintenance of Misc. Distribution Plant	7,110,620											-
57	Distribution Expenses	110,053,877	-	-	-	-	-	-	-	-	-	-	-
901	Supervision	105,788											-
902	Meter Reading Expenses	11,576,885											-
903	Customer Records and Collection Expenses	31,159,727											-
904	Uncollectible Accounts	16,482,128					(5,020,071)	(6,145,444)					(11,165,515)
905	Miscellaneous Customer Accounts Expenses	2,087,251											-
63	Customer Accounts Expenses	61,411,778	-	-	-	-	(5,020,071)	(6,145,444)	-	-	-	-	(11,165,515)
908	Customer Assistance Expenses	246,420,188						(245,773,506)					(245,773,506)
909	Informational and Instructional Expenses	-											-
910	Miscellaneous Customer Service and Informational Expenses	85,744											-
67	Customer Service and Informational Expenses	246,505,933	-	-	-	-	(245,773,506)	-	-	-	-	-	(245,773,506)
911	Supervision	63,498											-
916	Miscellaneous Sales Expenses	327,123											-
70	Sales Expenses	390,620	-	-	-	-	-	-	-	-	-	-	-
920	Administrative and General Salaries	70,831,847	(8,348,596)				(478,293)						(8,826,889)
921	Office Supplies and Expenses	4,575,894	(539,338)										(539,338)
922	Administrative Expenses Transferred-Cr	(6,460,067)	761,416										761,416
923	Outside Services Employed	26,202,968	(3,088,413)										(3,088,413)
924	Property Insurance	1,061,283	(317,674)										(317,674)
925	Injuries and Damages	7,459,863	(879,257)										(879,257)
926	Employee Pensions and Benefits	27,705,857	(3,265,551)									(20,303,711)	(23,569,262)
928	Regulatory Commission Expenses	7,325,440	(1,751,946)				(2,188,739)						(3,940,685)
930	Miscellaneous General Expenses	2,350,079	(260,426)							(52,118)			(312,543)
931	Rents	2,345,901	(276,500)										(276,500)
935	Maintenance of General Plant	2,492	(294)										(294)
82	Administrative and General Expenses	143,401,558	(17,966,577)	-	-	-	(2,667,032)	-	-	(52,118)	-	(20,303,711)	(40,989,438)
83	Total Operations and Maintenance Expenses	\$ 1,856,267,255	\$ (424,346,753)	\$ (113,922,604)	\$ (10,280,666)	\$ (245,773,506)	\$ (711,897,020)	\$ (6,145,444)	\$ (50,684,559)	\$ (8,719,779)	\$ 1,026,988	\$ (20,303,711)	\$ (1,591,047,051)

NSTAR ELECTRIC COMPANY
Normalizing Adjustments
Test Year Ending June 30, 2016

Account	Amount	Description
Col. A	Col. B	Col. C
408	\$ (232,373)	Remove out-of-period legal and consultants expense
408	(2,743,537)	Remove deferred property tax expense
408	(51,373)	Reclass legal/consulting expenses to account 923
Total Property Taxes	(3,027,283)	
556	(22,466)	Remove out-of-period accrued payroll adjustment
580	(26,343)	Remove out-of-period accrued payroll adjustment
580	35,474	Adjust amounts not accrued at 6/30/16
580	(14,245)	Remove out-of-period accrued payroll adjustment
Total 580	(5,115)	
583	(71,439)	Remove amount of sundries billings related to pension costs
588	250,000	Add back reversal of 2012 reserve accrual
588	(216,209)	Remove out-of-period accrued payroll adjustment
Total 588	33,791	
593	(1,289,864)	Remove storm-related vegetation costs to be recovered in the storm filing
901	(19,864)	Remove out-of-period accrued payroll adjustment
902	(29,212)	Remove out-of-period accrued payroll adjustment
903	(151,568)	Remove out-of-period accrued payroll adjustment
904	10,525,602	Add back non-recurring Bad Debt Hardship Adjustment from 2015
905	(96,240)	Remove customer service guarantees from test year
911	(49,344)	Remove out-of-period accrued payroll adjustment
920	(1,142,497)	Remove variable compensation normalizing adjustments
920	(158,101)	Remove executive expenses from test year
Total 920	(1,300,598)	
921	(313,768)	Remove out-of-period accrued payroll adjustment
923	51,373	Reclass legal/consulting expenses from property taxes account 408 to account 923
923	(299,402)	Remove shareholder services expense from account 923
923	229,910	Remove POR legal costs out-of-period adjustment
923	199,370	Increase expense due to reversal of June 2015 accrual with no expense recorded in July 2015
923	91,277	Add back out-of-period merger-related costs
923	(91,667)	Reverse expense related to non-recurring E&Y tax study
923	25,000	Reverse June 2015 accrual
923	(25,000)	Remove non-recurring expense E&Y tax study (reversal of 2014 deferral)
923	(25,000)	Remove non-recurring expense E&Y tax study (final E&Y bill)
923	53,316	Add back out-of-period donations/lobbying credit
923	(55,629)	Remove donations/lobbying costs
Total 923	153,548	
925	158,407	Add back non-recurring distribution of insurance policy surplus
926	585,070	Exclude 50% of 2015 non-recurring medical IBNR true-up
928	1,342,409	Add back out-of-period, non-recurring adjustments to regulatory assesment expense
928	(162,168)	Exclude storm assesments from test year
Total 928	1,180,241	
930	(107,088)	Remove executive expense from test year
931	(6,290)	Remove lease expense - transmission
931	(107,745)	Remove rent expense - transmission
931	72,709	Reclassify offset to rent expense as rent revenue
Total 931	(41,326)	
Total O&M	\$ 9,138,767	

NSTAR ELECTRIC COMPANY

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NSTAR ELECTRIC COMPANY

POSTAGE EXPENSE

Description (A)	Test Year Actual (B)	Pro Forma Adjustment (C)	Test Year Pro Forma (D)
Postage 07/01/2015-03/31/2016	\$ 3,288,533	\$ (126,159)	\$ 3,162,374
Postage 04/01/2016-06/30/2016	1,063,789	-	1,063,789
Total Postage Expense	\$ 4,352,322	\$ (126,159)	\$ 4,226,164
<u>2016 Postal Decrease</u>			
2015 Bulk Rate (First Class Letter)	\$ 0.391		
2016 Bulk Rate (First Class Letter)	\$ 0.376		
Decrease	<u>\$ (0.015)</u>		
% Decrease	<u>-3.84%</u>		
Test Year Postage Expense 07/01/2015-03/31/2016	\$ 3,288,533		
2016 Decrease in Postage	-3.84%		
Rate Year Adjustment	<u>\$ (126,159)</u>		

Notes: Numbers may not add due to rounding

H.O. _____

NSTAR ELECTRIC COMPANY
NON-BASIC SERVICE
UNCOLLECTIBLES EXPENSE

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Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 15,073,652		Sch. DPH-8, Page 2, Line 39
Test Year Pro Forma	<u>\$ 11,499,968</u>		Sch. DPH-8, Page 2, Line 27
Pro Forma Adjustment		<u><u>\$ (3,573,684)</u></u>	Line 21 - Line 19

50 Notes: Numbers may not add due to rounding

H.O. _____

NSTAR ELECTRIC COMPANY
NON-BASIC SERVICE
UNCOLLECTIBLES EXPENSE

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Description (A)	Amount (B)	Reference (C)
Average Net Write-offs for Years 2014-2016	\$ 11,307,976	Exh. ES-DPH-3 (East), WP DPH-8, Page 1, Line 25, Col. (B)
Average Retail Revenues for Years 2014-2016	\$ 1,596,307,390	Exh. ES-DPH-3 (East), WP DPH-8, Page 1, Line 25, Col. (C)
Percent Uncollectibles to Retail Revenues	<u>0.7084%</u>	Line 19 / Line 21
Test Year Retail Revenue	\$ 1,623,411,077	Exh. ES-DPH-3 (East), WP DPH-8, Page 2, Line 28, Col. (D)
Uncollectibles 3 Year Average	<u>0.7084%</u>	Line 23
Test Year Pro Forma Uncollectible Expense	\$ 11,499,968	Line 25 * Line 26
Test Year Uncollectibles Expense per Company Books	<u>15,073,652</u>	Line 39
Pro Forma Adjustment	<u>\$ (3,573,684)</u>	Line 27 - Line 29
<u>Derivation of Adjusted Test Year Uncollectibles Expense</u>		
Test Year Amount (Account 904)	16,482,128	Sch. DPH-6, Page 2, Line 61, Col. (C)
Less Bad Debt Tracked (Reconciling Mechanisms)	(11,165,515)	Sch. DPH-6, Page 3, Line 61, Col. (N)
Plus Fixed Basic Service Bad Debt Adder Expenses	243,236	Exh. ES-DPH-4, Sch. DPH-11, Page 1, Line 41
Plus Normalizing Adjustment - Hardship	10,525,602	Sch. DPH-6, Page 4, Line 46
Less Legal Collection Expenses in Account 904	<u>(1,011,799)</u>	Company records
Adjusted Test Year Balance - Uncollectibles Expense	<u><u>15,073,652</u></u>	

Notes: Numbers may not add due to rounding.

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NSTAR ELECTRIC COMPANY
FEE FREE PAYMENT PROCESSING

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Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ -		
Test Year Pro Forma (estimate)	<u>5,093,091</u>		Line 33
Pro Forma Adjustment		<u>\$ 5,093,091</u>	Line 21 - Line 19
Total Credit Card Fee Agreement	\$ 30,000,000		
Term of Agreement	<u>5</u>		
Annual Amount	<u>\$ 6,000,000</u>		Line 28 / Line 29
Allocation %	<u>85%</u>		Line 38
Amount Allocated to NSTAR Electric		<u>\$ 5,093,091</u>	Line 30 * Line 32
Number of NSTAR Electric Residential Customers		1,020,420	
Number of NSTAR Electric C&I Customers		<u>160,470</u>	
Total NSTAR		<u>1,180,890</u>	85% Line 36 + Line 37
Number of WMECO Residential Customers		187,873	
Number of WMECO C&I Customers		<u>22,404</u>	
Total WMECO		<u>210,277</u>	15% Line 40 + Line 41
Total Combined Res, C&I Customers		<u>1,391,167</u>	100% Line 38 + Line 42

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
DUES AND MEMBERSHIPS

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 784,558		Exh. ES-DPH-3 (East), WP DPH-10, Line 95, Col. C
Test Year Pro Forma	<u>691,479</u>		Exh. ES-DPH-3 (East), WP DPH-10, Line 95, Col. E
Pro Forma Adjustment		<u>\$ (93,080)</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
EMPLOYEE BENEFITS COSTS

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 19,870,555		Sch. DPH-11, Page 2, Line 24, Col. K
Test Year Pro Forma	<u>21,418,773</u>		Sch. DPH-11, Page 2, Line 24, Col. M
Pro Forma Adjustment		<u>\$ 1,548,219</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY

EMPLOYEE BENEFITS COSTS

16	Cost Element Description	Cost Element	Entity	FERC Account	Test Year	(Less) Transmission	Net Distribution	Normalizing Adjustments	Distribution Benefits loader reclassification	Capitalization	Test Year - Distribution O&M	Proforma	Adjusted Test Year
17	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	Col. M
19	Medical / Prescription	L52/54	21	926000	28,174,156	(1,066,481)	27,107,675	585,070	5,987,004	(19,125,830)	14,553,919	1,304,895	15,858,815
20	Vision	L53	21	926000	183,879	(6,960)	176,919		39,074	(124,825)	91,168	4,328	95,496
21	Dental	L55	21	926000	1,931,098	(73,098)	1,858,000		410,358	(1,310,912)	957,445	50,042	1,007,488
22	401K	L61/62	21	926000	8,608,291	(325,851)	8,282,440		1,829,261	(5,843,679)	4,268,022	358,346	4,626,369
23	Basic Service adder - benefits											(169,393)	(169,393)
24	Employee Benefits - Distribution				38,897,424	(1,472,391)	37,425,033	585,070	8,265,697	(26,405,246)	19,870,555	1,548,219	21,418,773
26	Pension		21	926000	40,951,113	(1,550,129)	39,400,984		8,702,106	(27,799,379)	20,303,711	(20,303,711)	-
27	Other Account Activity	Various	21	926000	6,420,365	(243,031)	6,177,334		1,364,327	(4,358,420)	3,183,241	-	3,183,241
28	Transfer credit - total				(58,563,046)		(58,563,046)						-
30	Total Account Activity				27,705,857	(3,265,551)	24,440,306	585,070	18,332,131	(58,563,046)	43,357,506	(18,755,492)	24,602,014

Notes:

Col. L, Line 23: portion of basic service administrative costs related to benefits.

Col. H, Line 19: refer to Sch. DPH-6, Page 4, Line 73.

H.O. _____

NSTAR ELECTRIC COMPANY

EMPLOYEE BENEFITS COSTS
TEST YEAR PRO FORMA

BENEFIT SUMMARY

Description (A)	Non-Represented		Represented		Pro Forma Test Year (C) + (E) (F)	Non - O&M% (G)	Transmission % (H)	Adjusted Test Year Pro Forma (I)	Reference (J)
	Enrollment as of 6/30/16 (#) (B)	Pro Forma Test Year (C)	Enrollment as of 6/30/16 (#) (D)	Pro Forma Test Year (E)					
NSTAR ELECTRIC									
Medical / Prescription	325	\$ 4,526,227	1,317	\$ 19,182,543	\$ 23,708,770	51.7%	11.8%	\$ 10,098,137	Exh. ES-DPH-3 (East), WP DPH-11, Page 1
Dental	325	246,598	1,317	1,375,301	\$ 1,621,899	51.7%	11.8%	690,806	Exh. ES-DPH-3 (East), WP DPH-11, Page 2
Vision	325	25,166	1,317	125,515	\$ 150,681	51.7%	11.8%	64,179	Exh. ES-DPH-3 (East), WP DPH-11, Page 3
NSTAR ELECTRIC BENEFITS		\$ 4,797,992		\$ 20,683,359	\$ 25,481,351			\$ 10,853,122	Line 21 + 22 + 23
EESCO									
Medical / Prescription	2,222	\$ 28,346,048	390	\$ 4,709,239	\$ 33,055,287	28.1%	11.8%	\$ 20,970,795	Exh. ES-DPH-3 (East), WP DPH-11, Page 1
Dental	2,222	1,482,973	390	334,176	\$ 1,817,149	28.1%	11.8%	1,152,828	Exh. ES-DPH-3 (East), WP DPH-11, Page 2
Vision	2,222	149,588	390	30,111	\$ 179,699	28.1%	11.8%	114,004	Exh. ES-DPH-3 (East), WP DPH-11, Page 3
EESCO BENEFITS		\$ 29,978,609		\$ 5,073,526	\$ 35,052,135			\$ 22,237,626	Line 28 + 29 + 30
EESCO ALLOCATED TO NSTAR ELECTRIC	610	\$ 8,235,124	107	\$ 1,393,698	\$ 9,628,821			\$ 6,108,676	Line 31 * 27.47%
TOTAL									
Medical / Prescription	935	\$ 12,312,887	1,424	\$ 20,476,171	\$ 32,789,058			\$ 15,858,815	Line 21 + (Line 28 * 27.47%)
Dental	935	653,971	1,424	1,467,099	2,121,070			1,007,488	Line 22 + (Line 29 * 27.47%)
Vision	935	66,258	1,424	133,787	200,045			95,496	Line 23 + (Line 30 * 27.47%)
TOTAL MEDICAL EXPENSE		\$ 13,033,116		\$ 22,077,056	\$ 35,110,172			\$ 16,961,798	Line 36 + 37 + 38

Notes:

Col. G: refer to Exhibit ES-DPH-3 (East), WP DPH-11, Page 4.
Col. H: refer to Exhibit ES-DPH-3 (East), WP DPH-28, Page 2, Line 25.

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NSTAR ELECTRIC COMPANY
INSURANCE EXPENSE AND INJURIES & DAMAGES

Description (A)	Test Year Actual 06/30/2016 (B)	Pro Forma Adjustments (C)	Reference (D)
Test Year	\$ 7,289,021		Sch. DPH-12, Page 2, Col. G, Line 39
Test Year Pro Forma	<u>7,201,946</u>		Sch. DPH-12, Page 2, Col. I, Line 39
Pro Forma Adjustment		<u>\$ (87,075)</u>	Line 24 - Line 22

NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY
INSURANCE EXPENSE AND INJURIES & DAMAGES

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Account	Description	Total Company Test Year Actual 06/30/2016	Less: Transmission	Test Year Actual Less: Transmission 06/30/2016	Normalizing Adjustment	Adjusted Test Year 06/30/2016	Pro Forma Adjustment	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
924000	Insurance Expense								
	Property Insurance	\$ 1,033,599	\$ (309,386)	\$ 724,213	\$ -	\$ 724,213	\$ (64,595)	\$ 659,617	Exh. ES-DPH-3 (East), WP DPH-12, Line 25
	Commercial Crime	27,684	(8,287)	19,398	-	19,398	(2,165)	17,233	Exh. ES-DPH-3 (East), WP DPH-12, Line 30
	Total Account 924000	\$ 1,061,283	\$ (317,673)	\$ 743,610	\$ -	\$ 743,610	\$ (66,760)	\$ 676,850	Line 21 + Line 22
925000	Insurance Expense								
	Excess General Liability	2,911,892	(343,211)	2,568,682	158,407	2,727,089	51,404	2,778,493	Exh. ES-DPH-3 (East), WP DPH-12, Line 38
	Directors & Officers Liability	712,401	(83,967)	628,434	-	628,434	(260,299)	368,135	Exh. ES-DPH-3 (East), WP DPH-12, Line 57
	Fiduciary and Employee Benefit Liability	176,644	(20,820)	155,824	-	155,824	(23,604)	132,219	Exh. ES-DPH-3 (East), WP DPH-12, Line 64
	Cyber Risk Liability	102,828	(12,120)	90,708	-	90,708	116,698	207,406	Exh. ES-DPH-3 (East), WP DPH-12, Line 45
	Worker's Compensation	834,801	(98,394)	736,407	-	736,407	(127,101)	609,306	Exh. ES-DPH-3 (East), WP DPH-12, Line 75
		4,738,567	(558,512)	4,180,055	158,407	4,338,462	(242,902)	4,095,559	Sum Line 26 through Line 30
925000	Injuries & Damages Expense								
	General Liability Claims	1,093,562	(128,893)	964,669	-	964,669	423,346	1,388,015	Sch. DPH-12, Page 3, Line 31
	Worker's Compensation Claims	2,745,846	(323,640)	2,422,206	-	2,422,206	(234,756)	2,187,450	Sch. DPH-12, Page 3, Line 32
		3,839,408	(452,532)	3,386,875	-	3,386,875	188,590	3,575,466	Line 33 + Line 34
	Total account 925000	\$ 8,577,974	\$ (1,011,044)	\$ 7,566,930	\$ 158,407	\$ 7,725,337	\$ (54,312)	\$ 7,671,025	Line 31 + Line 35
924000 / 925000	Subtotal: Gross Insurance Premiums and Injuries & Damages	9,639,257	(1,328,717)	8,310,540	158,407	8,468,947	(121,072)	8,347,875	Line 23 + Line 36
925000	Less: Capitalized Portion	(1,337,581)	157,654	(1,179,926)		(1,179,926)	33,997	(1,145,929)	Company records
	Net Insurance Premiums and Injuries & Damages	\$ 8,301,677	\$ (1,171,063)	\$ 7,130,614	\$ 158,407	\$ 7,289,021	\$ (87,075)	\$ 7,201,946	Line 37 + Line 38
925000	Gross Other Insurance Expense	260,014	(30,647)	229,368		229,368	-	229,368	Company records
925000	Less: Capitalized Portion	(40,545)	4,779	(35,766)		(35,766)	-	(35,766)	Company records
	Net Other Insurance Expense	219,470	(25,868)	193,602		193,602	-	193,602	Line 41 + Line 42
	Total Account 924000 & 925000	\$ 8,521,147	\$ (1,196,931)	\$ 7,324,216	\$ 158,407	\$ 7,482,623	\$ (87,075)	\$ 7,395,548	Line 39 + Line 43

Notes:
Col. F, Line 26: Refer to Sch. DPH-6, Page 4, Line 71.

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
INSURANCE EXPENSE AND INJURIES & DAMAGES

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Description (A)	6/30/2012 (B)	6/30/2013 (C)	6/30/2014 (D)	6/30/2015 (E)	6/30/2016 (F)	5-yr Average (G)
<u>Total Company</u>						
General Liability Claims	\$ 1,583,738	\$ 2,535,477	\$ 3,130,195	\$ 1,355,061	\$ 995,342	\$ 1,919,963
Worker's Compensation Claims	<u>2,570,060</u>	<u>2,706,298</u>	<u>1,697,301</u>	<u>2,190,682</u>	<u>3,032,420</u>	<u>2,439,352</u>
	<u>\$ 4,153,798</u>	<u>\$ 5,241,775</u>	<u>\$ 4,827,495</u>	<u>\$ 3,545,743</u>	<u>\$ 4,027,763</u>	<u>\$ 4,359,315</u>
<u>Less Transmission</u>						
General Liability Claims	\$ (399,408)	\$ (679,461)	\$ (885,847)	\$ (397,086)	\$ (297,935)	\$ (531,947)
Worker's Compensation Claims	<u>(208,790)</u>	<u>(234,034)</u>	<u>(186,894)</u>	<u>(272,374)</u>	<u>(357,417)</u>	<u>(251,902)</u>
	<u>\$ (608,199)</u>	<u>\$ (913,495)</u>	<u>\$ (1,072,741)</u>	<u>\$ (669,460)</u>	<u>\$ (655,351)</u>	<u>\$ (783,849)</u>
<u>Distribution</u>						
General Liability Claims	\$ 1,184,330	\$ 1,856,016	\$ 2,244,348	\$ 957,975	\$ 697,408	\$ 1,388,015
Worker's Compensation Claims	<u>2,361,269</u>	<u>2,472,264</u>	<u>1,510,407</u>	<u>1,918,308</u>	<u>2,675,004</u>	<u>2,187,450</u>
Total Distribution Injuries & Damages	<u>\$ 3,545,599</u>	<u>\$ 4,328,280</u>	<u>\$ 3,754,755</u>	<u>\$ 2,876,283</u>	<u>\$ 3,372,411</u>	<u>\$ 3,575,466</u>

NOTE: Numbers may not add due to rounding.

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NSTAR Electric Company
d/b/a Eversource Energy
D.P.U. 17-05
Exhibit ES-DPH-2 (East)
Schedule DPH-13
January 17, 2017
Page 1 of 2
H.O. _____

NSTAR ELECTRIC COMPANY
PAYROLL EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 119,525,370		Sch. DPH-13, Page 2, Line 22
Test Year Pro Forma	<u>129,560,812</u>		Sch. DPH-13, Page 2, Line 39
Pro Forma Adjustment		<u>\$ 10,035,441</u>	Line 21 - Line 19
Local 369		\$ 6,327,455	Sch. DPH-13, Page 2, Line 41
Non-Union		<u>3,707,986</u>	Sch. DPH-13, Page 2, Line 41
Total		<u>\$ 10,035,441</u>	

NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY

PAYROLL EXPENSE

Description (A)	Local 369* (B)	Non-Union (C)	Total (D)	Reference (E)
<u>Adjusted Test Year</u>				
Distribution O&M Test Year	\$ 74,441,305	\$ 45,084,065	\$ 119,525,370	Exh. ES-DPH-3 (East), WP DPH-13, Page 1, Line 59
Proforma Adjustment	-	-	-	
Adjusted Test Year	\$ 74,441,305	\$ 45,084,065	\$ 119,525,370	Exh. ES-DPH-3 (East), WP DPH-13, Page 1, Line 59
<u>Annualized Test Year Wage Increases</u>				
Effective Date	06/02/16	04/01/16		Per Contract
Percent Increase	3.00%	3.00%		Per Contract
Days from June 30, 2015	337	275		Line 25 - June 30, 2015
Increase to Annualize	\$ 2,061,922	\$ 1,019,023	\$ 3,080,946	Line 22 * Line 26 * Line 27 / 365 days
Annualized Test Year Base Wages	\$ 76,503,227	\$ 46,103,089	\$ 122,606,316	Line 22 + Line 28
<u>Post Test Year Wage Increases</u>				
Effective Date	06/02/17	04/01/17		Per Contract
Percent Increase	<u>2.75%</u>	<u>3.00%</u>		Per Contract
Wage Increase	\$ 2,103,839	\$ 1,383,093	\$ 3,486,931	Line 29 * Line 32
<u>Post Test Year Wage Increases</u>				
Effective Date	06/02/18	04/01/18		Per Contract
Percent Increase	2.75%	2.75%		Per Contract
Wage Increase	\$ 2,161,694	\$ 1,305,870	\$ 3,467,564	(Line 29 + Line 33) * Line 36
<u>Rate Year Wage Increases</u>				
Rate Year Base Wages	\$ 80,768,760	\$ 48,792,051	\$ 129,560,812	Line 29 + Line 33 + Line 37
Total Payroll Adjustment	\$ 6,327,455	\$ 3,707,986	\$ 10,035,441	Line 39 - Line 22
Payroll Percentage Adjustment	<u>8.500%</u>	<u>8.225%</u>	<u>8.396%</u>	Line 41 / Line 22

* Contract expires 6/1/18

Note: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY

VARIABLE COMPENSATION

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 18,170,774		Sch. DPH-14, Page 2, Line 24, Col. D
Test Year Pro Forma	<u>15,113,522</u>		Sch. DPH-14, Page 2, Line 28, Col. F
Pro Forma Adjustment		<u>\$ (3,057,252)</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY

VARIABLE COMPENSATION

Description	Test Year Actual 06/30/2016	Test Year Normalizing Adjustments	Adjusted Test Year 06/30/2016	Test Year Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Test Year Actual	\$ 21,741,129					Company records
Normalizing Adjustments		(1,142,497)				Line 64
Allocation to Transmission		(2,427,858)				Line 52
Subtotal - Adjusted Test Year			18,170,774			Column B + Column C
Post Test Year Adjustment				(3,868,508)		Line 24 - Line 54
Payroll Escalation Adjustment				811,256		Line 54 * Line 40
Total Variable Compensation	<u>\$ 21,741,129</u>	<u>\$ (3,570,354)</u>	<u>\$ 18,170,774</u>	<u>\$ (3,057,252)</u>	<u>\$ 15,113,522</u>	

CALCULATION OF PERCENT INCREASE IN BASE PAYROLL

Description	Amount	Reference
Base Payroll Expense - Test Year Pro Forma	\$ 129,560,812	Sch. DPH-13, Page 2, Line 39
Less: 6/30/16 Annualized Test Year Base Wages	122,606,316	Sch. DPH-13, Page 2, Line 29
Amount of Payroll Increase	\$ 6,954,496	Line 35 - Line 36
Divided by: 2016 Base Payroll Expense, Actual Payroll Expense	\$ 122,606,316	Line 36
Percent of Payroll Increase	<u>5.6722%</u>	Line 37 / Line 39

CALCULATION OF ALLOCATION TO TRANSMISSION

Description	Adjusted Test Year Actual	Adjusted Test Year Target
Total NSTAR Electric 2016 Incentive	\$ 20,598,632	\$ 16,213,240
Transmission Wages & Salaries Allocation Factor	11.7865%	11.7865%
Less Incentive Allocation to Transmission	\$ (2,427,858)	\$ (1,910,974)
Total NSTAR Electric Distribution Incentive	<u>\$ 18,170,774</u>	<u>\$ 14,302,266</u>

	Test Year	Normalizing Adj	Adjusted Test Year
Employee Incentive	\$ 11,809,033	\$ (610,465)	\$ 11,198,568
Executive Incentive	3,245,719	(532,031)	\$ 2,713,687
Stock Incentive	5,865,176	-	5,865,176
Director RSU's	821,200	-	821,200
Total Variable Comp	<u>\$ 21,741,129</u>	<u>\$ (1,142,497)</u>	<u>\$ 20,598,632</u>

NSTAR ELECTRIC COMPANY

VEGETATION MANAGEMENT ADJUSTMENT

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 5,283,642		Sch. DPH-15, Page 2, Line 22
Test Year Pro Forma	<u>33,262,313</u>		Sch. DPH-15, Page 2, Line 22 + Sch. DPH-15, Page 3 Line 44
Pro Forma Adjustment		<u>\$ 27,978,671</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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NSTAR ELECTRIC COMPANY
VEGETATION EXPENSE ANNUALIZATION

<u>Description</u> (A)	<u>Test Year Actual</u> (B)	<u>Pro Forma Adjustments</u> (C)	<u>Test Year Pro Forma</u> (D)
Enhanced Tree Trimming	\$ 5,283,642	\$ 5,226,646	\$ 10,510,288
Total Vegetation Expense Annualization	<u>\$ 5,283,642</u>	<u>\$ 5,226,646</u>	<u>\$ 10,510,288</u>

NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY

VEGETATION MANAGEMENT RESILIENCY TREE WORK PILOT

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Description (A)	Test Year Actual (B)	Pro Forma Adjustments (C)	Test Year Pro Forma (D)	Reference (E)
Total Annual Vegetation Management Resiliency Tree Work Pilot Expense		\$ 25,950,000		Exh. ES-DPH-3 (East), WP DPH-15, Page 1, Line 56
NSTAR Electric Allocation		85%		Exh. ES-DPH-3 (East), WP DPH-15, Page 2, Line 18
NSTAR Electric Share		\$ 22,150,920		Line 20 * Line 22
Vegetation Management Resiliency Tree Work Pilot	\$ -	\$ 22,150,920	\$ 22,150,920	Line 24
Total Vegetation Management Resiliency Tree Work Pilot	<u>\$ -</u>	<u>\$ 22,150,920</u>	<u>\$ 22,150,920</u>	Line 27
2017 Vegetation Management Resiliency Tree Work Pilot Costs		\$ 3,521,000		Exh. ES-DPH-3 (East), WP DPH-15, Page 1, Line 25
Amortization Period (years)		5		
Annual Amortization		\$ 704,200		Line 33 / Line 35
NSTAR Electric Allocation		85%		Exh. ES-DPH-3 (East), WP DPH-15, Page 2, Line 18
NSTAR Electric Share		\$ 601,105		Line 37 * Line 39
Total Annual Vegetation Management Resiliency Tree Work Pilot	<u>\$ -</u>	<u>\$ 22,752,025</u>	<u>\$ 22,752,025</u>	Line 29 + Line 41

NOTE: Numbers may not add due to rounding.

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NSTAR Electric Company
d/b/a Eversource Energy
D.P.U. 17-05
Exhibit ES-DPH-2 (East)
Schedule DPH-16
January 17, 2017
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NSTAR ELECTRIC COMPANY
RATE CASE EXPENSE

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Total Rate Case Expense	\$ 2,359,880		Exh. ES-DPH-3 (East), WP DPH-16, Line 29
Proposed Amortization Period	<u>5 Years</u>		
Proposed Yearly Amortization		<u>\$ 471,976</u>	Line 19 / Line 21

NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY
REGULATORY ASSESSMENTS

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Description (A)	Test Year Actual (B)	Normalization Adjustments (C)	Test Year Pro Forma (D)	Adjustment Latest Invoice (E)	Revised Pro Forma (F)	Reference (G)
D.P.U. & AG Assessments	\$ 7,285,190	\$ 1,180,241	\$ 8,465,431	\$ -	\$ 8,465,431	Account 928
Less: Transmission	(1,751,946)	-	(1,751,946)	-	(1,751,946)	
Total	\$ 5,533,244	\$ 1,180,241	\$ 6,713,485	\$ -	\$ 6,713,485	
Basic Service Allocation					(2,188,739)	Line 23 * Line 34
Total Net of Basic Service Transfer					\$ 4,524,746	Line 23 - Line 25
Allocation of Regulatory Assessments to Basic Service	2015 FERC		Basic Service			
	Form 1	Basic Service	%			
NSTAR Electric	\$ 2,997,614,873	\$ 967,754,347				
WMECO	514,068,684	177,129,089				
Combined Electric	\$ 3,511,683,557	\$ 1,144,883,436	33%			
AGO Assessment	\$ 789,893					
General Assessment	3,849,604					
Trust Assessment	2,073,988					
Total	\$ 6,713,485					

Notes:

Col. (F) reflects most recent invoices including AGO Assessment for \$789,893.12, General Assessment for \$3,849,604, and Trust Assessment for \$2,073,988.
Col. (C), Line 21 refers to Sch. DPH-6, Page 4, Line 77.

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY

LEASE EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 3,653,987		Sch. DPH-18, Page 2, Col. G
Test Year Pro Forma	<u>4,054,361</u>		Sch. DPH-18, Page 2, Col. I
Pro Forma Adjustment		<u>\$ 400,375</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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Account	Description	Total Company Test Year Actual 06/30/2016	Less: Transmission Allocation	Test Year Actual Less: Transmission 06/30/2016	Normalizing Adjustment	Test Year Adjusted 06/30/2016	Pro Forma Adjustment	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
589000	Distribution Ops Rent							
	Intercompany Rent (Cannon St, New Bedford)	12,660	-	12,660	-	12,660	-	12,660
	Martha's Vineyard - NRG	1,067,211	-	1,067,211	-	1,067,211	-	1,067,211
	Hyde Park Electric AWC	123,621	-	123,621	-	123,621	-	123,621
	Walpole AWC	7,346	-	7,346	-	7,346	-	7,346
	Waltham AWC	9,954	-	9,954	-	9,954	348,979	358,934
	Somerville AWC	62,206	-	62,206	-	62,206	-	62,206
		<u>1,282,998</u>	<u>-</u>	<u>1,282,998</u>	<u>-</u>	<u>1,282,998</u>	<u>348,979</u>	<u>1,631,977</u>
589001	Distribution Ops Rent -Serv Center Rent							
	Walpole AWC Property Taxes	19,881	-	19,881	-	19,881	-	19,881
	Waltham AWC Property Taxes	66,279	-	66,279	-	66,279	-	66,279
		<u>86,160</u>	<u>-</u>	<u>86,160</u>	<u>-</u>	<u>86,160</u>	<u>-</u>	<u>86,160</u>
589002-003	Operating Property Management	235,815	-	235,815	-	235,815	-	235,815
589004	Rent - Elec Hyde Park (Property Tax)	20,939	-	20,939	-	20,939	-	20,939
Total Account 589		<u>1,625,911</u>	<u>-</u>	<u>1,625,911</u>	<u>-</u>	<u>1,625,911</u>	<u>348,979</u>	<u>1,974,890</u>
931000	Rent - NUSCO							
	Mass Ave Garage Rent	210,242	(24,780)	185,462	-	185,462	-	185,462
	Prudential Center Rent	485,454	(57,218)	428,236	-	428,236	-	428,236
	901 F St. Rent	122,141	(14,396)	107,745	(107,745)	-	-	-
	Rent Revenue (Herb Chambers/MembersPlus)	(82,424)	9,715	(72,709)	72,709	-	-	-
	Intercompany Rent (Cannon St, New Bedford)	15,144	(1,785)	13,359	-	13,359	-	13,359
	Other NUSCO Rents	6,135	(723)	5,412	-	5,412	-	5,412
		<u>756,691</u>	<u>(89,187)</u>	<u>667,504</u>	<u>(35,035)</u>	<u>632,468</u>	<u>-</u>	<u>632,468</u>
931002	Rent							
	Mass Ave Garage Property Taxes	78,587	(9,263)	69,324	-	69,324	-	69,324
	Prudential Center Taxes & Operating Expense	92,602	(10,915)	81,687	-	81,687	-	81,687
	Intercompany Rent	(5,129)	605	(4,525)	-	(4,525)	-	(4,525)
		<u>166,060</u>	<u>(19,573)</u>	<u>146,487</u>	<u>-</u>	<u>146,487</u>	<u>-</u>	<u>146,487</u>
93111X	Rent Intercompany ICP							
	Rocky River Realty Company	3,858,018	(454,725)	3,403,293	-	3,403,293	-	3,403,293
	Southboro Facility	582,029	(68,601)	513,428	-	513,428	71,462	584,890
	Transmission Garage	7,131	(840)	6,290	(6,290)	-	-	-
		<u>4,447,177</u>	<u>(524,167)</u>	<u>3,923,010</u>	<u>(6,290)</u>	<u>3,916,720</u>	<u>71,462</u>	<u>3,988,182</u>
Total Account 931		<u>5,369,928</u>	<u>(632,927)</u>	<u>4,737,001</u>	<u>(41,326)</u>	<u>4,695,676</u>	<u>71,462</u>	<u>4,767,137</u>
9310GS	Intercompany Rent GSCOH offset	(3,024,027)	356,427	(2,667,600)	-	(2,667,600)	(20,066)	(2,687,666)
Total Account 931	- net of capital and transfer credit	<u>2,345,901</u>	<u>(276,500)</u>	<u>2,069,401</u>	<u>(41,326)</u>	<u>2,028,076</u>	<u>51,395</u>	<u>2,079,471</u>
Total Rent and Lease Expense		<u>3,971,812</u>	<u>(276,500)</u>	<u>3,695,312</u>	<u>(41,326)</u>	<u>3,653,987</u>	<u>400,375</u>	<u>4,054,361</u>

Notes:
71 Col. (F), Line 44 refers to Sch. DPH-6, Page 4, Line 82.
72 Col. (F), Line 45 refers to Sch. DPH-6, Page 4, Line 83.
73 Col. (F), Line 59 refers to Sch. DPH-6, Page 4, Line 81.

NSTAR ELECTRIC COMPANY
INFORMATION SYSTEMS EXPENSE ADJUSTMENT

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 6,100,492		Company records
Test Year Pro Forma	<u>7,463,097</u>		Line 19 + Sch. 19, Page 2, Line 44
Pro Forma Adjustment		<u>\$ 1,362,605</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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NSTAR ELECTRIC COMPANY
INFORMATION SYSTEMS EXPENSE ADJUSTMENT

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Description (A)	Amount (B)	Reference (C)
Gross Investment Base	\$ 37,528,832	Exh. ES-DPH-4, Sch. DPH-8, Page 1
Accumulated Depreciation	5,629,325	Exh. ES-DPH-4, Sch. DPH-8, Page 1
Accumulated Deferred Income Taxes	<u>7,330,775</u>	Exh. ES-DPH-4, Sch. DPH-8, Page 1
Rate Base	<u>\$ 24,568,733</u>	Sum of lines 20 through 22
Weighted average cost of capital	12.09%	Exh. ES-DPH-4, Sch. DPH-8, Page 1
Return	<u>\$ 2,969,527</u>	Line 24 * Line 26
Depreciation Expense	3,752,883	Exh. ES-DPH-4, Sch. DPH-8, Page 1
Total Revenue Requirement	<u>\$ 6,722,411</u>	Line 28 + Line 30
NSTAR allocation %	31.95%	Includes Transmission
Portion to NSTAR	\$ 2,147,810	Line 32 * Line 34
O&M portion - %	71.92%	Exh. ES-DPH-4, Sch. DPH-8, Page 1
O&M portion - \$	\$ 1,544,667	Line 36 * Line 38
Transmission allocation	11.79%	Exh. ES-DPH-4, Sch. DPH-8, Page 1
Post Test Year Adjustment - Information Systems	<u>\$ 1,362,605</u>	(1 - Line 42) * Line 40

NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY
GIS VERIFICATION ADJUSTMENT

Description	Test Year Actual	Pro Forma Adjustments	Reference
(A)	(B)	(C)	(D)
Total GIS Costs		\$ 5,118,077	Company records
Amortization Period (years)		<u>5</u>	
Annual Amortization	<u>\$ -</u>	<u>\$ 1,023,615</u>	Line 20 / Line 22

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
STORM FUND ADJUSTMENT

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 4,500,000		Sch. DPH-21, Page 2, Line 52
Test Year Pro Forma	<u>8,000,000</u>		Sch. DPH-21, Page 2, Line 59
Pro Forma Adjustment		<u>\$ 3,500,000</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
STORM FUND ADJUSTMENT

Company	ERP Level	Storm Type/Name	Month/Year	Amounts for Major Storm Events	Amounts Excluding Storms > than \$30 Million	Base Rate Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)
WMECO		Snow/Wind	February, 2010	\$ 515,824	\$ 515,824	
WMECO		Wind/Rain	May, 2010	147,808	147,808	
WMECO		Wind/Rain	May, 2010	2,848,248	2,848,248	
NSTAR	III	Hurricane Earl	September, 2010	8,247,985	8,247,985	
NSTAR	III	Blizzard	December, 2010	767,464	767,464	
NSTAR	III	Snow/Wind	January, 2011	928,401	928,401	
WMECO	V	Tornado	June, 2011	2,213,380	2,213,380	
WMECO	III	Thunderstorm	June, 2011	142,430	142,430	
NSTAR & WMECO	V / IV	Tropical Storm Irene	August, 2011	22,020,674	22,020,674	
NSTAR & WMECO	V	Snowtober	October, 2011	33,759,993	-	
NSTAR & WMECO	V	Hurricane Sandy	October, 2012	27,700,887	27,700,887	
NSTAR	III	Rain/Wind	November, 2012	457,878	457,878	
NSTAR	V	Blizzard Nemo	February, 2013	58,090,891	-	
NSTAR	II	Snow	March, 2013	160,099	160,099	
NSTAR	III	Snow	February, 2014	1,251,174	1,251,174	
NSTAR	IV	Tropical Storm Arthur	July, 2014	355,243	355,243	
WMECO	III	Thanksgiving Storm	November, 2014	2,674,430	2,674,430	
NSTAR	II	Blizzard Juno	January, 2015	14,302,642	14,302,642	
NSTAR	III	Blizzard Neptune	February, 2015	2,118,273	2,118,273	
NSTAR	III	Winter Storm Lexi	February, 2016	5,519,554	5,519,554	
NSTAR	IV	Winter Storm Mars	February, 2016	3,234,039	3,234,039	
Total Incremental Costs Recoverable through Storm Fund				<u>\$ 187,457,317</u>	<u>\$ 95,606,433</u>	
Number of Months					<u>77</u>	
Monthly Costs (Line 43 / Line 45)					\$ 1,241,642	
Annual Costs (Line 47 * 12)					\$ 14,899,704	
Annual Costs Rounded (Line 49 rounded)						\$ 15,000,000
Annual Currently in Base Rates per D.P.U. 05-85 and D.P.U. 10-70						<u>\$ 4,500,000</u>
Annual Costs per D.P.U. 15-155						\$ 10,000,000
Increase to Base Rates (Line 54 - Line 52)						<u>\$ 5,500,000</u>
Annual Storm Costs Attributable to NSTAR Electric				\$ 150,017,968	80%	\$ 8,000,000
Annual Storm Costs Attributable to WMECO				\$ 37,439,349	20%	\$ 2,000,000
Total Annual Storm Costs				<u>\$ 187,457,317</u>	<u>100.00%</u>	<u>\$ 10,000,000</u>

Notes:

Col. (B): The ERP Event classification was changed on May 15, 2013 to reverse the designation of storm severity.

Col. (E): The amounts shown here are net of the proposed \$1.2 million per storm threshold.

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
STORM COST ADJUSTMENT

15	Description	Amount	Adjustment	Reference
16	(A)	(B)	(C)	(D)
18	Test Year	\$ -		Sch. DPH-21, Page 4, Line 36
20	Test Year Pro Forma	<u>2,880,000</u>		Sch. DPH-21, Page 4, Line 41
22	Pro-Forma Adjustment		<u>\$ 2,880,000</u>	Line 20 - Line 18

50 NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY
STORM COST ADJUSTMENT

Year	Total Storms > \$1.2M	Base Rate Change
(A)	(B)	(C)
2010	5	
2011	5	
2012	2	
2013	2	
2014	3	
2015	2	
2016	2	
Average	3	
Current NSTAR Electric Storm Threshold	\$1,000,000	
Cumulative GDP-PI increase since 2005	19%	
Revised Storm Threshold	\$1,200,000	
Annual Storm Costs (Line 33 * Line 27)		\$3,600,000
Annual Currently in Base Rates		\$0
Increase to Base Rates (Line 35 - Line 36)		\$3,600,000
Annual Storm Costs Allocated to NSTAR (Line 35 * 80%)		\$2,880,000
Annual Storm Costs Allocated to WMECO (Line 35 * 20%)		\$720,000
		\$3,600,000

NOTE: Numbers may not add due to rounding.

H.O. _____

NSTAR ELECTRIC COMPANY
RESIDUAL O&M INFLATION ADJUSTMENT

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 63,041,113		Exh. ES-DPH-3 (East), WP DPH-22, Page 1, Line 41
Test Year Pro Forma	<u>66,111,215</u>		Exh. ES-DPH-3 (East), WP DPH-22, Page 1, Line 47
Pro Forma Adjustment		<u>\$ 3,070,102</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY

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26 Schedule DPH-26	Payroll And Other Tax Summary

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NSTAR ELECTRIC COMPANY
DEPRECIATION & AMORTIZATION EXPENSE

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Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 153,841,701		Sum of Lines 34 + 38 + 42 + 46
Test Year Pro Forma	<u>152,153,130</u>		Exh. ES-DPH-3 (East), WP DPH-23, Line 61
Pro Forma Adjustment		<u>\$ (1,688,572)</u>	Line 21 - Line 19
<u>Test Year Calculation</u>			
Intangible Plant	\$ 5,688,936		FERC Form #1, Page 336, Line 1
Transmission Allocator	<u>11.7865%</u>		Exh. ES-DPH-3 (East), WP DPH-28, Page 2, Line 25
Intangible Plant - Distribution		\$ 5,018,410	Line 32 * (1 - Line 33)
Transmission Plant	\$ 46,834,292		FERC Form #1, Page 336, Line 7
Transmission Allocator	<u>100.0000%</u>		100%
Transmission Plant - Distribution		\$ -	Line 36 * (1 - Line 37)
Distribution Plant	\$ 140,920,327		FERC Form #1, Page 336, Line 8
Transmission Allocator	<u>0.0000%</u>		0%
Distribution Plant - Distribution		\$ 140,920,327	Line 40 * (1 - Line 41)
General Plant	\$ 8,958,906		FERC Form #1, Page 336, Line 10
Transmission Allocator	<u>11.7865%</u>		Exh. ES-DPH-3 (East), WP DPH-28, Page 2, Line 25
General Plant - Distribution		\$ 7,902,965	Line 44 * (1 - Line 45)

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY

AMORTIZATION OF DEFERRED ASSETS

Description	FERC Form 1 Test Year Actual	Less Adjustment Clauses	Normalizing Adjustments	Distribution Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Acquisition Premium Amortization	\$ 17,590,044	\$ -	\$ -	\$ 17,590,044	\$ -	\$ 17,590,044	Exh. ES-DPH-3 (East), WP DPH-24, Page 4
Amortization of Hardship Receivables	-	-	-	-	3,832,481	3,832,481	Exh. ES-DPH-3 (East), WP DPH-24, Page 1
Merger Costs to Achieve	-	-	-	-	2,621,089	2,621,089	Exh. ES-DPH-3 (East), WP DPH-24, Page 3
Amortization of Disallowed AFUDC - Distribution	270,900	-	(270,900)	-	-	-	
Amortization of Asbestos - Distribution	110,652	-	(110,652)	-	-	-	
Amortization AFUDC - Transmission	1,128,450	(1,128,450)	-	-	-	-	
Amortization Regulatory Debits	(4,050,431)	4,050,431	-	-	-	-	
Total Amortization	\$ 15,049,615	\$ 2,921,981	\$ (381,552)	\$ 17,590,044	\$ 6,453,570	\$ 24,043,614	Sum of Lines 19 through 25

Notes:

Col. D, Lines 22 and 23: Reflects removal of previously disallowed amortization expense.

NOTE: Numbers may not add due to rounding.

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NSTAR ELECTRIC COMPANY
PROPERTY TAX EXPENSE

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 87,288,884		Company records
Test Year Pro Forma	<u>89,083,373</u>		Sch. DPH-25, Page 2, Line 21
Pro-Forma Adjustment		<u>\$ 1,794,489</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY
PROPERTY TAX EXPENSE

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Description	Test Year Actual	Normalizing Adjustment	Adjusted Test Year	Pro Forma Adjustment	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Property Tax Expense	\$ 128,899,721	\$ (3,027,283)	\$ 125,872,438	\$ 2,561,104	\$ 128,433,542
Less: Transmission	(38,583,554)	-	(38,583,554)	(766,615)	(39,350,169)
Total Distribution Property Tax Expense	<u>\$ 90,316,168</u>	<u>\$ (3,027,283)</u>	<u>\$ 87,288,884</u>	<u>\$ 1,794,489</u>	<u>\$ 89,083,373</u>

Normalizing Adjustments

Consulting and Legal Expenses, reclassified to Acct. 923 (1)	(51,373)	Refer to Sch. DPH-6, Page 4, Line 21.
Consulting and Legal Expenses, out-of-period adjustment	(232,373)	Refer to Sch. DPH-6, Page 4, Line 20.
Remove deferred property tax expense from fiscal year 2015	<u>(2,743,537)</u>	Refer to Sch. DPH-6, Page 4, Line 22.
Total Normalizing Adjustments	<u>\$ (3,027,283)</u>	

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NSTAR ELECTRIC COMPANY
PAYROLL and OTHER TAX SUMMARY

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F) = (D) + (E)	(G)
FICA	\$ 6,168,209	\$ -	\$ 6,168,209	\$ 517,888	\$ 6,686,097	Exh. ES-DPH-3 (East), WP DPH-26, Line 19
Medicare	1,666,702	-	1,666,702	\$ 139,938	1,806,639	Exh. ES-DPH-3 (East), WP DPH-26, Line 20
Federal Unemployment	45,739	-	45,739	-	45,739	Exh. ES-DPH-3 (East), WP DPH-26, Line 21
State Unemployment	259,370	-	259,370	-	259,370	Exh. ES-DPH-3 (East), WP DPH-26, Sum of Lines 23 - 27
State Insurance Premium Excise Tax	230,381	-	230,381	-	230,381	Exh. ES-DPH-3 (East), WP DPH-26, Line 30
Federal Highway Tax	-	-	-	-	-	
Tangible Property Tax	790,488	484,512	1,275,000	-	1,275,000	Exh. ES-DPH-3 (East), WP DPH-26, Line 32
Universal Health Tax	40,372	-	40,372	-	40,372	Exh. ES-DPH-3 (East), WP DPH-26, Line 28
State Sales and Use Tax	(240,104)	244,023	3,918	-	3,918	Exh. ES-DPH-3 (East), WP DPH-26, Line 31
Total Payroll and Other Tax Expense	\$ 8,961,157	\$ 728,535	\$ 9,689,692	\$ 657,825	\$ 10,347,517	Sum of lines 18 through 27

Notes:

Col. C, Line 24: Reflects removal of out-of-period credits related to tangible property tax.
Col. C, Line 26: Reflects removal of out-of-period sales tax adjustments.

NOTE: Numbers may not add due to rounding.

NSTAR ELECTRIC COMPANY

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31 Schedule DPH-31	Cost Of Capital
32 Schedule DPH-32	Cash Working Capital

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NSTAR ELECTRIC COMPANY

RATE BASE SUMMARY

Description (A)	06/30/2016 Test Year Rate Base (B)	Pro-forma Activity (C)	Pro-forma 06/30/2016 (D) = (B) + (C)	Reference (E)
Utility Plant in Service	\$ 5,177,571,546	\$ 100,300,000	\$ 5,277,871,546	Sch. DPH-28, Line 33
Less: Reserve for Depreciation	1,651,199,505	-	1,651,199,505	Sch. DPH-29, Line 34
Net Utility Plant	3,526,372,041	100,300,000	3,626,672,041	Line 20 - Line 21
Less: Reserve for Deferred Income Tax	968,029,832	\$ 16,148,300	984,178,132	Sch. DPH-30, Line 24
Customer Deposits	6,369,673	-	6,369,673	FERC Form No. 1, Page 112, Line 41 (Acct. 235)
Customer Advances	34,634,865	-	34,634,865	FERC Form No. 1, Page 113, Line 56 (Acct. 252)
Plus: Materials & Supplies, excluding fuel	34,922,056	-	34,922,056	Exh. ES-DPH-3 (East), WP DPH-27, Line 33
ASC 740 Regulatory Asset (net)	60,537,693	-	60,537,693	Sch. DPH-30, Line 24
Cash Working Capital	37,453,650	-	37,453,650	Sch. DPH-32, Line 30
Total Rate Base	<u>\$ 2,650,251,071</u>	<u>\$ 84,151,700</u>	<u>\$ 2,734,402,771</u>	Line 22 - Sum of Lines 25 thru 27 + Sum of Lines 32 thru 34

NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING

Major Property Grouping (A)	Test Year Actual 06/30/2016 (B)	Transmission Pro Forma Adjustments (C)	Other Pro Forma Adjustments (D)	Adjusted Test Year Actual 06/30/2016 (E)=(B)+(C)+(D)	Pro-forma 2016 Additions / Retirements / Transfers (F)	Plant In Service Adjustments (G)	Pro-forma Plant In Service 06/30/2016 (H)=(E)+(F)+(G)	Reference (I)
Intangible	\$ 42,477,038	\$ (5,006,556)	\$ -	\$ 37,470,482	\$ -	\$ -	\$ 37,470,482	Exh. ES-DPH-3 (East), WP DPH-28, Page 1, Line 24
Other Production	-	-	-	-	-	-	-	Exh. ES-DPH-3 (East), WP DPH-28, Page 1, Line 36
Transmission	2,189,219,927	(2,189,219,927)	-	-	-	-	-	Exh. ES-DPH-3 (East), WP DPH-28, Page 1, Line 51
Distribution	4,961,458,572	-	(21,088,343)	4,940,370,229	100,300,000	-	5,040,670,229	Exh. ES-DPH-3 (East), WP DPH-28, Page 1, Line 69
General	226,491,440	(26,695,414)	(65,192)	199,730,835	-	-	199,730,835	Exh. ES-DPH-3 (East), WP DPH-28, Page 1, Line 84
Total	\$ 7,419,646,977	\$ (2,220,921,897)	\$ (21,153,535)	\$ 5,177,571,546	\$ 100,300,000	\$ -	\$ 5,277,871,546	Line 22 + Line 24 + Line 26 + Line 28 + Line 30

NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY
DEPRECIATION RESERVE

Plant Function	Test Year Actual 06/30/2016	Transmission Pro Forma Adjustments	Other Pro Forma Adjustments	Adjusted Test Year Actual 06/30/2016	Pro-forma 2016 Activity	Transfers / Adjustments	Pro-forma Depreciation Reserve 06/30/2016	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Intangible Amortization	\$ 16,729,545	\$ (1,971,828)	\$ -	\$ 14,757,717	\$ -	\$ -	\$ 14,757,717	Exh. ES-DPH-3 (East), WP DPH-29, Line 24
Other Production Depreciation	-	-	-	-	-	-	-	Exh. ES-DPH-3 (East), WP DPH-29, Line 38
Transmission Depreciation	505,653,912	(505,653,912)	-	-	-	-	-	Exh. ES-DPH-3 (East), WP DPH-29, Line 53
Distribution Depreciation	1,587,628,789	\$ -	\$ (15,804,937)	1,571,823,852	-	-	1,571,823,852	Exh. ES-DPH-3 (East), WP DPH-29, Line 70
General Depreciation	66,601,017	(8,633,818)	-	57,967,199	-	-	57,967,199	Exh. ES-DPH-3 (East), WP DPH-29, Line 87 - Line 94
General Amortization	<u>6,650,736</u>	<u>-</u>	<u>-</u>	<u>6,650,736</u>	<u>-</u>	<u>-</u>	<u>6,650,736</u>	Exh. ES-DPH-3 (East), WP DPH-29, Line 94
Total	<u>\$ 2,183,263,999</u>	<u>\$ (516,259,558)</u>	<u>\$ (15,804,937)</u>	<u>\$ 1,651,199,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,651,199,505</u>	Line 22 + Line 24 + Line 26 + Line 28 + Line 30 + Line 32

NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY
ACCUMULATED DEFERRED INCOME TAXES

Description	Test Year Actual 06/30/2016	Transmission Adjustments*	Adjusted Test Year Actual 06/30/2016	Non Rate Base	Pro Forma Rate Base	Adjustment to Actual 2016 Activity	Post TY Adjustments	True-Up Adjustment	Actual Accumulated Def. Income Taxes 12/31/2016	Reference
(A)	(B)	(C)	(B)+(C)=(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Non-Property Related ADIT	(431,488,925)	9,813,806	(421,675,119)	421,244,354	\$ (430,764)	-	-	-	\$ (430,764)	Exh. ES-DPH-3 (East), WP DPH-30
Property Related ADIT	(1,294,562,898)	387,501,512	(907,061,386)	-	(907,061,386)	-	(16,148,300)	-	(923,209,686)	Exh. ES-DPH-3 (East), WP DPH-30
ASC 740 - Accum. Deferred Income Tax Asset/Liability (net)	(86,399,706)	25,862,024	(60,537,682)	-	(60,537,682)	-	-	-	(60,537,682)	Exh. ES-DPH-3 (East), WP DPH-30
Accumulated Deferred Income Tax	<u>\$ (1,812,451,528)</u>	<u>\$ 423,177,342</u>	<u>\$ (1,389,274,186)</u>	<u>\$ 421,244,354</u>	<u>\$ (968,029,832)</u>	<u>\$ -</u>	<u>\$ (16,148,300)</u>	<u>\$ -</u>	<u>\$ (984,178,132)</u>	Sum of Lines 20 thru 22

* Reflects ADIT recovered through the transmission tariff.

NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY

COST OF CAPITAL

(A)	PRINCIPAL (B)	TEST YEAR END (C)	UPDATED PRO FORMA 2016 (D)	PRO FORMA COST (E)	UPDATED RATE OF RETURN (F)	REFERENCES (G)
Long-term Debt	\$ 2,100,000,000	45.69%	45.69%	4.31%	1.97%	Sch. DPH-31, Page 2, Line 27
Preferred Stock	\$ 43,000,000	0.94%	0.94%	4.56%	0.04%	Line 47
Common Equity	\$ 2,452,820,959	53.37%	53.37%	10.50%	5.60%	Exh. RBH-1
Total Capital	\$ 4,595,820,959		100.00%		7.61%	Sum of Line 20 thru 22
Weighted Cost of Debt					1.97%	
Equity					5.65%	
Cost of Capital					<u>7.61%</u>	

	TEST YEAR END	Pro-forma 2016 ACTIVITY	PRO FORMA 2016	PRO FORMA CAPITAL STRUCTURE	PRO FORMA TEST YEAR	
Long-term Debt	\$ 2,100,000,000	\$ -	\$ -	\$ 2,100,000,000	45.69%	Line 34 / Line 38
Preferred Stock	\$ 43,000,000	\$ -	\$ -	\$ 43,000,000	0.94%	Line 35 / Line 38
Common Equity	\$ 2,452,820,959	\$ -	\$ -	\$ 2,452,820,959	53.37%	Line 36 / Line 38
Total Capital	\$ 4,595,820,959			\$ 4,595,820,959	100.00%	Sum of Line 34 thru 36

	TEST YEAR END	RATE	ANNUAL INTEREST	BLENDED RATE
<u>Preferred Stock</u>				
4.25% Series	\$ 18,000,000	4.25%	\$ 765,000	
4.78% Series	\$ 25,000,000	4.78%	\$ 1,195,000	
Total Preferred Stock	\$ 43,000,000		\$ 1,960,000	4.56%

NOTE: Numbers may not add due to rounding

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NSTAR ELECTRIC COMPANY
Cost of Long Term Debt (\$ in Millions)

Face Amount	Series	Rate	Date Issued	Maturity Date	Principal Amount	06/30/2016 Carrying Value	Annual Interest & Amort. Expense	Embedded Cost
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
224019	4.400% Debentures	4.400%	03/07/2014	03/01/2044	\$ 300.000	\$ 295.261	\$ 13.371	4.53%
224070	5.750% Debentures	5.750%	03/13/2006	03/15/2036	200.000	197.177	11.643	5.90%
224075	5.625% Debentures	5.625%	11/09/2007	11/15/2017	300.000	299.472	17.258	5.76%
224075	5.625% Debentures	5.625%	02/13/2009	11/15/2017	100.000	100.576	5.207	5.18%
224080	5.500% Debentures	5.500%	03/16/2010	03/15/2040	300.000	293.727	16.764	5.71%
224092	2.375% Debentures	2.375%	10/15/2012	10/15/2022	400.000	397.305	9.928	2.50%
221NV0	3.250% Debentures	3.250%	11/18/2015	11/15/2025	250.000	248.003	8.338	3.36%
221NWO	2.700% Debentures	2.700%	05/26/2016	06/01/2026	250.000	247.289	7.023	2.84%

Total Long Term Debt \$ 2,100.000 \$ 2,078.810 \$ 89.533 **4.31%**

A/C #	Series	Amount Outstanding	Premium or (Discount)	Issue Expenses	Call Expense	Carrying Value	
224019	4.400% Debentures	\$ 300.000	\$ (1.912)	\$ (2.827)	\$ -	\$ 295.261	224019: 4.400% Debenture
224070	5.750% Debentures	200.000	(1.389)	(1.434)	-	197.177	224070: 5.750% Debenture
224075	5.625% Debentures	300.000	(0.180)	(0.347)	-	299.472	224075: 5.625% Debenture
224075	5.625% Debentures	100.000	0.711	(0.135)	-	100.576	224075: 5.625% Debenture
224080	5.500% Debentures	300.000	(3.799)	(2.475)	-	293.727	224080: 5.500% Debenture
224092	2.375% Debentures	400.000	(0.690)	(2.005)	-	397.305	224092: 2.375% Debenture
221NV0	3.250% Debentures	250.000	-	(1.997)	-	248.003	224093: Floating Rate Debenture
221NWO	2.700% Debentures	250.000	(0.856)	(1.855)	-	247.289	221NV0: 3.250% Debenture
0	-	-	-	-	-	-	224093: Floating Rate Debenture
0	-	-	-	-	-	-	
Total		\$ 2,100.000	\$ (8.113)	\$ (13.077)	\$ -	\$ 2,078.810	

A/C #	Series	Total Amortization Expense	Total Annual Interest	Amortization & Interest	
181019 / 226019	4.400% Debentures	\$ 0.171	\$ 13.200	\$ 13.371	427000/CE I25: Interest LTD - 4.400% Debentures (Annualized)
181071 / 226020	5.750% Debentures	0.143	11.500	11.643	427000/CE I22: Interest LTD - 5.750% Debentures
181075 / 226076	5.625% Debentures	0.383	16.875	17.258	427000/CE I21: Interest LTD - 5.625% Debentures
181075 / 225075	5.625% Debentures	(0.418)	5.625	5.207	427000/CE I21: Interest LTD - 5.625% Debentures
181076 / 226081	5.500% Debentures	0.264	16.500	16.764	427000/CE I20: Interest LTD - 5.500% Debentures
181092 / 226092	2.375% Debentures	0.428	9.500	9.928	427000/CE I17: Interest LTD - 2.375% Debentures
181NV0 / 226NV0	3.250% Debentures	0.213	8.125	8.338	427000/CE I1: Interest LTD - 3.250% Debentures
181NWO / 226NWO	2.700% Debentures	0.273	6.750	7.023	427000/CE I1: Interest LTD - 2.700% Debentures
181 / 226	-	-	-	-	
181 / 226	-	-	-	-	
Total		\$ 1.458	\$ 88.075	\$ 89.533	

Series	Premium or (Discount)			Issue Expense		
	Original Balance at (Discount)	Unamortized Balance at 06/30/2016	Annual Amortization	Original Issue Expense	Unamortized Balance at 06/30/2016	Annual Amortization
181019 / 226019	\$ (2.073)	\$ (1.912)	\$ (0.069)	\$ 3.064	\$ 2.827	\$ 0.102
181071 / 226020	(2.114)	(1.389)	(0.070)	2.181	1.434	0.073
181075 / 226076	(1.311)	(0.180)	(0.131)	2.366	0.347	0.252
181075 / 225075	4.553	0.711	0.516	0.921	0.135	0.098
181076 / 226081	(4.806)	(3.799)	(0.160)	3.123	2.475	0.104
181092 / 226092	(1.096)	(0.690)	(0.110)	3.179	2.005	0.318
181NV0 / 226NV0	-	-	-	1.948	1.997	0.213
181NWO / 226NWO	(0.870)	(0.856)	(0.086)	1.625	1.855	0.187
181 / 226	-	-	-	-	-	-
181 / 226	-	-	-	-	-	-
Total	\$ (7.717)	\$ (8.113)	\$ (0.110)	\$ 18.406	\$ 13.077	\$ 1.348

NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY

CASH WORKING CAPITAL

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Description (A)	Per Company (B)	Reference (C)
Total O&M Expense	\$ 322,597,078	Sch. DPH-6, Page 1, Line 49
Less Uncollectible Accounts (less proforma adj's)	11,499,968	Sch. DPH-6, Page 1, Line 31
Electric O&M Expenses (Net Uncollectible)	\$ 311,097,110	Line 19 - Line 20
Taxes Other Than Income	<u>99,430,890</u>	Sch. DPH-33, Page 7
Total Costs Applicable to Cash Working Capital	410,528,001	Line 22 + Line 24
Cash Working Capital Factor for Other O&M Expense (33.30 Days/365)	<u>9.12%</u>	Exhibit ES-DPH-6
Cash Working Capital Adjustment	<u><u>\$ 37,453,650</u></u>	Line 26 * Line 28

50 NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY

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V. DPU STANDARD FILING REQUIREMENTS

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33 Sch. DPH-33, Page 2	Operations And Maintenance Expenses
33 Sch. DPH-33, Page 3	Depreciation And Amortization Expenses
33 Sch. DPH-33, Page 4	Rate Base And Return On Rate Base
33 Sch. DPH-33, Page 5	Cost Of Capital
33 Sch. DPH-33, Page 6	Cash Working Capital
33 Sch. DPH-33, Page 7	Taxes Other Than Income Taxes
33 Sch. DPH-33, Page 8	Income Taxes
33 Sch. DPH-33, Page 9	Revenues

NSTAR ELECTRIC COMPANY

DEPARTMENT SCHEDULE 1

REVENUE REQUIREMENTS AND CALCULATION OF REVENUE INCREASE

	ORIGINAL FILING PER COMPANY	COMPANY ADJUSTMENT	DPU ADJUSTMENT	PER ORDER	REFERENCE
COST OF SERVICE					
Total O&M Expense	\$ 322,597,078	\$ -	\$ -	\$ 322,597,078	Sch. DPH-6, Page 1
Uncollectible O&M due to increase	426,407	-	-	426,407	Sch. DPH-3
Depreciation and Amortization	176,196,743	-	-	176,196,743	Sch. DPH-33, Page 3
Taxes Other Than Income Taxes	99,430,890	-	-	99,430,890	Sch. DPH-33, Page 7
Income Taxes	106,987,034	-	-	106,987,034	Sch. DPH-33, Page 8
Return On Rate Base	208,211,099	-	-	208,211,099	Sch. DPH-33, Page 4
Total Cost of Service	\$ 913,849,251	\$ -	\$ -	\$ 913,849,251	Sum of Lines 20 thru 30
OPERATING REVENUES					
Total Operating Revenues	\$ 853,654,865	\$ -	\$ -	\$ 853,654,865	Sch. DPH-5, Page 1
Total Revenue Deficiency	60,194,387	\$ -	-	60,194,387	Line 33 - Line 38
Total Revenues	\$ 913,849,251	\$ -	\$ -	\$ 913,849,251	Line 38 + Line 40
Total Base Revenue Deficiency, after adjustments	\$ -	\$ -	\$ -	\$ -	Line 42 - Line 33

NOTE: Numbers may not add due to rounding

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NSTAR ELECTRIC COMPANY
DEPARTMENT SCHEDULE 2
OPERATIONS AND MAINTENANCE EXPENSES

	ORIGINAL FILING PER COMPANY	COMPANY ADJUSTMENT	DPU ADJUSTMENT	PER ORDER	REFERENCE
Test Year O&M Expense (6/30/2016)	\$ 274,358,971	\$ -	\$ -	\$ 274,358,971	Sch. DPH-6, Page 1
ADJUSTMENTS TO O&M EXPENSE:					
Postage Expense	(126,159)	-	-	(126,159)	Sch. DPH-7
Uncollectibles Expense	(3,573,684)	-	-	(3,573,684)	Sch. DPH-8, Page 1
Fee Free Payment Processing	5,093,091	-	-	5,093,091	Sch. DPH-9
Dues And Memberships	(93,080)	-	-	(93,080)	Sch. DPH-10
Employee Benefits Costs	1,548,219	-	-	1,548,219	Sch. DPH-11, Page 1
Insurance Expense And Injuries & Damages	(87,075)	-	-	(87,075)	Sch. DPH-12, Page 1
Payroll Expense	10,035,441	-	-	10,035,441	Sch. DPH-13, Page 1
Variable Compensation	(3,057,252)	-	-	(3,057,252)	Sch. DPH-14, Page 1
Vegetation Expense Annualization	5,226,646	-	-	5,226,646	Sch. DPH-15, Page 2
Vegetation Management Resiliency Tree Work Pilot	22,752,025	-	-	22,752,025	Sch. DPH-15, Page 3
Rate Case Expense	471,976	-	-	471,976	Sch. DPH-16
Regulatory Assessments	(2,188,739)	-	-	(2,188,739)	Sch. DPH-17
Lease Expense	400,375	-	-	400,375	Sch. DPH-18, Page 1
Information Systems Expense Adjustment	1,362,605	-	-	1,362,605	Sch. DPH-19, Page 1
GIS Verification Adjustment	1,023,615	-	-	1,023,615	Sch. DPH-20
Storm Cost Adjustment	2,880,000	-	-	2,880,000	Sch. DPH-21, Page 3
Storm Fund Adjustment	3,500,000	-	-	3,500,000	Sch. DPH-21, Page 1
Residual O&M Inflation Adjustment	3,070,102	-	-	3,070,102	Sch. DPH-22
Total Adjustment to O&M Expense	\$ 48,238,107	\$ -	\$ -	\$ 48,238,107	Sum of Lines 22 thru 39
Total O&M Expense	<u>\$ 322,597,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,597,078</u>	Line 19 + Line 41

NOTE: Numbers may not add due to rounding

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NSTAR ELECTRIC COMPANY

DEPARTMENT SCHEDULE 3

DEPRECIATION AND AMORTIZATION EXPENSES

	<u>ORIGINAL FILING PER COMPANY</u>	<u>COMPANY ADJUSTMENT</u>	<u>DPU ADJUSTMENT</u>	<u>PER ORDER</u>	<u>REFERENCE</u>
Depreciation & Amortization Expense	\$ 152,153,130	\$ -	\$ -	\$ 152,153,130	Sch. DPH-23
Amortization of Deferred Assets	<u>24,043,614</u>	<u>-</u>	<u>-</u>	<u>24,043,614</u>	Sch. DPH-24
Total Depreciation and Amortization Expense	<u><u>176,196,743</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>176,196,743</u></u>	Sum of Lines 19 thru 21

NOTE: Numbers may not add due to rounding

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NSTAR Electric Company
d/b/a Eversource Energy
D.P.U. 17-05
Exhibit ES-DPH-2 (East)
Schedule DPH-33
January 17, 2017
Page 4 of 9
H.O. _____

NSTAR ELECTRIC COMPANY

DEPARTMENT SCHEDULE 4

RATE BASE AND RETURN ON RATE BASE

	ORIGINAL FILING PER COMPANY	COMPANY ADJUSTMENT	DPU ADJUSTMENT	PER ORDER	REFERENCE
Utility Plant in Service	\$ 5,277,871,546	\$ -	\$ -	\$ 5,277,871,546	Sch. DPH-28
LESS:					
Reserve For Depreciation	1,629,791,051	-	-	1,629,791,051	Sch. DPH-29
Reserve For Amortization	21,408,453	-	-	21,408,453	Sch. DPH-29
Net Utility Plant In Service	3,626,672,041	\$ -	\$ -	\$ 3,626,672,041	Line 19 - Line 22 - Line 23
ADDITIONS TO PLANT					
Cash Working Capital	37,453,650	\$ -	\$ -	37,453,650	Sch. DPH-32
ASC 740 (net)	60,537,693	-	-	60,537,693	Sch. DPH-30
Materials and Supplies	34,922,056	-	-	34,922,056	Sch. DPH-27
Total Additions to Plant	132,913,399	\$ -	\$ -	\$ 132,913,399	Sum of Lines 28 thru Line 30
DEDUCTIONS FROM PLANT					
Reserve for Deferred Income Taxes	984,178,132	\$ -	\$ -	984,178,132	Sch. DPH-30
Customer Deposits	6,369,673	-	-	6,369,673	Sch. DPH-27
Customer Advances	34,634,865	-	-	34,634,865	Sch. DPH-27
Total Deductions from Plant	\$ 1,025,182,670	\$ -	\$ -	\$ 1,025,182,670	Sum of Lines 35 thru Line 38
RATE BASE	\$ 2,734,402,771	\$ -	\$ -	\$ 2,734,402,771	Line 25 + Line 32 - Line 40
COST OF CAPITAL	7.61%			7.61%	Sch. DPH-31, Page 1
RETURN ON RATE BASE	\$ 208,211,099	\$ -	\$ -	\$ 208,211,099	Line 42 * Line 44

NOTE: Numbers may not add due to rounding

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NSTAR ELECTRIC COMPANY

DEPARTMENT SCHEDULE 5

COST OF CAPITAL

PER COMPANY

	PRINCIPAL	FIXED PERCENTAGE	COST	RATE OF RETURN
Long-term Debt	\$ 2,100,000,000	45.69%	4.31%	1.97%
Preferred Stock	\$ 43,000,000	0.94%	4.56%	0.04%
Common Equity	\$ 2,452,820,959	53.37%	10.50%	5.60%
Total Capital	\$ 4,595,820,959	100.00%		7.61%
Weighted Cost of Debt				1.97%
Equity				5.65%
Cost of Capital				7.61%

COMPANY ADJUSTMENTS

	PRINCIPAL	PERCENTAGE	COST	RATE OF RETURN
Long-term Debt	\$ -	0.00%	0.00%	0.00%
Preferred Stock	\$ -	0.00%	0.00%	0.00%
Common Equity	\$ -	0.00%	0.00%	0.00%
Total Capital	\$ -	0.00%		0.00%
Weighted Cost of Debt				0.00%
Equity				0.00%
Cost of Capital				0.00%

PER ORDER

	PRINCIPAL	PERCENTAGE	COST	RATE OF RETURN
Long-term Debt	\$ -	0.00%	0.00%	0.00%
Preferred Stock	\$ -	0.00%	0.00%	0.00%
Common Equity	\$ -	0.00%	0.00%	0.00%
Total Capital	\$ -	0.00%		0.00%
Weighted Cost of Debt				0.00%
Equity				0.00%
Cost of Capital				0.00%

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NSTAR ELECTRIC COMPANY
DEPARTMENT SCHEDULE 6
CASH WORKING CAPITAL

	<u>ORIGINAL FILING PER COMPANY</u>	<u>COMPANY ADJUSTMENT</u>	<u>DPU ADJUSTMENT</u>	<u>PER ORDER</u>	<u>REFERENCE</u>
Electric O&M Expenses (Net Uncollectible)	\$ 311,097,110	\$ -	\$ -	\$ 311,097,110	Sch. DPH-32
Taxes Other Than Income	99,430,890	-	-	99,430,890	Sch. DPH-33, Page 7
Total Costs Applicable to Cash Working Capital	<u>410,528,001</u>	<u>-</u>	<u>-</u>	<u>410,528,001</u>	Line 22 + Line 24
Cash Working Capital Factor for Other O&M Expense (33.30 Days/365)	<u>9.12%</u>	<u>9.12%</u>	<u>0.00%</u>	<u>9.12%</u>	Exhibit ES-DPH-6
Cash Working Capital Adjustment	<u>\$ 37,453,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,453,650</u>	Line 26 * Line 28

NOTE: Numbers may not add due to rounding

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NSTAR ELECTRIC COMPANY

DEPARTMENT SCHEDULE 7

TAXES OTHER THAN INCOME TAXES

	ORIGINAL FILING PER COMPANY	COMPANY ADJUSTMENT	DPU ADJUSTMENT	PER ORDER	REFERENCE
20 FICA	\$ 6,686,097	\$ -	\$ -	\$ 6,686,097	Sch. DPH-26
21 Medicare	1,806,639	-	-	1,806,639	Sch. DPH-26
22 Federal Unemployment	45,739	-	-	45,739	Sch. DPH-26
23 State Unemployment	259,370	-	-	259,370	Sch. DPH-26
24 State Insurance Premium Excise Tax	230,381	-	-	230,381	Sch. DPH-26
25 Federal Highway Tax	-	-	-	-	Sch. DPH-26
26 Tangible Property Tax	1,275,000	-	-	1,275,000	Sch. DPH-26
27 Universal Health Tax	40,372	-	-	40,372	Sch. DPH-26
28 State Sales and Use Tax	3,918	-	-	3,918	Sch. DPH-26
29 Property Taxes	89,083,373	-	-	89,083,373	Sch. DPH-25, Page 1
31 Total Taxes Other Than Income Taxes	<u>\$ 99,430,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,430,890</u>	Sum of Lines 20 through 29

50 NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY
DEPARTMENT SCHEDULE 8
INCOME TAXES

	ORIGINAL FILING PER COMPANY	COMPANY ADJUSTMENT	DPU ADJUSTMENT	PER ORDER	REFERENCE
19 Rate Base	\$ 2,734,402,771	\$ -	\$ -	\$ 2,734,402,771	Sch. DPH-33, Page 4
20 Return on Rate Base	208,211,099	-	-	208,211,099	Sch. DPH-33, Page 4
22 Add: Flow-Through and Permanent Items*	1,488,887	-	-	1,488,887	Line 45
23 Less: Interest Expense	(53,813,047)	-	-	(53,813,047)	- Line 19 * Sch. DPH-31, Page 1, Line 20
24 Add: FAS 109 Income Taxes and ITC	1,311,689	-	-	1,311,689	Company Records
25 Taxable Income Base	157,198,628	-	-	157,198,628	Sum of Line 20 thru Line 24
27 Taxable Income (Taxable Income Base x 1.672241)	262,873,992	-	-	262,873,992	Line 25 * 1.672241
30 Mass Income Tax (8%)	21,029,919	-	-	21,029,919	Line 27 * 8%
32 Federal Taxable Income	241,844,072	-	-	241,844,072	Line 27 - Line 30
34 Federal Income Tax Calculated (35%)	84,645,425	-	-	84,645,425	Line 32 * 35%
36 Total Income Taxes Calculated	105,675,345	-	-	105,675,345	Line 30 + Line 34
38 Add: FAS 109 Income Taxes and ITC	1,311,689	-	-	1,311,689	Line 24
39 Total Income Taxes	106,987,034	-	-	106,987,034	Line 38 + Line 36
42 * Flow-Through and Permanent Items include the following:					
43 Depreciation flow-through plant	304,529				
44 Merger costs non-deductible	1,184,358				
45 Total Flow-Through and Permanent Items	1,488,887				

50 NOTE: Numbers may not add due to rounding

NSTAR ELECTRIC COMPANY
DEPARTMENT SCHEDULE 9
REVENUES

Description	Test Year 06/30/2016	Reclass	Normalizing Adjustments	Adjusted Test Year 06/30/2016	Pro forma Adjustment	Test Year Pro Forma
Distribution Revenue						
Distribution Revenue	\$ 829,571,218	\$ (244,975)	\$366,039	\$ 829,692,282		\$ 829,692,282
Total Distribution Revenue	<u>\$ 829,571,218</u>	<u>\$ (244,975)</u>	<u>\$ 366,039</u>	<u>\$ 829,692,282</u>	<u>\$ -</u>	<u>\$ 829,692,282</u>
Reconciliation Mechanism						
Retail Transmission Revenue	440,337,048		(440,337,048)	-		-
Energy Efficiency Revenue	245,460,887		(245,460,887)	-		-
Transition Revenue	14,893,673		(14,893,673)	-		-
Renewables Revenue	10,280,666		(10,280,666)	-		-
Basic Service	713,936,822		(713,936,822)	-		-
AMP	6,155,341		(6,155,341)	-		-
Net Metering Revenue	43,305,944		(43,305,944)	-		-
Storm Tracker	7,432,120		(7,432,120)	-		-
Service Quality Performance Adjustment	858,232		(858,232)	-		-
AGCE Revenue	111,604		(111,604)	-		-
Pension Tracker Revenue	12,937,030		(12,937,030)	-		-
NSTAR Green	3,542		(3,542)	-		-
Smart Grid Adjustment Factor	454,771		(454,771)	-		-
LT Renewables	(9,189,729)		9,189,729	-		-
CPSL	7,224,231		(7,224,231)	-		-
Total Reconciliation Mechanism	<u>\$ 1,494,202,183</u>	<u>\$ -</u>	<u>\$ (1,494,202,183)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Revenues						
Special Contracts - Distribution	\$ -	\$ 244,975	\$ (27,336)	\$ 217,639		\$ 217,639
Sales for Resale (447)	90,796,223		(90,796,223)	-		-
Provision for Rate Refunds (449)	4,450,316		(4,450,316)	-		-
Late Payment Charges (450)	3,437,879		-	3,437,879		3,437,879
Rent from Electric Property (454)	10,582,978		(2,934,166)	7,648,811	673,381	8,322,192
Other Electric Revenue (456)	86,141,766		(75,608,963)	10,532,803	1,115,894	11,648,697
Revenues from Transmission of Electricity of Others (456.1)	250,711,108		(250,374,933)	336,175		336,175
Misc. Revenues (451)	-		-	-		-
Total Other Revenues	<u>\$ 446,120,270</u>	<u>\$ 244,975</u>	<u>\$ (424,191,938)</u>	<u>\$ 22,173,307</u>	<u>\$ 1,789,276</u>	<u>\$ 23,962,583</u>
Total Operating Revenues	<u>\$ 2,769,893,671</u>	<u>\$ -</u>	<u>\$ (1,918,028,082)</u>	<u>\$ 851,865,589</u>	<u>\$ 1,789,276</u>	<u>\$ 853,654,865</u>

NOTE: Numbers may not add due to rounding