

WESTERN MASSACHUSETTS ELECTRIC COMPANY

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WESTERN MASSACHUSETTS ELECTRIC COMPANY

REVENUE REQUIREMENT

Operating Revenue and Expenses

Description	Per books	Proposed	At Proposed	Reference
	06/30/2016 As adjusted	Increase	Rates	
(A)	(B)	(C)	(D) = (B) + (C)	(E)
Operating Revenues	\$ 136,424,270	\$ -	\$ 136,424,270	Sch. DPH-5, Page 1, Line 57
Rate Increase	-	35,663,046	35,663,046	Sch. DPH-2, Line 30
Operating Revenues	136,424,270	35,663,046	172,087,316	Line 21 + Line 22
Operations & Maintenance Expenses	67,567,718		67,567,718	Sch. DPH-6, Page 1, Line 47
Uncollectibles Expense Associated with Revenue Increase		443,454	443,454	Sch. DPH-3, Line 24
Depreciation and Amortization Expense	32,781,024	-	32,781,024	Sch. DPH-33, Page 3, Line 23
Taxes Other Than Income Taxes	18,259,052	-	18,259,052	Sch. DPH-33, Page 7, Line 31
Operating Income Before Income Taxes	17,816,475	35,219,592	53,036,067	Line 23 - Sum of Line 25 through Line 30
Income Taxes	5,301,016	14,158,276	19,459,292	Sch. DPH-33, Page 8, Line 39
Operating Income After Income Taxes	\$ 12,515,460	\$ 21,061,316	\$ 33,576,776	Line 32 - Line 34
Rate Base			\$ 440,871,529	Sch. DPH-27, Line 36
Rate of Return on Rate Base			7.62%	Line 36 / Line 38

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

NOTE: Numbers may not add due to rounding.

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

Description (A)	Pro Forma Test Year (B)	Reference (C)
Rate Base	\$ 440,871,529	Sch. DPH-27, Line 36
Operating Income	\$ 12,515,460	Sch. DPH-1, Line 36
Earned Rate of Return	2.84%	Line 22 / Line 21
Return on Rate Base	7.62%	Sch. DPH-31, Page 1, Line 28
Required Return	\$ 33,576,776	Line 21 * Line 25
Shortfall	\$ 21,061,316	Line 26 - Line 22
Revenue Requirement Factor	1.6933	Sch. DPH-4, Line 35
Revenue Deficiency	\$ 35,663,046	Line 28 * Line 29

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
COMPUTATION OF UNCOLLECTIBLES EXPENSE ASSOCIATED WITH REVENUE INCREASE

Description	Pro Forma Test Year	Reference
(A)	(B)	(C)
Revenue Increase Required	35,663,046	Sch. DPH-2, Line 30
Uncollectibles Accrual Rate	<u>1.2435%</u>	Sch. DPH-8, Page 2, Line 23, Col. B
Uncollectibles Expense Associated with Required Revenue Increase	<u>\$ 443,454</u>	Line 20 * Line 22

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
COMPUTATION OF REVENUE REQUIREMENT FACTOR

Description <u>(A)</u>	Rate <u>(B)</u>	Pro Forma Test Year <u>(C)</u>	Reference <u>(D)</u>
Operating Revenue Percentage		100.0000%	
Less: Uncollectibles 3 Year Weighted Average Bad Debt Percentage		<u>1.2435%</u>	Sch. DPH-8, Page 2, Line 23, Col. B
Net Revenues		98.7565%	Line 20 - Line 22
Less: Massachusetts Income Tax	8.0%	<u>7.9005%</u>	Line 25 * Line 27, Col. B
Income Before Federal Income Tax		90.8560%	Line 25 - Line 27
Less: Federal Income Tax	35.0%	<u>31.7996%</u>	Line 29 * Line 31, Col. B
Operating Income Percentage		59.0564%	Line 29 - Line 31
Revenue Requirement Factor		<u><u>1.6933</u></u>	Line 20 / Line 33

NOTE: Numbers may not add due to rounding.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY

OPERATING REVENUE SUMMARY

Description	Total Revenues Test Year Book	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)
21 Distribution Revenues						
22 Distribution Revenues	\$ 132,219,463	\$ (486)	\$ 132,218,977	-	\$ 132,218,977	Company records
23 Revenue Decoupling (Prior Year Billed)	(5,104,988)	-	(5,104,988)	-	(5,104,988)	
24 Revenue Decoupling Accrual	-	5,301,752	5,301,752	-	5,301,752	
25						
26 Total Distribution Revenues	<u>\$ 127,114,475</u>	<u>\$ 5,301,266</u>	<u>\$ 132,415,741</u>	<u>\$ -</u>	<u>\$ 132,415,741</u>	Sum of Lines 22 through 24
27						
28 Reconciliation Mechanisms						
29 RAAF Low Income	\$ 3,390,538	\$ (3,390,538)	\$ -	\$ -	\$ -	Company records
30 Retail Transmission Revenue	58,427,694	(58,427,694)	-	-	-	" "
31 Energy Efficiency Revenue	41,732,345	(41,732,345)	-	-	-	" "
32 Transition Revenue	(2,663,665)	2,663,665	-	-	-	" "
33 Renewables Revenue	1,744,324	(1,744,324)	-	-	-	" "
34 Basic Service	133,466,179	(133,466,179)	-	-	-	" "
35 AMP	1,758,950	(1,758,950)	-	-	-	" "
36 Net Metering Revenue	5,753,849	(5,753,849)	-	-	-	" "
37 Storm Tracker	7,829,696	(7,829,696)	-	-	-	" "
38 AGCE Revenue	74,456	(74,456)	-	-	-	" "
39 Pension Tracker Revenue	5,596,810	(5,596,810)	-	-	-	" "
40 LT Renewables	(2,051,278)	2,051,278	-	-	-	" "
41 Solar Program	1,705,936	(1,705,936)	-	-	-	" "
42						
43 Total Reconciliation Mechanism Revenues	<u>\$ 256,765,834</u>	<u>\$ (256,765,834)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Sum of Lines 29 through 41
44						
45 Other Revenues						
46 Sales for Resale (447)	\$ 3,810,836	\$ (3,755,457)	\$ 55,380	\$ -	\$ 55,380	Sch. DPH-5, Page 2, Line 46
47 Provision for Rate Refunds (449)	(57,457)	57,457	-	-	-	Sch. DPH-5, Page 2, Line 47
48 Late Payment Charges (450)	287,954	-	287,954	238,893	526,847	Exh. ES-DPH-3 (West), WP DPH-5, Line 27
49 Misc. Revenues (451)	246,414	-	246,414	-	246,414	Company records
50 Rent from Electric Property (454)	1,281,373	(480,792)	800,581	-	800,581	Sch. DPH-5, Page 2, Line 50
51 Other Electric Revenue (456)	10,858,889	(8,479,583)	2,379,306	-	2,379,306	Sch. DPH-5, Page 2, Line 51
52 Revenues from Transmission of Electricity of Others (456.1)	79,690,549	(79,690,549)	-	-	-	
53						
54 Total Other Revenues	<u>\$ 96,118,560</u>	<u>\$ (92,348,924)</u>	<u>\$ 3,769,636</u>	<u>\$ 238,893</u>	<u>\$ 4,008,529</u>	Sum of Lines 46 through 52
55						
56						
57 Total Operating Revenues	<u>\$ 479,998,869</u>	<u>\$ (343,813,492)</u>	<u>\$ 136,185,377</u>	<u>\$ 238,893</u>	<u>\$ 136,424,270</u>	Line 26 + Line 43 + Line 54

WESTERN MASSACHUSETTS ELECTRIC COMPANY
OPERATING REVENUE SUMMARY

	Total Revenues	RAAF	RDM	Retail	Energy	Transition	Renewables	Basic	AMP	Net	Storm	AGCE	Pension	LTCA	Solar	Transmission	Normalizing	Adjusted	Distribution	Distribution
	Test Year Book	Low Income		Transmission	Efficiency			Service		Metering							Adjustments	Test Year	Pro Forma	Test Year
	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	06/30/2016	Adjustment	Pro Forma
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)
21 Distribution Revenues																				
22 Distribution Revenues	\$ 132,219,463																\$ (486)	\$ 132,218,977	\$ -	\$ 132,218,977
23 Revenue Decoupling (Prior Year Billed)	(5,104,988)																-	(5,104,988)	-	(5,104,988)
24 Revenue Decoupling Accrual	-		5,301,752														5,301,752	5,301,752	-	5,301,752
25																				
26 Total Distribution Revenues	\$ 127,114,475	\$ -	\$ 5,301,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,301,266	\$ 132,415,741	\$ -	\$ 132,415,741
27																				
28 Reconciliation Mechanisms																				
29 RAAF Low Income	\$ 3,390,538	\$ (3,390,538)															\$ (3,390,538)	\$ -	\$ -	\$ -
30 Retail Transmission Revenue	58,427,694			(58,427,694)													(58,427,694)	-	-	-
31 Energy Efficiency Revenue	41,732,345				(41,732,345)												(41,732,345)	-	-	-
32 Transition Revenue	(2,663,665)					2,663,665											2,663,665	-	-	-
33 Renewables Revenue	1,744,324						(1,744,324)										(1,744,324)	-	-	-
34 Basic Service	133,466,179							(133,466,179)									(133,466,179)	-	-	-
35 AMP	1,758,950								(1,758,950)								(1,758,950)	-	-	-
36 Net Metering Revenue	5,753,849									(5,753,849)							(5,753,849)	-	-	-
37 Storm Tracker	7,829,696										(7,829,696)						(7,829,696)	-	-	-
38 AGCE Revenue	74,456											(74,456)					(74,456)	-	-	-
39 Pension Tracker Revenue	5,596,810												(5,596,810)				(5,596,810)	-	-	-
40 LT Renewables	(2,051,278)													2,051,278			2,051,278	-	-	-
41 Solar Program	1,705,936														(1,705,936)		(1,705,936)	-	-	-
42																				
43 Total Reconciliation Mechanism Revenues	\$ 256,765,834	\$ (3,390,538)	\$ -	\$ (58,427,694)	\$ (41,732,345)	\$ 2,663,665	\$ (1,744,324)	\$ (133,466,179)	\$ (1,758,950)	\$ (5,753,849)	\$ (7,829,696)	\$ (74,456)	\$ (5,596,810)	\$ 2,051,278	\$ (1,705,936)	\$ -	\$ (256,765,834)	\$ -	\$ -	\$ -
44																				
45 Other Revenues																				
46 Sales for Resale (447)	\$ 3,810,836				\$ (434)	\$ (1,577,822)		\$ (9,441)		\$ (1,055,687)				\$ (798,927)	\$ (313,146)		\$ (3,755,457)	\$ 55,380	\$ -	\$ 55,380
47 Provision for Rate Refunds (449)	(57,457)																57,457	-	-	-
48 Late Payment Charges (450)	287,954																-	287,954	-	287,954
49 Misc. Revenues (451)	246,414																-	246,414	\$ 238,893	485,307
50 Rent from Electric Property (454)	1,281,373															(480,792)	(480,792)	800,581	-	800,581
51 Other Electric Revenue (456)	10,858,889												(3,999,807)		(4,479,777)		(8,479,583)	2,379,306	-	2,379,306
52 Revenues from Transmission of Electricity of Others (456.1)	79,690,549					(1,333,122)										(78,357,427)	(79,690,549)	-	-	-
53																				
54 Total Other Revenues	\$ 96,118,560	\$ -	\$ -	\$ -	\$ (434)	\$ (2,910,944)	\$ -	\$ (9,441)	\$ -	\$ (1,055,687)	\$ -	\$ -	\$ (3,999,807)	\$ (798,927)	\$ (4,792,923)	\$ (78,780,762)	\$ (92,348,924)	\$ 3,769,636	\$ 238,893	\$ 4,008,529
55																				
56																				
57 Total Operating Revenues	\$ 479,998,869	\$ (3,390,538)	\$ 5,301,752	\$ (58,427,694)	\$ (41,732,779)	\$ (247,279)	\$ (1,744,324)	\$ (133,475,619)	\$ (1,758,950)	\$ (6,809,537)	\$ (7,829,696)	\$ (74,456)	\$ (9,596,617)	\$ 1,252,351	\$ (6,498,859)	\$ (78,780,762)	\$ (343,813,492)	\$ 136,185,377	\$ 238,893	\$ 136,424,270

WESTERN MASSACHUSETTS 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					
(A)					
Total Firm Distribution Revenue			\$ 132,415,741	\$ 132,415,741	Sch. DPH-5, Page 1, Line 26
Total Other Delivery Service Revenue			4,008,529	4,008,529	Sch. DPH-5, Page 1, Line 54
Proposed Revenue Increase				35,663,046	Sch. DPH-2, Line 30
Total Distribution Revenue			136,424,270	172,087,316	Sum of Lines 22 through 24
Uncollectibles Expense Associated with Revenue Increase				443,454	Sch. DPH-1, Line 26
OPERATIONS & MAINTENANCE EXPENSE					
Postage Expense	956,609	(27,580)	929,028	929,028	Sch. DPH-7
Uncollectibles Expense	5,163,634	(2,063,199)	3,100,435	3,100,435	Sch. DPH-8, Page 1
Fee Free Payment Processing	-	906,909	906,909	906,909	Sch. DPH-9
Dues And Memberships	124,820	(2,693)	122,126	122,126	Sch. DPH-10
Employee Benefits Costs	3,047,400	206,047	3,253,447	3,253,447	Sch. DPH-11, Page 1
Insurance Expense And Injuries & Damages	1,630,157	(110,172)	1,519,985	1,519,985	Sch. DPH-12, Page 1
Payroll Expense	23,173,030	1,694,639	24,867,669	24,867,669	Sch. DPH-13, Page 1
Variable Compensation	3,177,908	(714,682)	2,463,227	2,463,227	Sch. DPH-14, Page 1
Vegetation Management Resiliency Tree Work Pilot	-	3,902,175	3,902,175	3,902,175	Sch. DPH-15
Rate Case Expense	-	311,279	311,279	311,279	Sch. DPH-16
Regulatory Assessments	1,148,553	(374,453)	774,100	774,100	Sch. DPH-17
Lease Expense	748,390	13,819	762,209	762,209	Sch. DPH-18, Page 1
Information Systems Expense Adjustment	1,397,941	244,633	1,642,573	1,642,573	Sch. DPH-19, Page 1
Storm Cost Adjustment	-	720,000	720,000	720,000	Sch. DPH-21, Page 3
Storm Fund Adjustment	-	2,000,000	2,000,000	2,000,000	Sch. DPH-21, Page 1
Residual O&M Inflation Adjustment	19,350,200	942,355	20,292,555	20,292,555	Sch. DPH-22
Total O&M Expense	59,918,641	7,649,077	67,567,718	67,567,718	Sum of Lines 30 through 45
OTHER OPERATING EXPENSES					
<u>Depreciation/Amortization</u>					
Depreciation & Amortization Expense	25,799,702	4,476,913	30,276,615	30,276,615	Sch. DPH-23
Amortization of Deferred Assets	1,173,856	1,330,553	2,504,409	2,504,409	Sch. DPH-24
Total Depreciation/Amortization	26,973,558	5,807,466	32,781,024	32,781,024	Line 54 + Line 55
<u>Taxes Other Than Income</u>					
FICA	1,206,589	88,238	1,294,826	1,294,826	Sch. DPH-26, Line 21
Medicare	332,453	24,312	356,766	356,766	Sch. DPH-26, Line 22
Federal Unemployment	10,015	-	10,015	10,015	Sch. DPH-26, Line 23
State Unemployment	63,080	-	63,080	63,080	Sch. DPH-26, Line 24
State Insurance Premium Excise Tax	30,003	-	30,003	30,003	Sch. DPH-26, Line 25
Federal Highway Tax	1,610	-	1,610	1,610	Sch. DPH-26, Line 26
Tangible Property Tax	-	-	-	-	Sch. DPH-26, Line 27
Universal Health Tax	8,203	-	8,203	8,203	Sch. DPH-26, Line 28
State Sales and Use Tax/Other	942	-	942	942	Sch. DPH-26, Line 29
Property Tax Expense	14,965,006	1,528,602	16,493,608	16,493,608	Sch. DPH-25, Page 1
Total Other Taxes	16,617,900	1,641,152	18,259,052	18,259,052	Sum of Lines 58 through 67
<u>Income Taxes</u>					
Total Income Taxes			5,301,016	19,459,292	Sch. DPH-1, Line 34
Total Distribution Expenses			\$ 123,908,810	\$ 138,510,541	Line 27 + Line 47 + Line 55 + Line 68 + Line 71
Distribution Operating Income			\$ 12,515,460	\$ 33,576,776	Line 25 - Line 73

NOTE: Numbers may not add due to rounding.

H.O. _____

WESTERN MASSACHUSETTS ELECTRIC COMPANY
 Operations & Maintenance Expense
 Test Year Ending June 30, 2016

-----PRO FORMA ADJUSTMENTS-----

(FERC Form 1)

(Distribution O&M)

Account	Description	Total Test Year Expenses Per Books	Less Adjustment	Benefits	Normalizing	Adjusted Test Year	Postage Expense	Uncollectibles	Fee Free Payment	Dues And	Employee	Insurance Expense	Payroll	Variable	Vegetation	Information	Rate Case	Regulatory	Lease Expense	Storm Fund	Residual O&M	Rate Year Net	
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	Col. O	Col. P	Col. Q	Col. R	Col. S	Col. T	Col. U	Col. V	Col. W = Sum G - V	
546	Operation Supervision and Engineering	\$ 20,411	\$(20,411)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
548	Generation Expenses	180,558	(180,558)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
555	Power Production Expenses	200,969	(200,969)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
556	Purchased Power	135,809,427	(135,809,427)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
557	System Control and Load Dispatching	228,624	-	-	(3,809)	224,815	-	-	-	-	-	-	12,953	-	-	-	-	-	-	-	-	240,091	
557	Other Expenses	13,927	(13,927)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
560	Other Power Supply Expenses	136,051,978	(135,823,354)	-	(3,809)	224,815	-	-	-	-	-	-	12,953	-	-	-	-	-	-	-	-	240,091	
561	Operation Supervision and Engineering	1,191,732	(1,191,732)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
562	Load Dispatch	1,841,399	(1,841,399)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
563	Station Expenses	787,187	(787,187)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
564	Overhead Lines Expenses	152,280	(152,280)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
565	Underground Lines Expenses	409,822	(409,822)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
565	Transmission of Electricity by Others	(308,417)	308,417	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	
566	Miscellaneous Transmission Expenses	173,734	(173,734)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
567	Rents	4,128	(4,128)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
568	Maintenance Supervision and Engineering	264,648	(264,648)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
569	Maintenance of Structures	155,001	(155,001)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
570	Maintenance of Station Equipment	800,344	(800,344)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
571	Maintenance of Overhead Lines	2,420,064	(2,420,064)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
572	Maintenance of Underground Lines	21,613	(21,613)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
573	Maintenance of Misc. Transmission Plant	16,136	(16,136)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
575	Transmission Expenses	7,929,671	(7,929,671)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	
575	Market Monitoring and Compliance	21,753	(21,753)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
575	Regional Market Expenses	21,753	(21,753)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
580	Operation Supervision and Engineering	2,195,647	-	(72,172)	(4,467)	2,119,008	-	-	-	-	-	-	148,418	-	-	-	-	-	-	-	-	4,358	
581	Load Dispatch	735,215	-	-	-	735,215	-	-	-	-	-	-	52,627	-	-	-	-	-	-	-	-	759	
582	Station Expenses	990,638	-	-	-	990,638	-	-	-	-	-	-	50,280	-	-	-	-	-	-	-	-	14,761	
583	Overhead Lines Expenses	1,166,705	-	(682)	(29,665)	1,136,358	-	-	-	-	-	-	38,107	-	-	-	-	-	-	-	-	29,964	
584	Underground Lines Expenses	596,166	-	(392)	-	595,773	-	-	-	-	-	-	14,928	-	-	-	-	-	-	-	-	19,073	
585	Street Lighting and Signal System Expenses	250,481	-	-	-	250,481	-	-	-	-	-	-	12,277	-	-	-	-	-	-	-	-	4,022	
586	Meter Expenses	1,819,487	-	(11,646)	-	1,807,841	-	-	-	-	-	-	82,903	-	-	-	-	-	-	-	-	32,819	
587	Customer Installations Expenses	167,018	-	-	-	167,018	-	-	-	-	-	-	2,879	-	-	-	-	-	-	-	-	6,216	
588	Miscellaneous Expenses	902,760	-	(1,585)	(36,660)	864,515	-	-	-	-	-	-	88,167	-	-	-	-	-	-	-	-	(16,612)	
589	Rents	400,376	-	(7,610)	-	392,766	-	-	-	-	-	-	1,561	-	-	-	-	-	12,795	-	-	(69,490)	
590	Maintenance Supervision and Engineering	135,305	-	(29,036)	-	106,269	-	-	-	-	-	-	6,549	-	-	-	-	-	-	-	-	814	
591	Maintenance of Structures	22,337	-	-	-	22,337	-	-	-	-	-	-	1,052	-	-	-	-	-	-	-	-	387	
592	Maintenance of Station Equipment	648,308	-	-	-	648,308	-	-	-	-	-	-	35,432	-	-	-	-	-	-	-	-	7,977	
593	Maintenance of Overhead Lines	9,828,441	-	(28,174)	224,305	10,024,572	-	-	-	-	-	-	276,446	-	3,902,175	-	-	-	-	2,720,000	304,101	17,227,294	
594	Maintenance of Underground Lines	1,725,496	-	(1,499)	-	1,723,997	-	-	-	-	-	-	59,733	-	-	-	-	-	-	-	-	44,180	
595	Maintenance of Line Transformers	611,667	-	(59,515)	-	552,152	-	-	-	-	-	-	27,358	-	-	-	-	-	-	-	-	8,671	
596	Maintenance of Street Lighting and Signal Systems	250,630	-	(123)	-	250,507	-	-	-	-	-	-	9,714	-	-	-	-	-	-	-	-	5,731	
597	Maintenance of Meters	209,797	-	(32,768)	-	177,029	-	-	-	-	-	-	9,457	-	-	-	-	-	-	-	-	2,324	
598	Maintenance of Misc. Distribution Plant	76,345	-	(17)	-	76,328	-	-	-	-	-	-	3,263	-	-	-	-	-	-	-	-	1,544	
901	Distribution Expenses	22,732,819	-	(245,219)	153,513	22,641,112	-	-	-	-	-	-	921,151	-	3,902,175	-	-	-	12,795	2,720,000	401,599	30,598,832	
902	Supervision	42,404	-	(4,717)	(3,368)	34,319	-	-	-	-	-	-	892	-	-	-	-	-	-	-	-	-	1,077
903	Meter Reading Expenses	1,061,817	-	(139,159)	(4,953)	917,705	-	-	-	-	-	-	52,212	-	-	-	-	-	-	-	-	-	9,922
904	Customer Records and Collection Expenses	7,158,812	-	(958,221)	(25,699)	6,174,891	(27,580)	-	-	-	-	-	222,490	-	-	-	-	-	-	-	-	-	105,937
905	Uncollectible Accounts	8,886,130	(3,023,895)	-	(560,000)	5,302,234	-	(2,063,199)	906,909	-	-	-	-	-	-	-	-	-	-	-	-	-	6,750
905	Miscellaneous Customer Accounts Expenses	1,774,357	(1,758,950)	-	-	15,407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750
908	Customer Accounts Expenses	18,923,519	(4,782,846)	(1,102,097)	(594,020)	12,444,556	(27,580)	(2,063,199)	906,909	-	-	-	275,593	-	-	-	-	-	-	-	-	-	124,437
909	Customer Assistance Expenses	44,891,483	(44,427,514)	-	-	463,969	-	-	-	-	-	-	22,163	-	-	-	-	-	-	-	-	-	7,836
910	Informational and Instructional Expenses	17,430	-	-	-	17,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
910	Miscellaneous Customer Service and Informational Expenses	17,430	-	-	-	17,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	849
911	Customer Service and Informational Expenses	44,908,913	(44,427,514)	-	-	481,399	-	-	-	-	-	-	22,163	-	-	-	-	-	-	-	-	-	8,685
916	Supervision	10,702	-	-	(8,367)	2,335	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114
916	Miscellaneous Sales Expenses	12	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13
920	Sales Expenses	10,715	-	-	(8,367)	2,348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114
920	Administrative and General Salaries	20,833,263	(7,476,886)	(2,171,480)	(152,545)	11,032,351	-	-	-	-	-	-	451,281	(714,682)	-	-	-	-	-	-	-	-	81,985
921	Office Supplies and Expenses	1,332,387	(367,737)	-	(53,202)	911,448	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,388
922	Administrative Expenses Transferred-Cr	(1,015,408)	335,501	-	-	(679,908)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,111)
923	Outside Services Employed	7,596,483	(2,406,753)	(8,486)	169,600	5,350,844	-	-	-	-	-	-	1,606	-	-	-	-	-	-	-	-	-	258,516
924	Property Insurance	262,362	-	-	-	116,635	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,635
925	Injuries and Damages	1,718,499	(173,536)	-	121,144	1,666,107	-	-	-	-	-	-	8,357	-	-	-	-	-	-	-	-	-	1,866
926	Employee Pensions and Benefits	4,426,856	(4,170,991)	3,531,345	46,892	3,834,101	-	-	-	-													

H.O. _____

WESTERN MASSACHUSETTS 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	Solar	LTCA	Pension	Total Adjustments 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
546	Operation Supervision and Engineering	\$ 20,411								\$ (20,411)			\$ (20,411)
548	Generation Expenses	180,558								(180,558)			(180,558)
	Power Production Expenses	200,969								(200,969)			(200,969)
555	Purchased Power	135,809,427		(45,800)			(129,057,047)		(6,796,078)	307,122	(217,624)		(135,809,427)
556	System Control and Load Dispatching	228,624											
557	Other Expenses	13,927					(13,927)						(13,927)
	Other Power Supply Expenses	136,051,978		(45,800)			(129,070,974)		(6,796,078)	307,122	(217,624)		(135,823,354)
560	Operation Supervision and Engineering	1,191,732	(1,191,732)										(1,191,732)
561	Load Dispatch	1,841,399	(1,841,399)										(1,841,399)
562	Station Expenses	787,187	(787,187)										(787,187)
563	Overhead Lines Expenses	152,280	(152,280)										(152,280)
564	Underground Lines Expenses	409,822	(409,822)										(409,822)
565	Transmission of Electricity by Others	(308,417)	1,672,064	(1,363,647)									308,417
566	Miscellaneous Transmission Expenses	173,734	(173,734)										(173,734)
567	Rents	4,128	(4,128)										(4,128)
568	Maintenance Supervision and Engineering	264,648	(264,648)										(264,648)
569	Maintenance of Structures	155,001	(155,001)										(155,001)
570	Maintenance of Station Equipment	800,344	(800,344)										(800,344)
571	Maintenance of Overhead Lines	2,420,064	(2,420,064)										(2,420,064)
572	Maintenance of Underground Lines	21,613	(21,613)										(21,613)
573	Maintenance of Misc. Transmission Plant	16,136	(16,136)										(16,136)
	Transmission Expenses	7,929,671	(6,566,024)	(1,363,647)									(7,929,671)
575	Market Monitoring and Compliance	21,753		(1,472)					(12,989)	(7,292)			(21,753)
	Regional Market Expenses	21,753		(1,472)					(12,989)	(7,292)			(21,753)
580	Operation Supervision and Engineering	2,194,867											-
581	Load Dispatch	735,214											-
582	Station Expenses	990,638											-
583	Overhead Lines Expenses	1,166,705											-
584	Underground Lines Expenses	596,166											-
585	Street Lighting and Signal System Expenses	250,481											-
586	Meter Expenses	1,819,487											-
587	Customer Installations Expenses	167,018											-
588	Miscellaneous Expenses	902,756											-
589	Rents	401,159											-
590	Maintenance Supervision and Engineering	135,229											-
591	Maintenance of Structures	22,336											-
592	Maintenance of Station Equipment	648,307											-
593	Maintenance of Overhead Lines	9,828,518											-
594	Maintenance of Underground Lines	1,725,496											-
595	Maintenance of Line Transformers	611,667											-
596	Maintenance of Street Lighting and Signal Systems	250,630											-
597	Maintenance of Meters	209,797											-
598	Maintenance of Misc. Distribution Plant	76,345											-
	Distribution Expenses	22,732,817											-
901	Supervision	42,403											-
902	Meter Reading Expenses	1,061,817											-
903	Customer Records and Collection Expenses	7,158,812											-
904	Uncollectible Accounts	8,886,128				(3,023,895)							(3,023,895)
905	Miscellaneous Customer Accounts Expenses	1,774,357						(1,758,950)					(1,758,950)
	Customer Accounts Expenses	18,923,518				(3,023,895)		(1,758,950)					(4,782,846)
908	Customer Assistance Expenses	44,891,484				(1,744,324)	(41,732,345)			(950,845)			(44,427,514)
909	Informational and Instructional Expenses	-											-
910	Miscellaneous Customer Service and Informational Expenses	17,431											-
	Customer Service and Informational Expenses	44,908,915				(1,744,324)	(41,732,345)			(950,845)			(44,427,514)
911	Supervision	10,702											-
916	Miscellaneous Sales Expenses	12											-
	Sales Expenses	10,715											-
920	Administrative and General Salaries	20,833,263	(7,258,920)				(233,682)			15,716			(7,476,886)
921	Office Supplies and Expenses	1,332,387	(368,677)							940			(367,737)
922	Administrative Expenses Transferred-Cr	(1,015,408)	336,383							(882)			335,501
923	Outside Services Employed	7,596,483	(2,542,345)							135,591			(2,406,753)
924	Property Insurance	262,362	(145,727)										(145,727)
925	Injuries and Damages	1,718,499	(173,536)										(173,536)
926	Employee Pensions and Benefits	4,426,856	186,979	(333,902)							(4,024,069)		(4,170,991)
928	Regulatory Commission Expenses	1,608,808	(409,565)				(374,453)						(784,018)
930	Miscellaneous General Expenses	1,313,952	(191,589)							19,471			(172,118)
931	Rents	710,846	(346,942)										(346,942)
935	Maintenance of General Plant	93,633	(67,246)										(67,246)
	Administrative and General Expenses	38,881,681	(10,981,185)	(333,902)			(608,135)			170,836		(4,024,069)	(15,776,453)
	Total Operations and Maintenance Expenses	269,662,017	(17,547,209)	(1,744,820)	(1,744,324)	(41,732,345)	(132,703,004)	(1,758,950)	(6,809,067)	(681,149)	(217,624)	(4,024,069)	(208,962,560)

WESTERN MASSACHUSETTS ELECTRIC COMPANY
Normalizing Adjustments
Test Year Ending June 30, 2016

Account	Amount	Description
Col. A	Col. B	Col. C
407	\$ 560,000	Reclass amortization expense from account 904 to account 407
408	(29,146)	Remove out-of-period property tax expense
408	(214,829)	Reclass legal/consulting expenses to account 923
Total Property Tax	\$ (243,974)	
556	(3,809)	Remove out-of-period accrued payroll adjustment
580	(4,467)	Remove out-of-period accrued payroll adjustment
583	(29,665)	Remove amount of sundries billings related to pension costs
588	(36,660)	Remove out-of-period accrued payroll adjustment
593	224,305	Reclass payroll taxes and vehicles to the storm reserve
901	(3,368)	Remove out-of-period accrued payroll adjustment
902	(4,953)	Remove out-of-period accrued payroll adjustment
903	(25,699)	Remove out-of-period accrued payroll adjustment
904	(560,000)	Reclass amortization expense to account 407
911	(8,367)	Remove out-of-period accrued payroll adjustment
920	(124,382)	Remove variable compensation normalizing adjustments
920	(28,163)	Remove executive expenses from test year
Total 920	(152,545)	
921	(53,202)	Remove out-of-period accrued payroll adjustment
923	214,829	Reclass legal/consulting expenses from property taxes account 408 to account 923
923	(33,215)	Remove shareholder services expense from account 923
923	(1,269)	Remove donations/lobbying costs
923	96,333	Reverse June 2015 UVL accrual with no expenses recorded in July 2015
923	(91,667)	Reverse expense related to non-recurring E&Y tax study
923	25,000	Add back reversal of 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	9,589	Add back out-of-period donations/lobbying credit
Total 923	169,600	
925	22,675	Add back non-recurring distribution of insurance policy surplus
925	98,469	Adjust out-of-period reversal of reserve set up in Dec 2010 related to Millstone/Seabrook
Total 925	121,144	
926	46,892	Exclude 50% of 2015 non-recurring medical IBNR true-up
928	(27,744)	Exclude storm assessment expense
930	(399,000)	Remove union arbitration costs from test year
930	(17,387)	Exclude executive expenses from test year
Total 930	(416,387)	
931	(14,688)	Remove rent expense
931	(1,203)	Remove lease expense - transmission
Total 931	(15,891)	
Total O&M	\$ (780,816)	

WESTERN MASSACHUSETTS ELECTRIC COMPANY

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11 Schedule DPH-11	Employee Benefits Costs
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13 Schedule DPH-13	Payroll Expense
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WESTERN MASSACHUSETTS 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	\$ 718,929	\$ (27,580)	\$ 691,348
Postage 04/01/2016-06/30/2016	237,680	-	237,680
Total Postage Expense	\$ 956,609	\$ (27,580)	\$ 929,028
<u>2016 Postal Decrease</u>			
2015 Bulk Rate (First Class Letter)	\$ 0.391		
2016 Bulk Rate (First Class Letter)	\$ 0.376		
Decrease	\$ (0.015)		
% Decrease	-3.84%		
Test Year Postage Expense 07/01/2015-03/31/2016	\$ 718,929		
2016 Decrease in Postage	-3.84%		
Rate Year Adjustment	\$ (27,580)		

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
NON-BASIC SERVICE
UNCOLLECTIBLES EXPENSE

<u>Description</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Reference</u>
(A)	(B)	(C)	(D)
Test Year	\$ 5,163,634		Sch. DPH-8, Page 2, Line 39
Test Year Pro Forma	<u>\$ 3,100,435</u>		Sch. DPH-8, Page 2, Line 27
Pro Forma Adjustment		<u><u>\$ (2,063,199)</u></u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
NON-BASIC SERVICE
UNCOLLECTIBLES EXPENSE

Description (A)	Amount (B)	Reference (C)
Average Net Write-offs for Years 2014-2016	\$ 3,095,807	Exh. ES-DPH-3 (West), WP DPH-8, Page 1, Line 25, Col. (B)
Average Retail Revenues for Years 2014-2016	\$ 248,968,008	Exh. ES-DPH-3 (West), WP DPH-8, Page 1, Line 25, Col. (C)
Percent Uncollectibles to Retail Revenues	<u>1.2435%</u>	Line 19 / Line 21
Test Year Retail Revenue	\$ 249,340,158	Exh. ES-DPH-3 (West), WP DPH-8, Page 2, Line 28, Col. (D)
Uncollectibles 3 Year Average	1.2435%	Line 23
Test Year Pro Forma Uncollectible Expense	\$ 3,100,435	Line 25 * Line 26
Test Year Uncollectibles Expense per Company Books	5,163,634	Line 39
Pro Forma Adjustment	<u>\$ (2,063,199)</u>	Line 27 - Line 29
<u>Derivation of Adjusted Test Year Uncollectibles Expense</u>		
Test Year Amount (Account 904)	8,886,130	Sch. DPH-6, Page 2, Line 61, Col. (C)
Less Bad Debt Tracked (Reconciling Mechanisms)	(3,019,325)	Sch. DPH-6, Page 3, Line 64, Col. (N)
Plus Fixed Basic Service Bad Debt Adder Expenses	141,290	Exh. ES-DPH-4, Sch. DPH-11, Page 1, Line 41
Normalizing Adjustment - Hardship Amortization	(560,000)	Sch. DPH-6, Page 4, Line 42
Less Legal Collection Expenses in Account 904	(284,461)	Company records
Adjusted Test Year Balance - Uncollectibles Expense	<u>5,163,634</u>	

Note: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY

FEE FREE PAYMENT PROCESSING

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ -		
Test Year Pro Forma (estimate)	<u>906,909</u>		Line 33
Pro Forma Adjustment		<u>\$ 906,909</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>15%</u>		Line 42
Amount Allocated to WMECO		<u>\$ 906,909</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.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
DUES AND MEMBERSHIPS

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 124,820		Exh. ES-DPH-3 (West), WP DPH-10, Line 76, Col. C
Test Year Pro Forma	<u>122,126</u>		Exh. ES-DPH-3 (West), WP DPH-10, Line 76, Col. E
Pro Forma Adjustment		<u>\$ (2,693)</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
EMPLOYEE BENEFITS COSTS

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 3,047,400		Sch. DPH-11, Page 2, Line 24, Col. K
Test Year Pro Forma	<u>3,253,447</u>		Sch. DPH-11, Page 2, Line 24, Col. M
Pro Forma Adjustment		<u>\$ 206,047</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS 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
18													
19	Medical / Prescription	L52/54	21	926000	5,404,091	1,334,283	4,069,807	46,892	1,096,192	(2,669,928)	2,542,963	260,108	2,803,072
20	Vision	L53	21	926000	30,974	7,269	23,704		6,312	(15,374)	14,643	375	15,018
21	Dental	L55	21	926000	312,524	61,580	250,943		66,821	(162,752)	155,012	(532)	154,480
22	401K	L61/62	21	926000	764,749	222,784	541,965		144,314	(351,497)	334,782	24,483	359,265
23	Basic Service adder - benefits											(78,387)	(78,387)
24	Healthcare costs - Distribution				6,512,336	1,625,917	4,886,420	46,892	1,313,638	(3,199,550)	3,047,400	206,047	3,253,447
25													
26	Pension		21	926000	7,679,352	1,164,951	6,514,401		1,734,650	(4,224,982)	4,024,069	(4,024,069)	-
27	Other Account Activity	Various	21	926000	2,619,477	805,378	1,814,099	(333,902)	483,057	(1,176,553)	786,702	-	786,702
28	Transfer credit - total				(12,384,309)	(3,783,224)	(8,601,084)						
29													
30	Total Account Activity				4,426,856	(186,979)	4,613,835	(287,010)	3,531,345	(8,601,084)	7,858,171	(3,818,021)	4,040,149

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 67.

Col. H, Line 27: Refer to Sch. DPH-6, Page 3, Line 80.

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS 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)	Adjusted Test Year Pro Forma (H)	Reference (I)
	Enrollment as of 6/30/16 (#) (B)	Pro Forma Test Year (C)	Enrollment as of 6/30/16 (#) (D)	Pro Forma Test Year (E)				
WMECO								
Medical	71	\$ 942,851	227	\$ 2,925,101	\$ 3,867,952	56.64%	\$ 1,677,280	Exh. ES-DPH-3 (West), WP DPH-11, Page 1
Dental	71	55,839	227	157,686	213,525	56.64%	92,592	Exh. ES-DPH-3 (West), WP DPH-11, Page 2
Vision	71	5,327	227	15,192	20,519	56.64%	8,898	Exh. ES-DPH-3 (West), WP DPH-11, Page 3
WMECO BENEFITS		\$ 1,004,017		\$ 3,097,979	\$ 4,101,996		\$ 1,778,770	Line 22 + 23 + 24
EESCO								
Medical	2,222	\$ 28,346,048	390	\$ 4,709,239	\$ 33,055,287	23.64%	\$ 25,241,961	Exh. ES-DPH-3 (West), WP DPH-11, Page 1
Dental	2,222	1,482,973	390	334,176	1,817,149	23.64%	1,387,627	Exh. ES-DPH-3 (West), WP DPH-11, Page 2
Vision	2,222	149,588	390	30,111	179,699	23.64%	137,223	Exh. ES-DPH-3 (West), WP DPH-11, Page 3
EESCO BENEFITS		\$ 29,978,609		\$ 5,073,526	\$ 35,052,135		\$ 26,766,811	Line 29 + 30 + 31
EESCO ALLOCATED TO WMECO	99	\$ 1,337,046	17	\$ 226,279	\$ 1,563,325		\$ 1,193,800	Line 32 * 4.46%
TOTAL								
Medical	170	\$ 2,207,085	244	\$ 3,135,133	\$ 5,342,218		\$ 2,803,072	Line 22 + (Line 29 * 4.46%)
Dental	170	121,980	244	172,591	294,570		154,480	Line 23 + (Line 30 * 4.46%)
Vision	170	11,999	244	16,535	28,533		15,018	Line 24 + (Line 31 * 4.46%)
TOTAL BENEFITS		\$ 2,341,063		\$ 3,324,259	\$ 5,665,322		\$ 2,972,570	Line 37 + 38 + 39

Notes:

Col. G: refer to Exhibit ES-DPH-3 (East), WP DPH-11, Page 4.

NOTE: Numbers may not add due to rounding.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
INSURANCE EXPENSE AND INJURIES & DAMAGES

Description (A)	Test Year Actual 06/30/2016 (B)	Pro Forma Adjustments (C)	Reference (D)
Test Year	\$ 1,630,157		Sch. DPH-12, Page 2, Line 39, Col. E
Test Year Pro Forma	<u>1,519,985</u>		Sch. DPH-12, Page 2, Line 39, Col. G
Pro Forma Adjustment		<u>\$ (110,172)</u>	Line 24 - Line 22

NOTE: Numbers may not add due to rounding.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY

INSURANCE EXPENSE AND INJURIES & DAMAGES

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Account	Description	Total Company Test Year Actual 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)
924000	Insurance Expense						
	Property Insurance	\$ 112,550		\$ 112,550	\$ (6,403)	\$ 106,147	Exh. ES-DPH-3 (West), WP DPH-12, Line 25
	Commercial Crime	4,085		4,085	-	4,085	Exh. ES-DPH-3 (West), WP DPH-12, Line 30
	Total Account 924000	<u>\$ 116,635</u>	<u>\$ -</u>	<u>\$ 116,635</u>	<u>\$ (6,403)</u>	<u>\$ 110,232</u>	Line 20 + Line 21
925000	Insurance Expense						
	Excess General Liability	415,909	22,675	438,584	12,286	450,870	Exh. ES-DPH-3 (West), WP DPH-12, Line 38
	Directors & Officers Liability	73,583	-	73,583	(32,235)	41,349	Exh. ES-DPH-3 (West), WP DPH-12, Line 57
	Fiduciary and Employee Benefit Liability	27,641	-	27,641	(2,749)	24,892	Exh. ES-DPH-3 (West), WP DPH-12, Line 64
	Cyber Risk Liability	18,523	-	18,523	4,772	23,295	Exh. ES-DPH-3 (West), WP DPH-12, Line 45
	Worker's Compensation	139,668	-	139,668	(20,443)	119,225	Exh. ES-DPH-3 (West), WP DPH-12, Line 75
	Nuclear Insurance	(86,124)	98,469	12,345	(12,345)	-	
	Total Account 925000	<u>\$ 589,201</u>	<u>\$ 121,144</u>	<u>\$ 710,345</u>	<u>\$ (50,714)</u>	<u>\$ 659,630</u>	Sum Line 25 through Line 30
925000	Injuries & Damages Expense						
	General Liability Claims	(263,535)	-	(263,535)	680,876	417,341	Sch. DPH-12, Page 3, Line 21
	Worker's Compensation Claims	1,366,221	(114,729)	1,251,492	(768,039)	483,453	Sch. DPH-12, Page 3, Line 22
	Total Account 925000	<u>\$ 1,102,685</u>	<u>(114,729)</u>	<u>987,956</u>	<u>(87,163)</u>	<u>900,794</u>	Line 33 + Line 34
		<u>\$ 1,691,886</u>	<u>\$ 6,415</u>	<u>\$ 1,698,301</u>	<u>(137,877)</u>	<u>\$ 1,560,424</u>	Line 31 + Line 35
924000 / 925000	Subtotal: Gross Insurance Premiums and Injuries & Damages	1,808,521	6,415	1,814,936	(144,280)	1,670,656	Line 22 + Line 36
925000	Less: Capitalized Portion	(184,779)		(184,779)	34,108	(150,672)	Company records
	Net Insurance Premiums and Injuries & Damages	<u>\$ 1,623,742</u>	<u>\$ 6,415</u>	<u>\$ 1,630,157</u>	<u>\$ (110,172)</u>	<u>\$ 1,519,985</u>	Line 37 + Line 38
925000	Other Miscellaneous Expense	42,498		42,498		42,498	Company records
925000	Less: Capitalized Portion	(4,641)		(4,641)		(4,641)	Company records
	Net Other Miscellaneous Expense	<u>37,857</u>	<u>(210,213)</u>	<u>37,857</u>		<u>37,857</u>	Line 41 + Line 42
	Distribution Account 924000 & 925000	<u>\$ 1,661,598</u>	<u>\$ (203,798)</u>	<u>\$ 1,668,013</u>	<u>\$ (110,172)</u>	<u>\$ 1,557,841</u>	Line 39 + Line 43
	Plus:						
924000	Transmission	145,727	(145,727)	-		-	
925000	Transmission	173,536	(173,536)	-		-	
		<u>319,263</u>	<u>(319,263)</u>	<u>-</u>		<u>-</u>	
	Total Account 924000 & 925000	<u>\$ 1,980,861</u>	<u>\$ (523,061)</u>	<u>\$ 1,668,013</u>	<u>\$ (110,172)</u>	<u>\$ 1,557,841</u>	Line 45 + Line 50

Notes:

Col. D, Line 25: Refer to Sch. DPH-6, Page 4, Line 63.
Col. D, Line 30: Refer to Sch. DPH-6, Page 4, Line 64.
Col. D, Line 34: Remove labor charged to FERC account 925, already reflected in test year payroll expense.

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
INSURANCE EXPENSE AND INJURIES & DAMAGES

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)
General Liability Claims	\$ 146,431	\$ 125,392	\$ 422,977	\$ 253,436	\$ 1,138,469	\$ 417,341
Worker's Compensation Claims	648,134	(163,551)	401,168	2,218,469	(686,956)	\$ 483,453
Total Injuries and Damages	<u>\$ 794,565</u>	<u>\$ (38,158)</u>	<u>\$ 824,145</u>	<u>\$ 2,471,905</u>	<u>\$ 451,513</u>	<u>\$ 900,794</u>

Note: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
PAYROLL EXPENSE

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Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 23,173,030		Sch. DPH-13, Page 2, Line 22
Test Year Pro Forma	<u>24,867,669</u>		Sch. DPH-13, Page 2, Line 42
Pro Forma Adjustment - Payroll Increase, including annualization of union hires		<u>\$ 1,694,639</u>	Line 21 - Line 19
Local 455		\$ 667,536	Sch. DPH-13, Page 2, Line 44
Non-Union		<u>1,027,103</u>	Sch. DPH-13, Page 2, Line 44
Total		<u>\$ 1,694,639</u>	Line 33 + Line 34

NOTE: Numbers may not add due to rounding.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
PAYROLL EXPENSE

Description	Local 455	Non-Union	Total	Reference
(A)	(B)	(C)	(D)	(E)
<u>Adjusted Test Year</u>				
Distribution O&M Test Year	\$ 10,511,256	\$ 12,488,174	\$ 22,999,430	Exh. ES-DPH-3 (West), WP DPH-13, Page 1, Line 61, Col. G
Proforma Adjustment	<u>173,600</u>	<u>-</u>	<u>173,600</u>	Exh. ES-DPH-3 (West), WP DPH-13, Page 2, Line 60
Adjusted Test Year	\$ 10,684,856	\$ 12,488,174	\$ 23,173,030	Exh. ES-DPH-3 (West), WP DPH-13, Page 1, Line 61, Col. I
<u>Annualized Test Year Wage Increases</u>				
Effective Date	10/01/15	04/01/16		Per Contract
Percent Increase	2.50%	3.00%		Per Contract
Days from June 30, 2015	93	275		Line 25 - June 30, 2015
Increase to Annualize	\$ 68,061	\$ 282,267	\$ 350,328	Line 22 * Line 26 * Line 27 / 365 days
Annualized Test Year Base Wages	\$ 10,752,917	\$ 12,770,441	\$ 23,523,358	Line 22 + Line 28
<u>Post Test Year Wage Increases</u>				
Effective Date	10/01/16	04/01/17		Per Contract
Percent Increase	2.50%	3.00%		Per Contract
Wage Increase	\$ 268,823	\$ 383,113	\$ 651,936	Line 29 * Line 32
<u>Post Test Year Wage Increases</u>				
Effective Date	10/01/17	04/01/18		Per Contract
Percent Increase	3.00%	<u>2.75%</u>		Per Contract (A)
Wage Increase	\$ 330,652	\$ 361,723	\$ 692,375	(Line 29 + Line 33) * Line 36
<u>Rate Year Wage Increases</u>				
Effective Date	10/01/18	04/01/19		Per Contract
Percent Increase	<u>0.00%</u>	<u>0.00%</u>		Per Contract (A)
Wage Increase	\$ -	\$ -	\$ -	
Rate Year Base Wages	\$ 11,352,393	\$ 13,515,277	\$ 24,867,669	Line 29 + Line 33 + Line 37
Total Payroll Adjustment	\$ <u>667,536</u>	\$ <u>1,027,103</u>	\$ <u>1,694,639</u>	Line 42 - Line 22
Payroll Percentage Adjustment	<u>6.247%</u>	<u>8.225%</u>	<u>7.313%</u>	Line 44 / Line 22

Note: Numbers may not add due to rounding.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY

VARIABLE COMPENSATION

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 3,177,908		Sch. DPH-14, Page 2, Line 23, Col. D
Test Year Pro Forma	<u>2,463,227</u>		Sch. DPH-14, Page 2, Line 27, Col. F
Pro Forma Adjustment		<u>\$ (714,682)</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS 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	3,302,291					Company records Line 55
Normalizing Adjustments		(124,382)				Line 55
Subtotal - Adjusted Test Year			3,177,908			Column B + Column C
Post Test Year Adjustment				(847,840)		Line 23 - Line 45
Payroll Escalation Adjustment				133,159		Line 45 * Line 39
Total Variable Compensation	<u>\$ 3,302,291</u>	<u>\$ (124,382)</u>	<u>\$ 3,177,908</u>	<u>\$ (714,682)</u>	<u>\$ 2,463,227</u>	Column D + Column E

CALCULATION OF PERCENT INCREASE IN BASE PAYROLL

Description	Amount	Reference
Base Payroll Expense - Test Year Pro Forma	\$ 24,867,669	Sch. DPH-13, Page 2, Line 42
Less: 2016 Annualized Test Year Base Wages	<u>23,523,358</u>	Sch. DPH-13, Page 2, Line 29
Amount of Payroll Increase	\$ 1,344,311	Line 34 - Line 35
Divided by: 2016 Base Payroll Expense, Actual Payroll Expense	<u>\$ 23,523,358</u>	Line 35
Percent of Payroll Increase	<u>5.715%</u>	Line 36 / Line 38

Description	Adjusted Test Year Actual	Adjusted Test Year Target
Total WMECO Distribution 2016 Incentive	<u>\$ 3,177,908</u>	<u>\$ 2,330,068</u>

	Test Year	Normalizing Adj	Adjusted Test Year
Employee Incentive	\$ 1,724,358	\$ (42,025)	\$ 1,682,333
Executive Incentive	494,761	(82,357)	\$ 412,404
Stock Incentive	938,681	-	938,681
Director RSU's	144,490	-	144,490
Total Variable Comp	<u>\$ 3,302,291</u>	<u>\$ (124,382)</u>	<u>\$ 3,177,908</u>

WESTERN MASSACHUSETTS 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		<u>\$ 25,950,000</u>		Exh. ES-DPH-3 (West), WP DPH-15, Page 1, Line 56
WMECO Allocation		15%		Exh. ES-DPH-3 (West), WP DPH-15, Page 2, Line 20
WMECO Share		<u>\$ 3,799,080</u>		Line 20 * Line 22
Vegetation Management Resiliency Tree Work Pilot	\$ -	\$ 3,799,080	\$ 3,799,080	Line 24
Total Vegetation Management Resiliency Tree Work Pilot	<u>\$ -</u>	<u>\$ 3,799,080</u>	<u>\$ 3,799,080</u>	Line 27
2017 Vegetation Management Resiliency Tree Work Pilot Costs		\$ 3,521,000		Exh. ES-DPH-3 (West), WP DPH-15, Page 1, Line 25
Amortization Period (years)		<u>5</u>		
Annual Amortization		<u>\$ 704,200</u>		Line 33 / Line 35
WMECO Allocation		15%		Exh. ES-DPH-3 (East), WP DPH-15, Page 2, Line 20
WMECO Share		<u>\$ 103,095</u>		Line 37 * Line 39
Total Annual Vegetation Management Resiliency Tree Work Pilot	<u>\$ -</u>	<u>\$ 3,902,175</u>	<u>\$ 3,902,175</u>	Line 29 + Line 41

NOTE: Numbers may not add due to rounding.

H.O. _____

WESTERN MASSACHUSETTS ELECTRIC COMPANY

RATE CASE EXPENSE

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Total Rate Case Expense	\$ 1,556,395		Exh. ES-DPH-3 (West), WP DPH-16, Line 29
Proposed Amortization Period	<u>5 Years</u>		
Proposed Yearly Amortization		<u>\$ 311,279</u>	Line 19 / Line 21

NOTE: Numbers may not add due to rounding.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
REGULATORY ASSESSMENTS

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Description (A)	Test Year Actual (B)	Normalizing Adjustments (C)	Test Year Pro Forma (D)	Adjustment Latest Invoice (E)	Revised Pro Forma (F)	Reference (G)
D.P.U. & AG Assessments	\$ 1,492,597	\$ (27,744)	\$ 1,464,853	\$ -	\$ 1,464,853	Account 928
Less: Transmission	(316,300)		(316,300)	-	(316,300)	
Total	<u>\$ 1,176,297</u>	<u>\$ (27,744)</u>	<u>\$ 1,148,553</u>	<u>\$ -</u>	<u>\$ 1,148,553</u>	
Basic Service Allocation					(374,453)	Line 26 * Line 37
Total Net of Basic Service Transfer					<u>\$ 774,100</u>	Line 26 - Line 28
Allocation of Regulatory Assessments to Basic Service	2015 FERC Form 1	Basic Service	Basic Service			
NSTAR Electric	\$ 2,997,614,873	\$ 967,754,347	%			
WMECO	514,068,684	177,129,089				
Combined Electric	<u>\$ 3,511,683,557</u>	<u>\$ 1,144,883,436</u>	<u>33%</u>			
AGO Assessment	135,136					
General Assessment	658,596					
Trust Assessment	354,821					
Total	<u>1,148,553</u>					

Notes:
Col. (F) Reflects most recent invoices including AGO Assessment for \$135,136.01, General Assessment for \$658,596, and Trust Assessment for \$354,821.
Col. (C), Line 21 refers to Sch. DPH-6, Page 4, Line 69.
NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
LEASE EXPENSE

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 748,390		Sch. DPH-18, Page 2, Col. E
Test Year Pro Forma	<u>762,209</u>		Sch. DPH-18, Page 2, Col. G
Pro Forma Adjustment		<u>\$ 13,819</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

H.O. _____

WESTERN MASSACHUSETTS ELECTRIC COMPANY
LEASE EXPENSE

Account	Description	Test Year Actual 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)
589000 : Distribution Ops Rents	Communications Leases					
	SBA TOWERS INC	13,529	-	13,529	1,397	14,926
	SBA TOWERS II LLC	35,382	-	35,382	2,094	37,476
	Industrial Tower	83,517	-	83,517	6,415	89,932
	TRUSTEES OF THE RICHMOND VOLUNTEER	2,250	-	2,250	-	2,250
	ATC SEQUOIA LLC	27,985	-	27,985	2,889	30,873
	CROWN ATLANTIC COMPANY LLC	2,097	-	2,097	-	2,097
		<u>164,759</u>	<u>-</u>	<u>164,759</u>	<u>12,795</u>	<u>177,554</u>
589002-003 : Operating Property Management		235,618	-	235,618	-	235,618
Total Account 589		<u>400,377</u>	<u>-</u>	<u>400,377</u>	<u>12,795</u>	<u>413,171</u>
931000 : Rents - NUSCO	Hadley AWC	180,000	-	180,000	-	180,000
	Lee Satellite	11,100	-	11,100	1,342	12,442
	Springfield Redevelopment Authority	10,000	-	10,000	-	10,000
	Prudential Center Rent	42,662	-	42,662	-	42,662
	901 F St. Rent	14,688	(14,688)	-	-	-
	Other NUSCO Rents	1,731	-	1,731	-	1,731
		<u>260,181</u>	<u>(14,688)</u>	<u>245,493</u>	<u>1,342</u>	<u>246,835</u>
931002 : Rents	Prudential Center Taxes & Operating Expense	8,046	-	8,046	-	8,046
	Intercompany Rent	(868)	-	(868)	-	(868)
		<u>7,178</u>	<u>-</u>	<u>7,178</u>	<u>-</u>	<u>7,178</u>
93111X:Rents Intercompany ICP	Rocky River Realty Company	596,517	-	596,517	-	596,517
	Transmission Garage	1,203	(1,203)	-	-	-
		<u>597,719</u>	<u>(1,203)</u>	<u>596,517</u>	<u>-</u>	<u>596,517</u>
Total Account 931		<u>865,079</u>	<u>(15,891)</u>	<u>849,188</u>	<u>1,342</u>	<u>850,530</u>
9310GS:Intercompany Rent GSCOH offset		(154,233)	-	(154,233)	(317)	(154,550)
Less Transmission		(346,942)	-	(346,942)	-	(346,942)
Account 931 - Distribution Related		<u>363,904</u>	<u>(15,891)</u>	<u>348,013</u>	<u>1,025</u>	<u>349,038</u>
Total Rent and Lease Expense		<u>764,280</u>	<u>(15,891)</u>	<u>748,390</u>	<u>13,819</u>	<u>762,209</u>

Notes:

Col. (D), Line 38 refers to Sch. DPH-6, Page 4, Line 75
Col. (D), Line 49 refers to Sch. DPH-6, Page 4, Line 76

WESTERN MASSACHUSETTS ELECTRIC COMPANY
INFORMATION SYSTEMS EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Reference</u>
(A)	(B)	(C)	(D)
Test Year	\$ 1,397,941		Company records
Test Year Pro Forma	<u>1,642,573</u>		Line 19 + Sch. 19, Page 2, Line 44
Pro Forma Adjustment		<u>\$ 244,633</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

H.O. _____

WESTERN MASSACHUSETTS 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>	
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
WMECO allocation %	5.06%	Excludes Transmission
Portion to WMECO	\$ 340,154	Line 32 * Line 34
O&M portion	71.92%	Exh. ES-DPH-4, Sch. DPH-8, Page 1
Post Test Year Adjustment - Information Systems	<u>\$ 244,633</u>	Line 36 * Line 38

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY
STORM FUND ADJUSTMENT

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ -		Company records
Test Year Pro Forma	<u>2,000,000</u>		Sch. DPH-21, Page 2, Line 60
Pro Forma Adjustment		<u>\$ 2,000,000</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS 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 (2)						<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 Allocated to NSTAR				\$ 150,017,968	80%	\$ 8,000,000
Annual Storm Costs Allocated 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:

WMECO's base amount of \$575,000 is currently collected through the SRRCA, not through base distribution rates. Going forward, the Company is proposing to recover the base amount through base rates.

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.

WESTERN MASSACHUSETTS 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>720,000</u>		Sch. DPH-21, Page 4, Line 42
22	Pro-Forma Adjustment		<u>\$ 720,000</u>	Line 20 - Line 18

50 NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS 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	<u>3</u>	
Current NSTAR Electric Storm Threshold	\$1,000,000	
Cumulative GDP-PI increase since 2005	19%	
Per Storm Deductible	\$1,200,000	
Annual Storm Costs (Line 33 * Line 27)		\$3,600,000
Annual Currently in Base Rates		<u>\$0</u>
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%)		<u>\$720,000</u>
		<u><u>\$3,600,000</u></u>

NOTE: Numbers may not add due to rounding.

H.O. _____

WESTERN MASSACHUSETTS ELECTRIC COMPANY
RESIDUAL O&M INFLATION ADJUSTMENT

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 19,350,200		Exh. ES-DPH-3 (West), WP DPH-22, Page 1, Line 40
Test Year Pro Forma	<u>20,292,555</u>		Exh. ES-DPH-3 (West), WP DPH-22, Page 1, Line 46
Pro Forma Adjustment		<u>\$ 942,355</u>	Line 21 - Line 19

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NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY

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H.O. _____

WESTERN MASSACHUSETTS ELECTRIC COMPANY
DEPRECIATION & AMORTIZATION EXPENSE

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 25,799,702		Sum of Lines 32 + 36 + 40 + 44 + 48
Test Year Pro Forma	<u>\$ 30,276,615</u>		Exh. ES-DPH-3 (West), WP DPH-23, Line 71
Pro Forma Adjustment		<u><u>\$ 4,476,913</u></u>	Line 21 - Line 19
<u>Test Year Calculation</u>			
Intangible Plant	\$ 1,421,409		FERC Form #1, Page 336, Line 1
Transmission Share	<u>2,347</u>		
Intangible Plant - Distribution		\$ 1,419,062	Line 30 - Line 31
Other Production Plant	\$ 1,352,725		FERC Form #1, Page 336, Line 6
Other Production Share	<u>1,352,725</u>		
Other Production Plant - Distribution		\$ -	Line 34 - Line 35
Transmission Plant	\$ 17,588,249		FERC Form #1, Page 336, Line 7
Transmission Share	<u>17,588,249</u>		
Transmission Plant - Distribution		\$ -	Line 38 - Line 39
Distribution Plant	\$ 22,170,200		FERC Form #1, Page 336, Line 8
Transmission Share	<u>-</u>		
Distribution Plant - Distribution		\$ 22,170,200	Line 42 - Line 43
General Plant	\$ 3,091,989		FERC Form #1, Page 336, Line 10
Transmission Share	<u>881,549</u>		
General Plant - Distribution		\$ 2,210,440	Line 46 - Line 47

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
AMORTIZATION OF DEFERRED ASSETS

Description	Test Year Actual	Less Adjustment Clauses	Reclass	Normalizing Adjustments	Distribution Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Amortization of Hardship Receivables	560,000		560,000		1,120,000	867,586	1,987,586	Exh. ES-DPH-3 (West), WP DPH-24, Page 1
Merger Costs to Achieve	-				-	442,169	442,169	Exh. ES-DPH-3 (West), WP DPH-24, Page 3
Property Sales	-				-	20,799	20,799	Exh. ES-DPH-3 (West), WP DPH-24, Page 4
Amortization of Former Flowthrough Approved in D.T.E 06-55	392,004				392,004		392,004	Settlement D.T.E. 06-55
Amortization of CIAC Tax Gross Up	(338,148)				(338,148)		(338,148)	Company records
Amortization of Regulatory Debits - D.P.U 10-70	793,970			(793,970)	-	-	-	
Amortization of Storm Tracker Regulatory Debits	7,829,696	(7,829,696)			-	-	-	
Amortization of Regulatory Debits	(1,458,510)	1,458,510			-	-	-	
Amortization of Solar Program Regulatory Debits	1,705,936	(1,705,936)			-	-	-	
Total Amortization	\$ 9,484,948	\$ (8,077,122)	\$ 560,000	\$ (793,970)	\$ 1,173,856	\$ 1,330,553	\$ 2,504,409	Sum of Lines 20 through 28

Notes:

Col. E, Line 25: Reflects amortization line items from D.P.U. 10-70 (farm discounts, Medicare Part B, rate case exp, CPSL, T&D storm insurance) expiring before rate year.

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
PROPERTY TAX EXPENSE

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ 14,965,006		Company records
Test Year Pro Forma	<u>16,493,608</u>		Sch. DPH-25, Page 2, Line 22
Pro-Forma Adjustment		<u>\$ 1,528,602</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

H.O. _____

WESTERN MASSACHUSETTS ELECTRIC COMPANY

PROPERTY TAX EXPENSE

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	\$ 37,689,202	\$ (243,974)	\$ 37,445,228	\$ 3,778,597	\$ 41,223,825
Less: Transmission	(21,375,041)	-	(21,375,041)	(2,017,686)	(23,392,728)
Less: Solar	(1,105,181)	-	(1,105,181)	(232,309)	(1,337,490)
Total Distribution Property Tax Expense	<u>15,208,980</u>	<u>(243,974)</u>	<u>14,965,006</u>	<u>1,528,602</u>	<u>16,493,608</u>

Normalizing Adjustments

Consulting/Legal Expenses, reclassified to Acct. 923 (1)

(214,829)

Refer to Sch. DPH-6, Page 4, Line 23.

Consulting/Legal Expenses, out-of-period adjustment

(29,146)

Refer to Sch. DPH-6, Page 4, Line 22.

Total Normalizing Adjustments

(243,974)

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY

PAYROLL and OTHER TAX SUMMARY

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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	\$ 1,206,589	\$ -	\$ 1,206,589	\$ 88,238	\$ 1,294,826	Exh. ES-DPH-3 (West), WP DPH-26, Line 19
Medicare	332,453	-	332,453	24,312	356,766	Exh. ES-DPH-3 (West), WP DPH-26, Line 20
Federal Unemployment	10,015	-	10,015	-	10,015	Exh. ES-DPH-3 (West), WP DPH-26, Line 21
State Unemployment	63,080	-	63,080	-	63,080	Exh. ES-DPH-3 (West), WP DPH-26, Line 22
State Insurance Premium Excise Tax	30,003	-	30,003	-	30,003	Exh. ES-DPH-3 (West), WP DPH-26, Line 31
Federal Highway Tax	1,610	-	1,610	-	1,610	Exh. ES-DPH-3 (West), WP DPH-26, Line 30
Tangible Property Tax	(34,800)	34,800	-	-	-	Exh. ES-DPH-3 (West), WP DPH-26, Line 33
Universal Health Tax	8,203	-	8,203	-	8,203	Exh. ES-DPH-3 (West), WP DPH-26, Line 28
State Sales and Use Tax/Other	942	-	942	-	942	Exh. ES-DPH-3 (West), WP DPH-26, Line 32
Total Payroll and Other Tax Expense	\$ 1,618,094	\$ 34,800	\$ 1,652,894	\$ 112,550	\$ 1,765,444	Sum of Lines 21 thru 30

Notes:
Col. C, Line 27: Reflects removal of out-of-period adjustment related to Jan-Jun 2015 tangible property tax.

NOTE: Numbers may not add due to rounding.

WESTERN MASSACHUSETTS ELECTRIC COMPANY

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WESTERN MASSACHUSETTS ELECTRIC COMPANY

RATE BASE SUMMARY

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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	\$ 829,598,715	\$ 5,074,951	\$ 834,673,665	Sch. DPH-28, Line 33
Less: Reserve for Depreciation	251,591,333	-	251,591,333	Sch. DPH-29, Line 33
Net Utility Plant	578,007,382	5,074,951	583,082,333	Line 20 - Line 21
Less: Reserve for Deferred Income Tax	167,876,539	\$ 928,179	168,804,718	Sch. DPH-30, Line 24
Customer Deposits	2,114,715	-	2,114,715	FERC Form No. 1, Page 112, Line 41 (Acct. 235)
Customer Advances	291,410	-	291,410	FERC Form No. 1, Page 113, Line 56 (Acct. 252)
Plus: Materials & Supplies, excluding fuel	2,242,787	-	2,242,787	Exh. ES-DPH-3 (West), WP DPH-27, Line 33
ASC 740 Regulatory Asset (net)	19,209,890	-	19,209,890	Sch. DPH-30, Line 24
Cash Working Capital	7,547,362	-	7,547,362	Sch. DPH-32, Line 30
Total Rate Base	\$ 436,724,757	\$ 4,146,771	\$ 440,871,529	Line 22 - Sum of Lines 25 through 27 + Sum of Lines 32 through 34

NOTE: Numbers may not add due to rounding

H.O. _____

WESTERN MASSACHUSETTS ELECTRIC COMPANY
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING

Major Property Grouping	Test Year Actual 06/30/2016	Transmission Pro Forma Adjustments	Other Pro Forma Adjustments	Adjusted Test Year Actual 06/30/2016	Pro-forma 2016 Additions / Retirements / Transfers	Plant In Service Adjustments	Pro-forma Plant In Service 06/30/2016	Reference
(A)	(B)	(C)	(D)	(E)=(B)+(C)+(D)	(F)	(G)	(H)=(E)+(F)+(G)	(I)
Intangible	\$ 23,481,221	\$ (1,298,450)	\$ -	\$ 22,182,771	\$ -	\$ -	\$ 22,182,771	Exh. ES-DPH-3 (West), WP DPH-28, Line 26
Other Production	\$ 34,418,008	-	\$ (34,418,008)	\$ -	\$ -	-	-	Exh. ES-DPH-3 (West), WP DPH-28, Line 36
Transmission	\$ 944,300,393	(944,300,393)	\$ -	\$ -	\$ -	\$ -	-	Exh. ES-DPH-3 (West), WP DPH-28, Line 51
Distribution	745,191,094	-	(2,202,626)	742,988,468	5,074,951	-	748,063,419	Exh. ES-DPH-3 (West), WP DPH-28, Line 69
General	93,970,110	(29,526,207)	(16,428)	64,427,475	-	-	64,427,475	Exh. ES-DPH-3 (West), WP DPH-28, Line 84
Total	\$ 1,841,360,826	\$ (975,125,050)	\$ (36,637,061)	\$ 829,598,715	\$ 5,074,951	\$ -	\$ 834,673,665	Sum of Lines 22 through 30

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS 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	Depreciation Reserve Adjustments	Pro-forma Depreciation Reserve 06/30/2016	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Intangible Amortization	\$ 19,030,949	\$ (1,296,911)	\$ -	\$ 17,734,038	\$ -	\$ -	\$ 17,734,038	Exh. ES-DPH-3 (West), WP DPH-29, Line 24
Other Production Depreciation	5,209,612	-	(5,209,612)	-	-	-	-	Exh. ES-DPH-3 (West), WP DPH-29, Line 38
Transmission Depreciation	62,935,480	(62,935,480)	-	-	-	-	-	Exh. ES-DPH-3 (West), WP DPH-29, Line 53
Distribution Depreciation	209,213,128	-	(275,873)	208,937,255	(471,266)	-	208,465,989	Exh. ES-DPH-3 (West), WP DPH-29, Line 71
General Depreciation	29,655,954	(5,760,824)	(15,645)	23,879,484	-	-	23,879,484	Exh. ES-DPH-3 (West), WP DPH-29, Line 87 - Line 94
General Amortization	1,511,821	-	-	1,511,821	-	-	1,511,821	Exh. ES-DPH-3 (West), WP DPH-29, Line 94
Total	\$ 327,556,945	\$ (69,993,215)	\$ (5,501,130)	\$ 252,062,599	\$ (471,266)	\$ -	\$ 251,591,333	Line 22 + Line 24 + Line 26 + Line 28 + Line 30 + Line 31

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS 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 Activity	Pro Forma Rate Base	Adjustment to Actual 2016 Activity	Post TY Adjustments	Actual Accumulated Def. Income Taxes 06/30/2016	Reference
(A)	(B)	(C)	(B)+(C)=(D)	(E)	(F)	(G)	(H)	(I)	(J)
Non-Property Related ADIT	\$ (48,578,357)	\$ 4,371,587	\$ (44,206,770)	\$ 47,274,495	\$ 3,067,725	\$ -	\$ -	\$ 3,067,725	Exh. ES-DPH-3 (West), WP DPH-30
Property Related ADIT	(412,932,968)	250,228,033	(162,704,935)	10,970,570	(151,734,365)	-	(928,179)	(152,662,544)	Exh. ES-DPH-3 (West), WP DPH-30
ASC 740 - Accum. Deferred Income Tax Asset/Liability (net)	<u>(25,877,263)</u>	<u>6,667,364</u>	<u>(19,209,899)</u>	<u>-</u>	<u>(19,209,899)</u>	<u>-</u>	<u>-</u>	<u>(19,209,899)</u>	Exh. ES-DPH-3 (West), WP DPH-30
Accumulated Deferred Income Taxes	<u>\$ (487,388,588)</u>	<u>\$ 261,266,984</u>	<u>\$ (226,121,604)</u>	<u>\$ 58,245,065</u>	<u>\$ (167,876,539)</u>	<u>\$ -</u>	<u>\$ (928,179)</u>	<u>\$ (168,804,718)</u>	Sum of Lines 20 thru 22

* Reflects ADIT recovered through the transmission tariff.

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY
COST OF CAPITAL

(A)	PRINCIPAL (B)	TEST YEAR END (C)	COST (E)	RATE OF RETURN (F)	REFERENCES (G)
Long-term Debt	\$ 547,975,604	46.66%	4.32%	2.02%	Sch. DPH-31, Page 2
Preferred Stock	-	0.00%		0.00%	Line 44
Common Equity	626,410,414	53.34%	10.50%	5.60%	Exh. RBH-1
Total Capital	\$ 1,174,386,018	100.00%		7.62%	Sum of Line 20 thru 22
Weighted Cost of Debt				2.02%	
Equity				5.60%	
Cost of Capital				<u>7.62%</u>	

	PER FF1 TEST YEAR END	SOLAR ACTIVITY	PRINCIPAL NET OF SOLAR	CAPITAL STRUCTURE TEST YEAR	
Long-term Debt	\$ 565,000,000	\$ (17,024,396)	\$ 547,975,604	46.66%	Line 34 / Line 38
Preferred Stock	-	-	-	0.00%	Line 35 / Line 38
Common Equity	643,905,916	(17,495,502)	626,410,414	53.34%	Line 36 / Line 38
Total Capital	\$ 1,208,905,916		\$ 1,174,386,018	100.00%	Sum of Line 34 thru 36

NOTE: Numbers may not add due to rounding

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

Face Amount A/C #	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)
224WF0	2004 Series B	5.900%	09/23/2004	09/15/2034	\$ 50.000	\$ 49.553	\$ 2.975	6.00%
224WB0	2007 Series D	6.700%	08/17/2007	08/15/2037	40.000	39.506	2.703	6.84%
224A10	2010 Series E	5.100%	03/08/2010	03/01/2020	95.000	89.845	4.746	5.28%
224WA0	2011 Series F	3.500%	09/16/2011	09/15/2021	250.000	242.476	8.831	3.64%
224MR0	2013 Series G	3.880%	11/15/2013	11/15/2023	80.000	73.588	2.882	3.92%
224MX0	2016 Series H	2.750%	06/01/2016	06/15/2026	50.000	49.814	1.394	2.80%
Total Long Term Debt					\$ 565.000	\$ 544.781	\$ 23.530	4.32%

A/C #	Series	Amount Outstanding	Solar Adjustment	Premium or (Discount)	Issue Expenses	Call Expense	Carrying Value
224WF0	2004 Series B	\$ 50.000	\$ -	\$ (0.106)	\$ (0.342)	\$ -	\$ 49.553
224WB0	2007 Series D	40.000	-	(0.133)	(0.361)	-	39.506
224A10	2010 Series E	95.000	(4.618)	(0.123)	(0.414)	-	89.845
224WA0	2011 Series F	250.000	(5.689)	(0.469)	(1.366)	-	242.476
224MR0	2013 Series G	80.000	(6.055)	-	(0.357)	-	73.588
224MX0	2016 Series H	50.000	-	-	(0.186)	-	49.814
Total		\$ 565.000	\$ (16.362)	\$ (0.831)	\$ (3.025)	\$ -	\$ 544.781

A/C #	Series	Total Amortization Expense	Total Annual Interest	Amortization & Interest	Solar Adjustment	Amortization & Interest Net of Solar
181WF0 / 226WF0	2004 Series B	\$ 0.025	\$ 2.950	\$ 2.975	\$ -	\$ 2.975
181WB0 / 226WB0	2007 Series D	0.023	2.680	2.703	-	2.703
181A10 / 226A10	2010 Series E	0.146	4.845	4.991	(0.245)	4.746
181WA0 / 2251F0 / 226WA0	2011 Series F	0.352	8.750	9.102	(0.271)	8.831
181MR0 / 226MR0	2013 Series G	0.048	3.104	3.152	(0.271)	2.882
181MX0 / 226MX0	2016 Series H	0.019	1.375	1.394	-	1.394
Total		\$ 0.613	\$ 23.704	\$ 24.317	\$ (0.787)	\$ 23.530

Series	Original Prem. Or (Discount)	Unamortized Balance at 06/30/2016	Annual Amortization	Original Issue Expense	Unamortized Balance at 06/30/2016	Annual Amortization
181WF0 / 226WF0	2004 Series B	\$ (0.174)	\$ (0.106)	\$ (0.006)	\$ 0.546	\$ 0.342
181WB0 / 226WB0	2007 Series D	(0.189)	(0.133)	(0.006)	0.501	0.361
181A10 / 226A10	2010 Series E	(0.336)	(0.123)	(0.034)	0.991	0.414
181WA0 / 2251F0 / 226WA0	2011 Series F	8.664	(0.469)	(0.090)	2.247	1.366
181MR0 / 226MR0	2013 Series G	-	-	-	0.451	0.357
181MX0 / 226MX0	2016 Series H	-	-	-	0.500	0.186
Total		\$ 7.965	\$ (0.831)	\$ (0.136)	\$ 5.237	\$ 3.025

Solar Investments:	Ratio	Land	06/30/2016 Personal Property	Debt Initial Investment
Silver Lake Facility (Pittsfield 2009)				
Debt	49.64%	78,341	4,627,973	4,618
Equity	50.36%	79,477	4,695,099	4,685
Total Silver Lake Solar Investment		\$ 157,818.1	\$ 9,323,072.5	\$ 9,304
Indian Orchard Facility (Springfield 2010)				
Debt	48.70%	-	5,899,256	5,689
Equity	51.30%	-	6,214,206	5,993
Total Indian Orchard Solar Investment		\$ -	\$ 12,113,462.8	\$ 11,681
Cottage Street Facility (Springfield 2014)				
Debt	49.66%	356,682	6,062,143	6,055
Equity	50.34%	361,566	6,145,153	6,138
Total Cottage Street Solar Investment		\$ 718,248.5	\$ 12,207,296.3	\$ 12,193
Total Solar				
Debt		435,023	16,589,373	17,024,396
Equity		441,044	17,054,459	17,495,502

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY
CASH WORKING CAPITAL

Description (A)	Per Company (B)	Reference (C)
Total O&M Expense	\$ 67,567,718	Sch. DPH-6, Page 1, Line 47
Less Uncollectible Accounts	3,100,435	Sch. DPH-6, Page 1, Line 31
Electric O&M Expenses (Net Uncollectible)	\$ 64,467,283	Line 19 - Line 20
Taxes Other Than Income	<u>18,259,052</u>	Sch. DPH-33, Page 7
Total Costs Applicable to Cash Working Capital	82,726,335	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>\$ 7,547,362</u></u>	Line 26 * Line 28

50 NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY

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WESTERN MASSACHUSETTS 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	\$ 67,567,718	\$ -	\$ -	\$ 67,567,718	Sch. DPH-6, Page 1
Uncollectible O&M due to increase	443,454	-	-	443,454	Sch. DPH-3
Depreciation and Amortization	32,781,024	-	-	32,781,024	Sch. DPH-33, Page 3
Taxes Other Than Income Taxes	18,259,052	-	-	18,259,052	Sch. DPH-33, Page 7
Income Taxes	19,459,292	-	-	19,459,292	Sch. DPH-33, Page 8
Return On Rate Base	33,576,776	-	-	33,576,776	Sch. DPH-33, Page 4
Total Cost of Service	\$ 172,087,316	\$ -	\$ -	\$ 172,087,316	Sum of Lines 20 thru 30
OPERATING REVENUES					
Total Operating Revenues	\$ 136,424,270	\$ -	\$ -	\$ 136,424,270	Sch. DPH-5, Page 1
Total Revenue Deficiency	35,663,046	-	-	35,663,046	Line 33 - Line 38
Total Revenues	\$ 172,087,316	\$ -	\$ -	\$ 172,087,316	Line 38 + Line 40
Total Base Revenue Deficiency, after adjustments	\$ -	\$ -	\$ -	\$ -	Line 42 - Line 33

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY

DEPARTMENT SCHEDULE 2

OPERATIONS AND MAINTENANCE EXPENSES

	ORIGINAL FILING PER COMPANY	COMPANY ADJUSTMENT	DPU ADJUSTMENT	PER ORDER	REFERENCE
19 Test Year O&M Expense (6/30/2016)	\$ 59,918,641	\$ -	\$ -	\$ 59,918,641	Sch. DPH-6, Page 1
21 ADJUSTMENTS TO O&M EXPENSE:					
22 Postage Expense	(27,580)	-	-	(27,580)	Sch. DPH-7
23 Uncollectibles Expense	(2,063,199)	-	-	(2,063,199)	Sch. DPH-8, Page 1
24 Fee Free Payment Processing	906,909	-	-	906,909	Sch. DPH-9
25 Dues And Memberships	(2,693)	-	-	(2,693)	Sch. DPH-10
26 Employee Benefits Costs	206,047	-	-	206,047	Sch. DPH-11, Page 1
27 Insurance Expense And Injuries & Damages	(110,172)	-	-	(110,172)	Sch. DPH-12, Page 1
28 Payroll Expense	1,694,639	-	-	1,694,639	Sch. DPH-13, Page 1
29 Variable Compensation	(714,682)	-	-	(714,682)	Sch. DPH-14, Page 1
30 Vegetation Management Resiliency Tree Work Pilot	3,902,175	-	-	3,902,175	Sch. DPH-15
31 Rate Case Expense	311,279	-	-	311,279	Sch. DPH-16
32 Regulatory Assessments	(374,453)	-	-	(374,453)	Sch. DPH-17
33 Lease Expense	13,819	-	-	13,819	Sch. DPH-18, Page 1
34 Information Systems Expense Adjustment	244,633	-	-	244,633	Sch. DPH-19, Page 1
35 Storm Cost Adjustment	720,000	-	-	720,000	Sch. DPH-21, Page 3
36 Storm Fund Adjustment	2,000,000	-	-	2,000,000	Sch. DPH-21, Page 1
37 Residual O&M Inflation Adjustment	942,355	-	-	942,355	Sch. DPH-22
39 Total Adjustment to O&M Expense	\$ 7,649,077	\$ -	\$ -	\$ 7,649,077	Sum of Lines 22 through 37
41 Total O&M Expense	\$ 67,567,718	\$ -	\$ -	\$ 67,567,718	Line 19 + Line 39

NOTE: Numbers may not add due to rounding

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WESTERN MASSACHUSETTS 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	\$ 30,276,615	\$ -	\$ -	\$ 30,276,615	Sch. DPH-23
Amortization of Deferred Assets	<u>2,504,409</u>	<u>-</u>	<u>-</u>	<u>2,504,409</u>	Sch. DPH-24
Total Depreciation and Amortization Expense	<u><u>32,781,024</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>32,781,024</u></u>	Sum of Lines 19 thru 21

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS 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	\$ 834,673,665	\$ -	\$ -	\$ 834,673,665	Sch. DPH-28
LESS:					
Reserve For Depreciation	232,345,474	-	-	232,345,474	Sch. DPH-29
Reserve For Amortization	19,245,859	-	-	19,245,859	Sch. DPH-29
Net Utility Plant In Service	\$ 583,082,333	\$ -	\$ -	\$ 583,082,333	Line 19 - Line 22 - Line 23
ADDITIONS TO PLANT					
Cash Working Capital	\$ 7,547,362	\$ -	\$ -	7,547,362	Sch. DPH-32
ASC 740 (net)	19,209,890	-	-	19,209,890	Sch. DPH-30
Materials and Supplies	2,242,787	-	-	2,242,787	Sch. DPH-27
Total Additions to Plant	\$ 29,000,039	\$ -	\$ -	\$ 29,000,039	Sum of Lines 28 thru Line 30
DEDUCTIONS FROM PLANT					
Reserve for Deferred Income Taxes	\$ 168,804,718	\$ -	\$ -	168,804,718	Sch. DPH-30
Customer Deposits	2,114,715	-	-	2,114,715	Sch. DPH-27
Customer Advances	291,410	-	-	291,410	Sch. DPH-27
Total Deductions from Plant	\$ 171,210,843	\$ -	\$ -	\$ 171,210,843	Sum of Lines 35 thru Line 38
RATE BASE	\$ 440,871,529	\$ -	\$ -	\$ 440,871,529	Line 25 + Line 32 - Line 40
COST OF CAPITAL	7.62%			7.62%	Sch. DPH-31, Page 1
RETURN ON RATE BASE	\$ 33,576,776	\$ -	\$ -	\$ 33,576,776	Line 42 * Line 44
NOTE: Numbers may not add due to rounding					
FASB 109 Regulatory Asset - WMECO	19,209,890				

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WESTERN MASSACHUSETTS ELECTRIC COMPANY

DEPARTMENT SCHEDULE 5

COST OF CAPITAL

PER COMPANY

	PRINCIPAL	FIXED PERCENTAGE	COST	RATE OF RETURN
Long-term Debt	\$ 547,975,604	46.66%	4.32%	2.02%
Preferred Stock	-	0.00%	0.00%	0.00%
Common Equity	626,410,414	53.34%	10.50%	5.60%
Total Capital	\$ 1,174,386,018	100.00%		7.62%
Weighted Cost of Debt				2.02%
Equity				5.60%
Cost of Capital				7.62%

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%

NOTE: Numbers may not add due to rounding

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WESTERN MASSACHUSETTS 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)	\$ 64,467,283	\$ -	\$ -	\$ 64,467,283	Sch. DPH-32
Taxes Other Than Income	18,259,052	-	-	18,259,052	Sch. DPH-33, Page 7
Total Costs Applicable to Cash Working Capital	<u>82,726,335</u>	<u>-</u>	<u>-</u>	<u>82,726,335</u>	Line 22 + Line 24
Cash Working Capital Factor for Other O&M Expense (33.30 Days/365)	<u>9.123%</u>	<u>9.123%</u>	<u>0.000%</u>	<u>9.123%</u>	Exhibit ES-DPH-6
Cash Working Capital Adjustment	<u>\$ 7,547,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,547,362</u>	Line 26 * Line 28

NOTE: Numbers may not add due to rounding

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
DEPARTMENT SCHEDULE 7
TAXES OTHER THAN INCOME TAXES

	<u>ORIGINAL FILING</u> <u>PER COMPANY</u>	<u>COMPANY</u> <u>ADJUSTMENT</u>	<u>DPU</u> <u>ADJUSTMENT</u>	<u>PER ORDER</u>	<u>REFERENCE</u>
FICA	\$ 1,294,826	\$ -	\$ -	\$ 1,294,826	Sch. DPH-26
Medicare	356,766	-	-	356,766	Sch. DPH-26
Federal Unemployment	10,015	-	-	10,015	Sch. DPH-26
State Unemployment	63,080	-	-	63,080	Sch. DPH-26
State Insurance Premium Excise Tax	30,003	-	-	30,003	Sch. DPH-26
Federal Highway Tax	1,610	-	-	1,610	Sch. DPH-26
Tangible Property Tax	-	-	-	-	Sch. DPH-26
Universal Health Tax	8,203	-	-	8,203	Sch. DPH-26
State Sales and Use Tax/Other	942	-	-	942	Sch. DPH-26
Property Taxes	<u>16,493,608</u>	<u>-</u>	<u>-</u>	<u>16,493,608</u>	Sch. DPH-25, Page 1
Total Taxes Other Than Income Taxes	<u>\$ 18,259,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,259,052</u>	Sum of Lines 20 through 29

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY
DEPARTMENT SCHEDULE 8
INCOME TAXES

	ORIGINAL FILING PER COMPANY	COMPANY ADJUSTMENT	DPU ADJUSTMENT	PER ORDER	REFERENCE
Rate Base	\$ 440,871,529	\$ -	\$ -	\$ 440,871,529	Sch. DPH-33, Page 4
Return on Rate Base	33,576,776	-	-	33,576,776	Sch. DPH-33, Page 4
Add: Flow-Through and Permanent Items*	3,815,783	-	-	3,815,783	Line 46
Less: Interest Expense	(8,885,325)	-	-	(8,885,325)	- Line 19 * Sch. DPH-31, Page 1, Line 20
Add: FAS 109 Income Taxes and ITC	176,747	-	-	176,747	Company Records
Taxable Income Base	28,683,981	-	-	28,683,981	Sum of Line 20 thru Line 24
Taxable Income (Taxable Income Base x 1.672241)	47,966,529	-	-	47,966,529	Line 25 * 1.672241
Mass Income Tax (8%)	3,837,322	-	-	3,837,322	Line 27 * 8%
Federal Taxable Income	44,129,206	-	-	44,129,206	Line 27 - Line 30
Federal Income Tax Calculated (35%)	15,445,222	-	-	15,445,222	Line 32 * 35%
Total Income Taxes Calculated	19,282,545	-	-	19,282,545	Line 30 + Line 34
Add: FAS 109 Income Taxes and ITC	176,747	-	-	176,747	Line 24
Total Income Taxes	19,459,292	-	-	19,459,292	Line 38 + Line 36
* Flow-Through and Permanent Items include the following:					
Depreciation flow-through plant	1,389,167				
Merger costs non-deductible	199,766				
Property tax expense	2,226,850				
Total Flow-Through and Permanent Items	<u>3,815,783</u>				

NOTE: Numbers may not add due to rounding

WESTERN MASSACHUSETTS ELECTRIC COMPANY

DEPARTMENT SCHEDULE 9

REVENUES

Description	Test Year 06/30/2016	Normalizing Adjustments	Adjusted Test Year 06/30/2016	Pro Forma Adjustment	Test Year Pro Forma
<u>Distribution Revenues</u>					
Distribution Revenues	\$ 132,219,463	\$ (486)	\$ 132,218,977	\$ -	\$ 132,218,977
Revenue Decoupling (Prior Year Refund)	(5,104,988)	-	(5,104,988)	-	(5,104,988)
Revenue Decoupling	-	5,301,752	5,301,752	-	5,301,752
Total Distribution Revenues	\$ 127,114,475	\$ 5,301,266	\$ 132,415,741	\$ -	\$ 132,415,741
<u>Reconciliation Mechanisms</u>					
Low Income	\$ 3,390,538	\$ (3,390,538)	\$ -	\$ -	\$ -
Retail Transmission Revenue	58,427,694	(58,427,694)	-	-	-
Energy Efficiency Revenue	41,732,345	(41,732,345)	-	-	-
Transition Revenue	(2,663,665)	2,663,665	-	-	-
Renewables Revenue	1,744,324	(1,744,324)	-	-	-
Energy Supply Revenue	133,466,179	(133,466,179)	-	-	-
NUSTART	1,758,950	(1,758,950)	-	-	-
Net Metering Revenue	5,753,849	(5,753,849)	-	-	-
Storm Tracker	7,829,696	(7,829,696)	-	-	-
AGCE Revenue	74,456	(74,456)	-	-	-
Pension Tracker Revenue	5,596,810	(5,596,810)	-	-	-
LT Renewables	(2,051,278)	2,051,278	-	-	-
Solar Program	1,705,936	(1,705,936)	-	-	-
Total Reconciliation Mechanism Revenues	\$ 256,765,834	\$ (256,765,834)	\$ -	\$ -	\$ -
<u>Other Revenues</u>					
Sales for Resale (447)	\$ 3,810,836	\$ (3,755,457)	\$ 55,380	\$ -	\$ 55,380
Provision for Rate Refunds (449)	(57,457)	57,457	-	-	-
Late Payment Charges (450)	287,954	-	287,954	238,893	526,847
Misc. Revenues (451)	246,414	-	246,414	-	246,414
Rent from Electric Property (454)	1,281,373	(480,792)	800,581	-	800,581
Other Electric Revenue (456)	10,858,889	(8,479,583)	2,379,306	-	2,379,306
Revenues from Transmission of Electricity of Others (456.1)	79,690,549	(79,690,549)	-	-	-
Total Other Revenues	\$ 96,118,560	\$ (92,348,924)	\$ 3,769,636	\$ 238,893	\$ 4,008,529
Total Operating Revenues	\$ 479,998,869	\$ (343,813,492)	\$ 136,185,377	\$ 238,893	\$ 136,424,270

NOTE: Numbers may not add due to rounding