

**2017 TAX ACT CREDIT**

**1.0 Purpose**

The purpose of this tariff is to provide a mechanism to return to all distribution customers taking service under retail rate schedules a regulatory liability amount of \$676,643,217 over the amortization periods approved in D.P.U. 18-15 in association with the Tax Cuts and Jobs Act of 2017.

**2.0 Applicability**

The Tax Act Credit Factor (“TACF”) shall be a per kilowatt-hour (“kWh”) rate applicable to all electricity, measured in kWh, delivered by the Company to customers taking service under its distribution rate schedules. For billing purposes in Eastern Massachusetts, the TACF shall be included in the Distribution Charge. For billing purposes in Western Massachusetts, the TACF shall be included in the Distribution Charge on an interim basis in 2019 and listed separately no later than January 1, 2020.

To the extent any of the regulatory liability defined in Section 1.0 includes excess accumulated deferred income tax amounts (“ADIT”) specifically associated with reconciling mechanisms, the Company shall return those amounts through the respective reconciling mechanism and adjust the regulatory liability amount accordingly.

**3.0 Effective Date**

The date on which the annual TACF becomes effective shall be the first day of January of each calendar year, unless otherwise ordered by the Department. The TACF shall remain in effect until the excess ADIT balance is transferred to the new rates that are established in the Company’s next base rate proceeding, or unless otherwise directed by the Department.

**4.0 Reconciliation**

Excess ADIT may be estimated for the purpose of determining the TACF and will be subject to reconciliation once the final tax liabilities come due. Interest on the reconciling balance will accrue at the customer deposit rate.

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**5.0 Allocation to Ratepayers**

Excess ADIT to be credited to customers through the TACF shall be allocated as follows:

Service Territory/Area	Rate Classes	Distribution Revenue Allocator
All	R-1/R-2	41.145%
All	R-2/R-3	4.575%
Greater Boston	G-1/T-1	3.446%
Greater Boston	G-2/T-2	27.907%
Greater Boston	G-3/WR	7.998%
Cambridge	G-0/G-1/G-6	0.829%
Cambridge	G-2	1.329%
Cambridge	G-3/SB1	0.856%
Cambridge	G-4	0.012%
Cambridge	G-5	0.018%
South Shore, Cape Cod, Martha's Vineyard	G-1/G-7	3.930%
South Shore, Cape Cod, Martha's Vineyard	G-2	1.088%
South Shore, Cape Cod, Martha's Vineyard	G-3	0.610%
South Shore, Cape Cod, Martha's Vineyard	G-4	0.008%
South Shore, Cape Cod, Martha's Vineyard	G-5	0.053%
South Shore, Cape Cod, Martha's Vineyard	G-6	0.008%
Western Massachusetts	23/24/G-0/T-0	2.626%
Western Massachusetts	G-2/T-4	1.159%
Western Massachusetts	T-2	1.495%
Western Massachusetts	T-5	0.498%
Eastern Massachusetts	S-1/S-2	0.315%
Western Massachusetts	S-1/S-2	0.095%
Total		100.000%

The effective rates for the TACF shall be as referenced in M.D.P.U. No. 1 for Eastern Massachusetts and M.D.P.U. No. 2 for Western Massachusetts, as in effect from time to time.

**6.0 Information to be filed with the Department**

The Company shall make its TACF reconciliation as part of its annual reconciliation filing each year. Such filing shall include reconciliation of data for prior periods as appropriate along with supporting testimony and exhibits.

**Issued by: Craig A. Hallstrom**  
**President**

**Filed: December 26, 2018**  
**Effective: January 1, 2019**