

THE COMMONWEALTH OF MASSACHUSETTS

ANNUAL RETURN

OF THE

NANTUCKET ELECTRIC COMPANY

TO THE

DEPARTMENT OF PUBLIC UTILITIES

YEAR ENDED DECEMBER 31, 2017

nationalgrid

DEPARTMENT OF PUBLIC UTILITIES

This statement is filed in accordance with Chapter 164, Section 84A

CONDENSED FINANCIAL RETURN FOR THE YEAR ENDED DECEMBER 31, 2017

FULL NAME OF COMPANY - NANTUCKET ELECTRIC COMPANY

LOCATION OF PRINCIPAL BUSINESS OFFICE - 40 Sylvan Road, Waltham, MA 02451

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME	\$	\$
Operating Revenues		
Operating Expenses:		
Operation Expense See Copy of Statement of Income Filed		
Maintenance Expense with the DPU Return, attached.		
Depreciation Expense		
Amortization of Utility Plant		
Amortization of Property Losses		
Amortization of Conversion Expenses		
Taxes Other Than Income Taxes		
Income Taxes		
Provisions for Deferred Federal Income Taxes		
Federal Income Taxes Deferred in Prior Years - Cr		
Total Operating Expenses		
Net Operating Revenues		
Income from Utility Plant Leased to Others		
Other Utility Operating Income		
Total Utility Operating Income		
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work		
Income from Nonutility Operations		
Nonoperating Rental Income		
Interest and Dividend Income		
Miscellaneous Nonoperating Income		
Total Other Income		
Total Income		
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization		
Other Income Deductions		
Total Income Deductions		
Income Before Interest Charges		
INTEREST CHARGES		
Interest on Long-Term Debt		
Amortization of Debt Discount and Expense		
Amortization of Premium on Debt - Credit		
Interest on Debt to Associated Companies		
Other Interest Expense		
Interest Charged to Construction - Credit		
Total Interest Charges		
Net Income		

NANTUCKET ELECTRIC COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2017

BALANCE SHEET

See Copy of Balance Sheet Filed with the DPU Return Attached

Title of Account	Balance End of Year	Title of Account	Balance End of Year
	\$		\$
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant		CAPITAL STOCK	
OTHER PROPERTY AND INVESTMENTS		Common Stock Issued.....	
Nonutility Property.....		Preferred Stock Issued.....	
Investment in Associated Companies.....		Capital Stock Subscribed.....	
Other Investments.....		Premium on Capital Stock.....	
Special Funds.....		Total.....	
Total Other Property and Investments		SURPLUS	
CURRENT AND ACCRUED ASSETS		Other Paid-In Capital.....	
Cash.....		Earned Surplus.....	
Special Deposits.....		Surplus Invested in Plant.....	
Working Funds.....		Total.....	
Temporary Cash Investments.....		Total Proprietary Capital.....	
Notes and Accounts Receivable.....		LONG-TERM DEBT	
Receivables from Associated Companies		Bonds.....	
Materials and Supplies.....		Advances from Associated Companies...	
Prepayments.....		Other Long-Term Debt.....	
Interest and Dividends Receivable.....		Total Long-Term Debt.....	
Rents Receivable.....		CURRENT AND ACCRUED LIABILITIES	
Accrued Utility Revenues.....		Notes Payable.....	
Misc. Current and Accrued Assets.....		Accounts Payable.....	
Total Current and Accrued Assets...		Payables to Associated Companies.....	
DEFERRED DEBITS		Customer Deposits.....	
Unamortized Debt Discount and Expense		Taxes Accrued.....	
Extraordinary Property Losses.....		Interest Accrued.....	
Preliminary Survey and Investigation		Dividends Declared.....	
Charges.....		Matured Long-Term Debt.....	
Clearing Accounts.....		Matured Interest.....	
Temporary Facilities.....		Tax Collections Payable.....	
Miscellaneous Deferred Debits.....		Misc. Current and Accrued Liabilities...	
Total Deferred Debits.....		Total Current and Accrued Liabilities.	
CAPITAL STOCK DISCOUNT AND EXPENSE		DEFERRED CREDITS	
Discount on Capital Stock.....		Unamortized Premium on Debt.....	
Capital Stock Expense.....		Customer Advances for Construction.....	
Total Capital Stock Discount and		Other Deferred Credits.....	
Expense.....		Total Deferred Credits.....	
REACQUIRED SECURITIES		RESERVES	
Reacquired Capital Stock.....		Reserves for Depreciation.....	
Reacquired Bonds.....		Reserves for Amortization.....	
Total Reacquired Securities.....		Reserve for Uncollectible Accounts.....	
Total Assets and Other Debits.....		Operating Reserves.....	
		Reserve for Depreciation and Amort... of Nonutility Property.....	
		Reserves for Deferred Federal Income... Taxes.....	
		Total Reserves.....	
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction.....	
		Total Liabilities and Other Credits.....	

NOTES:

NANTUCKET ELECTRIC COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2017

STATEMENT OF EARNED SURPLUS

Unappropriated Earned Surplus (at beginning of period).....	\$	
Balance Transferred from Income.....		
Miscellaneous Credits to Surplus.....		
Miscellaneous Debits to Surplus.....		
Appropriations of Surplus.....		
Net Additions to Earned Surplus.....		
Dividends Declared -- Preferred Stock.....		
Dividends Declared -- Common Stock.....		
Unappropriated Earned Surplus (at end of period).....		

ELECTRIC OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF ELECTRICITY		
Residential Sales.....	\$ 2,674,994	\$ -6,256,503
Commercial and Industrial Sales.....		
Small (or Commercial).....	1,027,681	-1,051,491
Large (or Industrial).....	1,842	505
Public Street and Highway Lighting.....	439	-6,943
Other Sales to Public Authorities.....		
Sales to Railroad and Railways.....		
Interdepartmental Sales.....		
Miscellaneous Electric Sales.....		
Provision for Rate Refunds.....	-1,199,002	829,480
Total Sales to Ultimate Consumers.....	2,505,954	-6,484,952
Sales for Resale.....		
Total Sales of Electricity.....	2,505,954	-6,484,952
OTHER OPERATING REVENUES		
Forfeited Discounts.....	14,837	3,321
Miscellaneous Service Revenues.....	3,496,193	-143,154
Sales of Water and Water Power.....		
Rent from Electric Property.....	521,794	-37,792
Interdepartmental Rents.....		
Other Electric Revenues.....	17,395,149	-1,267,497
Total Other Operating Revenues.....	21,427,973	-1,445,122
Total Electric Operating Revenues.....	23,933,927	-7,930,074

SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Power Production Expenses	\$	\$	\$
Electric Generation:			
Steam Power.....			
Nuclear Power.....			
Hydraulic Power.....			
Other Power.....			
Other Power Supply Expenses.....	2,570,037	0	2,570,037
Total Power Production Expenses.....	2,570,037	0	2,570,037
Transmission Expenses.....	3,145,398	0	3,145,398
Distribution Expenses.....	698,165	1,645,144	2,343,309
Customer Accounts Expenses.....	2,548,983		2,548,983
Sales Expenses.....	59,463		59,463
Administrative and General Expenses.....	3,376,434	361	3,376,795
Total Electric Oper. and Maint. Expenses	12,398,480	1,645,505	14,043,985

NANTUCKET ELECTRIC COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2017

GAS OPERATING REVENUES			(Not Applicable)
Account	Operating Revenues		
	Amount for Year	Increase of (Decrease) from Preceding Year	
SALES OF GAS			
Residential Sales.....	\$	\$	
Commercial and Industrial Sales.....			
Small (or Commercial).....			
Large (or Industrial).....			
Other Sales to Public Authorities.....			
Interdepartmental Sales.....			
Miscellaneous Gas Sales.....			
Total Sales to Ultimate Consumers.....			
Sales for Resale.....			
Total Sales of Gas.....			
OTHER OPERATING REVENUES			
Forfeited Discounts.....			
Miscellaneous Service Revenues.....			
Revenues from Transportation of Gas of Others.....			
Sales of Products Extracted from Natural Gas.....			
Revenues from Natural Gas Processed by Others.....			
Rent from Gas Property.....			
Interdepartmental Rents.....			
Other Gas Revenues.....			
Total Other Operating Revenues.....			
Total Gas Operating Revenues.....			

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES				(Not Applicable)
Functional Classification	Operation	Maintenance	Total	
Steam Production.....	\$	\$	\$	
Manufactured Gas Production.....				
Other Gas Supply Expenses.....				
Total Production Expenses.....				
Local Storage Expenses.....				
Transmission and Distribution Expenses.....				
Customer Accounts Expenses.....				
Sales Expenses.....				
Administrative and General Expenses.....				
Total Gas Operation and Maintenance Exp....				

.....March 21, 2017....., I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.

George Carlin

VP, New England and Controller

Charles DeRosa

VP, US Treasurer

Commonwealth of Massachusetts
Department of Public Utilities

One South Street
Boston, MA 02110

STATEMENT OF OPERATING REVENUES

YEAR 2017

Name of Company Nantucket Electric Company
D/B/A _____
Address One Metrotech Center 12th Floor
Brooklyn, NY 11201

		Location on <u>Annual Return</u>
Massachusetts Operating Revenues (Intrastate)	\$ <u>23,933,927</u>	refer to <u>FERC Form 1</u>
Other Revenues (outside Massachusetts)	\$ _____	_____
Total Revenues	\$ <u>23,933,927</u>	refer to <u>FERC Form 1</u>

I hereby certify under the penalties of perjury that the foregoing statement is true to the best of my knowledge and belief.

Signature *George Carlin*
Name George Carlin
Title VP, NE Financial Controller

The purpose of this statement is to provide the Department of Public Utilities with the amount of intrastate operating revenues for the annual assessment made pursuant to G.L. c. 25, § 18.

If invoices or correspondence are to be addressed to a particular individual or department of the Company, please provide the name, title, and address below.

Name _____
Title _____
Address _____

THE COMMONWEALTH OF MASSACHUSETTS

ANNUAL RETURN

OF THE

NANTUCKET ELECTRIC COMPANY

TO THE

DEPARTMENT OF PUBLIC UTILITIES

YEAR ENDED DECEMBER 31, 2017

nationalgrid

Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2019)

Check appropriate box:

Original signed form

Conformed Copy



**FERC FORM NO. 1-F: ANNUAL REPORT
OF NONMAJOR PUBLIC UTILITIES AND
LICENSEES**

This report is mandatory under the Federal Power Act, Sections 304(a), and 18 CFR 141.2. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Nantucket Electric Company

Year of Report

December 31, 2017

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SUBSTITUTE PAGES FOR NONMAJOR RESPONDENTS USING ACCOUNTS
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III	Comparative Balance Sheet (110-113)
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XIX	Purchased Power (326-327)

INSTRUCTIONS FOR FILING FERC Form No. 1-F

GENERAL INFORMATION

I. Purpose

FERC Forms 1-F and 3-Q are designed to collect financial and operational information from nonmajor public utilities and licensees subject to the jurisdiction of the Federal Energy Regulatory Commission.

and Licensees Subject to the Provisions of the Federal Power Act (18 CFR Part 101 [U.S. of A.] must submit FERC Form 1-F [18 C.F.R. § 141.2] Filers required to submit FERC Form 1-F must also submit FERC Form 3-Q [18 C.F.R. § 141.400].

II. Who Must Submit

Each Nonmajor Public Utility or Licensee, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities

Each Nonmajor public utility or licensee classified as Class C or Class D prior to January 1, 1984, may continue to file only the basic financial statements - Parts III, IV and V.

Note: Nonmajor means having total annual sales of 10,000 megawatt-hours or more in the previous calendar year and not classified as "Major."

GENERAL INFORMATION (Continued)

III.
(a)

What and Where to Submit
Submit an original and one (1) copy of this form to:
Office of the Secretary Federal Energy
Regulatory Commission 888 First Street,
N.E. Washington, DC 2042

1. For the CPA certification, submit with the original submission or within 30 days after the filing date of FERC Form 1-F, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

1. Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (1) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority of a State or other political subdivision of the U.S. (See 18 C.F.R. §§ 41.10 and 41.12 for specific qualifications.)

Schedules

Comparative Balance Sheet
Statement of Income
Statement of Retained
Earnings Statement of Cash
Flows Notes to Financial
Statements

The following format must be used for the CPA Certification Statement for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of for the year ended on which we have reported separately under date of we have also reviewed schedules of Form 1-F for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Enter in whole dollars only.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

Federal, State and Local Governments and other authorized users may obtain blank copies of the FERC Form 1-F free of charge from <http://www.ferc.gov/docs-filing/hard-ff.asp>.

When to Submit Submit FERC Form 1-F on or before April 18th of the year following the calendar year covered by this report (18 C.F.R. § 141.2). Submit FERC Form 3-Q within 70 days from the end of the reporting quarter (18 C.F.R. § 141.400).

Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 116 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426 (Attention: Michael Miller, CI-1; and to the Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

GENERAL INSTRUCTIONS

Report data as outlined in the U.S. of A. (18 C.F.R. Part 101) as designed for "Nonmajor" electric utilities. If the "Major" designated accounts are maintained, then the following schedules may be substituted:

Nonmajor Accounts Part Number	Major Accounts Schedule Page (FERC Form No. 1)
III	110-113
IV	114-117
V	118-119
XII	219
XVI	300-301
XVII	320-323
XVIII	310-311
XIX	326-327
XX	200-201, 204-207

Indicate negative amounts by enclosing the figures in parenthesis (), except where otherwise noted (debit or credit).

When making revisions, resubmit only those pages that have been changed from the original. Include with your resubmission Part I, Identification and Part II, Attestation.

Use Part XXII, Footnote Data, to footnote any entry made to parts II through XXI.

Enter Not applicable whenever a particular part is not applicable.

SPECIFIC INSTRUCTIONS Item No. Instruction All Refer to the form. All items are self-explanatory.

PART II: ANNUAL REPORT CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

Line No.	Name of Certifying Official	Signature	Title	Date
1	George Carlin	<i>George Carlin</i>	VP, NE Controller	3/12/18

Title 18, U.S.C. 1001 makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

PART I: IDENTIFICATION

01 Exact Legal name of Respondent Nantucket Electric Company		02 Year of Report 2017/Q4
03 Previous Name and Date of Change (If name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, State, Zip Code) 40 Sylvan Road, Waltham, MA 02451		
05 Name of Contact Person Joseph Marrese		06 Title of Contact Person Director
07 Address of Contact Person (Street, City, State, Zip Code) One Metrotech Center, Brooklyn, NY 11201		
08 Telephone of Contact Person, Including Area Code (917) 903-2840	09 This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 03/15/2018
11 Name of Officer Having Custody of the Books of Account George Carlin		12 Title of Officer VP, NE Financial Controller
13 Address of Officer Where Books of Account Are Kept (Street, City, State, Zip Code) One Metrotech Center, Brooklyn, NY 11201		
14 Name of State Where Respondent Is Incorporated Massachusetts	15 Date of Incorporation (Mo, Da, Yr) 04/12/1905	16 If applicable, Reference to Law Incorporated Under GL 15613
17 Explanation of Manner and Extent of Corporate Control (If the respondent controls or is controlled by any other corporation, business trust, or similar organization)		

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	138,013,840	135,530,223
3	Construction Work in Progress (107)	200-201	2,170,419	575,586
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		140,184,259	136,105,809
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	53,556,062	51,660,253
6	Net Utility Plant (Enter Total of line 4 less 5)		86,628,197	84,445,556
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		86,628,197	84,445,556
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		290,808	290,808
19	(Less) Accum. Prov. for Depr. and Amort. (122)		222,233	272,785
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
	Noncurrent Portion of Allowances	228-229	0	0
	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		1,064,987	966,541
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		1,153,562	984,564
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		111,584	28,232
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		2,159,883	2,208,298
41	Other Accounts Receivable (143)		33,696	0
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		179,960	143,439
43	Notes Receivable from Associated Companies (145)		66,494,347	60,633,765
44	Accounts Receivable from Assoc. Companies (146)		14,642,028	12,206,816
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	151,346	183,162
49	Merchandise (155)	227	0	0
	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	184
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		1,337	23,862
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		6,367	6,367
60	Rents Receivable (172)		114,099	154,277
61	Accrued Utility Revenues (173)		1,064,137	1,046,030
62	Miscellaneous Current and Accrued Assets (174)		209	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		84,599,073	76,346,554
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		804,206	856,698
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	5,406,122	7,407,532
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-7,647	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	18,191	42,143
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	11,255
82	Accumulated Deferred Income Taxes (190)	234	9,817,470	13,199,238
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		16,038,342	21,517,066
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		188,419,174	183,293,740

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 03/14/2018	Year/Period of Report end of 2017/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	1	1
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	29,637,098	28,158,716
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	31,435,847	27,271,923
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	125,890	86,275
16	Total Proprietary Capital (lines 2 through 15)		61,198,836	55,516,915
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	51,300,000	51,300,000
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
	Total Long-Term Debt (lines 18 through 23)		51,300,000	51,300,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		36,142	34,026
29	Accumulated Provision for Pensions and Benefits (228.3)		4,936,224	5,630,476
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		6,974	6,632
35	Total Other Noncurrent Liabilities (lines 26 through 34)		4,979,340	5,671,134
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		1,773,544	1,664,836
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		21,506,985	19,701,611
41	Customer Deposits (235)		174,987	205,437
42	Taxes Accrued (236)	262-263	2,880,350	4,055,218
43	Interest Accrued (237)		43,940	17,574
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 03/14/2018	Year/Period of Report end of 2017/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		2,592	9,773
48	Miscellaneous Current and Accrued Liabilities (242)		454,553	411,951
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		26,836,951	26,066,400
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		0	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	0	0
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	358,722	76,756
60	Other Regulatory Liabilities (254)	278	28,059,100	22,154,241
61	Unamortized Gain on Required Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		14,335,548	19,530,020
64	Accum. Deferred Income Taxes-Other (283)		1,350,677	2,978,274
65	Total Deferred Credits (lines 56 through 64)		44,104,047	44,739,291
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		188,419,174	183,293,740

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STATEMENT OF INCOME

Quarterly

Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.

- Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
- Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
- If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

- Do not report fourth quarter data in columns (e) and (f)
- Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	23,933,927	31,864,001		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	12,398,480	19,387,690		
5	Maintenance Expenses (402)	320-323	1,645,505	1,560,453		
6	Depreciation Expense (403)	336-337	2,544,255	3,945,955		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-32	32		
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	616,388	594,287		
15	Income Taxes - Federal (409.1)	262-263	1,291,946	2,565,779		
16	- Other (409.1)	262-263	428,759	760,173		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	346,585	-1,178,047		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277		-13,202		
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)		2,868			
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		19,274,752	27,649,724		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		4,659,175	4,214,277		

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (In dollars) (g)	Previous Year to Date (In dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
23,933,927	31,864,001					2
						3
12,398,480	19,387,880					4
1,645,505	1,560,453					5
2,544,265	3,945,955					6
-32	32					7
						8
						9
						10
						11
						12
						13
616,386	594,287					14
1,291,946	2,565,779					15
428,759	760,173					16
346,585	-1,178,047					17
	-13,202					18
						19
						20
2,868						21
						22
						23
						24
19,274,752	27,649,724					25
4,659,175	4,214,277					26

STATEMENT OF INCOME FOR THE YEAR (continued)

	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		4,659,175	4,214,277		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		2,534	8,096		
34	(Less) Expenses of Nonutility Operations (417.1)		73,941	38,757		
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		922,671	593,453		
38	Allowance for Other Funds Used During Construction (419.1)		39,940	25,554		
39	Miscellaneous Nonoperating Income (421)		23,640	-21,344		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		914,844	567,002		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		50			
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		26,597	30,042		
46	Life Insurance (426.2)		10,444	7,138		
47	Penalties (426.3)		-87,370	83,000		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		4,489	6,299		
49	Other Deductions (426.5)		27,020	24,821		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		-18,770	151,300		
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263	278,286	134,249		
54	Income Taxes-Other (409.2)	262-263	81,142	35,532		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	-13,264	-15,580		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		346,174	154,201		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		587,440	261,501		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		525,754	413,061		
63	Amort. of Debt Disc. and Expense (428)		119,692	124,478		
64	Amortization of Loss on Required Debt (428.1)		11,254	75,304		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		382,246	192,765		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		6,037	2,347		
70	Net Interest Charges (Total of lines 62 thru 69)		1,032,909	803,261		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		4,213,706	3,672,517		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		4,213,706	3,672,517		

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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STATEMENT OF RETAINED EARNINGS

Do not report Lines 49-53 on the quarterly version.

Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.

3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		27,271,923	23,680,753
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		4,213,706	3,672,517
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Dividends Declared-Common Stock (Account 438)		-49,782	(91,347)
32				
33				
34				
35	TOTAL Dividends Declared-Common Stock (Acct. 438)		-49,782	(91,347)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		31,435,847	27,271,923
	APPROPRIATED RETAINED EARNINGS (Account 215)			

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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		31,435,847	27,271,923
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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STATEMENT OF CASH FLOWS

Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	4,213,706	3,672,517
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	2,544,223	3,945,987
5	Amortization of Debt Discount and Expense	119,692	124,478
6	Amortization of Loss on Recquired Debt	11,254	75,304
7			
8	Deferred Income Taxes (Net)	333,321	-1,180,425
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	72,311	-93,850
11	Net (Increase) Decrease in Inventory	32,000	89,080
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-1,034,823	-959,145
14	Net (Increase) Decrease in Other Regulatory Assets	1,993,976	-1,379,041
15	Net Increase (Decrease) in Other Regulatory Liabilities	2,091,512	452,487
16	(Less) Allowance for Other Funds Used During Construction	39,940	25,554
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	375,753	1,074,111
19			
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	9,961,479	6,395,949
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-4,366,000	-2,719,000
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		2,509
30	(Less) Allowance for Other Funds Used During Construction	-39,940	-25,554
31	Other (provide details in footnote):	3,416	17,260
32	Cost of Removal	-409,000	-378,000
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-4,737,476	-3,051,677
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):	-78,831	39,713
54	Affiliate Moneypool Lending and Receivables/Payables, Net	-6,490,420	-5,876,522
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-11,306,727	-8,967,912
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)		
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-365,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):	1,478,382	3,045,622
77			
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-49,782	-91,347
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	1,428,600	2,589,275
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	83,352	17,312
87			
88	Cash and Cash Equivalents at Beginning of Period	28,232	10,920
89			
90	Cash and Cash Equivalents at End of period	111,584	28,232

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Schedule Page: 120 Line No.: 18 Column: b

	2017	
Operating Activities - Other		
Change in Prepayments	\$	22,525
Change in Miscellaneous Current and Accrued Assets		(209)
Change in Unamortized Debt Expense		(67,000)
Change in Clearing Accounts		7,647
Change in Miscellaneous Deferred Debits		23,952
Change in Unamortized Loss on Reacquired Debt		1
Change in Accumulated Provision for Injuries and Damages		2,116
Change in Accumulated Provision for Pensions and Benefits		(694,252)
Change in Asset Retirement Obligations		342
Change in Other Deferred Credits		281,966
Change in Deferred Income Taxes		47,159
	\$	(375,753)

Schedule Page: 120 Line No.: 18 Column: c

	2016	
Operating Activities - Other		
Change in Prepayments	\$	(23,582)
Change in Miscellaneous Current and Accrued Assets		507
Change in Unamortized Debt Expense		(68,976)
Change in Miscellaneous Deferred Debits		13,961
Change in Accumulated Provision for Injuries and Damages		(210,532)
Change in Asset Retirement Obligations		6,632
Change in Other Deferred Credits		(930,683)
Change in Deferred Income Taxes		2,886,784
	\$	1,674,111

Schedule Page: 120 Line No.: 31 Column: b

	2017	
Investing Activities - Other		
Change in Utility Plant - Other	\$	(3,416)
	\$	(3,416)

Schedule Page: 120 Line No.: 31 Column: c

	2016	
Investing Activities - Other		
Change in Utility Plant - Other	\$	17,260
	\$	17,260

Schedule Page: 120 Line No.: 53 Column: b

	2017	
Investing Activities - Other		
Change in Special Funds	\$	(118,446)
Change in Accumulated Other Comprehensive Income		39,615
	\$	(78,831)

Schedule Page: 120 Line No.: 53 Column: c

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FOOTNOTE DATA			

	2016	
Investing Activities - Other		
Change in Special Funds	\$	(38,194)
Change in Accumulated Other Comprehensive Income		(1,519)
	\$	(39,713)

Schedule Page: 120 Line No.: 76 Column: b

	2017	
Financing Activities - Other		
Parent Tax loss Allocation	\$	1,478,382
	\$	1,478,382

Schedule Page: 120 Line No.: 76 Column: c

	2016	
Financing Activities - Other		
Parent Tax loss Allocation	\$	3,045,622
	\$	3,045,622

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NOTES TO FINANCIAL STATEMENTS

Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However where material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

**NANTUCKET ELECTRIC COMPANY
NOTES TO THE FINANCIAL STATEMENTS**

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nantucket Electric Company ("the Company") is a retail distribution company providing electric service to approximately 13,500 customers on the Island of Nantucket.

The Company is a wholly-owned subsidiary of National Grid USA ("NGUSA" or the "Parent"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution, and sale of both natural gas and electricity. NGUSA is a direct wholly-owned subsidiary of National Grid North America Inc. ("NGNA") and an indirect wholly-owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

Pursuant to a settlement agreement associated with NGUSA's purchase of the Company in 1996 approved by the Massachusetts Department of Public Utilities ("DPU"), the Company is considered, along with its affiliate Massachusetts Electric Company ("Massachusetts Electric") as one regulated entity for the purpose of recovering its costs and establishing its rates assessed to its customers, with the exception of the recovery of the Company's investment in two undersea electric cables. In the recovery of certain regulatory assets, funding of the recovery is from the customers of both companies. However, the mechanism by which recovery is ultimately achieved is through a single regulatory asset recorded on the balance sheet of Massachusetts Electric. The Company's share of these costs and recoveries are reflected through a return on equity mechanism between the Company and Nantucket Electric, as discussed in Note 12.

The accompanying financial statements are prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in its applicable Uniform System of Accounts. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP"). The primary differences consist of the following:

- Intercompany accounts are presented on a gross basis for FERC reporting but are netted together by counterparty for U.S. GAAP reporting.
- For FERC reporting, regulatory assets and liabilities are presented on a gross basis and are classified as non-current. For U.S. GAAP reporting, regulatory assets and liabilities are presented on a net basis where appropriate and are classified as current or long-term as applicable.
- The accumulated amounts collected in rates for cost of removal over spending are included within accumulated depreciation for FERC reporting, but are presented separately as a regulatory liability for U.S. GAAP reporting.
- All debt is classified as long-term in the balance sheet for FERC reporting. Under U.S. GAAP, the presentation reflects current and long-term debt separately.
- Goodwill is included within utility plant for FERC reporting, but is presented as other non-current assets for U.S. GAAP reporting.
- For FERC reporting, the debt issuance costs related to term loans is presented in the balance sheets within deferred charges and other assets. Under U.S. GAAP, this is presented in the balance sheets as a direct deduction from the carrying value of debt.
- For FERC reporting, the liability for uncertain tax positions related to temporary differences is not recognized pursuant to FERC guidance and deferred taxes are recognized based on the difference between positions taken in filed tax returns and amounts reported in the financial statements. For U.S. GAAP reporting, the liability for uncertain tax positions related to

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NOTES TO FINANCIAL STATEMENTS (Continued)			

temporary differences is recognized and deferred taxes are recognized based on the difference between the positions taken in filed tax returns adjusted for uncertain tax positions related to temporary differences and amounts reported in the financial statements.

- For FERC reporting, deferred tax assets and liabilities are presented on a gross basis. For U.S. GAAP reporting deferred tax assets and liabilities are presented on a net basis.

The Company has evaluated subsequent events and transactions through March 14, the date of issuance of these financial statements, and concluded that there were no events or transactions that require adjustment to, or disclosure in, the financial statements as of and for the year ended December 31, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In preparing financial statements that conform to FERC requirements, the Company must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities included in the financial statements. Actual results could differ from those estimates.

Regulatory Accounting

The FERC and the Massachusetts Department of Public Utilities ("DPU") regulate the rates the Company charges its customers. In certain cases, the rate actions of the FERC and DPU can result in accounting that differs from non-regulated companies. In these cases, the Company defers costs (as regulatory assets) or recognizes obligations (as regulatory liabilities) if it is probable that such amounts will be recovered from, or refunded to, customers through future rates. Regulatory assets and liabilities are reflected in the statements of income consistent with the treatment of the related costs in the ratemaking process.

Revenue Recognition

Revenues are recognized for energy service provided on a monthly billing cycle basis. The Company records unbilled revenues for the estimated amount of services rendered from the time meters were last read to the end of the accounting period.

As approved by the DPU, the Company is allowed to pass through commodity-related costs to customers and also bills for approved rate adjustment mechanisms. In addition, the Company has an electric revenue decoupling mechanism ("RDM") which allows for an annual adjustment to the Company's delivery rates as a result of the reconciliation between annual target revenue and actual billed distribution revenue. Any difference between the annual target revenue and actual billed distribution revenue is recorded as a regulatory asset or regulatory liability.

Other Taxes

The Company collects taxes and fees from customers such as sales taxes, other taxes, surcharges, and fees that are levied by state or local governments on the sale or distribution of electricity. The Company accounts for taxes that are imposed on customers (such as sales taxes) on a net basis (excluded from revenues).

Income Taxes

Federal and state income taxes have been computed utilizing the asset and liability approach that requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes also reflect the tax effect of net operating losses, capital losses, and general business credit carry

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NOTES TO FINANCIAL STATEMENTS (Continued)			

forwards.

The effects of tax positions are recognized in the financial statements when it is more likely than not that the position taken, or expected to be taken, in a tax return will be sustained upon examination by taxing authorities based on the technical merits of the position. The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Deferred investment tax credits are amortized over the useful life of the underlying property.

NGNA files consolidated federal tax returns including all of the activities of its subsidiaries. Each subsidiary determines its current and deferred taxes based on the separate return method, modified by benefits-for-loss allocation pursuant to a tax sharing agreement between NGNA and its subsidiaries. To the extent that the consolidated return group settles cash differently than the amount reported as realized under the benefit-for-loss allocation, the difference is accounted for as either a capital contribution or as a distribution.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at cost which approximates fair value.

Special Deposits

Special deposits primarily include collateral paid to the Company's counterparties for health insurance and worker's compensation when applicable.

Accounts Receivable and Accumulated Provision for Uncollectible Accounts

The Company recognizes an accumulated provision for uncollectible accounts to record accounts receivable at estimated net realizable value. The provision is determined based on a variety of factors including, for each type of receivable, applying an estimated reserve percentage to each aging category, taking into account historical collection and write-off experience and management's assessment of collectability from individual customers as appropriate. The collectability of receivables is continuously assessed and, if circumstances change, the provision is adjusted accordingly. Receivable balances are written off against the provision for uncollectible accounts when the accounts are disconnected and/or terminated and the balances are deemed to be uncollectible.

Plant Materials and Operating Supplies

Plant materials and operating supplies are stated at the lower of weighted average cost or market and are expensed or capitalized as used. The Company's policy is to write-off obsolete plant materials and operating supplies; there were no material write-offs of obsolete plant materials and operating supplies for the years ended December 31, 2017 or 2016.

Fair Value Measurements

The Company measures available-for-sale securities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following is the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that a company has the ability to access as of the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and
- Level 3: unobservable inputs, such as internally-developed forward curves and pricing models for the asset or liability due to little or no market activity for the asset or liability with low correlation to observable market inputs.

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The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Utility Plant

Utility plant is stated at original cost. The cost of repairs and maintenance is charged to expense and the cost of renewals and betterments that extend the useful life of utility plant is capitalized. The capitalized cost of additions to utility plant includes costs such as direct material, labor and benefits, and an allowance for funds used during construction ("AFUDC").

Depreciation is computed over the estimated useful life of the asset using a straight-line method. Depreciation studies are conducted periodically to update the composite rates and are approved by the DPU. The average rate for all asset groups for each of the years ended December 31, 2017 and 2016 was 3.1% and 5.0%, respectively. The average service life for each of the years ended December 31, 2017 and 2016 was 44 years, and reflects an end to depreciation of a large asset.

Depreciation expense includes a component for estimated future cost of removal, which is recovered through rates charged to customers.

Allowance for Funds Used During Construction

In accordance with applicable accounting guidance, the Company records AFUDC, which represents the debt and equity costs of financing the construction of new utility plant. AFUDC equity is reported in the statements of income as non-cash income and AFUDC debt is reported as a non-cash offset to interest expense. After construction is completed, the Company is permitted to recover these costs through their inclusion in rate base and corresponding depreciation expense. The Company recorded AFUDC related to equity of \$40 thousand and \$26 thousand and AFUDC related to debt of \$6 thousand and \$2 thousand for the years ended December 31, 2017 and 2016, respectively. The average AFUDC rates for the years ended December 31, 2017 and 2016 were 4.9% and 4.4%, respectively.

Goodwill

The Company tests goodwill for impairment annually on January 1, and when events occur or circumstances change that would more likely than not reduce the fair value of the Company below its carrying amount. Goodwill is tested for impairment using a two-step approach. The first step compares the estimated fair value of the Company with its carrying value, including goodwill. If the estimated fair value exceeds the carrying value, then goodwill is considered not impaired. If the carrying value exceeds the estimated fair value, then a second step is performed to determine the implied fair value of goodwill. If the carrying value of goodwill exceeds its implied fair value, then an impairment charge equal to the difference is recorded.

The fair value of the Company was calculated in the annual goodwill impairment test for the year ended March 31, 2017 utilizing both income and market approaches. The Company uses a 50% weighting for each valuation methodology, as it believes that each methodology provides equally valuable information. Based on the resulting fair value from the annual analyses, the Company determined that no adjustment of the goodwill carrying value was required at March 31, 2017 or 2016.

Available-For-Sale Securities

The Company provides certain executives with nonqualified retirement and deferred compensation benefits which have been partially secured through separate fund arrangements. As a result, the Company holds available-for-sale securities that include equities, municipal bonds, and corporate bonds. These investments are recorded at fair value and are included in other special funds on the balance sheet. Changes in the fair value of these assets are recorded within other comprehensive income.

Asset Retirement Obligations

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Asset retirement obligations are recognized for legal obligations associated with the retirement of utility plant, primarily associated with the Company's distribution facilities. Asset retirement obligations are recorded at fair value in the period in which the obligation is incurred, if the fair value can be reasonably estimated. In the period in which new asset retirement obligations, or changes to the timing or amount of existing retirement obligations are recorded, the associated asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset. In each subsequent period the asset retirement obligation is accreted to its present value. The Company applies regulatory accounting guidance and both the depreciation and accretion costs associated with asset retirement obligation are recorded as increases to regulatory assets on the balance sheets. These regulatory assets represent timing differences between the recognition of costs in accordance with FERC reporting and costs recovered through the rate-making process.

Employee Benefits

The Company participates with other NGUSA subsidiaries in defined benefit pension plans administered by the Parent and has postretirement benefit other than pension ("PBOP") plans for its employees. The Company recognizes its portion of the Pension and PBOP plans' funded status on the balance sheet as a net liability or asset. The cost of providing these plans is recovered through rates; therefore, the net funded status is offset by a regulatory asset or liability. The pension and PBOP plans' assets are commingled and cannot be allocated to an individual company. The Company measures and records its pension and PBOP funded status at the year-end date. Pension and PBOP plan assets are measured at fair value, using the year-end market value of those assets.

New and Recent Accounting Guidance

Accounting Guidance Recently Adopted in Calendar Year 2017

Measurement of Inventory

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-11, "Simplifying the Measurement of Inventory." The new guidance requires that inventory be measured at the lower of cost or net realizable value (other than inventory measured using "last-in, first out" and the "retail inventory method"). The application of this guidance did not have a material impact on the results of operations, cash flows, or financial position of the Company since the Company's gas in storage is fully recoverable from customers and material and supplies inventory is stated at the lower of cost or market.

Presentation of Financial Statements – Going Concern, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern

In August 2014, the FASB issued amendments on reporting about an entity's ability to continue as a going concern in ASU 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205 - 40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The amendments provide guidance about management's responsibility to evaluate whether there is substantial doubt surrounding an entity's ability to continue as a going concern. If management concludes that substantial doubt exists, the amendments require additional disclosures relating to management's evaluation and conclusion. Management is not aware of any indicators giving rise to substantial doubt about the Company's ability to continue to operate and to meet its obligations as they fall due.

Accounting Guidance Not Yet Adopted

Pension and Postretirement Benefits

In March 2017, the FASB issued ASU 2017-07, "Compensation Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," which changes certain presentation and disclosure requirements for employers that sponsor defined benefit pension and other postretirement benefit plans. For USGAAP reporting, the ASU requires the service cost component of the net benefit cost to be in the same line item as other compensation in operating

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income and the other components of net benefit cost to be presented outside of operating income on a retrospective basis. For FERC reporting purposes, all costs will continue to be reported in operating expenses. In addition, only the service cost component will be eligible for capitalization when applicable, on a prospective basis. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2019, and interim periods within the reporting period, with early adoption permitted. The Company does not anticipate that this update will have a material impact on the results of its operations, cash flows, or financial position of the Company.

Goodwill

In January 2017, the FASB issued ASU 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment," which eliminates Step 2 from the goodwill impairment test. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2022, with early adoption permitted. The Company currently anticipates adopting the ASU in the year ended March 31, 2018.

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)," which requires entities to show the changes in the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the statement of cash flows. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2019, and interim periods thereafter, with early adoption permitted.

In August 2016, the FASB issued ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payments (Topic 230)," which provides guidance about the classification of certain cash receipts and payments within the statement of cash flows, including debt prepayment or extinguishment costs, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims and policies, and distributions received from equity method investments. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2019, and interim periods thereafter, with early adoption permitted.

The Company is currently evaluating the impact of the new guidance on the presentation of its statements of cash flows.

Income Taxes

In October 2016, the FASB issued ASU No. 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory," which eliminates the exception for all intra-entity sales of assets other than inventory. As a result, a reporting entity would recognize the tax expense from the sale of the asset in the seller's tax jurisdiction when the transfer occurs, even though the pre-tax effects of that transaction are eliminated in consolidation. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2019, and interim periods thereafter, with early adoption permitted. The application of this guidance is not expected to have a material impact on the results of operations, cash flows, or financial position of the Company.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." The underlying principle of this ASU is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to, in exchange for those goods or services. For the Company, the new guidance is effective for the fiscal year ended March 31, 2019, and will be adopted using a modified retrospective approach.

The FASB has issued a number of additional recent ASUs related to revenue recognition, whose effective date and transition requirements are the same as those for ASU 2014-09. In March 2016, the FASB issued ASU 2016-08, which clarifies the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing," which provides guidance in the new revenue standard on identifying performance obligations and accounting for licenses of intellectual property. In May 2016, the FASB

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issued ASU 2016-12, providing additional clarity on various aspects of Topic 606, including a) Assessing the Collectibility Criterion and Accounting for Contracts That Do Not Meet the Criteria for Step 1, b) Presentation of Sales Taxes and Other Similar Taxes Collected from Customers, c) Noncash Consideration, d) Contract Modifications at Transition, e) Completed Contracts at Transition, and f) Technical Correction. Lastly, in December 2016, the FASB issued ASU No. 2016-20, "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers." The amendments in this update cover a variety of corrections and improvements to the Codification related to the new revenue recognition standard (ASU 2014-09).

The Company has undertaken detailed reviews of its revenue arrangements and is in the process of finalizing its assessment of the impact of the new standard. Based on work to date, the Company does not believe that the standard will have a material impact on the presentation of its results of operations, cash flows, or financial position. However, the Company will be required to make significant additional qualitative and quantitative financial statement disclosures under ASC 606 pertaining to its revenue earning mechanisms.

Financial Instruments – Classification and Measurement

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities." The new guidance principally affects the accounting for equity investments and financial liabilities where the fair value option has been elected, as well as the disclosure requirements for financial instruments. For the Company, the new guidance is effective for the fiscal year ended March 31, 2019, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on the presentation, results of its operations, cash flows, and financial position.

3. REGULATORY ASSETS AND LIABILITIES

The Company records regulatory assets and liabilities that result from the ratemaking process. The following table presents the regulatory assets and regulatory liabilities recorded on the balance sheet.

	December 31,	
	2017	2016
	<i>(in thousands of dollars)</i>	
<i>Other regulatory assets</i>		
Postretirement Benefits	\$ 4,174	\$ 5,817
Rate Adjustment Mechanisms	19	402
Regulatory deferred tax assets	1,188	1,185
Other	25	4
Total	<u>5,406</u>	<u>7,408</u>
<i>Other regulatory liabilities</i>		
Rate Adjustment Mechanisms	15,747	14,924
Energy efficiency	6,064	5,726
Regulatory deferred tax liability	4,631	818
Second cable deferral	525	600
Other	1,092	87
Total	<u>28,059</u>	<u>22,154</u>
Net regulatory liabilities	<u>\$ (22,653)</u>	<u>\$ (14,746)</u>

Energy efficiency: Represents the difference between revenue billed to customers through the Company's energy efficiency charge and the costs of the Company's energy efficiency programs as approved by the DPU.

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Postretirement benefits: Represents the excess costs of the Company's pension and PBOP plans over amounts received in rates that are deferred as a regulatory asset to be recovered in future periods and the non-cash accrual of net actuarial gains and losses.

Regulatory deferred tax asset and liability: This amount represents unrecovered federal and state deferred taxes of the Company, primarily as a result of regulatory flow through accounting treatment and state income tax rate changes and excess federal deferred taxes as a result of the recently enacted Tax Cuts and Jobs Act ("Tax Act"). The income tax benefits or charges for certain plant related timing differences are immediately flowed through to, or collected from, customers. The timing of and period over which these the excess deferred income taxes will be refunded to customers will be determined through a regulatory proceeding with the DPU that is currently in progress and discussed in Note 4. See further details about the Tax Act in footnote 10, Income Taxes.

Rate adjustment mechanisms: The Company is subject to a number of rate adjustment mechanisms such as for commodity costs, whereby an asset or liability is recognized resulting from differences between actual revenues and the underlying cost being recovered, or differences between actual revenues and targeted amounts as approved by the DPU.

Second cable deferral: Represents the recoveries of costs associated with the second undersea cable to the island of Nantucket, which was placed in service on April 18, 2006. The recovery mechanism was intended to mitigate the immediate customer rate impact by accruing costs in the first several years and remitting such accruals in later years.

The Company records carrying charges on all regulatory balances (with the exception of deferred taxes), for which cash expenditures have been made and are subject to recovery, or for which cash has been collected and is subject to refund. Carrying charges are not recorded on items for which expenditures have not yet been made.

4. RATE MATTERS

As described in Note 1, "Nature of Operations and Basis of Presentation", the Company and Massachusetts Electric are considered as one regulated entity for the purpose of recovering its costs and establishing its rates assessed to its customers. For certain regulatory assets, including incremental storm costs of qualifying storm events, site investigation and remediation costs, solar generation costs, and any other costs incurred by the companies when taken as a single entity, the funding of the recovery is from the customers of both companies, with a single regulatory asset recorded on the balance sheet of Massachusetts Electric. As discussed in the "Related Party Reimbursement" section in Note 12, "Related Party Transactions" the Company's share of such costs and recoveries are reflected through the DPU-approved return on equity mechanism between the Company and Massachusetts Electric.

The Company records its own regulatory assets and liabilities associated with items that are specific to the Company such as but not limited to energy efficiency, postretirement benefits, rate adjustment mechanisms, regulatory deferred tax asset.

Rate Case Filing

In November 2015, the Company, together with its affiliate, Massachusetts Electric, filed an application for new base distribution rates to become effective October 1, 2016. The DPU approved an overall increase in base distribution revenue of approximately \$170 million based upon a 9.9% return on equity and an overall capital structure of 50.69% equity, 49.22% long-term debt and 0.09% preferred stock. This increase in revenue includes capital and solar assets placed in service after the last rate case test year of December 2008 and previously recovered through separate factors. This rate settlement remains in effect.

Tax Cuts and Jobs Act

In response to the Tax Act signed into law on December 22, 2017, the DPU issued an order opening an investigation docketed as DPU 18-15 to examine the effect of the Tax Act on the rates of the investor-owned utilities in Massachusetts. The DPU order explains that the statutory reduction in the federal corporate income tax rates pursuant to the Tax Act constitutes evidence that the rates being charged by each utility may no longer be just and reasonable as of January 1, 2018. To address this issue, the DPU has ordered each utility, as of January 1, 2018, to account for any revenues associated with the difference between the previous and current corporate

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income tax rates, and also establish a regulatory liability for excess recovery in rates of accumulated deferred income taxes resulting from the lower federal corporate income tax rate. The order requires utilities to file a plan for how it will refund these amounts by May 1, 2018, with an expectation that a rate reduction shall go into effect by July 1, 2018. To the extent that a utility seeks to implement any part of its rate adjustment, including the refund of excess deferred taxes, on a date later than July 1, 2018, that party must demonstrate that customers will not be harmed by the proposal and that the proposal is otherwise in the public interest.

5. UTILITY PLANT AND NONUTILITY PROPERTY

The following table summarizes utility plant and nonutility property at cost along with accumulated depreciation and amortization:

	December 31,	
	2017	2016
<i>(in thousands of dollars)</i>		
Plant and machinery	\$ 117,214	\$ 114,742
Goodwill	16,552	16,552
Land and buildings	4,540	4,528
Assets in construction	2,170	575
Total property, plant and equipment	<u>140,476</u>	<u>136,397</u>
Accumulated depreciation and amortization	<u>(53,778)</u>	<u>(51,933)</u>
Utility plant and non-utility property, net	<u>\$ 86,698</u>	<u>\$ 84,464</u>

6. FAIR VALUE MEASUREMENTS

The following tables present available-for-sale securities measured and recorded at fair value on the balance sheet on a recurring basis and their level within the fair value hierarchy as of December 31, 2017 and December 31, 2016:

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
	<i>(in thousands of dollars)</i>			
Assets:				
Available-for-sale securities	\$ 474	\$ 611	\$ -	\$ 1,085
	December 31, 2016			
	Level 1	Level 2	Level 3	Total
	<i>(in thousands of dollars)</i>			
Assets:				
Available-for-sale securities	\$ 419	\$ 548	\$ -	\$ 967

Available-for-sale securities: Available-for-sale securities are included in other non-current assets on the balance sheet and primarily include equity and debt investments based on quoted market prices (Level 1) and municipal and corporate bonds based on quoted prices of similar traded assets in open markets (Level 2).

Other Fair Value Measurements

The Company's balance sheets reflect long-term debt at amortized cost. The fair value of the Company's long-term debt was based

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on quoted market prices when available, or estimated using quoted market prices for similar debt. The fair value of this debt at December 31, 2017 and December 31, 2016 was \$51.3 million, respectively.

All other financial instruments on the balance sheet such as accounts receivable, accounts payable, and the intercompany money pool are stated at cost, which approximates fair value.

7. EMPLOYEE BENEFITS

The Company participates with other NGUSA subsidiaries in a qualified and non-qualified non-contributory defined benefit plan (the "Pension Plan") and PBOP plan (together with the Pension Plan (the "Plan")), covering substantially all employees.

The Pension Plan is a defined benefit plan which provides union employees, as well as non-union employees hired before January 1, 2011, with a retirement benefit. Supplemental non-qualified, non-contributory executive retirement programs provide additional defined pension benefits for certain executives. The PBOP plan provides health care and life insurance coverage to eligible retired employees. Eligibility is based on age and length of service requirements and, in most cases, retirees must contribute to the cost of their coverage.

During each of the years ended December 31, 2017 and 2016, the Company made contributions of approximately \$0.2 million to the Plan.

Plan assets are commingled and cannot be allocated to an individual company. The Plan's costs are first directly charged to the Company based on the Company's employees that participate in the Plan. Costs associated with affiliated service companies' employees are then allocated as part of the labor burden for work performed on the Company's behalf. The Company applies deferral accounting for pension and PBOP expenses associated with its regulated electric operations. Any differences between actual pension costs and amounts used to establish rates are deferred and collected from or refunded to customers in subsequent periods. Pension and PBOP expense are included within operation and maintenance expense in the accompanying statements of income.

NGUSA's unfunded obligations at December 31, 2017 and 2016 are as follows:

	December 31,	
	2017	2016
	<i>(in thousands of dollars)</i>	
Pension	\$ 443,454	\$ 563,169
PBOP	317,233	445,961
	<u>\$ 760,687</u>	<u>\$ 1,009,130</u>

The Company's net pension and PBOP expenses directly charged and allocated from affiliated service companies, net of capital, for the years ended December 31, 2017 and 2016 are as follows:

	December 31,	
	2017	2016
	<i>(in thousands of dollars)</i>	
Pension	\$ 362	\$ 452
PBOP	173	218
	<u>\$ 535</u>	<u>\$ 670</u>

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Defined Contribution Plan

NGUSA has a defined contribution pension plan that covers substantially all employees. For the years ended December 31, 2017 and 2016, the Company recognized an expense in the accompanying statements of income of \$38 thousand and \$43 thousand, for matching contributions.

Other Benefits

At December 31, 2017 and 2016, the Company had accrued workers compensation, auto, and general insurance claims which have been incurred but not yet reported ("IBNR") of \$143 thousand and \$34 thousand, respectively. IBNR reserves have been established for claims and/or events that have transpired, but have not yet been reported to the Company for payment.

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table represents the changes in the Company's accumulated other comprehensive income for the years ended December 31, 2017 and 2016:

	<u>Unrealized Gain (Loss) on Available- For-Sale Securities</u> <i>(in thousands of dollars)</i>
Balance as of December 31, 2015	\$ 88
Other comprehensive income before reclassifications:	
Gain on investment (net of \$13 tax expense)	23
Amounts reclassified from other comprehensive income:	
Gain on investment (net of \$10 tax benefit) ⁽¹⁾	(24)
Net current period other comprehensive income (loss)	<u>\$ (2)</u>
Balance as of December 31, 2016	\$ 86
Other comprehensive income before reclassifications:	
Gain on investment (net of \$15 tax expense)	60
Amounts reclassified from other comprehensive income:	
Gain on investment (net of \$16 tax benefit) ⁽¹⁾	(21)
Net current period other comprehensive income	<u>40</u>
Balance as of December 31, 2017	<u>\$ 126</u>

⁽¹⁾ Amounts are reported as other income and deductions in the accompanying statements of income.

9. CAPITALIZATION

Long-term debt at December 31, 2017 and 2016 is as follows:

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	Rate	Maturity	December 31,	
			2017	2016
			<i>(in thousands of dollars)</i>	
2004 MDFA Tax Exempt Bond	Variable	March 1, 2039	10,000	10,000
2005 MDFA Tax Exempt Bond	Variable	December 1, 2040	28,000	28,000
2007 MDFA Tax Exempt Bond	Variable	August 1, 2042	13,300	13,300
Total long-term debt			<u>\$ 51,300</u>	<u>\$51,300</u>

The aggregate maturities of long-term debt subsequent to December 31, 2017 are as follows:

<i>(in thousands of dollars)</i>	
<u>Years Ending December 31,</u>	
2018	\$ -
2019	-
2020	-
2021	-
2022	-
Thereafter	<u>51,300</u>
Total	<u>\$ 51,300</u>

The Company's debt agreements and banking facilities contain covenants, including those relating to the periodic and timely provision of financial information by the issuing entity and financial covenants such as restrictions on the level of indebtedness. Failure to comply with these covenants, or to obtain waivers of those requirements, could in some cases trigger a right, at the lender's discretion, to require repayment of some of the Company's debt and may restrict the Company's ability to draw upon its facilities or access the capital markets. During the twelve months ended December 31, 2017 and 2016, the Company was in compliance with all such covenants.

Debt Authorizations

Since January 12, 2017, the Company had regulatory approval from the FERC to issue up to \$15 million of short-term debt internally or externally. The authorization is effective for a period of two years that expires on January 10, 2019. The Company had no external short-term debt outstanding as of December 31, 2017 and December 31, 2016, respectively. Refer to the Intercompany Money Pool footnote included in Note 12. Related Party Transactions for short-term debt outstanding to associated companies.

Electric Revenue Bonds

At December 31, 2017, the Company had \$51.3 million outstanding of Electric Revenue Bonds in tax-exempt commercial paper mode with maturity dates ranging from 2039 through 2042. The debt is remarketed at periods of 1-270 days. The minimum and maximum rate was 0.85% and 1.80%, and 0.45% and 1.10% respectively, for the twelve months ended December 31, 2017 and 2016.

Dividend Restrictions

Pursuant to provisions in connection with the prior mergers, payment of dividends on common stock are not permitted if, after giving effect to such payment of dividends, common equity becomes less than 30% of total capitalization. Under these provisions, none of the Company's retained earnings at December 31, 2017 and December 31, 2016 were restricted as to common dividends.

10. INCOME TAXES

Components of Income Tax Expense

FERC FORM NO. 1 (ED. 12-88)

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	Years Ended December 31,	
	2017	2016
<i>(in thousands of dollars)</i>		
Current tax expense (benefit):		
Federal	\$ 1,570	\$ 2,700
State	510	796
Total current tax expense (benefit)	<u>2,080</u>	<u>1,928</u>
Deferred tax expense:		
Federal	301	(870)
State	33	(311)
Total deferred tax expense	<u>334</u>	<u>(1,181)</u>
Total income tax expense	<u>\$ 2,414</u>	<u>\$ 2,315</u>
Total income taxes in the statements of income:		
Income taxes charged to operations	\$ 2,068	\$ 2,161
Income taxes credited to other income (deductions)	346	154
Total	<u>\$ 2,414</u>	<u>\$ 2,315</u>

Statutory Rate Reconciliation

The Company's effective tax rate for the years ended December 31, 2017 and 2016 are 36.4% and 38.7% respectively. The following table presents a reconciliation of income tax expense at the federal statutory tax rate of 34% for calendar 2016 and for January to March 2017 and 30.79% blended rate for April to December 2017 to the actual tax expense:

	Years Ended December 31,	
	2017	2016
<i>(in thousands of dollars)</i>		
Computed tax	\$ 2,054	\$ 2,039
Change in computed taxes resulting from:		
State income tax, net of federal benefit	377	317
Other items, net	(17)	(41)
Total	<u>360</u>	<u>276</u>
Federal and state income taxes	<u>\$ 2,414</u>	<u>\$ 2,315</u>

The Company is included in the NGNA and subsidiaries consolidated federal income tax return and Massachusetts unitary state income tax return. The Company has joint and several liabilities for any potential assessments against the consolidated group.

On December 22, 2017, the Tax Act was signed into law. The Tax Act includes significant changes to various federal tax provisions applicable to the Company, including provisions specific to regulated public utilities. The most significant changes include the reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018 and the limitation of the net operating loss deduction for net operating losses generated in tax years starting after December 31, 2017 to 80% of taxable income with an indefinite carryforward period. The Tax Act provisions related to regulated public utilities eliminate bonus depreciation for certain property acquired or placed in service after September 27, 2017 and extend the normalization requirements for ratemaking treatment of excess deferred taxes.

In accordance with Accounting Standards Codification ("ASC") 740, "Income Taxes," the effect of changes in tax law are required to be recognized in the period of enactment, which for the Company is the period ended December 31, 2017. Since the Company's

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fiscal year end is March 31, the statutory rate applicable for the Company's fiscal year ended March 31, 2018, will be a blended tax rate of 31.55%. In subsequent periods, the federal income tax rate will be 21%. In addition, ASC 740 requires deferred income tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. As a result, the Company re-measured its federal deferred income tax assets and liabilities using the newly enacted tax rate of 21%. Where the reduction in the net deferred income tax liability is expected to be refunded to ratepayers in future rates, the re-measurement will be deferred as a regulatory liability. The Company recognized a decrease in its net deferred income tax liability in the amount of \$2,796 thousand, with \$24 thousand of the benefit recorded in income statement and \$2,772 thousand recorded to regulatory liability for the refund of excess deferred taxes to ratepayers.

On December 22, 2017, the Securities Exchange Commission issued Staff Accounting Bulletin ("SAB") 118, which provides guidance on accounting for the effects of the Tax Act. The FASB staff subsequently issued guidance stating that private companies may apply SAB 118 to the financial statements. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date to complete the accounting under ASC 740. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete, a company can determine a reasonable estimate for those effects and record a provisional estimate in the financial statements. If a company cannot determine a provisional amount, the company should continue to apply existing accounting guidance for income taxes based on the provisions of the tax laws that were in effect immediately prior to the enactment of the Tax Act.

The Company has made a reasonable estimate for the measurement and accounting of the effects of the Tax Act which have been reflected in the December 31, 2017 financial statements based on management's interpretation of the Tax Act and information available. The items reflected as provisional amounts are related to accelerated depreciation for tax purposes of certain property placed in service after September 27, 2017, the allocation of excess deferred taxes between customers and shareholders, and certain property related temporary differences. The final impact may differ from the recorded amounts to the extent refinements are made as a result of changes in management's interpretations and assumptions, additional guidance or technical corrections that may be issued.

Deferred Tax Components

Significant components of the Company's net deferred tax assets and liabilities at December 31, 2017 and December 31, 2016 are as follows:

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	Years Ended December 31	
	2017	2016
	<i>(in thousands of dollars)</i>	
Deferred tax assets:		
Regulatory liabilities - other	\$ 7,810	9,180
Pensions, OPEB and other employee benefit	1,563	2,568
Future federal benefit on state taxes	219	\$ 467
Other items	225	984
Total deferred tax assets ⁽¹⁾	9,817	13,199
Deferred tax liabilities:		
Property related differences	14,336	19,530
Regulatory assets - pension and OPEB	1,290	2,581
Investments	54	52
Regulatory assets - other	-	340
Other items	6	5
Total deferred tax liabilities	15,686	22,508
Net deferred income tax liability	\$ 5,869	\$ 9,309

(1) The company established valuation allowance for deferred tax assets in the amount of \$18 thousand related to expiring charitable contribution carryforwards at December 31, 2017. There was \$15 thousand valuation allowance for deferred tax assets at December 31, 2016.

Unrecognized Tax Benefits

The Company adopted the provisions of FASB guidance which clarifies the accounting for uncertain tax positions as modified by FERC Docket A107-2-000. FASB guidance provides that the financial effects of a tax position shall initially be recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information. FERC docket A107-2-000 issues supplementary guidance requiring entities to continue to recognize deferred income taxes for Commission accounting and reporting purposes based on the difference between positions taken in tax returns filed or expected to be filed and amounts reported in the financial statements. As of December 31, 2017 and December 31, 2016, the Company did not have any unrecognized tax benefits on a FERC basis.

The following table represents changes to the Company's unrecognized tax benefits for the years ended December 31, 2017 and 2016:

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	Years Ended December 31	
	2017	2016
	<i>(in thousands of dollars)</i>	
Balance as of the beginning of the year	\$ 1,633	\$ 1,601
Gross increases-tax positions in prior periods	34	-
Gross decreases- tax positions prior periods	-	(6)
Gross increases- current period tax positions	21	38
Ending balance	<u>\$ 1,688</u>	<u>\$ 1,633</u>
Less: unrecognized tax benefits on temporary differences	1,688	1,633
Balance at the end of the year	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2017 and 2016, the Company has accrued for interest related to unrecognized tax benefits of \$326.7 thousand and \$230.8 thousand, respectively. During years ended December 31, 2017 and 2016, the Company recorded interest expense of \$95.9 thousand and \$56.0 thousand, respectively. The Company recognizes interest related to unrecognized tax benefits in other interest, including affiliate interest and related penalties, if applicable, in other deductions, net, in the accompanying statements of income. No tax penalties were recognized during the years ended December 31, 2017 or 2016.

It is reasonably possible that other events will occur during the next twelve months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, the Company does not believe any such increases or decreases would be material to its results of operations, financial position, or cash flows.

The Company is included in NGNA and subsidiaries' administrative appeal with the Internal Revenue Service ("IRS") related to the issues disputed in the examination cycles for the years ended March 31, 2008 and March 31, 2009. The Company is expecting to reach a settlement with the IRS in the next fiscal year. The Company does not believe that the outcome of the settlement will have a material impact to its results of operations, financial position, or cash flows. The IRS continues its examination of the next cycle which includes income tax returns for the years ended March 31, 2010 through March 31, 2012. The examination is expected to conclude in the next fiscal year. The income tax returns for the years ended March 31, 2013 through March 31, 2017 remain subject to examination by the IRS.

The Massachusetts unitary state income tax returns for the years ended March 31, 2010 through March 31, 2017 remain subject to examination by the Massachusetts Department of Revenue.

The following table indicates the earliest tax year subject to examination for each major jurisdiction:

Jurisdiction	Tax Year
Federal	March 31, 2010
Massachusetts	March 31, 2010

11. COMMITMENTS AND CONTINGENCIES

Capital Expenditure Commitments

The Company has various capital commitments related to the construction of utility plant and nonutility property. The Company had no commitments under these contracts subsequent to December 31, 2017.

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Legal Matters

The Company is subject to various legal proceedings arising out of the ordinary course of its business. The Company does not consider any of such proceedings to be material, individually or in the aggregate, to its business or likely to result in a material adverse effect on its results of operations, financial position, or cash flows.

12. RELATED PARTY TRANSACTIONS

Accounts Receivable from and Accounts Payable to Affiliates

NGUSA and its affiliates provide various services to the Company, including executive and administrative, customer services, financial (including accounting, auditing, risk management, tax, and treasury/finance), human resources, information technology, legal, and strategic planning, that are charged between the companies and charged to each company.

The Company records short-term receivables from, and payables to, certain of its affiliates in the ordinary course of business. The amounts receivable from, and payable to, its affiliates do not bear interest and are settled through the intercompany money pool. A summary of outstanding accounts receivable from associated companies and accounts payable to associated companies is as follows:

	Accounts Receivable From Associated Companies		Accounts Payable To Associated Companies	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	<i>(in thousands of dollars)</i>			
Massachusetts Electric Company	\$ -	\$ 14	\$ 19,325	\$ 18,708
NGUSA Service Company	14,469	12,027	585	525
Other	173	166	1,597	469
Total	<u>\$ 14,642</u>	<u>\$ 12,207</u>	<u>\$ 21,507</u>	<u>\$ 19,702</u>

Advance from Affiliate

Since January 2015, the Company had FERC and board authorization to borrow up to \$10 million from NGUSA from time to time for working capital needs. The advance is non-interest bearing. At December 31, 2017 and December 31, 2016, respectively, the Company had no outstanding advance from affiliate.

Intercompany Money Pool

The settlement of the Company's various transactions with NGUSA and certain affiliates generally occurs via the intercompany money pool in which it participates. The Company is a participant in the Regulated Money Pool and can both borrow and invest funds. Borrowings from the Regulated Money Pool bear interest in accordance with the terms of the Regulated Money Pool Agreement. As the Company fully participates in the Regulated Money Pool rather than settling intercompany charges with cash, all changes in the intercompany money pool balance and accounts receivable from affiliates and accounts payable to affiliates balances are reflected as investing or financing activities in the accompanying statements of cash flows. In addition, for the purpose of presentation in the statements of cash flows, it is assumed all amounts settled through the intercompany money pool are constructive cash receipts and payments, and therefore are presented as such.

The Regulated Money Pool is funded by operating funds from participants. Collectively, NGUSA and its subsidiary KeySpan have the ability to borrow up to \$3 billion from National Grid plc for working capital needs including funding of the Regulated Money Pool, if necessary. The Company had short-term intercompany money pool investments of \$66.5 million and \$60.6 million at December 31, 2017 and December 31, 2016, respectively. The average interest rates for the intercompany money pool were 1.44% and 0.98% at December 31, 2017 and December 31, 2016, respectively.

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Related Party Reimbursement

In accordance with the Credit and Operating Support Agreement dated March 26, 1996, Massachusetts Electric will reimburse the Company an amount equal to the difference between the Company's actual net income for the year and the net income necessary for the Company to earn its DPU approved Return on Equity ROE for the fiscal year, currently 9.90%. This reimbursement shall constitute additional revenue to the Company and expense to Massachusetts Electric. If the Company's actual ROE for the year exceeds the Company's allowed ROE, the Company reimburses to Massachusetts Electric the excess amount of the earnings. For the years ended December 31, 2017 and 2016, Massachusetts Electric reimbursed the Company \$7.0 million and \$10.5 million, respectively, which is reflected in revenues and the intercompany balances in the accompanying financial statements.

Service Company Charges

The affiliated service companies of NGUSA provide certain services to the Company at their cost. The service company costs are generally allocated to associated companies through a tiered approach. First and foremost, costs are directly charged to the benefited company whenever practicable. Secondly, in cases where direct charging cannot be readily determined, costs are allocated using cost/causation principles linked to the relationship of that type of service, such as number of employees, number of customers/meters, capital expenditures, value of property owned, and total transmission and distribution expenditures. Lastly, when a specific cost/causation principle is not determinable, costs are allocated based on a general allocator determined using a 3-point formula based on net margin, net property, plant, and equipment, and operations and maintenance expense.

Net charges from and to the service companies of NGUSA including but not limited to non-power goods and services, for the years ended December 31, 2017 and 2016 were \$5.0 million and \$5.4 million, respectively.

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PART IX: ALLOWANCES (Accounts 158.1 and 158.2)

- Report below the particulars (details) called for concerning allowances.
- Report all acquisitions of allowances at cost.
- Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
- Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(f), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
- Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.

Line No	Allowance Inventory (Account 158.1) (a)	Current Year		20__	
		No (b)	Amt. (c)	No. (d)	Amt. (e)
01	Balance—Beginning of Year	N/A			
02					
03	Acquired During Year:				
04	Issued (Less Withheld Allow.)				
05	Returned by EPA				
06					
07	Purchases/Transfers:				
08					
09					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other.				
20					
21	Cost of Sales Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance—End of Year				
30					
31	Sales:				
32	Net Sales Proceeds (Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld Account 158.2)				
36	Balance—Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance—End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sale Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year of Report Dec 31, 2017
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PART IX: ALLOWANCES (Accounts 158.1 and 158.2) (Continued)

- | | |
|--|--|
| <p>6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.</p> <p>7. Report on lines 8-14 the names of vendors/transferees of allowances acquired and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).</p> | <p>8. Report lines 22-27 the names of purchasers/transferees of allowance disposed of and identify associated companies.</p> <p>9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.</p> <p>10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.</p> |
|--|--|

20____		19____		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								01
N/A								02
								03
								04
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Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of <u>2017/Q4</u>
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OTHER REGULATORY ASSETS (Account 182.3)

Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
 3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Default (Basic) Service	378,391	707,016		1,085,407	
2						
3	Deferred Income Taxes	1,185,213	38,567		36,043	1,187,737
4						
5	Pension	3,180,758	75,301	926	829,851	2,426,198
6						
7	OPEB	790,866	238,029	926	85,013	943,862
8						
9	Pension Expense Deferred-Electric	1,813,126	637,347	456	1,646,623	803,850
10						
11	Asset Retirement Obligation	3,640	366			4,006
12						
13	Retirement Plan-Purchase Accounting Adj	31,805		926	31,805	
14						
15	Transition Charge	23,733	30,636	419,456	34,922	10,447
16						
17	Energy Efficiency		22,533	254	1,531	21,002
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
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38						
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41						
42						
43						
44	TOTAL :	7,407,532	1,749,795		3,751,205	5,406,122

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: a

Pursuant to the Company's Basic Service Adjustment Provision, the Company is allowed to recover costs associated with providing Basic Service to its customers. The cost of providing Basic Service includes payments to Basic Service suppliers, payments under renewable resource contracts entered into by the Company pursuant to § 83 of An Act Relative to Green Communities as approved by the Department, payments to the Independent System Operator-New England ("ISO-NE") for procuring Basic Service power, the cost of acquiring renewable energy certificates or remitting Alternate Compliance Payments to comply with the renewable portfolio standards established by Massachusetts law, and the FERC approved costs billed to the Company for the operation of the New England Power Pool ("NEPOOL") Generation Information System. The recovery of these costs is fully reconcilable with any over or under collection passed on to all customers.

Schedule Page: 232 Line No.: 1 Column: d

Accounts 254/449/419

Schedule Page: 232 Line No.: 3 Column: d

Accounts 190/282/283

Schedule Page: 232 Line No.: 5 Column: a

In September 2006 FASB issued FAS 158 which required employer's to recognize the overfunded or under funded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. However, because the company has specific regulatory recovery of their pension and opeb costs, establishment of regulatory assets to defer charges to OCI that would otherwise result from the adoption of FAS158 is appropriate.

Pursuant to D.P.U. 09-39 the Company has been allowed to implement pension and PBOP mechanisms to collect non-capitalized pension and postretirement benefits other than pensions ("PBOP") through a separate billing factor referred to as the Pension and PBOP Adjustment Factor ("PAF"). A return on the average annual prepaid or unfunded pension and PBOP balance at the weighted average cost of capital will be recorded. Over or under collections will be surcharged or credited to customers over a three year period.

Schedule Page: 232 Line No.: 7 Column: a

In September 2006 FASB issued FAS 158 which required employer's to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. However, because the company has specific regulatory recovery of their pension and opeb costs, establishment of regulatory assets to defer charges to OCI that would otherwise result from the adoption of FAS158 is appropriate.

Pursuant to D.P.U. 09-39, the Company has been allowed to implement pension and PBOP mechanisms to collect non-capitalized pension and postretirement benefits other than pensions ("PBOP") through a separate billing factor referred to as the Pension and PBOP Adjustment Factor ("PAF"). A return on the average annual prepaid or unfunded pension and PBOP balance at the weighted average cost of capital will be recorded. Over or under collections will be surcharged or credited to customers over a three year period.

Schedule Page: 232 Line No.: 9 Column: a

Pursuant to D.P.U. 09-39, the Company has been allowed to implement pension and PBOP mechanisms to collect non-capitalized pension and postretirement benefits other than pensions ("PBOP") through a separate billing factor referred to as the Pension and PBOP Adjustment Factor ("PAF"). A return on the average annual prepaid or unfunded pension and PBOP balance at the weighted average cost of capital will be recorded. Over or under collections will be surcharged or credited to customers over a three year period.

Schedule Page: 232 Line No.: 13 Column: a

represents unamortized balance of G.A.A.P pension and OPEB purchase accounting adjustments

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Nantucket Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/14/2018	2017/Q4
FOOTNOTE DATA			

made in association with the merger of NEES and EUA distribution companies with National Grid in 2000.

Schedule Page: 232 Line No.: 15 Column: a

Pursuant to Massachusetts law and the Company's Transition Cost Adjustment Provision, the Company is to be authorized to recover costs charged by the Company's affiliate New England Power ("NEP"), for stranded costs associated with NEP's former electric generation investments. The Transition Charge is fully reconcilable and any over or under recovery of costs are passed on to customers.

Schedule Page: 232 Line No.: 17 Column: a

Pursuant Massachusetts law and the Company's Energy Efficiency Provision, the Company administers an Energy Efficiency ("EE") plan and is allowed to recover the cost of that plan through a combination of a statutory EE Charge per kWh plus (1) amounts generated by the Forward Capacity Market program administered by the Independent System Operator-New England; (2) cap and trade pollution control programs, including, but not limited to, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, and the NOx Allowance Trading Program; and (3) other funding as approved by the Department. The Company's annual Energy Efficiency Reconciling Factors ("EERFs") are designed to collect the estimated incremental costs of the Company's proposed EE programs for the year which represents those costs that are in excess of the expected funding above. EE costs, including an allowance for performance-based shareholder incentives, are fully reconcilable, and any over or under recovery of costs is passed on to all customers.

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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OFFICERS

Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Vice President and CFO	Urban, Dennis	1,216
2	Executive Vice President	Bruckner, John	703
3	Senior Vice President	Bunszell, Daniel	
4	Vice President and Controller	Carlin, George	653
5			
6			
7	Resignation		
8			
9	President and Director	Reed, Marcy L	2,582
10	Senior Vice President	Way, David C	612
11			
12			
13	Appointed		
14			
15	President	O'Hara, Cordelia	
16			
17			
18			
19			
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Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 1 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies was \$211,055. These salary amounts exclude incentive compensation payments and reflect base salary paid by company from 1-1-2017 through 12-31-2017.

Schedule Page: 104 Line No.: 2 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies was \$305,859. These salary amounts exclude incentive compensation payments and reflect base salary paid by company from 1-1-2017 through 12-31-2017.

Schedule Page: 104 Line No.: 3 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies was \$107,456. These salary amounts exclude incentive compensation payments and reflect base salary paid by company from 1-1-2017 through 12-31-2017.

Schedule Page: 104 Line No.: 4 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies was \$197,982. These salary amounts exclude incentive compensation payments and reflect base salary paid by company from 1-1-2017 through 12-31-2017.

Schedule Page: 104 Line No.: 9 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies was \$318,982. These salary amounts exclude incentive compensation payments and reflect base salary paid by company from 1-1-2017 through 12-31-2017.

Schedule Page: 104 Line No.: 10 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies was \$220,771. These salary amounts exclude incentive compensation payments and reflect base salary paid by company from 1-1-2017 through 12-31-2017.

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year of Report Dec 31, <u>2017</u>
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PART XI: DATA ON OFFICERS AND DIRECTORS

Report below the title and name of the officers and directors of the respondent (company) whose salaries were \$50,000 or more at the end of the report year (list officers first). If there were any changes during the year, report the title, name and address of the previous officer or director and date of change in the comments column. Designate by asterisk (*) officers who are directors; list other directors who are not officers. Report the salary (for the year) for each officer, and the fees for each director listed.

Line No	Name (a)	Address (b)	Number of Votes (c)	Comments (d)
01				
02	Reed, Marcy L	Waltham, MA		President (Resigned
03				8/21/2017)
04	O'Hara, Cordelia	Warwick, UK		President (Appointed
05				8/21/2017)
06				
07	Bunszell, Daniel	Brockton, MA		
08	Urban, Dennis	Waltham, MA		
09	Carlin, George	Brooklyn, NY		
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21				
22				

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

Explain in a footnote any important adjustments during year.

Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.

3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+a) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	50,814,259	50,814,259		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	2,544,255	2,544,255		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-32	-32		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	2,544,223	2,544,223		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	-135,957	-135,957		
13	Cost of Removal	366,668	366,668		
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	230,711	230,711		
16	Other Debit or Cr. Items (Describe, details in footnote):	-42,537	-42,537		
17	Transfers	-375,166	-375,166		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	52,710,068	52,710,068		

Section B. Balances at End of Year According to Functional Classification

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission				
26	Distribution	47,862,051	47,862,051		
27	Regional Transmission and Market Operation				
28	General	4,848,017	4,848,017		
29	TOTAL (Enter Total of lines 20 thru 28)	52,710,068	52,710,068		

Name of Respondent NANTUCKET ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 3/14/2018	Year of Report December 31, 2017
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PART XII: ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Line No.	Name of Utility Department (a)	Balance at Beginning of Year (b)	Depreciation and Amortization Accruals for Year (c)	Net Charges for Plant Retired During Year (d)	Other Items Debit or Credit (Explain in Footnote) (e)	Balance at End of Year (f)
01	ELECTRIC (110)					
02	Other Utility Department (119) (Specify):					
03						
04						
05						
06						
07						

PART XIII: CAPITAL STOCK DATA

(Column f refers to total amount outstanding without reduction for amounts held by respondent. Omit cents)

Line No.	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value Per Share of Par Value Stock (c)	Stated Value Per Share of Nonpar Stock (d)	Outstanding Per Balance Sheet	
					Shares (e)	Amount (f)
01	Common Stock	1	\$1	N/A	1	\$1
02						
03						
04						
05						
06						
07						
08						
09						

PART XIV: LONG-TERM DEBT DATA

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest for Year	
					% Rate (e)	Amount (f)
01	Massachusetts Industrial					
02	Finance Agency- Electric					
03	Utility Revenue Bonds	8/1/2007	8/1/2042	13,300,000	1.06%	140,447
04	Series A					
05	Massachusetts Development					
06	Finance Agency- variable rate					
07	Utility Revenue Bonds					
08	Series 2004	12/16/2004	3/1/2039	10,000,000	1.02%	101,780
09	Massachusetts Development					
10	Finance Agency- variable rate					
11	Utility Revenue Bonds					
12	Series 2005	12/8/2005	12/1/2040	28,000,000	1.01%	283,527
13						
14						
15						
16						
17						
18						
TOTAL				\$51,300,000		\$525,754

OTHER REGULATORY LIABILITIES (Account 254)

Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
 3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Deferred Income Taxes	818,118			3,813,347	4,631,465
2						
3	Energy Efficiency	5,725,941	451,456	1,193,019	1,530,847	6,063,769
4						
5	Transmission Service	12,593,737	456	317,487	1,652,644	13,928,864
6						
7	Transition Charge	(48)	1823	346	394	
8						
9	Basic Service Administrative Cost	1,345,751	456	4,308	154,869	1,496,312
10						
11	Revenue Decoupling Mechanism	983,545	456	1,188,476	1,310,169	1,107,236
12						
13	Cable Facilities	589,844	458	311,114	234,583	523,283
14						
15	Service Quality Penalty	87,353	4263	159,118	73,716	1,951
16						
17	Retirement Plan-Purchase Accounting Adjustment		1823	14,340	14,340	
18						
19	Over Collect- Commodity		4491	45,347	351,525	306,178
20						
21	OBR EE Fund Obligation		9080	5,095	5,095	
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	22,154,241		3,236,650	9,141,509	28,059,100

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report 2017/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 3 Column: a

Pursuant to Massachusetts law and the Company's Energy Efficiency Provision, the Company administers an Energy Efficiency ("EE") plan and is allowed to recover the cost of that plan through a combination of a base EE Charge of 0.250¢ per kWh plus (1) amounts generated by the Forward Capacity Market program administered by the Independent System Operator-New England; (2) cap and trade pollution control programs, including, but not limited to, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, and the NOx Allowance Trading Program; and (3) other funding as approved by the Department. The Company's annual Energy Efficiency Reconciling Factors ("EERFs") are designed to collect the estimated incremental costs of the Company's proposed EE programs for the year which represents those costs that are in excess of the expected funding. EE costs, including an allowance for performance based shareholder incentives, are fully reconcilable, and any over or under recovery of costs is passed on to all customers.

Schedule Page: 278 Line No.: 5 Column: a

The Company arranges transmission service on behalf of its customers. Pursuant to the Company's Transmission Service Cost Adjustment Provision, the Company is allowed to recover the cost it incurs in arranging that transmission service as billed to the Company by its affiliate, New England Power Company, any other transmission provider, the New England Power Pool, a regional transmission group, an independent system operator or any other entity that is authorized to bill the Company directly for transmission services. Transmission service costs are fully reconcilable and any over or under recoveries are passed on to customers receiving transmission service through the Company.

Schedule Page: 278 Line No.: 7 Column: a

Pursuant to Massachusetts law and the Company's Transition Cost Adjustment Provision, the Company is to be authorized to recover costs charged by the Company's affiliate New England Power ("NEP"), for stranded costs associated with NEP's former electric generation investments. The Transition Charge is fully reconcilable and any over or under recovery of costs are passed on to customers.

Schedule Page: 278 Line No.: 9 Column: a

Pursuant to the Company's Basic Service Adjustment Provision, the Company is allowed to recover the costs, including administrative costs, incurred by the Company in arranging Basic Service, including uncollectible costs associated with the amounts the Company bills for Basic Service supply, the administrative costs of complying with the requirements of Renewable Energy Portfolio Standards pursuant to 225 CMR14, cash working capital and other administrative costs associated with arranging Basic Service. The recovery of these costs is fully reconcilable with any over or under collection passed on to all customers.

Schedule Page: 278 Line No.: 11 Column: a

Pursuant to Massachusetts law and the Company's Revenue Decoupling Mechanism ("RDM") Provision, the Company is operating under an RDM by which its actual distribution revenue is measured against a target level of distribution revenue as established in the Company's most recent rate case. Any difference between actual distribution revenue and the revenue target is passed on to all customers. In addition, the Company's RDM includes a Capital Investment Recovery Mechanism by which it can begin to recover, on a one year lag, capital investment placed into service up to a maximum of \$170 million annually.

Schedule Page: 278 Line No.: 13 Column: a

Pursuant to D.T.E./D.P.U. Docket 06-106-A, approved by the Department of Public Utilities, the Cable Facilities Surcharge recovery mechanism for the combined first and second undersea cables (respectively "First Cable" and "Second Cable") to the island of Nantucket established individual class and seasonal CFS rates which averaged 2.584¢ per kilowatthour ("kWh") for 2007. The recovery mechanism was intended to smooth out the recovery of the Second Cable, which was placed in service on April 18, 2006, and mitigated the immediate

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FOOTNOTE DATA			

customer rate impacts by deferring costs in the first several years and recovering such deferrals in later years.

By Order dated August 26, 2016 in D.P.U. 15-176, the Department approved the Company's reduction of the average CFS from 1.865¢ to of 0.763¢ per kWh, thru 2026. This allowed the Company to avoid over-recovering cable facilities costs from customers while still fully recovering the cost of the first cable by the end of its depreciable life in 2016, after which recovery of the second cable would revert to full cost of service.

Schedule Page: 278 Line No.: 15 Column: a

Under the Company's Service Quality Plan, it may be penalized for performance in certain categories that fall below any historic average. Any penalties are credited to customers in a manner directed by the DPU. Service Quality penalty credit factors were implemented pursuant to Docket Nos. D.P.U. 07-22 and D.P.U. 08-19 respectively, to refund customers for poor service in 2005 and 2006. Current balance consists of residual refunds per DPU 11-SQ-11 for service quality penalties and 11-85-A for Storm penalties.

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH led to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	2,674,994	8,931,497
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	1,027,681	2,079,173
5	Large (or Ind.) (See Instr. 4)	1,842	1,337
6	(444) Public Street and Highway Lighting	439	7,382
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	3,704,956	11,019,389
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	3,704,956	11,019,389
13	(Less) (449.1) Provision for Rate Refunds	1,199,002	2,028,482
14	TOTAL Revenues Net of Prov. for Refunds	2,505,954	8,990,907
5	Other Operating Revenues		
16	(450) Forfeited Discounts	14,837	11,516
17	(451) Miscellaneous Service Revenues	3,496,193	3,639,347
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	521,794	559,586
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	17,395,149	18,662,645
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	21,427,973	22,873,094
27	TOTAL Electric Operating Revenues	23,933,927	31,864,001

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

- 7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
- 8. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
- 9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
22,062	97,984	3,363	10,849	2
				3
9,698	25,029	452	1,262	4
17	16	2	3	5
	81	1	5	6
				7
				8
				9
31,777	123,110	3,818	12,119	10
				11
31,777	123,110	3,818	12,119	12
				13
31,777	123,110	3,818	12,119	14

Line 12, column (b) includes \$ -615,579 of unbilled revenues.
 Line 12, column (d) includes -6,161 MWH relating to unbilled revenues

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report 2017/Q4
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FOOTNOTE DATA

Schedule Page: 300 Line No.: 17 Column: b

Line 17: (451) Miscellaneous Service Revenues

Misc Service Revenue-Electric

Open Access Revenue-DSM	2,482,069
Open Access Revenue-Customer Charge	1,012,431
Misc Service Revenue-Electric	1,692
Total 94510000	3,496,193

Schedule Page: 300 Line No.: 17 Column: c

Line 17: (451) Miscellaneous Service Revenues

Misc Service Revenue-Electric

Open Access Revenue-DSM	2,799,911
Open Access Revenue-Customer Charge	830,922
Misc Service Revenue-Electric	8,514
Total	3,639,347

Schedule Page: 300 Line No.: 21 Column: b

Line 21: (456) Other Electric Revenues

Other Electric Revenue

Other Elec Revenue-Nantucket Reimburse	6,996,043
Open Access Revenue - Access Charge	61,227
Open Access Revenue - Transmission	3,137,147
Open Access Revenue - Distribution	7,041,650
Open Access Revenue - Decoupling	-123,693
Other Electric Revenue - Miscellaneous	60,444
Contribution in Aid of Construction	222,331
Total 94560000	17,395,149

Schedule Page: 300 Line No.: 21 Column: c

Line 21: (456) Other Electric Revenues

Other Electric Revenue

Other Elec Revenue-Nantucket Reimburse	7,310,104
Open Access Revenue - Access Charge	-19,257
Open Access Revenue - Transmission	4,025,778
Open Access Revenue - Distribution	6,834,320
Open Access Revenue - Decoupling	400,218
Other Electric Revenue - Miscellaneous	37,252
Contribution in Aid of Construction	74,230
Total	18,662,645

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures		
17	(512) Maintenance of Boiler Plant		
18	(513) Maintenance of Electric Plant		
19	(514) Maintenance of Miscellaneous Steam Plant		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)		
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(548) Operation Supervision and Engineering			
63	(547) Fuel			
64	(548) Generation Expenses			
65	(549) Miscellaneous Other Power Generation Expenses			
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)			
68	Maintenance			
69	(551) Maintenance Supervision and Engineering			
70	(552) Maintenance of Structures			2,197
71	(553) Maintenance of Generating and Electric Plant			
72	(554) Maintenance of Miscellaneous Other Power Generation Plant			
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)			2,197
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)			2,197
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	2,570,037		9,026,605
77	(556) System Control and Load Dispatching			
78	(557) Other Expenses			
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	2,570,037		9,026,605
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 78)	2,570,037		9,028,802
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering			
84				
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System			
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services	113,203		111,106
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	19		37
94	(563) Overhead Lines Expenses	67		
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	3,017,701		2,897,202
97	(566) Miscellaneous Transmission Expenses	14,408		16,902
98	(567) Rents			
99	TOTAL Operation (Enter Total of lines 83 thru 98)	3,145,398		3,025,247
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures			
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment			
108	(571) Maintenance of Overhead Lines			
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant			
111	TOTAL Maintenance (Total of lines 101 thru 110)			
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	3,145,398		3,025,247

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Exgns (Total 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	28,434	24,756
135	(581) Load Dispatching	38,019	36,932
136	(582) Station Expenses	25,248	25,068
137	(583) Overhead Line Expenses	103,027	329,274
138	(584) Underground Line Expenses	76,466	9,988
139	(585) Street Lighting and Signal System Expenses		279
140	(586) Meter Expenses	124,724	76,616
141	(587) Customer Installations Expenses	2,755	4,602
142	(588) Miscellaneous Expenses	299,492	318,820
143	(589) Rents		10,172
144	TOTAL Operation (Enter Total of lines 134 thru 143)	698,165	836,507
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	19,573	21,491
147	(591) Maintenance of Structures		4,873
148	(592) Maintenance of Station Equipment	55,911	110,865
149	(593) Maintenance of Overhead Lines	1,250,346	997,402
150	(594) Maintenance of Underground Lines	247,171	260,645
151	(595) Maintenance of Line Transformers	15,681	43,022
152	(596) Maintenance of Street Lighting and Signal Systems	32,148	82,912
153	(597) Maintenance of Meters	169	642
154	(598) Maintenance of Miscellaneous Distribution Plant	24,483	30,949
155	TOTAL Maintenance (Total of lines 146 thru 154)	1,645,144	1,552,801
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	2,343,309	2,389,308
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	9,029	9,579
160	(902) Meter Reading Expenses	7,056	8,465
161	(903) Customer Records and Collection Expenses	219,892	253,311
162	(904) Uncollectible Accounts	-76,817	81,140
163	(905) Miscellaneous Customer Accounts Expenses	17,279	14,127
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	176,439	366,622

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	1,348	530
168	(908) Customer Assistance Expenses	2,010,873	2,333,650
169	(909) Informational and Instructional Expenses	340,485	351,550
170	(910) Miscellaneous Customer Service and Informational Expenses	20,038	13,817
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	2,372,544	2,699,547
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	-46	394
175	(912) Demonstrating and Selling Expenses	-201	1,657
176	(913) Advertising Expenses	59,697	22,589
177	(916) Miscellaneous Sales Expenses	13	
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	59,463	24,640
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	777,244	778,190
182	(921) Office Supplies and Expenses	736,488	724,779
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	183,523	366,170
185	(924) Property Insurance	46,521	31,493
186	(925) Injuries and Damages	-117,796	7,757
187	(926) Employee Pensions and Benefits	1,048,057	753,369
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	99,898	113,151
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	866	511
192	(930.2) Miscellaneous General Expenses	34,419	61,843
193	(931) Rents	567,212	571,458
194	TOTAL Operation (Enter Total of lines 181 thru 193)	3,376,434	3,408,721
195	Maintenance		
196	(935) Maintenance of General Plant	361	5,456
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	3,376,795	3,414,177
198	TOTAL Elec Op and Maint Exps (Total 80,112,131,156,164,171,178,197)	14,043,985	20,948,343

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year of Report Dec 31, 2017
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PART XVIII: SALES FOR RESALE

- Report below the information called for concerning sales for resale during the year to other electric utilities, cooperatives, and to cities and other public authorities for distribution to ultimate consumers.
- Enter the name of the purchaser in column (a). Abbreviate if necessary but do not truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with each purchaser.
- In column (b), identify the FERC Rate Schedule or Tariff Number.
- Report annual maximum demand in column (c). Demand must be in megawatts. Footnote any demand reported in column (c) which is not stated on a megawatt basis and explain.
- Report in column (d) the megawatt-hours shown on bills rendered to each purchaser.
- Report in column (e) the total charge shown on bills rendered to each purchaser.
- Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	FERC Rate Schedule or Tariff Number (b)	Annual Maximum Demand (MW) (c)	Megawatt-hours Sold (MWH) (d)	Revenues (\$) (e)
1	N/A				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.

2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	New England Power	OS	1			
2	Constellation	RQ	1			
3	Dominion Energy Marketing Inc	RQ	1			
4	Energy America	RQ	1			
5	TransCanada Power Marketing Ltd	RQ	1			
6	DTE Energy	RQ	1			
7	NextEra Marketing	RQ	1			
8	GDF	RQ	1			
9	Direct Energy	RQ	1			
10	Calpine	RQ	1			
11	EMERA	RQ	1			
12	Vitol	RQ	1			
13						
14						
	Total					

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

- for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (l) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
					64,044	64,044	1
11,681				881,010		881,010	2
496				32,786		32,786	3
				106		106	4
9,245				721,614		721,614	5
158				4,085		4,085	6
6,784				514,133		514,133	7
				-2,991		-2,991	8
2,463				155,101		155,101	9
1,782				-112,105		112,105	10
833				60,486		60,486	11
334				27,558		27,558	12
							13
							14
33,776				2,505,993	64,044	2,570,037	

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	120,112,170	120,112,170
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	1,350,120	1,350,120
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	121,462,290	121,462,290
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	2,170,419	2,170,419
12	Acquisition Adjustments	16,551,550	16,551,550
13	Total Utility Plant (8 thru 12)	140,184,259	140,184,259
14	Accum Prov for Depr, Amort, & Depl	53,556,062	53,556,062
15	Net Utility Plant (13 less 14)	86,628,197	86,628,197
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	52,710,068	52,710,068
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	52,710,068	52,710,068
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	845,994	845,994
33	Total Accum Prov (equals 14) (22,26,30,31,32)	53,556,062	53,556,062

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
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					9
					10
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					14
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					32
					33

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

Report below the original cost of electric plant in service according to the prescribed accounts.
 In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
 3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
 4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
 5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
 6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)		
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)		
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power Plant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights		
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators		
42	(345) Accessory Electric Equipment		
43	(346) Misc. Power Plant Equipment		
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)		
	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)		

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights		
49	(352) Structures and Improvements		
50	(353) Station Equipment		
51	(354) Towers and Fixtures		
52	(355) Poles and Fixtures		
53	(356) Overhead Conductors and Devices		
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)		
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	1,595,551	7,038
61	(361) Structures and Improvements	437,666	
62	(362) Station Equipment	17,071,522	28,313
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	6,718,971	106,142
65	(365) Overhead Conductors and Devices	4,415,445	281,967
66	(366) Underground Conduit	15,221,021	276,101
67	(367) Underground Conductors and Devices	50,213,382	456,080
68	(368) Line Transformers	6,781,918	268,267
69	(369) Services	6,703,064	688,140
70	(370) Meters	1,211,494	106,438
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	454,931	55,226
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	110,824,965	2,273,712
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	31,005	
87	(390) Structures and Improvements	2,169,062	8,459
88	(391) Office Furniture and Equipment	80,007	2,533
89	(392) Transportation Equipment		
90	(393) Stores Equipment		
91	(394) Tools, Shop and Garage Equipment	76,010	10,501
92	(395) Laboratory Equipment	23,695	
93	(396) Power Operated Equipment		
94	(397) Communication Equipment	5,738,467	552,189
95	(398) Miscellaneous Equipment	31,660	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	8,149,906	573,682
97	(399) Other Tangible Property	3,802	
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	8,153,708	573,682
100	TOTAL (Accounts 101 and 106)	118,978,673	2,847,394
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	118,978,673	2,847,394

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year/Period of Report End of 2017/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
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				41
				42
				43
				44
				45
				46

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
				48
				49
				50
				51
				52
				53
				54
				55
				56
				57
				58
				59
			1,602,589	60
			437,666	61
			17,099,835	62
				63
15,068			6,810,045	64
130,600			4,566,812	65
-9,601			15,506,723	66
-108,575	-63,559		50,714,478	67
18,359			7,031,826	68
-221,628			7,612,832	69
23,267			1,294,665	70
				71
				72
16,554			493,803	73
				74
-135,956	-63,559		113,171,074	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			31,005	86
			2,177,521	87
			82,540	88
				89
				90
			86,511	91
			23,695	92
				93
436,174			5,854,482	94
			31,660	95
436,174			8,287,414	96
			3,802	97
				98
436,174			8,291,216	99
300,218	-63,559		121,462,290	100
				101
				102
				103
300,218	-63,559		121,462,290	104

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year of Report Dec 31, 2017
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PART XXII: PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

- (1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of Scheduling, System Control and Dispatch services purchased and sold during the year.
- (2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.
- (3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.
- (4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.
- (5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.
- (6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

	Type of Ancillary Service (a)	Amount Purchased For the Year			Amount Sold For the Year		
		(b)	(c)	(d)	(e)	(f)	(g)
		Usage -- Related Billing Determinant			Usage -- Related Billing Determinant		
		Number of Units	Unit of Measure	Dollars	Number of Units	Unit of measure	Dollars
1	Scheduling, System Control and Dispatch	N/A					
2	Reactive Supply and Voltage	N/A					
3	Regulation and Frequency Response	N/A					
4	Energy Imbalance	N/A					
5	Operating Reserve - Spinning	N/A					
6	Operating Reserve - Supplemental	N/A					
7	Other	N/A					
8	Total	N/A					

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year of Report Dec 31, 2017
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PART XXIII: Monthly Transmission System Peak Load

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

Name of System:

Line No.	(a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service - For Self (e)
1	January				
2	February				
3	March				
4	Total for Quarter 1				
5	April				
6	May				
7	June				
8	Total for Quarter 2				
9	July				
10	August				
11	September				
12	Total for Quarter 3				
13	October				
14	November				
15	December				
16	Total for Quarter 4				
17	Total for Year to Date/Year	N/A	N/A	N/A	N/A

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/14/2018	Year of Report Dec 31, <u>2017</u>
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PART XXIII: Monthly Transmission System Peak Load (Continued)

Firm Network Service - For Others (f)	Long-Term Firm Point-to-Point Reservations (g)	Other Long-Term Firm service (h)	Short-Term Firm Point-to-Point Reservations (i)	Other Service (j)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
N/A	N/A	N/A	N/A	N/A	17

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) 03/14/2018	Year/Period of Report End of <u>2017</u>
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Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
Transmission Studies					
1	N/A				
2					
3					
4					
5					
6					
7					
8					
9					
10					

Generation Studies

11	N/A				
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) 03/14/2018	Year/Period of Report End of <u>2017</u>
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AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
8					
9					
10					
11					
12	Total	N/A	N/A	N/A	N/A

THE COMMONWEALTH OF MASSACHUSETTS

ANNUAL RETURN

OF THE

NANTUCKET ELECTRIC COMPANY

TO THE

DEPARTMENT OF PUBLIC UTILITIES

YEAR ENDED DECEMBER 31, 2017

nationalgrid

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Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
Nantucket Electric Company			

GENERAL INFORMATION

PRINCIPAL AND SALARIED OFFICERS
(As of December 31, 2017)

Titles	Names	Addresses	Annual Salaries
Vice President and CFO	Urban, Dennis	Waltham, MA	1,216
Executive Vice President	Bruckner, John	Hicksville, NY	703
Senior Vice President	Bunszell, Daniel	Brockton, MA	0
Vice President and Controller	Carlin, George	Brooklyn, NY	653
Resignations President and Director (8/21/2017)	Reed, Marcy L.	Waltham, MA	2,582

DIRECTORS*
(As of December 31, 2017)

Names	Addresses	Fees Paid During Year
O'Hara, Cordelia	Warkwick, UK	-
Bunszell, Daniel	Brockton, MA	-

* By General Laws, Chapter 164, Section 83, the Return must contain a "list of the names of all their salaried officers and the amount of the salary paid to each," and by Section 77, the Department is required to include in its annual report "the names and addresses of the principal officers and of the directors."

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
Nantucket Electric Company			

GENERAL INFORMATION - Continued

1. Corporate name of company making this report,
Nantucket Electric Company

2. Date of organization,
January 8, 1895

3. Date of incorporation,
January 8, 1895

4. Give location (including street and number) of principal business office:--
40 Sylvan Road, Waltham, Massachusetts 02451

5. Total number of stockholders, 1

6. Number of stockholders in Massachusetts, 1

7. Amount of stock held in Massachusetts, No. of shares, 1 \$ 1

8. Capital stock issued prior to June 5, 1894, No. of shares, None \$ None

9. Capital stock issued with approval of Board of Gas and Electric Light Commissioners or Department of Public Utilities since June 5, 1894, No. of shares, 1 \$ 1

Total 1 share, par value, \$1 outstanding December 31, 2017

Class	No. Shares	Par Value	Amount
Common	1	\$1	\$1
	1		\$1

10. If any stock has been issued during the last fiscal period, give the date and terms upon which such issue was offered to the stockholders, and if the whole or any part of the issue was sold at auction, the date or dates of such sale or sales, the number of shares sold and the amounts realized therefrom.

None

11. Management Fees and Expenses During the Year.

List all individuals, corporations or concerns with whom the company has any contracts or agreement covering management or supervision of its affairs, such as accounting, financing, engineering, construction, purchasing, operation, etc., and show the total amount paid to each for the year.

National Grid USA Service Company, Inc., pursuant to an agreement, a copy of which is on file with the Massachusetts Department of Public Utilities, rendered various services in 2016 as requested, at the actual cost thereof, pursuant to rules and orders of the Federal Energy Regulatory Commission. See Page S18 for additional detail.

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
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GENERAL INFORMATION - Continued

Names of the cities or towns in which the company supplies ELECTRICITY, with the number of customers' meters in each place.			
City or Town	Number of Customers' Meters December 31, 2017	City or Town	Number of Customers' Meters December 31, 2017
Nantucket	13,760		
		Total	13,760

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
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NOTES RECEIVABLE (Account 141) (Not Applicable)

1. Give the particulars called for below concerning notes receivable at end of year.
2. Give particulars of any note pledged or discounted.
3. Minor items may be grouped by classes, showing number of such items.
4. Designate any note the maker of which is a director, officer or other employee.

Line No.	Name of Maker and Purpose for Which Received (a)	Date of Issue (b)	Date of Maturity (c)	Interest Rate (d)	Amount End of Year (e)
1					\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12				Total	\$

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
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ACCOUNTS RECEIVABLE (Accounts 142,143)

1. Give the particulars called for below concerning accounts receivable at end of year.
2. Designate any account included in Account 143 in excess of \$5,000.

Line No.	Description (a)	Amount End of Year (b)
1	Customers (Account 142):	
2	Electric (Includes \$ 0.00 Unbilled Revenue).....	2,159,883
3		
4	Other Electric and Gas Utilities.....	
5	Other Accounts Receivable (Account 143):	
6	Officers and employees.....	
7	Due on subscriptions to capital stock (state class series	
8	of stock).....	
9		
10	Miscellaneous (group and describe by classes):	
11		
12	Miscellaneous Accounts Receivable (includes Property Damage and Energy Supply)	33,268
13	Union Billable Labor	429
14		
15		
16		
17		
18		
19		
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22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51		
52		
53		
54		
55		
56		
	Total	33,696
		Subtotal
		33,696
		\$2,193,579

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017		
PRODUCTION FUEL AND OIL STOCKS (Included in Account 151) (Except Nuclear Materials)						(Not Applicable)
1. Report below the information called for concerning production fuel and oil stocks. 2. Show quantities in tons of 2,000 lbs., or Mcf, whichever unit of quantity is applicable. 3. Each kind of coal or oil should be shown separately. 4. Show electric fuels separately by specific use.						
Line No.	Item (a)	Total Cost (b)	Kinds of Fuel and Oil			
			Quantity (c)	Cost (d)	Quantity (e)	Cost (f)
1	On hand Beginning of Year					\$
2	Received During Year					
3	TOTAL					
4	Used During Year (Note A)					
5						
6						
7						
8	Sold or Transferred					
9	TOTAL DISPOSED OF					
10	BALANCE END OF YEAR					
Line No.	Item (g)	Kinds of Fuel and Oil - Continued				
		Quantity (h)	Cost (i)	Quantity (j)	Cost (k)	
11	On hand Beginning of Year		\$		\$	
12	Received During Year					
13	TOTAL					
14	Used During Year (Note A)					
15						
16						
17						
18	Sold or Transferred					
19	TOTAL DISPOSED OF					
20	BALANCE END OF YEAR					

Note A - Indicate specific purpose for which used, e.g., Boiler Oil, Make Oil, Generator Fuel, etc.

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) March 27, 2018		Year of Report December 31, 2017	
DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT (Account 187)							(Not Applicable)
<p>1. In column (a) give a brief description of property creating the deferred loss and the date the loss was recognized. Identify items by department where applicable.</p> <p>2. Losses on property with an original cost of less than \$50,000 may be grouped. The number of items making up the grouped amount shall be reported in column (a).</p> <p>3. In column (b) give date of Commission approval of journal entries. Where approval has not been received, give explanation following the respective item in column (a). (See Account 187, Deferred Losses From sale of Utility Plant.)</p>							
Line No.	Description of Property (a)	Date J.E. Approved (b)	Total Amount of Loss (c)	Balance Beginning of Year (d)	Current Year		Balance End of Year (g)
					Amortizations to Acc. 411,8 (e)	Additional Losses (f)	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Total		\$	\$	\$	\$	\$

Name of Respondent Nantucket Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017	
NOTES PAYABLE (Account 231) Report particulars indicated concerning notes payable at year end (Not Applicable)					
Line No.	Payee (a)	Date of Note (b)	Date of Maturity (c)	Int. Rate (d)	Balance End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Total				\$0

Name of Respondent		This Report Is:	Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 27, 2018	December 31, 2017
PAYABLE TO ASSOCIATED COMPANIES (Accounts 233, 234)				
Report particulars of notes and accounts payable to associated companies at end of year.				
Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
<u>Account 234</u>				
1	National Grid USA Parent	(1,360,121)		
2	NGUSA Service Company	(584,731)		
3	NG Engineering Svcs, LLC	(1,622)		
4	National Grid Electric Service	(6,021)		
5	PSEG Electric Service TSA Co	(100)		
6	Niagara Mohawk Power Corp	(325)		
7	Massachusetts Electric Co	(19,325,272)		
8	Boston Gas Company	(358)		
9	Narragansett Electric Co	(241)		
10	New England Power Co	(228,195)		
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23	Total Account 234	(21,506,985)		
24	<u>Account 233</u>			
25				
26	National Grid USA Service Co., Inc.			
27	(Money Pool)	0	0.98%	\$0
28				
29				
	Totals	(21,506,985)		\$0

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017 (Not Applicable)			
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT (Account 256)							
<p>1. In column (a) give a brief description of property creating the deferred loss and the date the loss was recognized. Identify items by department where applicable.</p> <p>2. Losses on property with an original cost of less than \$50,000 may be grouped. The number of items making up the grouped amount shall be reported in column (a).</p> <p>3. In column (b) give date of Commission approval of journal entries. Where approval has not been received, give explanation following the respective item in column (a). (See Account 187, Deferred Losses From sale of Utility Plant.)</p>							
Line No.	Description of Property (a)	Date J.E. Approved (b)	Total Amount of Loss (c)	Balance Beginning of Year (d)	Current Year		Balance End of Year (g)
					Amortizations to Acc. 411,6 (e)	Additional Losses (f)	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23	Total		\$	\$	\$	\$	\$

Name of Respondent Nantucket Electric Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
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OPERATING RESERVES (Accounts 261, 262, 263, 265)

1. Report below an analysis of the changes during the year for each of the above-named reserves.
2. Show name of reserve and account number, balance beginning of year, credits, debits, and balance at end of year. Credit amounts should be shown in black, debit amounts enclosed by parentheses.
3. Each credit and debit amount should be described as to its general nature and the contra account debited or credited shown. Combine the amounts of monthly accounting entries of the same general nature. If respondent has more than one utility department, contra accounts debited or credited should indicate the utility department affected.
4. For Accounts 261, Property Insurance Reserve, 262, Injuries and Damages Reserve, explain the nature of the risks covered by the reserve.
5. For Account 265, Miscellaneous Operating Reserves, report separately each reserve composing the account and explain briefly its purpose.

Line No.	Name of Reserve (a)	Bal. Beg. of Year (b)	Contra Acct. Debited Credited (e)	Debits (c)	Credits (d)	Balance at end of Year
1	<u>Account 262 (FERC 228.2)</u>					
2						
3	Incurring but Not Reported Reserves (IBNR)	34,010	925	964,696	788,055	(142,630)
4						
5	Workman's Compensation Reserve	16	184	59,666	59,650	-
6						
7	Injuries and Damages (Includes Gen, Auto and C	-	228	20,533	199,305	178,772
8						
9	<u>Account 263 (FERC 253):</u>					
10						
11	Pension	3,245,137	184/232/242	3,658,459	2,876,567	2,463,245
12						
13	Other Post Employment Benefits	2,234,416	232/ 234	2,632,653	2,871,216	2,472,979
14						
15	FAS 112	68,742	184	323,727	354,915	99,930
16						
17	<u>Account 265 (FERC 253)</u>					
18						
19	FIN 48 Income Tax Liability	147,762	409	1,790,742	1,886,583	243,603
20						
21	Deferred ROE - Energy Efficiency Working Capit.	4,877	427	5,321	15,634	15,189
22						
23	Deferred Credit - Miscellaneous	6,299	184	6,299	-	-
24						
25						
26						
27						
28						
29						
30	Total	5,741,259		9,462,095	9,051,926	5,331,089

Name of Respondent		This Report is:		Date of Report		Year of Report	
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) March 27, 2018		December 31, 2017	
SALES OF ELECTRICITY TO ULTIMATE CONSUMERS							
Report by account, the k.W.h. sold, the amount derived and the number of customers under each filed schedule or contract. Contract sales and unbilled sales may be reported separately in total.							
Line No.	Account No.	Schedule (a)	k.W.h (b)	Revenue (c)	Average Revenue per k.W.h. (d)	Number of Customers (Per Bills Rendered)	
						July 31, (e)	December 31, (f)
1	440	S-4 St Lt - Security	72	7	10.3333	0	0
2		E Res-Elec Space Htg.	77,955	7,274	9.3306	0	0
3		R-1 Residential	25,786,141	2,593,179	10.0565	4,992	3,280
4		R-2 Res. Low Income	689,188	67,931	9.8566	93	66
5		G-1 Gen. Serv. Small	70,197	6,604	9.4072	22	16
6							
7		Total Account 440	26,623,553	2,674,993	10.0475	5,107	3,363
8		Rate Refunds, Net	-4,323,733	-841,385			
9							
10							
11	442	R-1 Residential	172,649	16,986	9.8382	28	19
12		G-1 Gen. Serv. Small	4,876,095	455,857	9.3488	577	413
13		G-2 Gen. Serv. Demand	4,205,300	366,098	8.7056	23	20
14		G-3 Time Of Use-Large	2,061,240	190,583	9.2460	1	1
15		S4A St Lt - Security	0	0	0.0000	0	0
16							
17							
18		Total Account 442	11,315,284	1,029,523	9.0985	630	454
19		Rate Refunds, Net	-1,837,631	-357,597			
20							
21							
22	444	S-1 St.Lt.Co.Own Equip.	100	274	273.7500	0	0
23		S-3 St.Lt.U/G Div. of Own	530	165	31.0981	1	1
24		G-1 Gen. Serv. Small	0	0	0.0000	0	0
25							
26		Total Account 444	630	439	69.6143	1	1
27		Rate Refunds, Net	-102	-20			
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							
52		Total					
53		Unbilled					
54		TOTAL SALES TO ULTIMATE CON	31,778,000	2,505,952	7.8858	5,738	3,817

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
OTHER UTILITY OPERATING INCOME (Account 414)					(Not Applicable)
Report below the particulars called for in each column.					
Line No.	Property (a)	Amount of Investment (b)	Amount of Revenue (c)	Amount of Operating Expenses (d)	Gain or (Loss) from Operation (e)
1		\$	\$	\$	\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32	Total	\$	\$	\$	\$

Name of Respondent Nantuckett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report Dec. 31, 2016
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OVERHEAD DISTRIBUTION LINES OPERATED

Line No.		Length (Pole Miles)		Total
		Wood Poles	Steel Towers	
1	Miles - Beginning of Year	117.42		117.42
2	Added During Year	12.02		12.02
3	Retired During Year	-7.06		-7.06
	Adjusted During Year.....			
4	Miles - End of Year	122.37		122.37
5				
6				
7				
8	Distribution System Characteristics - A.C. or D.C., phase, cycles and operating voltages for light and power.			
9				
10				
11				
12				
13				
14				
15				

ELECTRIC DISTRIBUTION SERVICES

Line No.	Item	Electric Services
16	Number at beginning of year	6,987
17	Additions during year :	
18	Purchased	
19	Installed	120
20	Associated with utility plant acquired	
21	Total additions	120
22	Reductions during year :	
23	Retirements	(49)
24	Associated with utility plant sold	
25	Total reductions	(49)
26	Adjustments during year:	
27	Adjustments	-
	Adjustments due to miscalculation in prior years.....	-
28	Number at End of Year	7,058

Name of Respondent NANTUCKET ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
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RATE SCHEDULE INFORMATION

1. Attach copies of all filed rates for general consumers.
2. Show below the changes in rate schedules during the year and the established increase or decrease in annual revenue predicated on the previous year's operations.

Date Effective	M.D.P.U. Number	Rate Schedule	Estimated Effect on Annual Revenues	
			Increases	Decreases
10/1/2016	588	RESIDENTIAL REGULAR R-1		
10/1/2016	589	RESIDENTIAL-LOW INCOME R-2		
		R-1/R-2 COMBINED	16%	
10/1/2016	590	RESIDENTIAL - TIME-OF-USE (OPTIONAL) R-4	18%	
10/1/2016	591	GENERAL SERVICE - SMALL COMMERCIAL AND INDUSTRIAL G-1		-9%
10/1/2016	592	GENERAL SERVICE - DEMAND G-2	26%	
10/1/2016	593	TIME-OF-USE - G-3	9%	
3/1/2017	599	STREET AND AREA LIGHTING - COMPANY OWNED EQUIPMENT S-1		
6/1/2017	600	STREET LIGHTING - OVERHEAD - CUSTOMER OWNED EQUIPMENT S-2		
6/1/2017	601	STREET LIGHTING - UNDERGROUND - DIVISION OF OWNERSHIP S-3		
10/1/2017	597	STREET AND AREA LIGHTING - CUSTOMER OWNED EQUIPMENT S-5		
10/1/2017	598	DECORATIVE STREET AND AREA LIGHTING - COMPANY OWNED EQUIPMENT S-6		
		STREET AND AREA LIGHTING COMBINED		-12%

Note: Effect on annual revenues is estimated for Massachusetts Electric Company and Nantucket Electric Company combined, together doing business as National Grid and includes estimated impact of changes in Net CapEx Factors, Residential Assistance Adjustment Factors, Storm Fund Replenishment Factors, Revenue Decoupling Mechanism Factors, Solar Cost Adjustment Factors, Pension/PBOP Adjustment Factors, Basic Service Administrative Cost Factors and Net Metering Recovery Surcharges

Name of Respondent		This Report Is:	Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 27, 2018	December 31, 2017
ADVERTISING EXPENSES				
Line No.	Account No.	Type (a)	General Description (b)	Amount for Year (c)
1	Account 99090000			
2				
3		Adminstrative & General Admin		4,258
4		Adminstrative & General Commercial & Industrial Admin (A&G C&I)		327
5		NWA Commercial & Industrial Direct Install		39,210
6		Commercial & Industrial Existing Building		2,206
7		Commercial & Industrial Initial Purchase		138
8		Commercial & Industrial New Building Construction		2,979
9		Commercial & Industrial Retrofit		200
10		NAN-E: NWA Low-Income Single Family		16,529
11		Residential Adminstrative & General		794
12		Residential Consumer Products		41,035
13		Residential Cooling & Heating Equipment		578
14		Residential Home Energy Services		165,726
15		Residential Lighting		14,497
16		Residential Multi-Family Retrofit		1,092
17		Residential New Construction		670
18		Customer Education D&G Bill Insert		17,062
19		Creative Services		1,203
20		Cust Experience Transform		708
21		Customer Informational Advertising Exp		457
22		Employee Engagement		1,730
23		Energy Product Marketing		26,110
24		Energy Procurement		157
25		VP Customer Engagement		2,668
26		Minor Items <\$100.00		149
27				
28			Subtotal	340,485
29	Account 99130000			
30				
31		Digital Outside Services		154
32		Digital Web/Social		48,472
33		Implement - External Web/Social		9,629
34		Interactive Exp & Tech WebSocial		1,434
35		Minor Items <\$100.00		8
36		Total	Subtotal	59,697
37				
38	Account 99301000			
39		External Partnerships		805.00
40		Minor Items <\$100.00		63.08
41		Total	Subtotal	868
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53	TOTAL			401,049
54				

Name of Respondent	This Report is:	Date of Report	Year of Report
Nantucket Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 27, 2018	December 31, 2017

CHARGES FOR OUTSIDE SERVICES (Continued)

1. Report the information specified below for all charges made during the year included in any account

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside services, such as services concerning rates, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounted to 5% or more of total charges for outside professional and other consultative services, including payments for legislative services except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities:

- (a) Name and address of person or organization rendering services,
- (b) description of services received during year and project or case to which services relate,
- (c) basis of charges,
- (d) total charges for the year, detailing utility department and account charges.

2. For aggregate payments to any one individual, group, partnership, corporation or organization of any kind in excess of \$25,000 (not included in No. 1), there shall be reported the name of the payee, the predominant nature of the services performed and the amount of payment. Amounts charged to plant accounts shall be reported separately.

3. All charges not reported under No. 1 or 2 shall be aggregated by the type of service and each type shall show the amount charged. Amounts charged to plant accounts shall be reported separately for each type.

4. For any such services which are of a continuing nature give date and term of contract and date of Commission authorization, if contract received Commission approval.

5. Designate associated companies.

- | | |
|----|--|
| 1 | 1. (a) National Grid USA Service Company (Associated Company) |
| 2 | 40 Sylvan Road, Waltham, Massachusetts 02451 |
| 3 | |
| 4 | (b) The following services are rendered: |
| 5 | |
| 6 | Servicing Division: |
| 7 | |
| 8 | Purchasing, Stores, Rates, Advertising, Employee Relations, |
| 9 | Treasury, Accounting, Audit, Insurance, Taxes, Emergency |
| 10 | Service, Administrative and Budgeting. |
| 11 | |
| 12 | Engineering and Construction Division: |
| 13 | Civil and Mechanical Engineering, Electrical and District |
| 14 | Engineering, Transmission Lines and Properties, Engineering |
| 15 | Supervision, Construction, Emergency and Miscellaneous. |
| 16 | |
| 17 | (c) At cost, including interest on borrowed capital and a reasonable |
| 18 | return on amount of capital necessary to perform services. |
| 19 | Services performed by the Service Company for companies in |
| 20 | the National Grid USA system will be rendered to them at cost |
| 21 | in accordance with the service contracts between Service Company |
| 22 | and its associate companies. |

Name of Respondent	This Report Is:	Date of Report	Year of Report
Nantucket Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 27, 2018	December 31, 2017
CHARGES FOR OUTSIDE SERVICES (Continued)			
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70	<p data-bbox="342 470 1182 512">2 Service Agreement dated as of November 5, 2012 between National Grid USA Service Company, Inc. and certain of its affiliates party thereto.</p> <p data-bbox="342 558 1390 590">A Mutual Assistance Agreement dated as of March 28, 2008, as extended by a letter agreement effective as of March 19, 2017.</p>		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Nantucket Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 27, 2018	December 31, 2017

CHARGES FOR OUTSIDE SERVICES (Continued)

71			
72	<u>Account #</u>		
73			
74	562	TransOper Superv&Eng	
75		Total Transmission	37
76			37
77			
78			
79	580	Load Disp-Monit&Oper	30,412
80	581	Load Dispatching	36,655
81	582	Station Expenses	428
82	583	Overhead Line Exp	8,453
83	584	Underground Line Exp	3,241
84	585	St Light&Sig Sys Exp	0
85	586	Meter expenses	5,056
86	587	Customer Install Exp	32
87	588	Maint-Computer Software	57,990
88	589	Rents	-
89	592	Maint-Station Equip	3,050
90	593	Maint-Overhead Lines	63,344
91	594	Maint-Underground Lines	1,109
92	595	Maint-Line Transform	21
93	597	Maint-Meters	0
94	598	Maint-Misc DistPlant	102
95		Total Distribution	209,895
96			
97			
98			
99	901	Superv-Cust Acct Exp	8,408
100	902	Meter Reading Exp	92
101	903	Cust Record&Coll Exp	121,600
102	904	Uncollectible Accts	(1,936)
103	905	Misc Cust Accts Exp	14,728
104	906	Customer Service and Information Exp	1
105	907	Supervision	1,194
106	908	Customer Assist Exp	118,706
107	909	Informational and Instructional Advertisingexpenses	42,665
108	910	Misc Cust Serv&Info	7,984
109		Total Customer	313,443
110			
111			
112			
113	911	Supervision	(189)
114	912	Demonstr&Selling Exp	(296)
115	913	Advertising Expenses	58,109
116		Total Sales	57,624
117			
118			
119			
120	920	Admin & Gen Salaries	745,429
121	921	Office Supplies&Exp	296,957
122	923	OutsideServ Employed	10,529
123	924	Property Insurance	48,506
124	925	Injuries and damages	51,711
125	926	Empl Pensions & Ben	739,474
126	928	Reg Total Customer	76
127	930.1	Gen Advertising Exp	869
128	930.2	Misc General Expense	18,419
129	931	Rents	95,202
130	935	Maint-General Plant	360
131		Total Administrative and General	2,005,530
132			
133			
134		Total Electric Operating and Maintenance Expense	2,586,529
135			

Name of Respondent		This Report Is:	Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 27, 2018	December 31, 2017
CHARGES FOR OUTSIDE SERVICES (Continued)				
136				
137	<u>Account #</u>			
138				
139	107	CWIP		613,631
140	108	Accum Prov for Depr		5,593
141	163	Stores Clearing		38,200
142	228.3	Injuries & Damages R		34
143	403	Depreciation expense		30,430
144	405	Amort of Other Plant		248,060
145	408.1	TaxOthThanInc-UtilOp		66,706
146	417.1	Exp Non-Utility Oper		73,940
147	419	Interest and Div Inc		(16,911)
148	421	Misc Non-Oper Inc		(11,696)
149	426.1	Donations		22,574
150	426.2	Life Insurance		10,445
151	426.4	Exp Civic, Polit Act		2,727
152	426.5	Other deductions		13,083
153	431	Other Interest Exp		1,475
154		Total Other Accounts		<u>1,098,291</u>
155				
156				
157				
158		Total Charges		<u>3,684,820</u>
159				
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
Nantucket Electric Company			
CHARGES FOR OUTSIDE SERVICES (Continued)			
188	<u>Payment for Outside Vendors and Other Consultative Service</u>		
189			
190			
191			
192	<u>Plant Accounts</u>		
193	<u>Vendor</u>		
194	KEY ENGINEERING INC		151,936
195	KOBO UTILITY CONSTRUCTION CORP.		725,376
196	QINETIQ NORTH AMERICA INC (TSG)		51,599
197	RDW GROUP INC		39,359
198	SURVEYING AND MAPPING CONSULTANTS I		49,401
199	TOWN OF NANTUCKET		104,454
200	TRC ENVIRONMENTAL CORP.		86,123
201	Other Vendors (31)		167,182
202	Total Plant Accounts		1,375,430
203			
204			
205			
206	<u>Operation Accounts</u>		
207	ASPLUNDH CONSTRUCTION LLC		48,558
208	COMPUTER SCIENCES CORP.		31,222
209	IBM CORP.		36,022
210	KOBO UTILITY CONSTRUCTION CORP.		114,334
211	ON TARGET UTILITY SERVICES		94,451
212	PONTOON SOLUTIONS INC		25,837
213	PRICEWATERHOUSECOOPERS LLP		29,980
214	VERIZON BUSINESS SERVICES		63,539
215	WIPRO LTD.		38,674
216	Other Vendors (415)		337,900
217			
218	Total Operation Accounts		820,518
219			
220			
221			
222	Total Charges		2,195,947
223			
224			
225			
226			
227			
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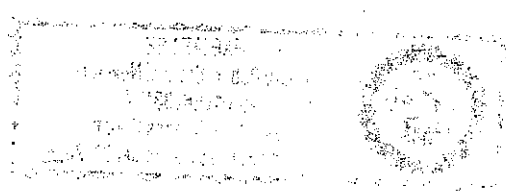
Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 27, 2018	Year of Report December 31, 2017
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DEPOSITS AND COLLATERAL

1. Statement of money and the value of any collateral held as guaranty for the payment of charges pursuant to Massachusetts General Laws. Chapter 164, Section 128.

Line No.	Name of City or Town	Amount
1	Nantucket	174,987
2		
3		
4		
5		
6		
7		
8		
9		
10	Deposits on Hand = Cash received.	
11		
12	*Provided by Billings Management	
13		
14		
15		
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44		
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48		
49		
50	Total	\$174,987

Name of Respondent		This Report Is:	Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 27, 2018	December 31, 2017
RETURN ON EQUITY				
Line No.	FERC Form 1 Reference	Description	Amount (000's)	
1	Net Utility Income Available for Common Shareholders			
2				
3	Add: Page 117 Line 27	Net Utility Operating Income	\$4,659	
4				
5	Add:	Amort of Acquisition Premium	0	
6				
7				
8				
9	Less: Page 117 Line 70	Net Interest Charges	\$1,033	
10				
11	Less: Page 118 Line 31	Preferred Stock Dividends	(\$50)	
12				
13	Net Utility Income Available for Common Shareholders		<u>3,676</u>	
14				
15				
16	Total Utility Common Equity			
17				
18	Add: Page 112 Line 16	Total Proprietary Capital	61,199	
19				
20	Add: Page 112 Line 9	Discount on Preferred Stock	0	
21				
22	Add: Page 112 Line 10	Preferred Stock Expense	0	
23				
24	Less: Page 112 Line 3	Preferred Stock Issued	0	
25				
26	Less: Page 112 Line 12	Unappropriated, Undistributed Sub Earnings	0	
27				
28	Less: Page 200 Line 12	Acquisition Adjustments	16,552	
29				
30	Add: Page 200 Line 32	Amort of Plant Acquisition Adjustments	<u>846</u>	
31				
32	Total Common Equity Excluding Unamort Acquisition Adjustment		45,493	
33				
34	Electric Operations Allocator (Line 51 below)		<u>99.08%</u>	
35				
36		Total Utility Common Equity	<u>45,075</u>	
37				
38				
39	Electric Operations Allocator			
40				
41	Add: Page 110 Line 4	Total Utility Plant	140,184	
42	Less: Page 200 Line 12	Acquisition Adjustments	<u>16,552</u>	
43			<u>123,633</u>	
44				
45				
46	Add: Page 110 Line 4	Total Utility Plant	140,184	
47	Add: Page 110 Line 32	Total Other Property and Investment	1,154	
48	Less: Page 200 Line 12	Acquisition Adjustments	<u>16,552</u>	
49			<u>124,786</u>	
50				
51		Electric Operations Allocator (Line 43 / Line 49)	<u>99.08%</u>	
52				
53				
54				
55	Return on Equity	(Line 13 / Line 36)	<u>8.16%</u>	
56				



Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report [Mo, Da, Yr] March 27, 2018	Year of Report December 31, 2017
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THIS RETURN [THE FERC FORM NO. 1 AND THE MASSACHUSETTS SUPPLEMENT] IS SIGNED UNDER THE PENALTIES OF PERJURY

George Carlin George Carlin VP, NE Controller

Charles DeRosa [Signature] VP, US Treasurer

SIGNATURE OF ABOVE PARTIES AFFIXED OUTSIDE THE COMMONWEALTH OF MASSACHUSETTS MUST BE PROPERLY SWORN TO

State of NY
County of Queens SS. March 26 20 18

Then personally appeared George Carlin

and severally made oath to the truth of the foregoing statement by them subscribed according to their best knowledge and belief.

Notary Public
Justice of the Peace

