

Niagara Mohawk Power Corporation d/b/a National Grid  
Earnings Adjustment Mechanism (EAM) Surcharge Annual Reconciliation  
In Accordance with Rule 49 of P.S.C. No. 220 Electricity ("Tariff")

Monthly Reconciliation Tracker									
Month	Beginning Balance	Recovery	WACC	Interest	After Tax Rate	Interest After Tax	Incentive Earned	Cumulative Balance	Cummulative Interest
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Mar-2019							11,258,926.53	11,258,926.53	-
Apr-2019	11,258,926.53	(261,185.56)	0.668%	74,374.36	73.86%	54,932.91	-	11,052,673.87	54,932.91
May-2019	11,052,673.87	(741,980.13)	0.668%	71,389.25	73.86%	52,728.10	-	10,363,421.84	107,661.01
Jun-2019	10,363,421.84	(754,491.58)	0.668%	66,740.94	73.86%	49,294.86	-	9,658,225.12	156,955.87
Jul-2019	9,658,225.12	(904,596.76)	0.668%	61,526.28	73.86%	45,443.31	-	8,799,071.67	202,399.18
Aug-2019	8,799,071.67	(948,246.88)	0.668%	55,638.40	73.86%	41,094.53	-	7,891,919.32	243,493.70
Sep-2019	7,891,919.32	(840,268.56)	0.668%	49,936.43	73.86%	36,883.05	-	7,088,533.81	280,376.75
Oct-2019	7,088,533.81	(769,442.18)	0.668%	44,803.81	73.86%	33,092.10	-	6,352,183.72	313,468.85
Nov-2019	6,352,183.72	(769,902.65)	0.668%	39,881.00	73.86%	29,456.11	-	5,611,737.18	342,924.96
Dec-2019	5,611,737.18	(836,568.85)	0.668%	34,709.58	73.86%	25,636.49	-	4,800,804.82	368,561.45
Jan-2020	4,800,804.82	(907,537.74)	0.668%	29,052.69	73.86%	21,458.32	-	3,914,725.40	390,019.77
Feb-2020	3,914,725.40	(823,863.33)	0.668%	23,410.34	73.86%	17,290.88	-	3,108,152.95	407,310.64
Mar-2020	3,108,152.95	(829,695.46)	0.668%	18,000.26	73.86%	13,294.99	12,070,650.12	14,362,402.60	420,605.63
Apr-2020	14,362,402.60	(847,087.02)	0.666%	92,809.57	73.86%	68,549.15	-	13,583,864.73	489,154.78
May-2020	13,583,864.73	(913,849.55)	0.666%	87,403.54	73.86%	64,556.26	-	12,734,571.43	553,711.04
Jun-2020	12,734,571.43	(1,023,902.65)	0.666%	81,382.28	73.86%	60,108.95	-	11,770,777.73	613,819.99
Jul-2020	11,770,777.73	(1,246,855.98)	0.666%	74,222.77	73.86%	54,820.94	-	10,578,742.69	668,640.92
Aug-2020	10,578,742.69	(1,212,775.45)	0.666%	66,399.26	73.86%	49,042.50	-	9,415,009.74	717,683.42
Sep-2020	9,415,009.74	(1,102,324.34)	0.666%	59,018.45	73.86%	43,591.03	-	8,356,276.43	761,274.45
Oct-2020	8,356,276.43	(990,836.02)	0.666%	52,340.22	73.86%	38,658.48	-	7,404,098.89	799,932.93
Nov-2020	7,404,098.89	(1,036,161.40)	0.666%	45,849.40	73.86%	33,864.37	-	6,401,801.86	833,797.30
Dec-2020	6,401,801.86	(1,149,396.09)	0.666%	38,798.80	73.86%	28,656.79	-	5,281,062.56	862,454.10
Jan-2021	5,281,062.56	(1,181,206.61)	0.666%	31,230.64	73.86%	23,066.95	-	4,122,922.90	885,521.05
Feb-2021	4,122,922.90	(1,131,273.28)	0.666%	23,685.60	73.86%	17,494.18	-	3,009,143.81	903,015.23
Mar-2021	3,009,143.81	(1,135,159.70)	0.666%	16,256.75	73.86%	12,007.23	12,226,331.26	14,112,322.60	915,022.46
Apr-2021	14,112,322.60	(1,131,098.30)	0.666%	90,198.93	73.27%	66,091.01	-	13,047,315.31	981,113.48
May-2021	13,047,315.31	(1,090,866.02)	0.666%	83,241.70	73.27%	60,993.27	-	12,017,442.57	1,042,106.75
Jun-2021	12,017,442.57	(1,237,874.35)	0.666%	75,895.05	73.27%	55,610.20	-	10,835,178.41	1,097,716.95
Jul-2021	10,835,178.41	(1,349,639.49)	0.638%	64,856.96	73.27%	47,522.31	-	9,533,061.24	1,145,239.26
Aug-2021	9,533,061.24	(1,334,881.34)	0.638%	56,592.21	73.27%	41,466.53	-	8,239,646.43	1,186,705.79
Sep-2021	8,239,646.43	(1,360,978.52)	0.638%	48,252.62	73.27%	35,355.90	-	6,914,023.81	1,222,061.69
Oct-2021	6,914,023.81	(1,142,003.17)	0.638%	40,489.63	73.27%	29,667.76	-	5,801,688.40	1,251,729.45
Nov-2021	5,801,688.40	(1,116,493.13)	0.638%	33,470.64	73.27%	24,524.77	-	4,709,720.04	1,276,254.23
Dec-2021	4,709,720.04	(1,214,466.80)	0.638%	26,187.54	73.27%	19,188.27	-	3,514,441.51	1,295,442.49
Jan-2022	3,514,441.51	(1,270,367.85)	0.638%	18,379.26	73.27%	13,466.94	-	2,257,540.60	1,308,909.43
Feb-2022	2,257,540.60	(1,264,970.83)	0.638%	10,373.27	73.27%	7,600.75	-	1,000,170.52	1,316,510.19
Mar-2022	1,000,170.52	(1,231,420.79)	0.638%	2,454.14	73.27%	1,798.21	-	(229,452.06)	1,318,308.40
Apr-2022	(229,452.06)	(1,166,562.86)	0.638%	(5,187.95)	73.27%	(3,801.34)	19,771,869.18	18,372,052.92	1,314,507.06
May-2022	18,372,052.92	(1,274,729.71)	0.638%	113,206.43	73.27%	82,949.18	-	17,180,272.39	1,397,456.23
Jun-2022	17,180,272.39	(1,442,636.89)	0.638%	105,062.99	73.27%	76,982.28	-	15,814,617.78	1,474,438.51
Jul-2022	15,814,617.78	(1,656,502.65)	0.638%	95,538.09	73.27%	70,003.14	-	14,228,118.27	1,544,441.66
Aug-2022	14,228,118.27	(1,751,416.30)	0.638%	85,121.61	73.27%	62,370.74	-	12,539,072.71	1,606,812.39
Sep-2022	12,539,072.71	(1,650,063.48)	0.638%	74,677.01	73.27%	54,717.71	-	10,943,726.94	1,661,530.10
Oct-2022	10,943,726.94	(1,384,438.63)	0.638%	65,353.36	73.27%	47,886.04	-	9,607,174.35	1,709,416.15
Nov-2022	9,607,174.35	(1,301,776.16)	0.638%	57,096.32	73.27%	41,835.90	-	8,347,234.10	1,751,252.05
Dec-2022	8,347,234.10	(1,496,507.28)	0.638%	48,443.50	73.27%	35,495.76	-	6,886,222.58	1,786,747.81
Jan-2023	6,886,222.58	(1,654,600.62)	0.638%	38,625.63	73.27%	28,301.96	-	5,259,923.92	1,815,049.78
Feb-2023	5,259,923.92	(1,512,754.69)	0.638%	28,710.11	73.27%	21,036.61	-	3,768,205.85	1,836,086.39
Mar-2023	3,768,205.85	(1,524,521.71)	0.638%	19,162.90	73.27%	14,041.14	-	2,257,725.27	1,850,127.53
Apr-2023 <sup>10</sup>	2,257,725.27	(1,429,933.17)	0.638%	9,835.09	73.27%	7,206.41	-	834,998.52	1,325,514.81
Total:	(56,350,112.51)			2,524,897.66		1,857,333.94			

## Notes:

- (1) Equal to Column (8) from previous month.
- (2) Actual recovery data obtained from Business Objects.
- (3) Weighted Annual Cost of Capital as described in the Joint Proposal in Cases 17-E-0238 & 20-E-0380 Appendix 1, Schedule 1; divided by 12 for monthly application.

Year	Annual WACC	Monthly WACC
Case 17-E-0238 RY2 (Apr 2019 - Mar 2020)	8.02%	0.668%
Case 17-E-0238 RY3 (Apr 2020 - Mar 2021)	7.99%	0.666%
Case 17-E-0238 RY4 (Apr 2021 - June 2021)	7.99%	0.666%
Case 20-E-0380 RY1 (July 2021 - June 2022)	7.66%	0.638%
Case 20-E-0380 RY2 (Jul 2022 - Jun 2023)	7.65%	0.638%

- (4) Pre-tax interest = Beginning Balance + (Incentive + Recovery)/2 x WACC
- (5) Effective New York State Corporate Tax Rate = 26.14%; After-tax rate is 100.00% - 26.14% = 73.86%  
Effective New York State Corporate Tax Rate 4/1/2021 = 26.727%; After-tax rate is 100.00% - 26.727% = 73.273%
- (6) Interest after tax = Interest x After-tax rate.
- (7) Total EAM incentives earned as described in Case 17-E-0238 & Case 20-E-0380 annual reports.
- (8) Columns 1 + 2 + 6 + 7
- (9) Equal to column (6) + previous month's column (9).
- (10) Recovery in column (2) estimated using April 2023 sales forecast and 2022 EAM rates.

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<b>Allocation of Over/Under Collection</b>			
<b>Service Class</b>	<b>Incentive Earned CY21</b>	<b>Percent of Total</b>	<b>Allocation of Over/Under Collection</b>
	(11)	(12)	(13)
SC1	\$ 9,177,781.24	50.07%	\$ 418,102.62
SC1C	\$ 167,028.46	0.91%	\$ 7,609.14
SC2ND	\$ 575,427.40	3.14%	\$ 26,214.15
SC2D	\$ 2,525,458.31	13.78%	\$ 115,049.67
SC3Sec	\$ 2,258,870.48	12.32%	\$ 102,905.01
SC3Pri	\$ 914,813.77	4.99%	\$ 41,675.22
SC3Sub/Tran	\$ 175,899.23	0.96%	\$ 8,013.26
SC3ASec/Pri	\$ 453,917.61	2.48%	\$ 20,678.65
SC3ASub	\$ 379,500.01	2.07%	\$ 17,288.49
SC3ATrans	\$ 1,526,285.56	8.33%	\$ 69,531.40
SL	\$ 174,091.43	0.95%	\$ 7,930.90
<b>Total</b>	<b>\$ 18,329,073.50</b>		
<b>Over/Under Recovered Incentive plus Interest:</b>			<b>\$ 834,998.52</b>

Notes:

(11) Total 2021 EAM incentive earned as described in Case 17-E-0238; annual report filed April 15, 2022.

(12) Weighted percent of total 2021 EAM incentive by service classification.

(13) Equal to column (11) x total of column (12)