

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")
Case 17-E-0238, Section 3.8, Appendix 2, Schedule 9

Monthly EAM Tracker FY2021										
Month	Beginning Balance	Incentive Earned FY18	Recovery	WACC	Interest	After Tax Rate	Interest After Tax	Incentive Earned FY19	Cumulative Balance	Cummulative Interest
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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 ¹¹	3,009,143.81	-	(1,108,838.79)	0.666%	16,344.37	73.86%	12,071.95	-	1,912,376.97	915,087.18
Total:			(22,332,286.86)		1,238,948.26		915,087.18			

Under Recovered Incentive plus Interest: **1,912,376.97**

Notes:

- (1) Equal to Column (9) from previous month.
- (2) Total 2018 EAM incentive earned as described in Case 17-E-0238; annual report filed March 1, 2019.
- (3) Actual recovery data obtained from Business Objects.
- (4) Weighted Annual Cost of Capital as described in the Joint Proposal in Case 17-E-0238; Appendix 1, Schedule 1; divided by 12 for monthly application.

Year	Annual WACC	Monthly WACC
RY1 - Pre Tax WACC (Apr 2018 - Mar 2019)	8.07%	0.673%
RY2 - Pre Tax WACC (Apr 2019 - Mar 2020)	8.02%	0.668%
RY3 - Pre Tax WACC (Apr 2020 - Mar 2021)	7.99%	0.666%

- (5) Pre-tax interest = Beginning Balance + (Incentive + Recovery)/2) x WACC
- (6) Effective New York State Corporate Tax Rate = 26.14%; After-tax rate is 100.00% - 26.14% = 73.86%
- (7) Interest after tax = Interest x After-tax rate.
- (8) Total 2019 EAM incentive earned as described in Case 17-E-0238; annual report filed March 2, 2020.
- (9) Columns 1 + 2 + 3 + 7 +8
- (10) Equal to column (7) + previous month's column (10).
- (11) Recovery in column (3) contains estimate using March 2021 sales forecast.

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Allocation of Over/Under Collection				
Service Class	Incentive		Allocation of Under Recovered	
	Earned FY19	Percent of Total	2019 Incentive in 2020	
	(12)	(13)	(14)	
SC1	\$ 4,560,346	37.78%	\$	722,504.70
SC1C	\$ 102,341	0.85%	\$	16,214.01
SC2ND	\$ 268,233	2.22%	\$	42,496.73
SC2D	\$ 1,662,329	13.77%	\$	263,366.11
SC3Sec	\$ 1,633,505	13.53%	\$	258,799.41
SC3Pri	\$ 676,585	5.61%	\$	107,192.70
SC3Sub/Tran	\$ 207,630	1.72%	\$	32,895.31
SC3ASec/Pri	\$ 405,332	3.36%	\$	64,217.50
SC3ASub	\$ 486,843	4.03%	\$	77,131.47
SC3ATrans	\$ 2,026,538	16.79%	\$	321,068.37
SL	\$ 40,968	0.34%	\$	6,490.67
Total	\$ 12,070,650			
Under Recovered Incentive plus Interest:			\$	1,912,376.97

Notes:

- (12) Total 2019 EAM incentive earned as described in Case 17-E-0238; annual report filed March 2, 2020.
- (13) Weighted percent of total 2019 EAM incentive by service classification.
- (14) Equal to column (13) x total of column (14)