

Niagara Mohawk Power Corporation d/b/a National Grid
Earnings Adjustment Mechanism (EAM) Surcharge Annual Reconciliation
2018 EAM Incentives Collected in Fiscal Year 2020
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 FY2020

Month	Beginning Balance	Incentive Earned	Recovery	WACC	Interest	After Tax Rate	Interest After Tax	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 ¹⁰	3,108,152.95	-	(945,568.41)	0.668%	17,613.05	73.86%	13,009.00	2,175,593.53	420,319.64
Total:			(9,503,652.63)		569,076.14		420,319.64		

Under Recovered Incentive plus Interest: **2,175,593.53**

Notes:

- (1) Equal to Column (9) from previous month.
 (2) Total 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) Columns 1 + 2 + 3 + 7
 (9) Equal to column (7) + previous month's column (9).
 (10) Recovery in column (3) contains estimate using March 2020 sales forecast.

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Allocation of Over/Under Collection

Service Class	2018 Earned		Allocation of	
	Incentives	Percent of Total	Under	Recovered 2018
	(11)	(12)	(13)	
SC1	\$ 4,187,593	37.19%	\$	809,180.16
SC1C	\$ 95,002	0.84%	\$	18,357.56
SC2ND	\$ 245,488	2.18%	\$	47,436.26
SC2D	\$ 1,534,627	13.63%	\$	296,540.27
SC3Sec	\$ 1,514,676	13.45%	\$	292,685.02
SC3Pri	\$ 631,905	5.61%	\$	122,104.82
SC3Sub/Tran	\$ 199,760	1.77%	\$	38,600.25
SC3ASec/Pri	\$ 379,627	3.37%	\$	73,356.35
SC3ASub	\$ 469,228	4.17%	\$	90,670.13
SC3ATrans	\$ 1,962,379	17.43%	\$	379,195.94
SL	\$ 38,641	0.34%	\$	7,466.78
Total	\$ 11,258,927			

Under Recovered Incentive plus Interest: \$ 2,175,593.53

Notes:

- (11) EAM incentives earned as described in Case 17-E-0238; annual report filed March 1, 2019.
(12) Weighted percent of total 2018 EAM incentive by service classification.
(13) Equal to column (12) x total of column (13)