

Keyspan Gas East Corporation d/b/a National Grid (KEDLI)
Earnings Adjustment Mechanism (EAM) Surcharge and Interest

Month	Beginning balance	Incentive earned (CY20)	Recovery	Pre-Tax WACC	Interest	Ending balance	Cumulative Interest
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Mar-21		\$2,311,000				\$2,311,000	\$5,525
Apr-21	\$2,311,000		-	0.66%	\$10,972	\$2,311,000	\$16,497
May-21	\$2,311,000		-	0.66%	\$10,911	\$2,311,000	\$27,408
Jun-21	\$2,311,000		-	0.66%	\$10,911	\$2,311,000	\$38,318
Jul-21	\$2,311,000		-	0.66%	\$10,911	\$2,311,000	\$49,229
Aug-21	\$2,311,000		-	0.66%	\$10,911	\$2,311,000	\$60,139
Sep-21	\$2,311,000		-	0.66%	\$10,911	\$2,311,000	\$71,050
Oct-21	\$2,311,000		(\$108,955)	0.66%	\$10,653	\$2,202,045	\$81,703
Nov-21	\$2,202,045		(\$300,503)	0.66%	\$9,687	\$1,901,542	\$91,390
Dec-21	\$1,901,542		(\$356,158)	0.66%	\$8,137	\$1,545,385	\$99,527
Jan-22	\$1,545,385		(\$610,996)	0.66%	\$5,854	\$934,389	\$105,381
Feb-22	\$934,389		(\$414,262)	0.66%	\$3,434	\$520,127	\$108,814
Mar-22	\$520,127		(\$363,480)	0.66%	\$1,598	\$156,647	\$110,412
Apr-22 ¹	\$156,647		(\$366,126)	0.66%	(\$124)	(\$209,479)	\$110,288
Total			(\$2,520,479)		\$104,762		

Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023	
Total	100.00%	Total	100.00%	Total	100.00%
Tax Rate	27.64%	Tax Rate	28.45%	Tax Rate	28.45%
Tax Adjusted	72.36%	Tax Adjusted	71.55%	Tax Adjusted	71.55%
Pre-Tax WACC		Pre-Tax WACC		Pre-Tax WACC	
7.93%		7.92%		7.89%	

(a) Carried prior month ending balance.

(b) EAM account activity - incentive piece.

(c) EAM account activity - recovery piece.

(d) Pre-Tax WACC rate published in Rate Case 19-G-0309/0310 adjusted for NYS tax change

(e) Formula $AVERAGE((\text{Prior Month (f)} * \text{applicable tax adjusted rate}), (\text{Current Month (f)} * \text{applicable tax adjusted rate})) * (d)$

(f) Formula (a) + (b) + (c)

(g) Prior month (g) + current month (e)

Notes:

(1) Recovery in column (c) contains estimate using April 2022 sales forecast.