

The Brooklyn Union Gas Company d/b/a National Grid New York (KEDNY)  
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		\$3,576,000				\$3,576,000	\$8,571
Apr-21	\$3,576,000		\$0	0.66%	\$16,934	\$3,576,000	\$25,506
May-21	\$3,576,000		\$0	0.66%	\$16,840	\$3,576,000	\$42,346
Jun-21	\$3,576,000		\$0	0.66%	\$16,840	\$3,576,000	\$59,186
Jul-21	\$3,576,000		\$0	0.66%	\$16,840	\$3,576,000	\$76,026
Aug-21	\$3,576,000		\$0	0.66%	\$16,840	\$3,576,000	\$92,867
Sep-21	\$3,576,000		\$0	0.66%	\$16,840	\$3,576,000	\$109,707
Oct-21	\$3,576,000		(\$151,954)	0.66%	\$16,482	\$3,424,046	\$126,189
Nov-21	\$3,424,046		(\$419,056)	0.66%	\$15,138	\$3,004,990	\$141,327
Dec-21	\$3,004,990		(\$227,016)	0.66%	\$13,617	\$2,777,974	\$154,944
Jan-22	\$2,777,974		(\$1,021,608)	0.66%	\$10,677	\$1,756,366	\$165,621
Feb-22	\$1,756,366		(\$574,958)	0.66%	\$6,917	\$1,181,408	\$172,538
Mar-22	\$1,181,408		(\$506,279)	0.66%	\$4,371	\$675,129	\$176,909
Apr-22 <sup>1</sup>	\$675,129		(\$503,983)	0.66%	\$1,993	\$171,146	\$178,902
Total			(\$3,404,854)		\$170,331		

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	
7.79%		7.90%		7.90%	

(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.