



March 31, 2021

VIA ELECTRONIC MAIL

Commonwealth of Massachusetts
Massachusetts Department of Public Utilities
Attn: Mark D. Marini and Emily Luksha
One South Station, 2nd Floor
Boston, MA 02110

Dear Secretary Marini and Ms. Luksha:

Filed herewith is an electronic copy of the return for the year ended December 31, 2020 for Nantucket Electric Company.

A check in the amount of \$40.00 (check #: 7001914234, check date: 2/2/2021) was mailed directly to the Department to cover the 2019 and 2020 \$5.00 filing fees for Boston Gas Company, Colonial Gas Company, Massachusetts Electric Company, and Nantucket Electric Company. Paper versions of the return will be submitted upon notice from the Department.

Please acknowledge receipt of this return via electronic mail.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher McCusker".

Christopher McCusker
Vice President
NE Controller
781-697-6246

THE COMMONWEALTH OF MASSACHUSETTS

ANNUAL RETURN

OF THE

NANTUCKET ELECTRIC COMPANY

TO THE

DEPARTMENT OF PUBLIC UTILITIES

YEAR ENDED DECEMBER 31, 2020

nationalgrid

Commonwealth of Massachusetts
Department of Public Utilities

One South Street
Boston, MA 02110

STATEMENT OF OPERATING REVENUES

YEAR 2020

Name of Company Nantucket Electric Company
D/B/A _____
Address One Metrotech Center 12th Floor
Brooklyn, NY 11201

		Location on <u>Annual Return</u>
Massachusetts Operating Revenues (Intrastate)	\$ <u>23,901,659</u>	<u>refer to FERC Form 1F</u>
Other Revenues (outside Massachusetts)	\$ _____	_____
Total Revenues	\$ <u>23,901,659</u>	<u>refer to FERC Form 1F</u>

I hereby certify under the penalties of perjury that the foregoing statement is true to the best of my knowledge and belief.

Signature	
Name	<u>Christopher McCusker</u>
Title	<u>VP, NE Controller</u>

The purpose of this statement is to provide the Department of Public Utilities with the amount of intrastate operating revenues for the annual assessment made pursuant to G.L. c. 25, § 18.

If invoices or correspondence are to be addressed to a particular individual or department of the Company, please provide the name, title, and address below.

Name _____
Title _____
Address _____

Check appropriate box:

☒ Original signed form

☐ Conformed Copy

Form 1-F Approved
OMB No. 1902-0029
(Expires 11/30/2022)



FERC FORM NO. 1-F: ANNUAL REPORT OF NONMAJOR PUBLIC UTILITIES AND LICENSEES

This report is mandatory under the Federal Power Act, Sections 304(a), and 18 CFR 141.2. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Nantucket Electric Company

Year of Report

December 31, 2020

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III	Comparative Balance Sheet (110-113)
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XIX	Purchased Power (326-327)

INSTRUCTIONS FOR FILING FERC Form No. 1-F

GENERAL INFORMATION

I. Purpose

FERC Forms 1-F and 3-Q are designed to collect financial and operational information from non-major public utilities and licensees subject to the jurisdiction of the Federal Energy Regulatory Commission

and Licensees Subject to the Provisions of the Federal Power Act (18 CFR Part 101 (U.S. of A.) must submit FERC Form 1-F (18 C.F.R. § 141.2) Filers required to submit FERC Form 1-F must also submit FERC Form 3-Q (18 C.F.R. § 141.400).

II. Who Must Submit

Each Non-major Public Utility or Licensee, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities

Each Non-major public utility or licensee classified as Class C or Class D prior to January 1, 1984, may continue to file only the basic financial statements -Parts III, IV and V.

Note: Non-major means having total annual sales of 10,000 megawatt-hours or more in the previous calendar year and not classified as "Major."

GENERAL INFORMATION (Continued)

III. What and Where to Submit

Office of the Secretary Federal Energy
Regulatory Commission 888 First Street,
N E. Washington, DC 20426

1. For the CPA certification, submit with the original submission or within 30 days after the filing date of FERC Form 1-F, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

- a. Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

- b. Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority of a State or other political sub-division of the U.S. (See 18 C.F.R. §§41.10 41.12 for specific qualifications.)

Schedules

Comparative Balance Sheet
Statement of Income
Statement of Retained
Earnings Statement of Cash
Flows Notes to Financial
Statements

The following format must be used for the CPA Certification Statement for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of for the year ended on which we have reported separately under date of we have also reviewed schedules of Form 1-F for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other

auditing procedures as we considered necessary in the circumstances. Enter in whole dollars only.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

Federal, State and Local Governments and other authorized users may obtain blank copies of the FERC Form 1-F free of charge from <http://www.ferc.gov/docs-filing/hard-fil.asp>.

When to submit FERC Form 1-F on or before April 18th of the year following the calendar year covered by this report (18 C.F.R. § 141.2). Submit FERC Form 3-Q within 70 days from the end of the reporting quarter (18 C.F.R. § 141.400).

Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 116 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426 (Attention: Michael Miller, CI-1; and to the Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

GENERAL INSTRUCTIONS

Report data as outlined in the U.S. of A. (18 C.F.R. Part 101) as designed for "Nonmajor" electric utilities. If the "Major" designated accounts are maintained, then the following schedules may be substituted:

Nonmajor Accounts Part Number	Major Accounts Schedule Page (FERC Form No. 1)
III	110-113
IV	114-117
V	118-119
XII	219
XVI	300-301
XVII	320-323
XVIII	310-311
XIX	326-327
XX	200-201, 204-207

Indicate negative amounts by enclosing the figures in parenthesis (), except where otherwise noted (debit or credit).

When making revisions, resubmit only those pages that have been changed from the original and include with your resubmission Part I, Identification and Part II, Attestation.

Use Part XXII, Footnote Data, to footnote any entry made to parts II through XXI.

Enter Not applicable whenever a particular part is not applicable.

SPECIFIC INSTRUCTIONS: Item No. Instruction's. All Refer to the form. All items are self-explanatory.

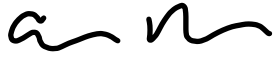
PART I: IDENTIFICATION

01 Exact Legal name of Respondent Nantucket Electric Company		02 Year of Report 2020/Q4
03 Previous Name and Date of Change <i>(If name changed during year)</i>		
04 Address of Principal Business Office at End of Year <i>(Street, City, State, Zip Code)</i> 40 Sylvan Road, Waltham, MA 02451		
05 Name of Contact Person Donald Albers	06 Title of Contact Person Asst Controller - NE	
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> One Metrotech Center, Brooklyn, NY 11201		
08 Telephone of Contact Person, Including Area Code (929) 324-4785	09 This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i> 03/31/2021
11 Name of Officer Having Custody of the Books of Account Christopher McCusker	12 Title of Officer VP, NE Controller	
13 Address of Officer Where Books of Account Are Kept <i>(Street, City, State, Zip Code)</i> One Metrotech Center, Brooklyn, NY 11201		
14 Name of State Where Respondent Is Incorporated Massachusetts	15 Date of Incorporation <i>(Mo, Da, Yr)</i> 04/12/1905	16 If applicable, Reference to Law Incorporated Under GL 15613
17 Explanation of Manner and Extent of Corporate Control <i>(If the respondent controls or is controlled by any other corporation, business trust, or similar organization)</i>		

PART II: ANNUAL REPORT CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

Line No.	Name of Certifying Official	Signature	Title	Date
1	Christopher McCusker		VP, NE Controller	3/31/2021

Title 18, U.S.C. 1001 makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Nantucket Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of 2020/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	149,720,002	148,563,244
3	Construction Work in Progress (107)	200-201	5,421,845	2,133,447
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		155,141,847	150,696,691
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	58,888,292	57,204,942
6	Net Utility Plant (Enter Total of line 4 less 5)		96,253,555	93,491,749
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		96,253,555	93,491,749
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		290,808	290,808
19	(Less) Accum. Prov. for Depr. and Amort. (122)		229,926	229,927
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		1,312,244	1,217,564
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		1,373,126	1,278,445
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		58,801	64,120
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		3,727,628	2,324,532
41	Other Accounts Receivable (143)		42,969	0
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		281,019	293,756
43	Notes Receivable from Associated Companies (145)		69,878,708	64,408,290
44	Accounts Receivable from Assoc. Companies (146)		1,211,803	927,061
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	570,050	256,702
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		3,653	619
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	6,367
60	Rents Receivable (172)		127,925	106,276
61	Accrued Utility Revenues (173)		824,093	1,121,178
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		76,164,611	68,921,389
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		733,086	793,879
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	4,195,697	4,452,572
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		39,018	-7,648
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	16,383	34,245
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	10,364,863	9,215,891
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		15,349,047	14,488,939
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		189,140,339	178,180,522

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2020/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	1	1
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	31,041,381	30,516,930
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	47,212,268	41,617,148
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	38,393	23,099
16	Total Proprietary Capital (lines 2 through 15)		78,292,043	72,157,178
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	51,300,000	51,300,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		51,300,000	51,300,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		236,330	348,017
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		16,506	31,855
29	Accumulated Provision for Pensions and Benefits (228.3)		4,636,572	4,768,099
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		7,922	7,578
35	Total Other Noncurrent Liabilities (lines 26 through 34)		4,897,330	5,155,549
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		2,121,312	2,537,914
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		1,918,700	2,117,424
41	Customer Deposits (235)		83,025	122,456
42	Taxes Accrued (236)	262-263	2,747,082	1,966,214
43	Interest Accrued (237)		10,163	42,498
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		866	6,842
48	Miscellaneous Current and Accrued Liabilities (242)		413,426	426,248
49	Obligations Under Capital Leases-Current (243)		115,086	134,604
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		7,409,660	7,354,200
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		0	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	0	0
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	322,291	433,875
60	Other Regulatory Liabilities (254)	278	32,570,187	27,608,496
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		13,147,979	12,969,338
64	Accum. Deferred Income Taxes-Other (283)		1,200,849	1,201,886
65	Total Deferred Credits (lines 56 through 64)		47,241,306	42,213,595
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		189,140,339	178,180,522

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.

2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.

3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.

4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.

5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)

6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.

7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	23,901,659	22,312,180		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	10,561,759	11,047,048		
5	Maintenance Expenses (402)	320-323	1,531,341	1,417,748		
6	Depreciation Expense (403)	336-337	2,818,634	2,708,219		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	714,700	594,156		
15	Income Taxes - Federal (409.1)	262-263	1,846,525	1,842,115		
16	- Other (409.1)	262-263	942,404	225,545		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	1,212,305	-635,261		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	1,244,721			
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		18,382,947	17,199,570		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		5,518,712	5,112,610		

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2020/Q4	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
<p>9. Use page 122 for important notes regarding the statement of income for any account thereof.</p> <p>10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.</p> <p>11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.</p> <p>12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.</p> <p>13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.</p> <p>14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.</p> <p>15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.</p>							
ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.	
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)		
						1	
23,901,659	22,312,180					2	
						3	
10,561,759	11,047,048					4	
1,531,341	1,417,748					5	
2,818,634	2,708,219					6	
						7	
						8	
						9	
						10	
						11	
						12	
						13	
714,700	594,156					14	
1,846,525	1,842,115					15	
942,404	225,545					16	
1,212,305	-635,261					17	
1,244,721						18	
						19	
						20	
						21	
						22	
						23	
						24	
18,382,947	17,199,570					25	
5,518,712	5,112,610					26	

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2020/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		5,518,712	5,112,610			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)		1,482				
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)		4,525	627			
34	(Less) Expenses of Nonutility Operations (417.1)		5,600	46,966			
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)		852,580	1,701,305			
38	Allowance for Other Funds Used During Construction (419.1)		89,309	121,998			
39	Miscellaneous Nonoperating Income (421)		50,419	34,495			
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		992,715	1,811,459			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)						
45	Donations (426.1)		13,093	13,094			
46	Life Insurance (426.2)		5,880	7,333			
47	Penalties (426.3)		56,050	315			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		5,534	3,733			
49	Other Deductions (426.5)		107,313	-87,955			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		187,870	-63,480			
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263					
53	Income Taxes-Federal (409.2)	262-263	130,780	302,947			
54	Income Taxes-Other (409.2)	262-263	55,384	130,283			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	-42	6,682			
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277					
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		186,122	439,912			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		618,723	1,435,027			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		313,374	844,657			
63	Amort. of Debt Disc. and Expense (428)		107,531	107,237			
64	Amortization of Loss on Reacquired Debt (428.1)						
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)						
68	Other Interest Expense (431)		137,647	270,147			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		16,237	27,784			
70	Net Interest Charges (Total of lines 62 thru 69)		542,315	1,194,257			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		5,595,120	5,353,380			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		5,595,120	5,353,380			

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		41,617,148	36,165,286
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Implementation of recognition and measurement of financial assets and liabilities			99,715
5	Reversal of impact of ASU 2018-02 (Prior year activity)			(1,233)
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			98,482
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		5,595,120	5,353,380
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		47,212,268	41,617,148
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

STATEMENT OF RETAINED EARNINGS	
1.	Do not report Lines 49-53 on the quarterly version.
2.	Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3.	Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4.	State the purpose and amount of each reservation or appropriation of retained earnings.
5.	List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6.	Show dividends for each class and series of capital stock.
7.	Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8.	Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9.	If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

FERC FORM NO. 1/3-Q (REV. 02-04) Page 119

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 4 Column: d

The company implemented ASU 2016-01 ("Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" for the fiscal year ended March 31, 2019 with a net impact of \$0.1 million.

Schedule Page: 118 Line No.: 5 Column: d

The company implemented ASU 2016-02 ("Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" for the fiscal year ended March 31, 2020 with a net impact of \$1,233.

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 117)	5,595,120	5,353,380	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	2,818,634	2,708,219	
5	Amortization of Debt Discount and Expenses	107,531	107,237	
6				
7				
8	Deferred Income Taxes (Net)	-32,458	-628,579	
9	Investment Tax Credit Adjustment (Net)			
10	Net (Increase) Decrease in Receivables	-1,176,999	301,053	
11	Net (Increase) Decrease in Inventory	-313,348	-64,828	
12	Net (Increase) Decrease in Allowances Inventory			
13	Net Increase (Decrease) in Payables and Accrued Expenses	789,713	-155,828	
14	Net (Increase) Decrease in Other Regulatory Assets	4,383,736	238,849	
15	Net Increase (Decrease) in Other Regulatory Liabilities	4,018,423	-1,629,838	
16	(Less) Allowance for Other Funds Used During Construction	-89,309	121,998	
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Accounts Receivable/Payable from/to Associated Companies	-483,466	-2,513,769	
19	Other (provide details in footnote):	-4,605,894	-774,675	
20				
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	11,190,301	2,819,223	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-5,129,844	-6,187,667	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant			
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	89,309	-121,998	
31	Other (provide details in footnote):	129	3,362	
32	Cost of Removal	-432,541	-368,577	
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-5,651,565	-6,430,884	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)			
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies			
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
STATEMENT OF CASH FLOWS					
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>					
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)		
46	Loans Made or Purchased				
47	Collections on Loans				
48					
49	Net (Increase) Decrease in Receivables				
50	Net (Increase) Decrease in Inventory				
51	Net (Increase) Decrease in Allowances Held for Speculation				
52	Net Increase (Decrease) in Payables and Accrued Expenses				
53	Other (provide details in footnote):	-73,637	-57,277		
54	Affiliate Moneypool Lending	-5,470,418	3,702,260		
55					
56	Net Cash Provided by (Used in) Investing Activities				
57	Total of lines 34 thru 55)	-11,195,620	-2,785,901		
58					
59	Cash Flows from Financing Activities:				
60	Proceeds from Issuance of:				
61	Long-Term Debt (b)				
62	Preferred Stock				
63	Common Stock				
64	Other (provide details in footnote):				
65					
66	Net Increase in Short-Term Debt (c)				
67	Other (provide details in footnote):				
68					
69					
70	Cash Provided by Outside Sources (Total 61 thru 69)				
71					
72	Payments for Retirement of:				
73	Long-term Debt (b)				
74	Preferred Stock				
75	Common Stock				
76	Other (provide details in footnote):				
77					
78	Net Decrease in Short-Term Debt (c)				
79					
80	Dividends on Preferred Stock				
81	Dividends on Common Stock				
82	Net Cash Provided by (Used in) Financing Activities				
83	(Total of lines 70 thru 81)				
84					
85	Net Increase (Decrease) in Cash and Cash Equivalents				
86	(Total of lines 22,57 and 83)	-5,319	33,322		
87					
88	Cash and Cash Equivalents at Beginning of Period	64,120	30,798		
89					
90	Cash and Cash Equivalents at End of period	58,801	64,120		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 19 Column: b

	2020
Operating Activities - Other	
Change in Prepayments	\$ (3,034)
Change in Unamortized Debt Expense	(46,738)
Change in Clearing Accounts	(46,665)
Change in Miscellaneous Deferred Debits	17,862
Change in Accumulated Provision for Injuries and Damages	(15,349)
Change in Accumulated Provision for Pensions and Benefits	(4,259,849)
Change in Asset Retirement Obligations	344
Change in Other Deferred Credits	(111,584)
Change in Deferred Income Taxes	5
Change in Pension/OPEB Capitalized dollars	(140,886)
Total	\$ (4,605,894)

Schedule Page: 120 Line No.: 19 Column: c

	2019
Operating Activities - Other	
Change in Prepayments	\$ 66,984
Change in Unamortized Debt Expense	(46,538)
Change in Clearing Accounts	1
Change in Miscellaneous Deferred Debits	(12,723)
Change in Accumulated Provision for Injuries and Damages	(1,590)
Change in Accumulated Provision for Pensions and Benefits	(487,610)
Change in Asset Retirement Obligations	488
Change in Other Deferred Credits	(31,061)
Change in Deferred Income Taxes	(26,170)
Change in Pension/OPEB Capitalized dollars	(236,456)
Total	\$ (774,675)

Schedule Page: 120 Line No.: 31 Column: b

	2020
Investing Activities - Other	
Change in Utility Plant other	\$ 129
Total	\$ 129

Schedule Page: 120 Line No.: 31 Column: c

	2019
Investing Activities - Other	
Change in Utility Plant other	\$ 3,362
Total	\$ 3,362

Schedule Page: 120 Line No.: 53 Column: b

	2020
Investing Activities - Other	
Change in Special Funds	\$ (94,680)
Change in Accumulated Other Comprehensive Income	21,043
Total	\$ (73,637)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Nantucket Electric Company			2020/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 53 Column: c

Investing Activities - Other

	2019
Change in Special Funds	\$ (128,199)
Change in Accumulated Other Comprehensive Income	70,922
Total	\$ (57,277)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Nantucket Electric Company			2020/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 53 Column: c

	2019
Investing Activities - Other	
Change in Special Funds	\$ (128,199)
Change in Accumulated Other Comprehensive Income	70,922
Total	\$ (57,277)

Schedule Page: 120 Line No.: 76 Column: b

	2020
Financing Activities - Other	
Parent Tax loss Allocation	\$ 524,451
Total	\$ 524,451

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2020/Q4
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<p align="center">NOTES TO FINANCIAL STATEMENTS</p> <p>1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.</p> <p>2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.</p> <p>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.</p> <p>4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.</p> <p>7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.</p> <p>8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.</p> <p>9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.</p>
<p>PAGE 122 INTENTIONALLY LEFT BLANK SEE PAGE 123 FOR REQUIRED INFORMATION.</p>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

**NANTUCKET ELECTRIC COMPANY
NOTES TO THE FINANCIAL STATEMENTS**

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nantucket Electric Company ("the Company") is an electric retail distribution company providing electric service to approximately 13,900 customers on the Island of Nantucket.

The Company is a wholly-owned subsidiary of National Grid USA ("NGUSA" or the "Parent"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution, and sale of both natural gas and electricity. NGUSA is a direct wholly-owned subsidiary of National Grid North America Inc. ("NGNA") and an indirect wholly-owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

Pursuant to a settlement agreement associated with NGUSA's purchase of the Company in 1996, approved by the Massachusetts Department of Public Utilities ("DPU"), the Company is considered, along with its affiliate Massachusetts Electric Company ("Massachusetts Electric") as one regulated entity for the purpose of recovering its costs and establishing its rates assessed to its customers, with the exception of the recovery of the Company's investment in two undersea electric cables. In the recovery of certain regulatory assets, funding of the recovery is from the customers of both companies. However, the mechanism by which recovery is ultimately achieved is through a single regulatory asset recorded on the balance sheet of Massachusetts Electric. The Company's share of these costs and recoveries are reflected through a return on equity mechanism between the Company and Nantucket Electric, as discussed in Note 13 – "Related Party Transactions."

The accompanying financial statements are prepared in accordance with accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in its applicable Uniform System of Accounts. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP"). The primary differences consist of the following:

- For FERC reporting, the non-service cost portion of net periodic benefits are classified as operating expenses. For U.S. GAAP reporting, the non-service cost portion of net periodic benefits are classified as other income (deductions).
- For FERC reporting, regulatory assets and liabilities are classified as non-current. For U.S. GAAP reporting, regulatory assets and liabilities are classified as current or long-term as applicable. Additionally, the portion of regulatory assets related to an equity return are included for FERC reporting and derecognized for U.S. GAAP reporting.
- The accumulated amounts collected in rates for cost of removal over spending are included within accumulated depreciation for FERC reporting, but are presented as a regulatory liability for U.S. GAAP reporting.
- All debt is classified as long-term in the balance sheet for FERC reporting. Under U.S. GAAP, the presentation reflects current and long-term debt separately.
- For FERC reporting, the debt issuance costs related to term loans are presented in the balance sheet within deferred charges and other assets. Under U.S. GAAP, this is presented in the balance sheet as a direct deduction from the carrying value of debt.
- Goodwill is included within utility plant for FERC reporting, but is presented as other non-current assets for U.S. GAAP reporting.
- For FERC reporting, the liability for uncertain tax positions related to temporary differences is not recognized pursuant to FERC guidance and deferred taxes are recognized based on the difference between positions taken in filed tax returns and amounts reported in the financial statements. For U.S. GAAP reporting, the liability for uncertain tax positions related to temporary differences is recognized and deferred taxes are recognized based on the difference between the positions

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taken in filed tax returns adjusted for uncertain tax positions related to temporary differences and amounts reported in the financial statements.

- For FERC reporting, deferred tax assets and liabilities are presented on a gross basis. For U.S. GAAP reporting, deferred tax assets and liabilities are presented on a net basis.
- For FERC reporting, certain revenues or expenses are classified as either utility or non-utility in nature. For GAAP reporting, no distinction between utility and non-utility is made.

Supplemental Cash Flow Information

	Twelve Months Ended December	
	2020	2019
	<i>(in thousands of dollars)</i>	
Supplemental disclosures:		
Interest paid	\$ (451)	\$ (809)
Income taxes paid	(2,760)	(2,258)
Supplemental disclosure of non-cash financing and investing activities:		
Capital-related accruals included in account payable	\$ 23	\$ 15
Parent tax loss allocation	524	-

The novel coronavirus (COVID-19) pandemic has disrupted the U.S. and global economies and is having a significant impact on global health. In March 2020, COVID-19 was declared a pandemic by the World Health Organization (WHO) and the Centers for Disease Control and Prevention. The COVID-19 pandemic has not had a material financial impact on the Company as of December 31, 2020; however, the extent to which the COVID-19 pandemic will impact the Company in the future is uncertain at this time. The Company is monitoring COVID-19 developments closely. See Note 5, "Rate Matters" for more details.

The Company has evaluated subsequent events and transactions through March 31, 2021, the date of issuance of these financial statements, and concluded that there were no events or transactions that require adjustment to, or disclosure in, the financial statements as of and for the year ended December 31, 2020. The Company continues to evaluate the ongoing impact of COVID-19 on both customers and financial performance and is complying with all requests from regulators to share relevant information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In preparing financial statements that conform to FERC requirements, the Company must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities included in the financial statements. Such estimates and assumptions include the impact of the ongoing COVID-19 pandemic and are reflected in the accompanying financial statements. Actual results could differ from those estimates.

Regulatory Accounting

The FERC and the DPU regulate the rates the Company charges its customers. In certain cases, the rate actions of the FERC and DPU can result in accounting that differs from non-regulated companies. In these cases, the Company defers costs (as regulatory assets) or recognizes obligations (as regulatory liabilities) if it is probable that such amounts will be recovered from, or refunded to, customers through future rates. In accordance with Accounting Standards Codification ("ASC") 980, "Regulated Operations," regulatory assets and liabilities are reflected on the balance sheet consistent with the treatment of the related costs in the

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ratemaking process.

Revenue Recognition

Revenues are recognized for energy service provided on a monthly billing cycle basis. The Company records unbilled revenues for the estimated amount of services rendered from the time meters were last read to the end of the accounting period. See Note 3, "Revenue," for additional details.

Other Taxes

The Company collects taxes and fees from customers such as sales taxes, other taxes, surcharges, and fees that are levied by state or local governments on the sale or distribution of electricity. The Company accounts for taxes that are imposed on customers (such as sales taxes) on a net basis (excluded from revenues).

The Company's policy is to accrue for property taxes on a calendar year basis.

Income Taxes

Federal income taxes have been computed utilizing the asset and liability approach that requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes also reflect the tax effect of net operating losses, capital losses, and general business credit carryforwards. The Company assesses the available positive and negative evidence to estimate whether sufficient future taxable income of the appropriate tax character will be generated to realize the benefits of existing deferred tax assets. When the evaluation of the evidence indicates that the Company will not be able to realize the benefits of existing deferred tax assets, a valuation allowance is recorded to reduce existing deferred tax assets to the net realizable amount.

The effects of tax positions are recognized in the financial statements when it is more likely than not that the position taken, or expected to be taken, in a tax return will be sustained upon examination by taxing authorities based on the technical merits of the position. The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Deferred investment tax credits are amortized over the useful life of the underlying property.

NGNA files consolidated federal tax returns including all of the activities of its subsidiaries. Each subsidiary determines its tax provision based on the separate return method, modified by a benefits-for-loss allocation pursuant to a tax sharing agreement between NGNA and its subsidiaries. The benefits of consolidated tax losses and credits are allocated to the NGNA subsidiaries giving rise to such benefits in determining each subsidiary's tax expense in the year that the loss or credit arises. In a year that a consolidated loss or credit carryforward is utilized, the tax benefit utilized in consolidation is paid proportionately to the subsidiaries that gave rise to the benefit regardless of whether that subsidiary would have utilized the benefit. The tax sharing agreement also requires NGNA to allocate its parent tax losses, excluding deductions from acquisition indebtedness, to each subsidiary in the consolidated federal tax return with taxable income. The allocation of NGNA's parent tax losses to its subsidiaries is accounted for as a capital contribution and is performed in conjunction with the annual intercompany cash settlement process following the filing of the federal tax return.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at cost which approximates fair value.

Accounts Receivable and Accumulated Provision for Uncollectible Accounts

The Company recognizes an accumulated provision for uncollectible accounts to record accounts receivable at estimated net

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realizable value. The provision is determined based on a variety of factors including, for each type of receivable, applying an estimated reserve percentage to each aging category, taking into account historical collection and write-off experience and management's assessment of collectability from individual customers as appropriate. The collectability of receivables is continuously assessed and, if circumstances change, the provision is adjusted accordingly. Receivable balances are written off against the provision for uncollectible accounts when the accounts are disconnected and/or terminated and the balances are deemed to be uncollectible. The Company recorded bad debt expense or recovery within operation expenses in the accompanying statement of income.

Plant Materials and Operating Supplies

Plant materials and operating supplies are stated at weighted average cost, which represents net realizable value, and are expensed or capitalized as used. There were no significant write-offs of obsolete plant materials and operating supplies for the years ended December 31, 2020 or 2019.

Fair Value Measurements

The Company measures available-for-sale securities and pension and postretirement benefits other than pension plan assets at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following is the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that a company has the ability to access as of the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data;
- Level 3: unobservable inputs, such as internally-developed forward curves and pricing models for the asset or liability due to little or no market activity for the asset or liability with low correlation to observable market inputs; and
- Not categorized: certain investments are not categorized within the fair value hierarchy. These investments are typically in commingled funds or limited partnerships that are not publicly traded and have ongoing subscription and redemption activity. As a practical expedient, the fair value of these investments is the Net Asset Value ("NAV") per fund share, derived from the underlying securities' quoted prices in active markets.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Utility Plant

Utility plant is stated at original cost. The cost of repairs and maintenance is charged to expense and the cost of renewals and betterments that extend the useful life of utility plant is capitalized. The capitalized cost of additions to utility plant includes costs such as direct material, labor and benefits, and an allowance for funds used during construction ("AFUDC").

Depreciation is computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update the composite rates and are approved by the FERC and DPU. The average composite rates for the years ended December 31, 2020 and 2019 are as follows:

	Years Ended December 31,	
	2020	2019
Composite rates	3.0%	3.1%

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Depreciation expense includes a component for the estimated future cost of removal, which is recovered through rates charged to customers.

Allowance for Funds Used During Construction

The Company records AFUDC, which represents the debt and equity costs of financing the construction of new utility plant. The equity component of AFUDC is reported in the accompanying statement of income as non-cash income in other income. The debt component of AFUDC is reported as a non-cash offset to interest expense. After construction is completed, the Company is permitted to recover these costs through their inclusion in rates. The Company recorded AFUDC related to equity of \$89 thousand and \$122 thousand for the years ended December 31, 2020 and 2019, respectively. The Company recorded AFUDC related to debt of \$16 thousand and \$28 thousand for the years ended December 31, 2020 and 2019, respectively. The average AFUDC rates for the years ended December 31, 2020 and 2019 were 6.1% and 6.0%, respectively.

Impairment of Long-Lived Assets

The Company tests the impairment of long-lived assets when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The recoverability of an asset is determined by comparing its carrying value to the estimated undiscounted cash flows that the asset is expected to generate. If the comparison indicates that the carrying value is not recoverable, an impairment loss is recognized for the excess of the carrying value over the estimated fair value. For the years ended December 31, 2020 and 2019, there were no impairment losses recognized for long-lived assets.

Goodwill

The Company tests goodwill for impairment annually on January 1, in accordance with U.S.GAAP, and when events occur or circumstances change that would more likely than not reduce the fair value of the Company below its carrying amount. The Company has early adopted Accounting Standards Update ("ASU") No. 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment," which eliminates step two from the two-step goodwill impairment test required under the current standard. If the estimated fair value exceeds the carrying value, then goodwill is not considered impaired. If the carrying value exceeds the estimated fair value, the Company is required to recognize an impairment charge for such excess, limited to the carrying amount of goodwill.

The Company performed its latest annual goodwill impairment test as of January 1, 2020, at which time the Company's estimated fair value substantially exceeded the carrying value. The fair value of the Company was calculated utilizing the income approach of which the Company believes to provide the most reliable information about the Company's estimated fair value. Additionally, the Company monitors all relevant events and circumstances during the year to determine if an interim impairment test is required. Such events and circumstances include an adverse regulatory outcome, declining financial performance and deterioration of industry or market conditions. The Company identified no such events or changes in circumstances that would indicate that the carrying value of the Company may not be recoverable as of December 31, 2020 or 2019.

Employee Benefits

The Company participates with other NGUSA subsidiaries in defined benefit pension plans and postretirement benefit other than pension ("PBOP") plans for its employees, administered by NGUSA. The Company recognizes its portion of the pension and PBOP plans' funded status on the balance sheet as a net liability or asset. The cost of providing these plans is recovered through rates; therefore, the net funded status is offset by a regulatory asset or liability. The pension and PBOP plans' assets are commingled and allocated to measure and record pension and PBOP funded status at the year-end date. Pension and PBOP plan assets are measured at fair value, using the year-end market value of those assets.

New and Recent Accounting Guidance

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Accounting Guidance Recently Adopted

Fair Value

In August 2018, the FASB issued ASU No. 2018-13 “Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement” which modifies certain disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. Certain current disclosure requirements relating to Level 3 fair value measurements, and transfers between Level 1 and Level 2 fair value measurements will be eliminated. The standard will also add certain other disclosure requirements for Level 3 fair value measurements. The Company adopted this new guidance on April 1, 2020. Upon adoption, the amendments in the standard should be applied retrospectively to all periods presented, except the amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. The adoption of this standard did not have a material impact on the Company’s respective financial statements.

Compensation

In August 2018, the FASB issued ASU No. 2018-14 “Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans,” which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans, including elimination of certain current disclosure requirements. For the Company, the requirements of the new standard will be effective for the fiscal year ending March 31, 2022; however, early adoption is permitted. The Company early adopted this new guidance on April 1, 2020 using a retrospective basis to all period presented. The adoption of this standard did not have a material impact on the Company’s respective financial statements.

Cloud Computing Arrangements

In August 2018, the FASB issued ASU No. 2018-15 “Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that Is a Service Contract” to help entities evaluate the accounting for fees paid by a customer under a cloud computing arrangement that is a service contract. The amendment will align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. Under this standard, the Company would apply Subtopic 350-40 to determine which implementation costs related to a hosting arrangement should be capitalized or expensed. The Company will expense the capitalized implementation costs of a hosting arrangement that is a service contract over the term of the arrangement. For the Company, the requirements in this update are effective for the fiscal year ending March 31, 2022 and interim periods within annual period beginning after April 1, 2022; however early adoption is permitted, including adoption in any interim period. The Company early adopted this new guidance prospectively on April 1, 2020. There is no material impact to the Company’s financial statements.

Accounting Guidance Not Yet Adopted

Income Taxes

In December 2019, the FASB issued ASU No. 2019-12 “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes” which simplifies various aspects of the accounting for income taxes by eliminating certain exceptions to current requirements. The standard also enhances and simplifies other requirements, including tax basis step-up in goodwill obtained in a transaction that is not a business combination, ownership changes in investments, and interim-period accounting for enacted changes in tax law. For public business entities, the standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company plans to early adopt this standard on April 1, 2021 and is currently assessing the impact of this standard on its financial statements.

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Investments – Equity Securities

In January 2020, the FASB issued ASU No. 2020-01 “Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force)” which clarifies that an entity should consider transaction prices for purposes of measuring the fair value of certain equity securities immediately before applying or upon discontinuing the equity method. This accounting standard also clarifies that when accounting for contracts entered into to purchase equity securities, an entity should not consider whether, upon the settlement of the forward contract or exercise of the purchased option, the underlying securities would be accounted for under the equity method or the fair value option. For public business entities, the standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Early adoption is permitted. The Company plans to early adopt this standard on April 1, 2021 and is currently assessing the impact of this standard on its financial statements.

Financial Instruments – Credit Losses

In June 2016, the FASB issued ASU No. 2016-13 “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements” which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The accounting standards provides a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses which is to replace the incurred loss impairment methodology of delayed recognition of credit losses. A broader range of reasonable and supportable information must be considered in developing the credit loss estimates. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. Credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. In May 2019, the FASB issued ASU 2019-05, “Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief”, permitting entities to irrevocably elect the fair value option for financial instruments that were previously recorded at amortized cost basis within the scope of Topic 326, with the exception of held-to-maturity debt securities. For the Company, the requirements in these updates, as amended in November 2019 by ASU 2019-10 “Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates”, will be effective for fiscal years beginning after December 15, 2022 (beginning April 1, 2023 for the Company), including interim periods within those fiscal years. The Company is currently assessing the application of this standard to determine if it will have a material impact on the presentation, results of operations, cash flows, and financial position of the Company.

3. REVENUE

The following table presents, for the years ended December 31, 2020 and 2019, revenue from contracts with customers, as well as additional revenue from sources other than contracts with customers, disaggregated by major source:

	Years Ended December 31,	
	2020	2019
	(in thousands of dollars)	
Revenue from contracts with customers:		
Electric services	\$ 20,411	\$ 18,536
Other revenue from contracts with customers	7,835	2,081
Total revenue from contracts with customers	28,246	20,617
Revenue from regulatory mechanisms	(4,344)	1,695
Total operating revenues	\$ 23,902	\$ 22,312

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Electric Services: The Company owns and maintains an electric distribution network on Nantucket Island. Distribution revenues are primarily from the sale of electricity and related services to retail customers. Distribution sales are regulated by the DPU, which is responsible for determining the prices and other terms of services as part of the ratemaking process. The arrangement where a utility provides a service to a customer in exchange for a price approved by a regulator is referred to as a tariff sales contract. Electric services revenues are derived from the regulated sale and distribution of electricity to residential, commercial, and industrial customers within the Company's service territory under the tariff rates. The tariff rates approved by the regulator are designed to recover the costs incurred by the Company for products and services provided along with a return on investment.

The performance obligation related to these sales is to provide electricity to the customers on demand. The electricity supplied under the tariff represents a single performance obligation as it is a series of distinct goods or services that are substantially the same. The performance obligation is satisfied over time because the customer simultaneously receives and consumes the electricity as the Company provides these service. The Company records revenues based upon the approved tariff rate and the volume delivered to the customers, which corresponds with the amount the Company has the right to invoice.

The revenue also includes estimated unbilled amounts, which represent the estimated amounts due from retail customers for electricity provided to customers by the Company, but not yet billed. Unbilled revenues are determined based on estimated unbilled sales volumes for the respective customer classes and then applying the applicable tariff rate to those volumes. Actual amounts billed to customers when the meter readings occur, may be different from the estimated amounts.

Certain customers have the option to obtain electricity from other suppliers. In those circumstances revenue is only recognized for providing delivery of the commodity to the customer.

Additionally, the Company owns an electric transmission system in Nantucket. Transmission systems generally include overhead lines, underground cables and substations, connecting generation and interconnectors to the distribution system. The Company's transmission services are regulated by both the DPU and by the Federal Energy Regulatory Commission (FERC) in respect of interstate transmission.

Other Revenue from Contracts with Customers: Other Revenue from Contracts with Customers consists of capital related operations and maintenance billings and pole rentals.

Revenue from Regulatory Mechanisms: The Company records revenues in accordance with accounting principles for rate-regulated operations for arrangements between the Company and the regulator, which are not accounted for as contracts with customers. These include various deferral mechanisms such as capital trackers, energy efficiency programs, storm deferral, and other programs that also qualify as Alternative Revenue Programs ("ARPs"). ARPs enable the Company to adjust rates in the future, in response to past activities or completed events. The Company's electric distribution rates have a revenue decoupling mechanism ("RDM") which allows for annual adjustments to the Company's delivery rates as a result of the reconciliation between allowed revenue and billed revenue. The Company also has other ARPs related to the achievement of certain objectives, demand side management initiatives, and certain other ratemaking mechanisms. The Company recognizes ARPs with a corresponding offset to a regulatory asset or liability account when the regulatory specified events or conditions have been met, when the amounts are determinable, and are probable of recovery (or payment) through future rate adjustments.

4. REGULATORY ASSETS AND LIABILITIES

The Company records regulatory assets and liabilities that result from the ratemaking process. The following table presents the regulatory assets and regulatory liabilities recorded on the balance sheet:

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	December 31,	
	2020	2019
	(in thousands of dollars)	
<i>Other regulatory assets</i>		
Postretirement benefits	\$ 4,127	\$ 4,399
Rate adjustment mechanisms	64	49
Other	5	5
Total	<u>4,196</u>	<u>4,453</u>
<i>Other regulatory liabilities</i>		
Revenue decoupling mechanism	918	1,206
Rate adjustment mechanisms	2,661	2,080
Energy Efficiency	5,119	2,622
Transmission service	17,984	16,957
Regulatory tax liability, net	4,410	3,465
Second cable deferral	1,417	1,096
Other	61	182
Total	<u>\$ 32,570</u>	<u>\$ 27,608</u>

Energy efficiency: Represents the difference between revenue billed to customers through the Company's energy efficiency charge and the costs of the Company's energy efficiency programs as approved by the state authorities.

Revenue decoupling mechanism: As approved by the DPU, the Company has electric RDM which allows for an annual adjustment to the Company's delivery rates as a result of the reconciliation between allowed and actual billed revenues. Any difference is recorded as a regulatory asset or regulatory liability.

Postretirement benefits: The regulatory asset represents the Company's non-cash accrual of net actuarial gains and losses and the excess amounts received in rates over actual costs of the Company's pension and PBOP plans that are to be passed back in future periods.

Regulatory tax liability, net: Represents over-recovered federal deferred taxes of the Company primarily as a result of regulatory flow through accounting treatment, state income tax rate changes and excess federal deferred taxes as a result of the Tax Cuts and Jobs Act of 2017 ("Tax Act").

Rate adjustment mechanisms: In addition to commodity costs, the Company is subject to a number of additional rate adjustment mechanisms whereby an asset or liability is recognized resulting from differences between actual revenues and the underlying cost being recovered or differences between actual revenues and targeted amounts as approved by the DPU.

Second cable deferral: Represents the recoveries of costs associated with the second undersea cable to the island of Nantucket, which was placed in service on April 18, 2006. The recovery mechanism was intended to mitigate the immediate customer rate impact by accruing costs in the first several years and remitting such accruals in later years.

Transmission service: The Company arranges transmission service on behalf of its customers and bills the costs of those services to customers pursuant to the Company's Transmission Service Cost Adjustment Provision. Any over or under recoveries of these costs are passed on to customers receiving transmission service over the subsequent year.

The Company records carrying charges on regulatory balances for which cash expenditures have been made and are subject to recovery, or for which cash has been collected and is subject to refund, as approved in accordance with the DPU. Carrying charges are not recorded on items for which expenditures have not yet been made.

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5. RATE MATTERS

As described in Note 1, “Nature of Operations and Basis of Presentation,” the Company and Massachusetts Electric are considered as one regulated entity for the purpose of recovering its costs and establishing its rates assessed to its customers. For certain regulatory assets and liabilities, including incremental storm costs of qualifying storm events, site investigation and remediation costs, solar generation costs, and any other costs incurred by the companies when taken as a single entity, the funding of the recovery or means of refund is from or to the customers of both companies, with a single regulatory asset or liability recorded on the balance sheet of Massachusetts Electric. As discussed in the “Related Party Reimbursement” section in Note 13, “Related Party Transactions,” the Company’s share of such costs and recoveries are reflected through the DPU-approved return on equity mechanism between the Company and Massachusetts Electric.

The Company records its regulatory assets and liabilities associated with items that are specific to the Company such as but not limited to energy efficiency, postretirement benefits, rate adjustment mechanisms and regulatory deferred tax liability, net.

General Rate Case

On November 15, 2018, the Company and Massachusetts Electric filed an application for new base distribution rates that became effective October 1, 2019. On September 30, 2019, and updated on October 11, 2019, the DPU approved for the Company and Massachusetts Electric an overall net increase in base distribution revenue of approximately \$40 million based upon a 9.6% return on equity, with 53.49% equity, 46.43% long-term debt and 0.08% preferred stock capital structure. The DPU approved a five-year performance-based ratemaking (“PBR”) plan, which adjusts base distribution revenue annually based on a pre-determined formula. With the approval of the PBR plan, the Company agreed not to file for an effective change in base distribution rates outside of the operation of the PBR plan for five-years and the Capital Investment Recovery Mechanism (“CIRM”) will be discontinued as approved in the base rate case proceeding, after its transition period and subsequent approval by the DPU of the final CIRM filing. The approved net increase includes an increase in annual funding of the storm fund from \$10.5 million to \$16 million per year, and an extension of the storm fund replenishment factor through November 2023.

PBR Plan Filing

On June 15, 2020, the Company and Massachusetts Electric filed the first annual PBR plan filing for rates effective October 1, 2020. The PBR plan filing adjusts base distribution rates pursuant to a revenue cap formula, provides a credit to customers for any customer share of excess earnings pursuant to the earnings sharing mechanism, and recovers from or credits customers for the impact of costs in excess of a threshold associated with exogenous events, including storms having incremental costs in excess of \$30 million. The result of the revenue cap formula is a proposed increase to base distribution revenue of 3.237%, or \$25.7 million. On September 23, 2020, the DPU approved the Company and Massachusetts Electric’s proposed PBR and Capital Expenditure Adjustment filing, effective October 1, 2020, subject to further investigation and reconciliation in the second phase of the proceeding. On February 25, 2021, the DPU provided its final approval of the Company and Massachusetts Electric’s proposed PBR and Capital Expenditure Adjustment filing.

Tax Act

In February 2018, the DPU opened an investigation to examine the effect of the Tax Act on the rates of the investor-owned utilities in Massachusetts as of January 1, 2018 and directed the utilities to account for any revenues associated with the difference between the previous and current corporate income tax rates and establish a regulatory liability for excess recovery in rates of ADIT. On December 21, 2018, the DPU issued an order requiring all utilities to begin crediting in rates the amortization of excess deferred federal income taxes, to the extent such amortization was not already included in base distribution rates, through the combination of factors associated with certain reconciling mechanisms and a separate factor for the amortization of the remaining amounts. In February 2019, the DPU issued an order finding that the Massachusetts utilities were not required to refund tax savings previously accrued from January 1, 2018, through June 30, 2018, as a result of the federal income tax rate reduction. On March 7, 2019, the Massachusetts Attorney General’s (“AG”) office filed a motion for clarification and reconsideration, requesting that the DPU provide additional clarity regarding its February 2019 ruling and reconsider its determination to allow utilities to keep the federal tax savings

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accrued from January 1, 2018 through June 30, 2018. To date, the DPU has not acted on or given any indication that it intends to act on the AG's motion, nor is required to address the AG's motion.

On March 15, 2018, the FERC initiated multiple proceedings intended to adjust FERC-jurisdiction rates to reflect the corporate tax changes as a result of the passage of the Tax Act. Two of the proceedings initiated that are particularly relevant to the Company are the Notice of Inquiry ("NOI") seeking comments on the effects of the Tax Act on all FERC-jurisdiction rates and the Notice of Proposed Rulemaking ("NOPR"), issued as a result of the NOI. In response to the FERC NOI, the Company made recommendations designed to mitigate the cash flow impacts of the expected refunds including providing flexibility regarding the methods used to refund accumulated deferred income tax ("ADIT") to customers and providing flexibility regarding the time period of the flow back. In the NOPR, the FERC proposed to give the flexibility that the Company requested.

On November 21, 2019, the FERC issued Order 864 to address ratemaking and regulatory reporting of excess or deficient ADIT related to the Tax Act. The order applies to public utility transmission providers with formula rates and stated rates and mandates that public utilities with formula rates submit a compliance filing within 30 days of the effective date of the final rule or in the public utility's next annual informational filing following the issuance of the final rule. The compliance filing must demonstrate how the public utility's formula rates will adjust rate base via a Rate Adjustment mechanism, and how excess or deficient ADIT will be returned or recovered via an Income Tax Allowance mechanism, and it must include a new ADIT worksheet to support the excess or deficient ADIT calculation and amortization. The ADIT worksheet must be populated and will be a permanent worksheet. The mechanisms and worksheet must remain applicable to any future changes to tax rates that give rise to excess or deficient ADIT, including changes to state and local tax rates. Excess or deficient ADIT associated with future tax rate changes will automatically be included in a public utility's formula rate without the need for a Section 205 filing. The order does not prescribe a recovery/refund period for deficient/excess ADIT for unprotected excess/deficient ADIT that is not subject to the normalization requirements. FERC will evaluate proposed amortization periods on a case by case basis.

On April 16, 2020, the FERC issued Order No. 864-A addressing requests for clarification, or in the alternative, rehearing, submitted in the proceeding. FERC will evaluate proposed amortization periods on a case by case basis. NEP will be submitting a compliance filing (on behalf of its affiliate) to update the formula rates in its service agreements with the Company in the next Annual True-Up Informational Filing under FERC Tariff No. 1 IFA provisions.

Grid Modernization Plan

On August 19, 2015, the Company, together with its affiliate, Massachusetts Electric, filed its proposed grid modernization plan ("GMP") with the DPU, with four different proposed investment scenarios. On May 10, 2018, the DPU issued an Order in this proceeding. The Order approved \$82 million in grid-facing investments over three years in (1) Conservation Voltage Reduction and Volt VAR Optimization; (2) advanced distribution automation; (3) feeder monitors; (4) communications and information/operational technologies; and (5) advanced distribution management/distribution supervisory control and data acquisition. The DPU allowed recovery of both operation and maintenance expenses and capital costs through a reconciling mechanism, and in the future will consider grid modernization plans in separate dockets (i.e., not through rate cases). The DPU did not approve any customer-facing (i.e., advanced metering infrastructure) investments; the DPU will address these in a further investigation to see if there are ways to achieve cost-effective deployment of advanced metering functionality ("AMF"). The DPU found there needs to be widespread adoption of dynamic pricing for AMF to be successful, and it needs to address how to facilitate this first. The DPU also refined its grid modernization objectives to place additional focus on improved access to the distribution system planning process. The Company has filed annual reports and annual cost recovery filings with the DPU for its GMP, in 2019 and 2020. The Company will file its next proposed three-year grid modernization plan (for 2022–24) on July 1, 2021; the previous deadline for filing the next three-year plan on July 1, 2020 was extended on the initiative of the DPU. Additionally, on July 2, 2020, the DPU opened up the next phased of its grid modernization investigation, in which it is investigating the potential deployment of AMF for electric vehicle customers. So far as part of this investigation the DPU has received initial comments and held four technical sessions.

Operational and Management Audit

On September 30, 2019, in its decision regarding the Company's most recent request for a change in base distribution rates, the

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DPU stated that, pursuant to its supervisory authority, it would require a comprehensive independent management audit of the Company, including a review of its relationship with National Grid USA Service Company. On November 25, 2019, the DPU formally opened the investigation to undertake an independent audit. On October 13, 2020, the DPU approved the auditor's request for an extension of time to file the draft and final Audit Reports respectively on February 15, 2021 and March 15, 2021. On February 9, 2021, FTI requested and was granted a further two-week extension. The draft audit report was provided to the Company on March 1, 2021 for review and factual corrections, with the final report to be submitted to the Department on March 29, 2021.

COVID-19 Moratorium on Utility Shut Offs

Starting with the First Set of Orders dated March 24, 2020, the Chairman of the DPU issued a series of orders in response to the Governor's declaration of a state-of-emergency due to the COVID-19 pandemic. In the First Set of Orders, the DPU prohibited the Massachusetts utilities from terminating service to any customer (including residential, commercial and industrial customers) for non-payment of utility bills until the state of emergency is lifted. Since that time the state-of-emergency has been extended several times. On July 29, 2020, the DPU issued an order lifting the moratorium for commercial and industrial (C&I) customers effective September 1, 2020. On September 10, 2020 (and renewed on October 23, 2020), the DPU extended the shut-off moratorium for residential gas customers until November 16, 2020 and prohibited the companies from issuing communications prior to October 15, 2020 to any residential customer threatening shut-off of utility service for failure to pay their bills. On November 18, 2020 the shut-off moratorium for residential customers was extended through April 1, 2021. Under the most recent order (the Eighth Set of Orders issued on February 26, 2021), the Chairman of the DPU prohibited all residential shut-offs for non-payment of utility service, regardless of financial hardship, until July 1, 2021, but has allowed advance communications to customers regarding the potential for shut-offs to resume after July 1, 2021, in conjunction with messaging regarding repayment programs and debt-forgiveness options that are available to residential customers.

On May 11, 2020, the DPU opened an inquiry into establishing policies and practices regarding customer assistance and ratemaking measures for electric and gas companies in response to the effects of the COVID-19 pandemic, and established a Customer Assistance and Ratemaking Working Group ("the Working Group") to develop appropriate policies and practices for the resumption of collections activities and to address ratemaking issues facing utilities. The Working Group's first report on customer assistance issues contained a four-phased plan for customer communications and outreach, which was approved by the DPU on June 26, 2020. The highlights of the Customer Assistance Report of the Working Group filed on May 29, 2020 and approved on July 31, 2020 are:

- Extended Deferred Payment Arrangements (DPAs) - up to 12-months for residential and small commercial customers, with the ability to extend to 18 months for unique circumstances; up to six months for large C&I customers, the terms to be determined on a case-by-case basis.
- Waiver of Late fees for C&I (not applicable to residential)
- Revisions to existing residential Arrearage Management Plans (AMPs) (to provide more flexible enrollment terms, and an increase in arrearages forgiven from \$4,000 to \$12,000 on a temporary basis related to COVID-19); In their 2021 AMP filings submitted on February 26, 2021, the Distribution Companies extended the terms of the COVID-19 AMP for the 2021 program year, but reserved the right to revert to the terms of their pre-COVID AMPs (e.g., lower arrearage forgiveness amounts) if financial circumstances for customers improved.
- Established a COVID-19 Small Commercial Arrearage Forgiveness Program (AFP) to be in place through December 31, 2020. The Small Commercial AFP has been extended through April 1, 2021.

Consistent with the approved customer outreach plan, the Company began notifying affected C&I customers of the resumption of collections and shutoff activities in August 2020 and terminations commenced during the fall. While notification to residential customers related to the possibility of termination was prohibited until March 1, 2021, the Company is conducted and continues to conduct outreach and awareness communications to notify customers of the availability of programs that could prevent accumulation of large arrears while the pandemic is ongoing. The Company is continuing to work collaboratively with the DPU and other Massachusetts local distribution companies through the Working Group process to address COVID-19 related customer outreach issues.

On December 31, 2020, the Department approved the following implementation issues related to the ratemaking treatment of the

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COVID-19 customer assistance programs on which the parties had reached consensus: (1) the Distribution Companies should be allowed to defer their COVID costs; (2) cost recovery should be limited to the incremental costs incurred; (3) certain costs must be extraordinary to qualify for recovery. However, the Department decided that the “contested” issues, the extent to which the companies will be allowed to recover their COVID-19 costs, should be fully adjudicated in the new docket, D.P.U. 20-91. On March 1, 2021, the Distribution Companies filed their initial testimony in D.P.U. 20-91 on the following contested issues: (1) whether Companies with PBR, including National Grid, should be permitted to recover incremental bad debt costs or COVID-19 expenses; and (2) whether the Distribution Companies and their shareholders should absorb some losses associated with the pandemic and resulting economic downturn (the AGO’s position is that the companies should only get 50%). On March 8, 2021, National Grid also submitted a proposal in D.P.U. 20-91 to offer residential customers a “fee free” credit/debit card payment option that will allow customers to pay their bills electronically without an upfront transaction fee.

6. UTILITY PLANT AND NONUTILITY PROPERTY

The following table summarizes utility plant and nonutility property at cost and operating lease along with accumulated depreciation and amortization:

	December 31,	
	2020	2019
	<i>(in thousands of dollars)</i>	
Plant and machinery	\$ 128,120	\$ 127,427
Goodwill	16,552	16,552
Land and buildings	4,752	4,876
Assets in construction	5,422	2,133
Operating lease	587	-
Total utility plant and nonutility property	155,433	150,988
Accumulated depreciation and amortization	(58,882)	(57,435)
Operating lease accumulated depreciation	(236)	-
Utility plant and nonutility property, net	\$ 96,315	\$ 93,553

7. FAIR VALUE MEASUREMENTS

The following tables present assets and liabilities measured and recorded at fair value on the balance sheet on a recurring basis and their level within the fair value hierarchy as of December 31, 2020 and 2019:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	<i>(in thousands of dollars)</i>			
Assets:				
Securities	\$ 585	\$ 728	\$ -	\$ 1,313

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
	<i>(in thousands of dollars)</i>			
Assets:				
Securities	\$ 524	\$ 693	\$ -	\$ 1,217

Securities: Securities are included in other non-current assets on the balance sheet and primarily include equity and debt investments based on quoted market prices (Level 1) and municipal and corporate bonds based on quoted prices of similar traded

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assets in open markets (Level 2).

8. EMPLOYEE BENEFITS

The Company participates with other NGUSA subsidiaries in qualified and non-qualified non-contributory defined benefit plans (the "Pension Plans") and PBOP plans (together with the Pension Plan (the "Plans")), covering substantially all employees.

Plan assets are maintained for all of NGUSA and its subsidiaries in commingled trusts. In respect of cost determination, plan assets are allocated to the Company based on the Company's proportionate share of the Plan's projected benefit obligations. The Plan's costs are first directly charged to the Company based on the Company's employees that participate in the Plans. Costs associated with associated service companies' employees are then allocated as part of the labor burden for work performed on the Company's behalf. Pension and PBOP service and non-service costs are included within operations and maintenance expense in the accompanying statements of income. Portions of the net periodic benefit costs disclosed below have been capitalized as a component of utility plant.

Pension Plans

The Qualified Pension Plans are defined benefit plans which provide most union employees, as well as non-union employees hired before January 1, 2011, with a retirement benefit. Supplemental non-qualified, non-contributory executive retirement programs provide additional defined pension benefits for certain executives. During the years ended December 31, 2020 and 2019, the Company made contributions of approximately \$0.5 million, and \$0.6 million, respectively, to the Qualified Pension Plans.

PBOP Plans

The PBOP Plans provide health care and life insurance coverage to eligible retired employees. Eligibility is based on age and length of service requirements and, in most cases, retirees must contribute to the cost of their coverage. During the years ended December 31, 2020 and 2019, the Company made no contributions to the PBOP Plans.

Net Periodic Benefit Costs

The Company's total pension cost for the years ended December 31, 2020 and 2019 are \$0.2 million, and \$0.1 million, respectively.

The Company's total PBOP costs for the years ended December 31, 2020 and 2019 are \$0.2 million each year.

Amounts Recognized in OCI and Regulatory Assets

The following tables summarize other pre-tax changes in actuarial gains/losses and prior service costs recognized primarily in regulatory assets and other comprehensive income for the years ended December 31, 2020 and 2019:

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Pension Plans		
December 31,		
	2020	2019
	<i>(in thousands of dollars)</i>	
Net actuarial loss (gain)	\$ 692	\$ (153)
Amortization of net actuarial loss	(178)	(142)
Amortization of prior service cost, net	-	(1)
Total	<u>\$ 514</u>	<u>\$ (296)</u>
Recognized in regulatory assets	<u>\$ 514</u>	<u>\$ (296)</u>
Total	<u>\$ 514</u>	<u>\$ (296)</u>
PBOP Plans		
December 31,		
	2020	2019
	<i>(in thousands of dollars)</i>	
Net actuarial (gain) loss	\$ (300)	\$ 79
Amortization of net actuarial loss	(38)	(44)
Total	<u>\$ (338)</u>	<u>\$ 35</u>
Included in regulatory assets	<u>\$ (338)</u>	<u>\$ 35</u>
Total	<u>\$ (338)</u>	<u>\$ 35</u>

Amounts Recognized in AOCI and Regulatory Assets/Liabilities – not yet recognized as components of net actuarial loss

The following tables summarize the Company's amounts in regulatory assets and accumulated other comprehensive income on the balance sheet that have not yet been recognized as components of net actuarial loss as of December 31, 2020 and 2019:

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Pension Plans		
December 31,		
	2020	2019
<i>(in thousands of dollars)</i>		
Net actuarial loss	\$ 2,630	\$ 2,116
Prior service cost	1	1
Total	<u>\$ 2,631</u>	<u>\$ 2,117</u>
Included in regulatory assets	<u>\$ 2,631</u>	<u>\$ 2,117</u>
Total	<u>\$ 2,631</u>	<u>\$ 2,117</u>

PBOP Plans		
December 31,		
	2020	2019
<i>(in thousands of dollars)</i>		
Net actuarial loss	\$ 1,067	\$ 1,367
Prior service benefit	(82)	(43)
Total	<u>\$ 985</u>	<u>\$ 1,324</u>
Included in regulatory assets	<u>\$ 985</u>	<u>\$ 1,324</u>
Total	<u>\$ 985</u>	<u>\$ 1,324</u>

Reconciliation of Funded Status to Amount Recognized

	Pension Plans		PBOP Plans	
	December 31,		December 31,	
	2020	2019	2020	2019
<i>(in thousands of dollars)</i>				
Other non-current assets	\$ 43	\$ -	\$ -	\$ -
Current liabilities	(38)	(39)	(83)	(71)
Other non-current liabilities	(1,735)	(1,590)	(2,945)	(3,178)
Total	<u>\$ (1,730)</u>	<u>\$ (1,629)</u>	<u>\$ (3,028)</u>	<u>\$ (3,249)</u>

Expected Benefit Payments

Based on current assumptions, the Company expects to make the following benefit payments subsequent to December 31, 2020:

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(in thousands of dollars)

Years Ended December 31,	Pension Plans	PBOP Plans
2021	\$ 379	\$ 93
2022	392	105
2023	408	103
2024	422	111
2025	438	126
2026-2030	2,357	819
Total	\$ 4,396	\$ 1,357

Assumptions Used for Employee Benefits Accounting

	Pension Plans	
	Years Ended December 31,	
	2020	2019
Benefit obligations:		
Discount rate	3.65%	4.10%
Rate of compensation increase	3.50%	3.50%
Expected return on plan assets	6.00%	6.50%
Net periodic benefit costs:		
Discount rate	4.10%	4.10%
Rate of compensation increase	3.50%	3.50%
Expected return on plan assets	6.50%	6.25%

	PBOP Plans	
	Years Ended December 31,	
	2020	2019
Benefit obligations:		
Discount rate	3.65%	4.10%
Rate of compensation increase	n/a	n/a
Expected return on plan assets	6.50%-7.00%	6.50%-7.25%
Net periodic benefit costs:		
Discount rate	4.10%	4.10%
Rate of compensation increase	n/a	n/a
Expected return on plan assets	6.50%-7.25%	6.25%-6.75%

The Company selects its discount rate assumption based upon rates of return on highly rated corporate bond yields in the marketplace as of each measurement date. Specifically, the Company uses the Hewitt AA Above Median Curve along with the expected future cash flows from the Company retirement plans to determine the weighted average discount rate assumption.

The expected rate of return for various passive asset classes is based both on analysis of historical rates of return and forward looking analysis of risk premiums and yields. Current market conditions, such as inflation and interest rates, are evaluated in

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connection with the setting of the long-term assumptions. A small premium is added for active management of both equity and fixed income securities. The rates of return for each asset class are then weighted in accordance with the actual asset allocation, resulting in a long-term return on asset rate for each plan.

Assumed Health Cost Trend Rate

	December 31,	
	2020	2019
Health care cost trend rate assumed for next year		
Pre 65	7.00%	7.25%
Post 65	5.50%	5.75%
Prescription	8.00%	9.75%
Rate to which the cost trend is assumed to decline (ultimate)	4.50%	4.50%
Year that rate reaches ultimate trend		
Pre 65	2031+	2028
Post 65	2031+	2026
Prescription	2031+	2027

Plan Assets

The Pension Plan is a trustee non-contributory defined benefit plan covering all eligible represented employees of the Company and eligible non-represented employees of the participating National Grid companies. The PBOP Plans are both a contributory and non-contributory, trustee, employee life insurance and medical benefit plan sponsored by NGUSA. Life insurance and medical benefits are provided for eligible retirees, dependents, and surviving spouses of NGUSA.

NGUSA, as the Plans' sponsor, manages the benefit plan investments for the exclusive purpose of providing retirement benefits to participants and beneficiaries and paying plan expenses. The benefit plans' named fiduciary is The Retirement Plans Committee ("RPC"). The RPC seeks to minimize the long-term cost of operating the Plans, with a reasonable level of risk. The investment objectives of the plans are to maintain a level and form of assets adequate to meet benefit obligations to participants, achieve the expected long-term total return on the Plans' assets within a prudent level of risk and maintain a level of volatility that is not expected to have a material impact on the Company's expected contribution and expense or the Company's ability to meet plan obligations.

The RPC has established and reviews at least annually the Investment Policy Statement ("IPS") which sets forth the guidelines for how plan assets are to be invested. The IPS contains a strategic asset allocation for each plan which is intended to meet the objectives of the Pension Plan by diversifying its funds across asset classes, investment styles and fund managers. An asset/liability study is conducted periodically to determine whether the current strategic asset allocation continues to represent the appropriate balance of expected risk and reward for the plan to meet expected liabilities. Each study considers the investment risk of the asset allocation and determines the optimal mix of assets for the plan. The target asset allocation for 2020 reflects the results of such a pension study conducted in 2019. The PBOP Plan asset liability studies are expected to be in the upcoming fiscal year.

Individual fund managers operate under written guidelines provided by the RPC, which cover such areas as investment objectives, performance measurement, permissible investments, investment restrictions, trading and execution, and communication and reporting requirements. National Grid management in conjunction with a third party investment advisor, regularly monitors, and reviews asset class performance, total fund performance, and compliance with asset allocation guidelines. This information is reported to the RPC at quarterly meetings. The RPC changes fund managers and rebalances the portfolio as appropriate.

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Equity investments are broadly diversified across U.S. and non-U.S. stocks, as well as across growth, value, and small and large capitalization stocks. Likewise, the fixed income portfolio is broadly diversified across market segments and is mainly invested in investment grade securities. Where investments are made in non-investment grade assets the higher volatility is carefully judged and balanced against the expected higher returns. While the majority of plan assets are invested in equities and fixed income securities, other asset classes are utilized to further diversify the investments. These asset classes include private equity, real estate, and diversified alternatives. The objective of these other investments is enhancing long-term returns while improving portfolio diversification. For the PBOP Plans, since the earnings on a portion of the assets are taxable, those investments are managed to maximize after tax returns consistent with the broad asset class parameters established by the asset liability study. Investment risk and return are reviewed by the plan investment advisors, National Grid management and the RPC on a regular basis. The assets of the Plans have no significant concentration of risk in one country (other than the United States), industry or entity.

The target asset allocations for the benefit plans as of December 31, 2020 and 2019 are as follows:

	Pension Plans		PBOP Union		PBOP Non-Union	
	December 31,		December 31,		December 31,	
	2020	2019	2020	2019	2020	2019
	<i>(in thousands of dollars)</i>					
Equity	37%	37%	63%	63%	70%	70%
Diversified Alternatives	10%	10%	17%	17%	0%	0%
Fixed income securities	40%	40%	20%	20%	30%	30%
Private equity	5%	5%	0%	0%	0%	0%
Real estate	5%	5%	0%	0%	0%	0%
Infrastructure	3%	3%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

Fair Value Measurements

The following tables provide the fair value measurements amounts for the pension and PBOP assets at the Plan level:

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December 31, 2020					
	Level 1	Level 2	Level 3	Not Categorized	Total
	(in thousands of dollars)				
Pension Assets:					
Investments					
Equity	\$ 244,291	\$ -	\$ -	\$ 884,046	\$ 1,128,337
Diversified Alternatives	67,175	-	-	206,259	273,434
Corporate Bonds	-	516,938	-	167,568	684,506
Government Securities	1,391	391,496	-	275,548	668,435
Infrastructure	-	-	-	48,378	48,378
Private equity	-	-	-	152,375	152,375
Real estate	-	-	-	110,861	110,861
Total assets	<u>\$ 312,857</u>	<u>\$ 908,434</u>	<u>\$ -</u>	<u>\$ 1,845,035</u>	<u>\$ 3,066,326</u>
Pending transactions					(208,618)
Total net assets					<u>\$ 2,857,708</u>
PBOP Assets:					
Investments					
Equity	\$ 190,390	\$ -	\$ -	\$ 321,108	\$ 511,498
Diversified Alternatives	43,034	-	-	42,325	85,359
Corporate Bonds	-	3,910	-	-	3,910
Government Securities	11,147	161,378	-	794	173,319
Insurance Contracts	-	-	-	41,201	41,201
Total assets	<u>\$ 244,571</u>	<u>\$ 165,288</u>	<u>\$ -</u>	<u>\$ 405,428</u>	<u>\$ 815,287</u>
Pending transactions					1,559
Total net assets					<u>\$ 816,846</u>

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	December 31, 2019				
	Level 1	Level 2	Level 3	Not Categorized	Total
	(in thousands of dollars)				
Pension Assets:					
Investments					
Equity	\$ 217,399	\$ -	\$ -	\$ 761,498	\$ 978,897
Insurance Contracts	-	-	-	30,212	30,212
Corporate Bonds	-	440,578	-	154,921	595,499
Government Securities	(158)	297,893	-	233,503	531,238
Infrastructure	-	-	-	45,241	45,241
Private equity	-	-	-	127,279	127,279
Real estate	-	-	-	114,442	114,442
Diversified Alternatives	73,593	-	-	185,974	259,567
Total assets	<u>\$ 290,834</u>	<u>\$ 738,471</u>	<u>\$ -</u>	<u>\$ 1,653,070</u>	<u>\$ 2,682,375</u>
Pending transactions					(126,878)
Total net assets					\$ 2,555,497

PBOP Assets:					
Investments					
Equity	\$ 182,775	\$ -	\$ -	\$ 283,365	\$ 466,140
Insurance Contracts	-	-	-	43,540	43,540
Government Securities	15,015	157,551	-	771	173,337
Corporate Bonds	-	3,003	-	-	3,003
Diversified Alternatives	40,464	-	-	36,854	77,318
Total assets	<u>\$ 238,254</u>	<u>\$ 160,554</u>	<u>\$ -</u>	<u>\$ 364,530</u>	<u>\$ 763,338</u>
Pending transactions					<u>1,559</u>
Total net assets					<u>\$ 764,897</u>

The methods used to fair value pension and PBOP assets are described below:

Equity: Equity includes both actively- and passively-managed assets with investments in domestic equity index funds as well as international equities.

Diversified alternatives: Diversified alternatives consist of holdings of global tactical asset allocation funds that seek to invest opportunistically in a range of asset classes and sectors globally.

Corporate bonds: Corporate bonds consist of debt issued by various corporations and corporate money market funds. Corporate Bonds also includes small investments in preferred securities as these are used in the fixed income portfolios as yield producing investments. In addition, certain fixed income derivatives are included in this category such as credit default swaps to assist in managing credit risk.

Government securities: Government securities includes U.S. agency and treasury securities, as well as state and local municipality bonds. The plans hold a small amount of Non-U.S. government debt which is also captured here. U.S. Government money market funds are also included. In addition, interest rate futures and swaps are included in this category as a tool to manage interest rate risk.

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Private equity: Private equity consists of limited partnerships investments where all the underlying investments are privately held. This consists of primarily buy-out investments with smaller allocations to venture capital.

Real estate: Real estate consists of limited partnership investments primarily in U.S. core open end real estate funds as well as some core plus closed end real estate funds.

Infrastructure: Infrastructure consists of limited partnerships investments that seek to invest in physical assets that are considered essential for a society to facilitate the orderly operation of its economy. Investments in infrastructure typically include transportation assets (such as airports and toll roads) and utility type assets. Investments in Infrastructure funds are utilized as a diversifier to other asset classes within the pension portfolio. Infrastructure investments are also typically income producing assets.

Insurance contracts: Insurance contracts consists of Trust Owned Life Insurance.

Pending transactions/Receivables/Payables: Accounts receivable and accounts payable are short term cash transactions that are expected to settle within a few days of the measurement date.

Defined Contribution Plan

NGUSA has defined contribution retirement plan that covers substantially all employees. For the years ended December 31, 2020, and 2019, the Company recognized an expense in the accompanying statements of income of \$50 thousand each year, for matching contributions.

9. CAPITALIZATION

Long-term Debt

Long-term debt at December 31, 2020 and 2019 is as follows:

			<u>December 31,</u>	
	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>2020</u>	<u>2019</u>
			<i>(in thousands of dollars)</i>	
<i>Unsecured notes:</i>				
2004 MIFA tax exempt	Variable	March 1, 2039	\$ 10,000	\$ 10,000
2005 MIFA tax exempt	Variable	December 1, 2040	28,000	28,000
2007 MDFA tax exempt	Variable	August 1, 2042	<u>13,300</u>	<u>13,300</u>
Total Long-Term Debt			\$ 51,300	\$ 51,300

The aggregate maturities of long-term debt for the years subsequent to December 31, 2020 are as follows:

<i>(in thousands of dollars)</i>		
<u>Years Ending December 31,</u>		
2021	\$	-
2022		-
2023		-
2024		-
2025		-
Thereafter		51,300
Total	\$	<u>51,300</u>

The Company's debt agreements and banking facilities contain covenants, including those relating to the periodic and timely

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provision of financial information by the issuing entity and financial covenants such as restrictions on the level of indebtedness. Failure to comply with these covenants, or to obtain waivers of those requirements, could in some cases trigger a right, at the lender's discretion, to require repayment of some of the Company's debt and may restrict the Company's ability to draw upon its facilities or access the capital markets. As of December 31, 2020 and 2019, the Company was in compliance with all such covenants.

Debt Authorizations

The Company has regulatory approval from the FERC to issue up to \$15 million of short-term debt internally or externally. The authorization was renewed with an effective date of January 11, 2021 and expires on October 14, 2022. The Company had no external short-term debt as of December 31, 2020 and December 31, 2019. Refer to Note 13, "Related Party Transactions" under "Intercompany Money Pool" for short-term debt outstanding with associated companies.

Electric Revenue Bonds

As of December 31, 2020, the Company had \$51.3 million outstanding of Electric Revenue Bonds in the form of tax-exempt commercial paper with maturity dates ranging from 2039 through 2042. The debt is remarketed at periods of 1-270 days and had variable interest rates ranging from for 0.18% and 1.35% and from 1.23% and 2.3% for the years ended December 31, 2020 and 2019, respectively. The bonds were issued by the Massachusetts Development Finance Agency in connection with the Company's financing of its first and second underground and submarine cable projects.

The Company has a Standby Bond Purchase Agreement ("SBPA") of \$51.3 million, which expires on June 14 2023. The SBPA is available to provide liquidity support for \$51.3 million of the Company's long-term bonds in the form of tax-exempt commercial paper. The Company has classified this debt as long-term due to its intent and ability to refinance the debt on a long-term basis if it is not able to remarket it. As of December 31, 2020 and 2019, there were no bond purchases made by the banks participating in this agreement.

Massachusetts Electric unconditionally guarantees the full and prompt payment of the principal, premium, if any, and interest on the tax-exempt bonds issued by the Massachusetts Development Finance Agency in connection with the Company's financing of its first and second underground and submarine cable projects. Massachusetts Electric would be required to make any principal, premium, or interest payments if the Company did not fulfill its obligations under the financing agreement.

Dividend Restrictions

Pursuant to provisions in connection with the prior mergers, payment of dividends on common stock are not permitted if, after giving effect to such payment of dividends, common equity becomes less than 30% of total capitalization. As of December 31, 2020 and 2019 common equity was 60% and 58% of total capitalization, respectively. Under these provisions, none of the Company's retained earnings as of December 31, 2020 and 2019 were restricted as to common dividends.

10. INCOME TAXES

Components of Income Tax Expense (Benefit)

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	Years Ended December 31,	
	2020	2019
	<i>(in thousands of dollars)</i>	
Current tax expense:		
Federal	\$ 1,977	\$ 2,145
State	998	356
Total current tax expense	<u>2,975</u>	<u>2,501</u>
Deferred tax expense (benefit):		
Federal	280	(857)
State	<u>(312)</u>	<u>228</u>
Total deferred tax expense (benefit)	<u>(32)</u>	<u>(629)</u>
Total income tax expense	<u>\$ 2,943</u>	<u>\$ 1,872</u>
Total income taxes in the statements of income:		
Income taxes charged to operations	\$ 2,757	\$ 1,432
Income taxes credited to other income	186	440
Total	<u>\$ 2,943</u>	<u>\$ 1,872</u>

Statutory Rate Reconciliation

The Company's effective tax rates for the years ended December 31, 2020 and 2019 are 34.5% and 26.0%, respectively. The following table presents a reconciliation of income tax expense (benefit) at the federal statutory tax rate of 21% to the actual tax expense:

	Years Ended December 31,	
	2020	2019
	<i>(in thousands of dollars)</i>	
Computed tax	\$ 1,794	\$ 1,517
Change in computed taxes resulting from:		
State income tax, net of federal benefit	540	461
Temporary differences flowed through	658	-
Other items, net	<u>(49)</u>	<u>(106)</u>
Total changes	<u>1,149</u>	<u>355</u>
Total income tax expenses	<u>\$ 2,943</u>	<u>\$ 1,872</u>

The Company is included in the NGNA and subsidiaries' consolidated federal income tax return and Massachusetts unitary state income tax return. The Company has joint and several liability for any potential assessments against the consolidated group.

As a result of the enactment of the Tax Cuts and Jobs Act (Tax Act) on December 22, 2017, which reduced the corporate federal income tax rate from 35% to 21%, the Company remeasured its federal deferred tax assets and liabilities. As of December 31, 2018, the Company recognized a decrease in its net deferred income tax liability in the amount of \$2.9 million with \$.03 million recorded to deferred income tax expense and \$2.9 million recorded as a regulatory liability for the refund of excess deferred income taxes (excess ADIT) to customers. The company also recorded a \$1.0 million regulatory liability with an offsetting deferred tax asset for the revenue requirement (gross-up) associated with the refund of excess ADIT. During the calendar years ended December 31, 2020

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and 2019, the Company adjusted the remeasurement of the net deferred income tax liability as a consequence of audit settlements with the IRS for the years prior to the enactment of the Tax Act. The cumulative re-measurement of federal deferred tax assets and liabilities, prior to amortization and FERC accounts affected by the remeasurement are reflected below:

Years Ended December 31,						
2020				2019		
(in thousands of dollars)						
Account	Excess ADIT	Gross-up	Total	Excess ADIT	Gross-up	Total
254	\$ (2,914)	\$ (1,095)	\$ (4,009)	\$ (2,890)	\$ (1,086)	\$ (3,976)
190	(4,353)	1,095	(3,258)	(4,353)	1,086	(3,267)
282	6,525	-	6,525	6,501	-	6,501
283	714	-	714	714	-	714
410.2	28	-	28	28	-	28
182.3	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The amount of excess ADIT prior to amortization, by jurisdiction, amortization period and the amount of amortization reflected in FERC account 410.1 are presented below:

		Years Ended December 31,			
		2020		2019	
		(in thousands of dollars)			
<u>Excess ADIT Category</u>	<u>Period</u>	<u>Amortization</u>	<u>Excess ADIT</u>	<u>Amortization</u>	<u>Excess ADIT</u>
<i>Protected:</i>					
MA	ARAM ⁽¹⁾	\$ 99	\$ (3,692)	\$ 89	\$ (3,760)
<i>Unprotected:</i>					
MA - Plant related	20.1 years	121	(2,833)	98	(2,742)
MA - Other	5 years	(733)	3,611	(281)	3,612
Total		\$ (513)	\$ (2,914)	\$ (94)	\$ (2,890)

(1) Average Rate Assumption Method

The FERC accounts affected by the remeasurement of the deferred income taxes include:

- 182.3 Other Regulatory Assets
- 190 Accumulated Deferred Income Taxes
- 254 Other Regulatory Liabilities
- 282 Accumulated Deferred Income Taxes - Other Property
- 283 Accumulated Deferred Income Taxes - Other

The FERC accounts affected by the amortization of excess ADIT include:

- 410 Provision for Deferred Income Taxes
- 411 Provision for Deferred Income Taxes - Credit

Deferred Tax Components

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	December 31,	
	2020	2019
	<i>(in thousands of dollars)</i>	
Deferred tax assets:		
Postretirement benefits and other employee benefits	\$ 1,424	\$ 1,457
Regulatory liabilities - other	7,693	6,596
Regulatory liabilities - taxes	1,219	961
Other	29	202
Total deferred tax assets	\$ 10,365	\$ 9,216
Deferred tax liabilities:		
Property related differences	\$ 13,148	\$ 12,969
Regulatory assets - other	1,146	1,202
Other	55	-
Total deferred tax liabilities	14,349	14,171
Net deferred income tax liabilities	\$ 3,984	\$ 4,955

Status of Income Tax Examinations

During the year ended December 31, 2020, the Company reached a settlement with the IRS for the tax years ended March 31, 2013, 2014 and 2015. The outcome of the settlement did not have a material impact to the Company's results of operations, financial position, or cash flows.

The following table indicates the earliest tax year subject to examination for each major jurisdiction:

Jurisdiction	Tax Year
Federal	March 31, 2016
Massachusetts	March 31, 2010

Uncertain Tax Positions

The Company adopted the provisions of FASB guidance which clarifies the accounting for uncertain tax positions as modified by FERC Docket AI07-2-000. FASB guidance provides that the financial effects of a tax position shall initially be recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information. FERC docket AI07-2-000 issues supplementary guidance requiring entities to continue to recognize deferred income taxes for Commission accounting and reporting purposes based on the difference between positions taken in tax returns filed or expected to be filed and amounts reported in the financial statements. As of December 31, 2020 and 2019, the Company did not have any unrecognized tax benefits on a FERC basis.

The Company recognizes interest related to unrecognized tax benefits in other interest, including affiliate interest and related penalties, if applicable, in other income, net, in the accompanying statement of income. As of December 31, 2020 and 2019, the Company has accrued for interest related to unrecognized tax benefits of \$0.02 million and \$0.15 million, respectively. During the years ended December 31, 2020 and 2019, the Company recorded interest income of \$0.02 million and interest expense of \$0.1 million, respectively. No tax penalties were recognized during the years ended December 31, 2020 and 2019.

It is reasonably possible that other events will occur during the next twelve months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, the Company does not believe any such increases or decreases would be material to its results of operations, financial position, or cash flows.

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11. COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company is subject to various legal proceedings arising out of the ordinary course of its business. The Company does not consider any of such proceedings to be material, individually or in the aggregate, to its business or likely to result in a material adverse effect on its results of operations, financial position, or cash flows.

Other Contingencies

As of December 31, 2020 and 2019, the Company had accrued an estimate for workers compensation, auto, and general insurance claims which have been incurred but not yet reported ("IBNR") of \$24 thousand and \$32 thousand, respectively. IBNR reserves are reserves that have been established for claims and/or events that have transpired, but have not yet been reported to the Company for payment.

12. LEASES

The Company has elected the practical expedient "package" under Topic 842 in which any expired contracts need not be reassessed to determine whether they are or contain leases; classification of leases that commenced prior to the adoption of this standard will not be reassessed; and any initial direct costs for existing leases need not be reassessed. The Company elected the practical expedient not to reassess existing easements that were not previously accounted for as leases under Topic 840. Additionally, the Company elected the practical expedient not to evaluate whether sales tax and other similar taxes are lessor and lessee costs. Instead, such costs are deemed lessee costs. The Company elected not to take the "hindsight" practical expedient nor other specific practical expedients to combine lease and non-lease components for contracts in which the Company is the lessee or the lessor. The Company does not reflect short-term leases on the balance sheets. The expense related to short-term leases was not material for the year ended December 31, 2020. The Company as a regulated entity, will continue to recognize lease expense based on a pattern that conforms to the regulatory ratemaking treatment.

The Company has no finance leases as of December 31, 2020. The Company has various operating leases, primarily related to fleet vehicles and real estate used to support the electric operations, with lease terms ranging between one and five years.

Certain building leases provide the Company with an option to extend the lease term. The Company has included the periods covered by the extension options in its determination of the lease term as management believes it is reasonably certain the Company will exercise its option.

In measuring lease liabilities, the Company excludes variable lease payments, other than those that depend on an index or a rate or are in substance fixed payments and includes lease payments made at or before the commencement date. The variable lease payments were not material for the year ended December 31, 2020.

Lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. For any leases that do not provide an implicit rate, the Company uses an estimate of its collateralized incremental borrowing rate based on the information available at the commencement date to determine the present value of future payments. Operating lease ROU assets are included in obligations under capital lease current and obligations under capital lease non-current on the balance sheet.

As of December 31, 2020, the Company's operating leases related to fleet vehicles had a weighted average discount rate of 2.7% and a weighted average remaining lease term of 3 years. The Company does not have material rights or obligations under operating leases that have not yet commenced.

The following table presents the components of cash flows arising from lease transactions:

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December 31,

2020 **2019**
(in thousands of dollars)

Cash paid for amounts included in lease liabilities

Operating cash flows from operating leases	\$ 161	\$ 112
ROU assets obtained in exchange for new operating lease liabilities	\$ -	\$ -

The following contains the Company's maturity analysis of its operating lease liabilities as of December 31, 2020, showing the undiscounted cash flows on an annual basis reconciled to the undiscounted cash flows of the operating lease liabilities recognized in the comparative balance sheet:

Operating Leases

(in thousands of dollars)

Year Ending December 31,

2021	\$ 123
2022	115
2023	97
2024	31
2025	-
Thereafter	-
Total future minimum lease payments	\$ 367
Less: imputed interest	(16)
Total	\$ 351

Reported as of December 31, 2020:

Obligations under capital lease – current	\$ 115
Obligations under capital lease – noncurrent	236
Total	\$ 351

There are certain leases in which the Company is the lessor. Revenue under such leases was immaterial for the year ended December 31, 2020.

13. RELATED PARTY TRANSACTIONS

Accounts Receivable from and Accounts Payable to Associated Companies

NGUSA and its affiliates provide various services to the Company, including executive and administrative, customer services, financial (including accounting, auditing, risk management, tax, and treasury/finance), human resources, information technology, legal, and strategic planning, that are charged between the Companies and charged to each company.

The Company records short-term receivables from, and payables to, certain of its affiliates in the ordinary course of business. The amounts receivable from, and payable to, its affiliates do not bear interest and are settled through the intercompany money pool. A summary of outstanding accounts receivable from associated companies and accounts payable to associated companies is as follows:

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	Accounts Receivable		Accounts Payable	
	From Associated Companies		To Associated Companies	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	<i>(in thousands of dollars)</i>			
Massachusetts Electric Company	\$ 1,057	\$ 370	\$ 211	\$ 243
NGUSA Service Company	110	111	628	469
Niagara Mohawk Power Corporation	-	222	-	-
New England Power Company	10	15	-	353
NGUSA	22	22	1,078	1,052
Other	13	187	2	-
Total	<u>\$ 1,212</u>	<u>\$ 927</u>	<u>\$ 1,919</u>	<u>\$ 2,117</u>

Advances from Associated Companies

The Company has an agreement with NGUSA whereby the Company can borrow up to \$10 million from time to time for working capital needs. The advance is non-interest bearing. As of December 31, 2020 and 2019, the Company had no outstanding advance from associated companies.

Notes Receivable from and Notes Payable to Associated Companies ("Intercompany Money Pool")

The settlement of the Company's various transactions with NGUSA and certain associated companies generally occurs via the intercompany money pool in which it participates. The Company is a participant in the Regulated Money Pool and can both borrow and invest funds. Borrowings from and investments in the Regulated Money Pool bear interest in accordance with the terms of the Regulated Money Pool Agreement. As the Company fully participates in the Regulated Money Pool rather than settling intercompany charges with cash, all changes in the intercompany money pool balance are reflected as investing or financing activities in the accompanying statement of cash flows. For the purpose of presentation in the statement of cash flows, it is assumed all amounts settled through the intercompany money pool are constructive cash receipts and payments, and therefore, are presented as such.

The Regulated Money Pool is funded by operating funds from participants. NGUSA has the ability to borrow up to \$3.0 billion from National Grid plc for working capital needs including funding of the Regulated Money Pool, if necessary. The Company had short-term intercompany money pool investments of \$69.9 million and \$64.4 million at December 31, 2020 and 2019, respectively. The average interest rates for the intercompany money pool were 1.09% and 2.54% for the years ended December 31, 2020 and 2019, respectively.

Related Party Reimbursement

In accordance with the Credit and Operating Support Agreement dated March 26, 1996, Massachusetts Electric will reimburse the Company an amount equal to the difference between the Company's actual net income for the year and the net income necessary for the Company to earn its DPU approved Return on Equity ("ROE") for the fiscal year, currently 9.6%. This reimbursement shall constitute additional revenue to the Company and expense to Massachusetts Electric. The Company is entitled to retain any return in excess of 9.6%. For the years ended December 31, 2020 and 2019, Massachusetts Electric reimbursed the Company \$7.2 million and \$1.4 million, respectively.

Service Company Charges

The affiliated service companies of NGUSA provide certain services to the Company at their cost. The service company costs are

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generally allocated to associated companies through a tiered approach. First and foremost, costs are directly charged to the benefited company whenever practicable. Secondly, in cases where direct charging cannot be readily determined, costs are allocated using cost/causation principles linked to the relationship of that type of service, such as number of employees, number of customers/meters, capital expenditures, value of property owned, and total transmission and distribution expenditures. Lastly, all other costs are allocated based on a general allocator determined using a 3-point formula based on net margin, net utility plant, and operations and maintenance expense.

Charges from the service companies of NGUSA to the Company, are mostly related to traditional administrative support functions for the years ended December 31, 2020 and 2019 were \$5.4 million and \$5.1 million, respectively.

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PART IX: ALLOWANCES (Accounts 158.1 and 158.2)

- | | |
|--|--|
| <p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> | <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(f), starting with the following year, and allowances for the remaining succeeding years in columns (g)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.</p> |
|--|--|

Line No	Allowance Inventory (Account 158.1) (a)	Current Year		20____	
		No (b)	Amt. (c)	No. (d)	Amt. (e)
01	Balance--Beginning of Year	N/A			
02					
03	Acquired During Year:				
04	Issued (Less Withheld Allow.)				
05	Returned by EPA				
06					
07	Purchases/Transfers:				
08					
09					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other.				
20					
21	Cost of Sales Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year				
30					
31	Sales:				
32	Net Sales Proceeds (Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld Account 158.2)				
36	Balance--Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sale Proceeds (Other)				
45	Gains				
46	Losses				

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PART IX: ALLOWANCES (Accounts 158.1 and 158.2) (Continued)

6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on lines 8-14 the names of vendors/transferees of allowances acquired and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report lines 22-27 the names of purchasers/transferees of allowance disposed of and identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.

20____		19____		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								01
N/A								02
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OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.						
3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1	Pension	2,117,517	775,870	926/253	261,962	2,631,425
2						
3	OPEB	1,322,569	15,293	426.5/926	352,798	985,064
4						
5	Pension Expense Deferred	959,204	573,693	456	1,022,460	510,437
6						
7	Asset Retirement Obligation	4,781	410			5,191
8						
9	Transition Charge	48,501	24,889	419/456	9,810	63,580
10						
11						
12						
13						
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42						
43						
44	TOTAL :	4,452,572	1,390,155		1,647,030	4,195,697

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: a

In September 2006 FASB issued FAS 158 which required employer's to recognize the overfunded or under funded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. However, because the company has specific regulatory recovery of their pension and opeb costs, establishment of regulatory assets to defer charges to OCI that would otherwise result from the adoption of FAS158 is appropriate.

Pursuant to D.P.U. 09-39 the Company has been allowed to implement pension and PBOP mechanisms to collect non-capitalized pension and postretirement benefits other than pensions ("PBOP") through a separate billing factor referred to as the Pension and PBOP Adjustment Factor ("PAF"). A return on the average annual prepaid or unfunded pension and PBOP balance at the weighted average cost of capital will be recorded. Over or under collections will be surcharged or credited to customers over a three year period.

Schedule Page: 232 Line No.: 1 Column: d

426.5

Schedule Page: 232 Line No.: 3 Column: a

In September 2006 FASB issued FAS 158 which required employer's to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in thatfunded status in the year in which the changes occur through comprehensive income. However,because the company has specific regulatory recovery of their pension and opeb costs,establishment of regulatory assets to defer charges to OCI that would otherwise result from the adoption of FAS158 is appropriate.

Pursuant to D.P.U. 09-39, the Company has been allowed to implement pension and PBOP mechanisms to collect non-capitalized pension and postretirement benefits other than pensions ("PBOP") through a separate billing factor referred to as the Pension and PBOP Adjustment Factor("PAF"). A return on the average annual prepaid or unfunded pension and PBOP balance at the weighted average cost of capital will be recorded. Over or under collections will be surcharged or credited to customers over a three year period.

Schedule Page: 232 Line No.: 5 Column: a

Pursuant to D.P.U. 09-39, the Company has been allowed to implement pension and PBOP mechanisms to collect non-capitalized pension and postretirement benefits other than pensions ("PBOP") through a separate billing factor referred to as the Pension and PBOP Adjustment Factor("PAF"). A return on the average annual prepaid or unfunded pension and PBOP balance at the weighted average cost of capital will be recorded. Over or under collections will be surcharged or credited to customers over a three year period.

Schedule Page: 232 Line No.: 7 Column: a

Pursuant to D.P.U. 08-27, the Company is allowed to recover the cost of retiring an asset through base rates. Assets to be retired are deferred and the deferred balance is reduced as the cost is recovered from customers.

Schedule Page: 232 Line No.: 9 Column: a

Pursuant to Massachusetts law and the Company's Transition Cost Adjustment Provision, the Company is to be authorized to recover costs charged by the Company's affiliate New England Power ("NEP"), for stranded costs associated with NEP's former electric generation investments. The Transition Charge is fully reconcilable and any over or under recovery of costs are passed on to customers.

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
OFFICERS					
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>					
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)		
1	President and Director	Reed, Marcy L.	3,614		
2	Senior Vice President	Bracken, Vivienne			
3	Senior Vice President	Sweet-Zavaglia, Keri	635		
4	Vice President, Chief Financial Officer and Director	McNeill, Brian	900		
5	Vice President and Controller	McCusker, Christopher	1,246		
6	Vice President and Director	McCallan, Michael	314		
7	Vice President and Treasurer	Bostic, Christina	1,376		
8					
9					
10	Appointments				
11	Vice President, Chief Operating Officer and Director	McNeill, Brian	900		
12	Senior Vice President	Sweet-Zavaglia, Keri	635		
13	Vice President and Treasurer	Bostic, Christina	1,376		
14					
15	Resignations				
16	Senior Vice President	Mills, Jeannette	63		
17	Treaurer	Campbell, David H.	553		
18	Vice President, Chief Financial Officer and Director	Urban Dennis	382		
19					
20					
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 1 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$519,133. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 3 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$275,533. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 4 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$246,607. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 5 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$206,338. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 6 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$260,143. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 7 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$253,595. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 11 Column: a

Effective 4/1/2020

Schedule Page: 104 Line No.: 11 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$246,607. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 12 Column: a

Effective 5/18/2020

Schedule Page: 104 Line No.: 12 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$275,533. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 13 Column: a

Effective 11/1/2020

Schedule Page: 104 Line No.: 13 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$253,595. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 16 Column: a

Effective 1/31/2020

Schedule Page: 104 Line No.: 16 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$27,233. These salary amounts exclude incentive compensation payments and reflect base salary paid by the

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Nantucket Electric Company			2020/Q4
FOOTNOTE DATA			

company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 17 Column: a

Effective 11/1/2020

Schedule Page: 104 Line No.: 17 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$251,658. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Schedule Page: 104 Line No.: 18 Column: a

Effective 4/1/2020

Schedule Page: 104 Line No.: 18 Column: c

Salary disclosure includes amounts that have been allocated to Nantucket Electric Company (reporting entity). The salary amount allocated to other companies were \$65,502. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2020 to 12-31-2020.

Name of Respondent Nantucket Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2021	Year of Report Dec 31, <u>2020</u>
PART XI: DATA ON OFFICERS AND DIRECTORS				
Report below the title and name of the officers and directors of the respondent (company) whose salaries were \$50,000 or more at the end of the report year (list officers first). If there were any changes during the year, report the title, name and address of the previous officer or director and date of change in the comments column. Designate by asterisk (*) officers who are directors; list other directors who are not officers. Report the salary (for the year) for each officer, and the fees for each director listed.				
Line No	Name (a)	Address (b)	Number of Votes (c)	Comments (d)
01	Reed, Marcy L. * (President & Director)	Waltham, MA		
02	Bracken, Vivienne (Senior Vice President)	Warwick, UK		
03				
04	Mills, Jeannette (Senior Vice President)	Waltham, MA		Resigned 1/31/2020
05	Sweet-Zavaglia, Keri (Senior Vice President)	Syracuse, NY		Appointed 5/18/2020
06	McNeill, Brian * (VP, CFO, & Director)	Brooklyn, NY		Appointed 4/1/2020
07				
08	Urban, Dennis* (VP, CFO, & Director)	Waltham, MA		Resigned 4/1/2020
09	McCusker, Christopher (VP & Controller)	Waltham, MA		
10				
11	McCallan, Michael * (VP & Director)	Worcester, MA		
12	Bostic, Christina (VP & Treasurer)	Waltham, MA		Appointed 11/1/2020
13				
14	Campbell, David H. (Treasurer)	Waltham, MA		Resigned 11/1/2020
15				
16				
17				
18				
19				
20				
21				
22				

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	56,254,152	56,254,152		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	2,818,634	2,818,634		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	2,818,634	2,818,634		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	834,014	834,014		
13	Cost of Removal	462,399	462,399		
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	1,296,413	1,296,413		
16	Other Debit or Cr. Items (Describe, details in footnote):	29,923	29,923		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	57,806,296	57,806,296		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission				
26	Distribution	52,808,479	52,808,479		
27	Regional Transmission and Market Operation	4,997,817	4,997,817		
28	General				
29	TOTAL (Enter Total of lines 20 thru 28)	57,806,296	57,806,296		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 16 Column: c
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C1081004 Accum Deprec-COR-PM-Beginning Balance	\$ (27,241)
C1081005 Accum Deprec-PM-Asset Retirement Obligation	(65)
C1081034 Accum Deprec-COR RWIP-PM-Beg Balance	52,882
C1082104 Accum Deprec-COR-PM-Charge for Period	28,354
C1082109 Accum Deprec-COR RWIP-PM-Charge Period	161,835
C1082134 Accum Deprec-COR RWIP-PM-Charge Period	(101,293)
C1087003 Accum Deprec-RWIP Credit-PM-Reclass	(144,395)
U1080001 RWIP Reclass	121,958
U1081434 Accum Deprec-Cost of Removal-FAS143	(121,958)
	<u>\$ (29,923)</u>

Name of Respondent NANTUCKET ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 3/31/2021	Year of Report December 31, 2020	
PART XII: ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT						
Line No.	Name of Utility Department (a)	Balance at Beginning of Year (b)	Depreciation and Amortization Accruals for Year (c)	Net Charges for Plant Retired During Year (d)	Other Items Debit or Credit (Explain in Footnote) (e)	Balance at End of Year (f)
01	ELECTRIC (110)					
02	Other Utility Department (119) (Specify):					
03						
04						
05						
06						
07						
PART XIII: CAPITAL STOCK DATA (Column f refers to total amount outstanding without reduction for amounts held by respondent. Omit cents)						
Line No.	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value Per Share of Par Value Stock (c)	Stated Value Per Share of Nonpar Stock (d)	Outstanding Per Balance Sheet	
					Shares (e)	Amount (f)
01	Common Stock	1	\$1	N/A	1	\$1
02						
03						
04						
05						
06						
07						
08						
09						
PART XIV: LONG-TERM DEBT DATA						
Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest for Year	
					% Rate (e)	Amount (f)
01	Massachusetts Industrial	8/1/2007	8/1/2042	13,300,000	0.69%	91,828
02	Finance Agency- Electric					
03	Utility Revenue Bonds					
04	Series A					
05	Massachusetts Development	12/16/2004	3/1/2039	10,000,000	0.66%	65,531
06	Finance Agency- variable rate					
07	Utility Revenue Bonds					
08	Series 2004					
09	Massachusetts Development	12/8/2005	12/1/2040	28,000,000	0.56%	156,015
10	Finance Agency- variable rate					
11	Utility Revenue Bonds					
12	Series 2005					
13						
14						
15						
16						
17						
18						
TOTAL				\$51,300,000		\$313,374

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Deferred Income Taxes	3,465,023	190/282/283	507,146	1,451,810	4,409,687
2						
3	Energy Efficiency	2,622,232	431/451/908	364,113	2,860,657	5,118,776
4						
5	Transmission Service	16,957,428	456	504,671	1,531,097	17,983,854
6						
7	Basic Service Administrative Cost	1,595,936	431/456	2,586	107,947	1,701,297
8						
9	Revenue Decoupling Mechanism	1,205,731	456	2,060,428	1,772,810	918,113
10						
11	Cable Facilities	1,095,680	431/456	124,613	445,928	1,416,995
12						
13	Service Quality Penalty	72,796	456	133,888	123,041	61,949
14						
15	Over Collect-Commodity	483,596	431/449.1	247,278	723,198	959,516
16						
17	Tax Reform - Tax Savings	110,074	456	110,074		
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
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35						
36						
37						
38						
39						
40						
41	TOTAL	27,608,496		4,054,797	9,016,488	32,570,187

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 1 Column: a

In FAS 109, the objectives of accounting for income taxes are to recognize (a) the amount of taxes payable or refundable for the current year, and (b) deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns.

Schedule Page: 278 Line No.: 3 Column: a

Pursuant to Massachusetts law and the Company's Energy Efficiency Provision, the Company administers an Energy Efficiency ("EE") plan and is allowed to recover the cost of that plan through a combination of a base EE Charge of 0.250¢ per kWh plus (1) amounts generated by the Forward Capacity Market program administered by the Independent System Operator-New England; (2) cap and trade pollution control programs, including, but not limited to, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, and the NOx Allowance Trading Program; and (3) other funding as approved by the Department. The Company's annual Energy Efficiency Reconciling Factors ("EERFs") are designed to collect the estimated incremental costs of the Company's proposed EE programs for the year which represents those costs that are in excess of the expected funding. EE costs, including an allowance for performance based shareholder incentives, are fully reconcilable, and any over or under recovery of costs is passed on to all customers.

Schedule Page: 278 Line No.: 5 Column: a

The Company arranges transmission service on behalf of its customers. Pursuant to the Company's Transmission Service Cost Adjustment Provision, the Company is allowed to recover the cost it incurs in arranging that transmission service as billed to the Company by its affiliate, New England Power Company, any other transmission provider, the New England Power Pool, a regional transmission group, an independent system operator or any other entity that is authorized to bill the Company directly for transmission services. Transmission service costs are fully reconcilable and any over or under recoveries are passed on to customers receiving transmission service through the Company.

Schedule Page: 278 Line No.: 7 Column: a

Pursuant to the Company's Basic Service Adjustment Provision, the Company is allowed to recover the costs, including administrative costs, incurred by the Company in arranging Basic Service, including uncollectible costs associated with the amounts the Company bills for Basic Service supply, the administrative costs of complying with the requirements of Renewable Energy Portfolio Standards pursuant to 225 CMR14, cash working capital and other administrative costs associated with arranging Basic Service. The recovery of these costs is fully reconcilable with any over or under collection passed on to all customers.

Schedule Page: 278 Line No.: 9 Column: a

Pursuant to MA DPU 07-50A and the Company's Revenue Decoupling Mechanism ("RDM") Provision, the Company is operating under an RDM by which its actual distribution revenue is measured against a target level of distribution revenue as established in the Company's most recent rate case, and the difference between actual distribution revenue and the revenue target is recovered from or credited to all customers. "Actual Billed Distribution Revenue" shall mean the amounts the Company has billed during the applicable calendar year for customer charges, distribution demand charges, distribution energy charges, Second Feeder Service charges, and any other charges or discounts that the Company records as base distribution revenue, but excluding the discount provided to Rate R-2 customers and the Residential Assistance Adjustment. Actual Billed Distribution Revenue shall exclude the RDM Adjustment Factor, as it is subject to its own reconciliation. "Annual Target Revenue" or "ATR" shall mean the class-specific revenue requirement as approved by the Department in the Company's most recent base distribution rate case adjusted annually pursuant to the Company's Performance-Based Ratemaking ("PBR") Provision, M.D.P.U. No. 1423, as may be amended from time to time, and as otherwise adjusted and approved by the Department, less a Streetlighting Sales adjustment pursuant to the Department's directive in D.P.U. 14-136-A.

Schedule Page: 278 Line No.: 11 Column: a

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
Nantucket Electric Company			
FOOTNOTE DATA			

Pursuant to D.T.E./D.P.U. Docket 06-106-A, approved by the Department of Public Utilities, the Cable Facilities Surcharge recovery mechanism for the combined first and second undersea cables (respectively "First Cable" and "Second Cable") to the island of Nantucket established individual class and seasonal CFS rates which averaged 2.584¢ per kilowatthour ("kWh") for 2007. The recovery mechanism was intended to smooth out the recovery of the Second Cable, which was placed in service on April 18, 2006, and mitigated the immediate customer rate impacts by deferring costs in the first several years and recovering such deferrals in later years.

By Order dated August 26, 2016 in D.P.U. 15-176, the Department approved the Company's reduction of the average CFS from 1.865¢ to of 0.763¢ per kWh, thru 2026. This allowed the Company to avoid over-recovering cable facilities costs from customers while still fully recovering the cost of the first cable by the end of its depreciable life in 2016, after which recovery of the second cable would revert to full cost of service.

Schedule Page: 278 Line No.: 13 Column: a

Pursuant to G.L. c. 164, § 1I and the Department of Public Utilities' ("Department") Guidelines established in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.P.U. 12-120-D (2015) ("Guidelines").

Under the Company's Service Quality Plan, it may be penalized for performance in certain categories that fall below any historic average.

In Docket D.P.U. 18-SQ-12, for the System Average Duration Index (SAIDI) metric, the Company reported a penalty of \$72,793, but requested that the Department grant a waiver from the Guidelines to exclude 43.814 minutes of SAIDI incurred due to the occurrence of the Winter Storm Niko on February 9, 2017 in Nantucket.

Schedule Page: 278 Line No.: 15 Column: a

Pursuant to the Company's Basic Service Adjustment Provision, the Company is allowed to recover costs associated with providing Basic Service to its customers. The cost of providing Basic Service includes payments to Basic Service suppliers, payments under renewable resource contracts entered into by the Company pursuant to § 83 of An Act Relative to Green Communities as approved by the DPU, payments to ISO-NE for procuring Basic Service power, the cost of acquiring renewable energy certificates or remitting Alternate Compliance Payments to comply with the renewable portfolio standards established by Massachusetts law, and the FERC-approved costs billed to the Company for the operation of the New England Power Pool ("NEPOOL") Generation Information System. The recovery of these costs is fully reconcilable with any over or under recovery recovered from or credited to all customers.

Schedule Page: 278 Line No.: 17 Column: a

On Dec 22, 2017, the Tax Cuts and Jobs Act of 2017 Act was passed decreasing the federal corporate income tax rate from 35% to 21% effective Jan 1, 2018. The revenue requirement approved in DPU 15-155 used a federal corporate income tax at the higher rate. Per Docket No. 18-15 the DPU finds it appropriate to adjust rates based on the lower rate of 21%, so that ratepayers receive the benefits from the decrease. This balance reflects the estimated refund payable to ratepayers if so ordered by the Massachusetts Department of Public Utilities. (As per DPU 18-15)

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	2,014,345	1,114,592
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	257,443	148,756
5	Large (or Ind.) (See Instr. 4)	2,512	1,743
6	(444) Public Street and Highway Lighting	-121	-280
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	2,274,179	1,264,811
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	2,274,179	1,264,811
13	(Less) (449.1) Provision for Rate Refunds	398,207	-67,800
14	TOTAL Revenues Net of Prov. for Refunds	1,875,972	1,332,611
15	Other Operating Revenues		
16	(450) Forfeited Discounts	3,902	19,857
17	(451) Miscellaneous Service Revenues	2,251,121	7,230,703
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	587,320	535,835
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	19,183,344	13,193,174
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	22,025,687	20,979,569
27	TOTAL Electric Operating Revenues	23,901,659	22,312,180

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
ELECTRIC OPERATING REVENUES (Account 400)					
<p>6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)</p> <p>7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.</p> <p>8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.</p> <p>9. Include unmetered sales. Provide details of such Sales in a footnote.</p>					
MEGAWATT HOURS SOLD				AVG.NO. CUSTOMERS PER MONTH	
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	Line No.	
				1	
118,783	113,778	12,063	12,045	2	
				3	
51,705	57,183	1,638	1,650	4	
505	670	4	4	5	
262	268	5	5	6	
				7	
				8	
				9	
171,255	171,899	13,710	13,704	10	
				11	
171,255	171,899	13,710	13,704	12	
				13	
171,255	171,899	13,710	13,704	14	
<p>Line 12, column (b) includes \$ 100,364 of unbilled revenues.</p> <p>Line 12, column (d) includes 8,888 MWH relating to unbilled revenues</p>					

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 17 Column: b

Misc Service Revenue-Electric

Open Access Revenue-DSM	\$	775,476
Open Access Revenue-Customer Charge		1,270,710
Misc Service Revenue-Electric		204,935
	\$	2,251,121

Schedule Page: 300 Line No.: 17 Column: c

Misc Service Revenue-Electric

Open Access Revenue-DSM	\$	5,821,949
Open Access Revenue-Customer Charge		1,066,068
Misc Service Revenue-Electric		342,686
	\$	7,230,703

Schedule Page: 300 Line No.: 21 Column: b

Other Electric Revenue

Other Elec Revenue-Nantucket Reimbursement	\$	6,525,760
Open Access Revenue - Access Charge		(137,129)
Open Access Revenue - Transmission		3,886,830
Open Access Revenue - Distribution		8,687,088
Open Access Revenue - Decoupling		287,620
Other Electric Revenue - Miscellaneous		(100,608)
Contribution in Aid of Construction		33,783
	\$	19,183,344

Schedule Page: 300 Line No.: 21 Column: c

Other Electric Revenue

Other Elec Revenue-Nantucket Reimbursement	\$	1,418,811
Open Access Revenue - Access Charge		(130,981)
Open Access Revenue - Transmission		3,608,549
Open Access Revenue - Distribution		7,841,404
Open Access Revenue - Decoupling		(331,414)
Other Electric Revenue - Miscellaneous		660,231
Contribution in Aid of Construction		126,574
	\$	13,193,174

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)		Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES				
2	A. Steam Power Generation				
3	Operation				
4	(500) Operation Supervision and Engineering				
5	(501) Fuel				
6	(502) Steam Expenses				
7	(503) Steam from Other Sources				
8	(Less) (504) Steam Transferred-Cr.				
9	(505) Electric Expenses				
10	(506) Miscellaneous Steam Power Expenses				
11	(507) Rents				
12	(509) Allowances				
13	TOTAL Operation (Enter Total of Lines 4 thru 12)				
14	Maintenance				
15	(510) Maintenance Supervision and Engineering				
16	(511) Maintenance of Structures				
17	(512) Maintenance of Boiler Plant				
18	(513) Maintenance of Electric Plant				
19	(514) Maintenance of Miscellaneous Steam Plant				
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)				
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)				
22	B. Nuclear Power Generation				
23	Operation				
24	(517) Operation Supervision and Engineering				
25	(518) Fuel				
26	(519) Coolants and Water				
27	(520) Steam Expenses				
28	(521) Steam from Other Sources				
29	(Less) (522) Steam Transferred-Cr.				
30	(523) Electric Expenses				
31	(524) Miscellaneous Nuclear Power Expenses				
32	(525) Rents				
33	TOTAL Operation (Enter Total of lines 24 thru 32)				
34	Maintenance				
35	(528) Maintenance Supervision and Engineering				
36	(529) Maintenance of Structures				
37	(530) Maintenance of Reactor Plant Equipment				
38	(531) Maintenance of Electric Plant				
39	(532) Maintenance of Miscellaneous Nuclear Plant				
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)				
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)				
42	C. Hydraulic Power Generation				
43	Operation				
44	(535) Operation Supervision and Engineering				
45	(536) Water for Power				
46	(537) Hydraulic Expenses				
47	(538) Electric Expenses				
48	(539) Miscellaneous Hydraulic Power Generation Expenses				
49	(540) Rents				
50	TOTAL Operation (Enter Total of Lines 44 thru 49)				
51	C. Hydraulic Power Generation (Continued)				
52	Maintenance				
53	(541) Maintenance Supervision and Engineering				
54	(542) Maintenance of Structures				
55	(543) Maintenance of Reservoirs, Dams, and Waterways				
56	(544) Maintenance of Electric Plant				
57	(545) Maintenance of Miscellaneous Hydraulic Plant				
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)				
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)				

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)		Amount for Previous Year (c)	
60	D. Other Power Generation				
61	Operation				
62	(546) Operation Supervision and Engineering				
63	(547) Fuel				
64	(548) Generation Expenses				
65	(549) Miscellaneous Other Power Generation Expenses				
66	(550) Rents				
67	TOTAL Operation (Enter Total of lines 62 thru 66)				
68	Maintenance				
69	(551) Maintenance Supervision and Engineering				
70	(552) Maintenance of Structures				
71	(553) Maintenance of Generating and Electric Plant				
72	(554) Maintenance of Miscellaneous Other Power Generation Plant				
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)				
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)				
75	E. Other Power Supply Expenses				
76	(555) Purchased Power	1,738,837		1,197,601	
77	(556) System Control and Load Dispatching				
78	(557) Other Expenses				
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	1,738,837		1,197,601	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	1,738,837		1,197,601	
81	2. TRANSMISSION EXPENSES				
82	Operation				
83	(560) Operation Supervision and Engineering			154	
84					
85	(561.1) Load Dispatch-Reliability				
86	(561.2) Load Dispatch-Monitor and Operate Transmission System				
87	(561.3) Load Dispatch-Transmission Service and Scheduling				
88	(561.4) Scheduling, System Control and Dispatch Services	117,962		115,030	
89	(561.5) Reliability, Planning and Standards Development				
90	(561.6) Transmission Service Studies				
91	(561.7) Generation Interconnection Studies				
92	(561.8) Reliability, Planning and Standards Development Services				
93	(562) Station Expenses	44			
94	(563) Overhead Lines Expenses				
95	(564) Underground Lines Expenses				
96	(565) Transmission of Electricity by Others	3,768,868		3,493,519	
97	(566) Miscellaneous Transmission Expenses	18,380		12,941	
98	(567) Rents				
99	TOTAL Operation (Enter Total of lines 83 thru 98)	3,905,254		3,621,644	
100	Maintenance				
101	(568) Maintenance Supervision and Engineering				
102	(569) Maintenance of Structures				
103	(569.1) Maintenance of Computer Hardware				
104	(569.2) Maintenance of Computer Software				
105	(569.3) Maintenance of Communication Equipment				
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant				
107	(570) Maintenance of Station Equipment				
108	(571) Maintenance of Overhead Lines				
109	(572) Maintenance of Underground Lines				
110	(573) Maintenance of Miscellaneous Transmission Plant				
111	TOTAL Maintenance (Total of lines 101 thru 110)				
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	3,905,254		3,621,644	

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
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Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	188	341
168	(908) Customer Assistance Expenses	708,163	1,841,859
169	(909) Informational and Instructional Expenses	48,393	94,194
170	(910) Miscellaneous Customer Service and Informational Expenses	88,338	58,530
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	845,082	1,994,924
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	571	510
175	(912) Demonstrating and Selling Expenses		90
176	(913) Advertising Expenses	6,543	7,785
177	(916) Miscellaneous Sales Expenses	208	95
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	7,322	8,480
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	766,695	742,900
182	(921) Office Supplies and Expenses	550,202	557,920
183	(Less) (922) Administrative Expenses Transferred-Credit	140,997	140,635
184	(923) Outside Services Employed	248,061	269,874
185	(924) Property Insurance	44,501	43,108
186	(925) Injuries and Damages	68,494	48,798
187	(926) Employee Pensions and Benefits	810,262	866,500
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	72,974	77,744
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses		111
192	(930.2) Miscellaneous General Expenses	46,621	46,763
193	(931) Rents	578,039	476,813
194	TOTAL Operation (Enter Total of lines 181 thru 193)	3,044,852	2,989,896
195	Maintenance		
196	(935) Maintenance of General Plant	499	683
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	3,045,351	2,990,579
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	12,093,100	12,464,796

Name of Respondent Nantucket Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2021	Year of Report Dec 31, <u>2020</u>
PART XVIII: SALES FOR RESALE					
<p>1. Report below the information called for concerning sales for resale during the year to other electric utilities, cooperatives, and to cities and other public authorities for distribution to ultimate consumers.</p> <p>2. Enter the name of the purchaser in column (a). Abbreviate if necessary but do not truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with each purchaser.</p> <p>3. In column (b), identify the FERC Rate Schedule or Tariff Number.</p> <p>4. Report annual maximum demand in column (c). Demand must be in megawatts. Footnote any demand reported in column (c) which is not stated on a megawatt basis and explain.</p> <p>5. Report in column (d) the megawatt-hours shown on bills rendered to each purchaser.</p> <p>6. Report in column (e) the total charge shown on bills rendered to each purchaser.</p> <p>7. Footnote entries as required and provide explanations following all required data.</p>					
Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	FERC Rate Schedule or Tariff Number (b)	Annual Maximum Demand (MW) (c)	Megawatt-hours Sold (MWH) (d)	Revenues (\$) (e)
1	N/A				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	New England Power	OS	1			
2	Constellation	RQ	1			
3	DTE Energy	RQ	1			
4	NextEra Marketing	RQ	1			
5	Calpine	RQ	1			
6	Macquarie	RQ	1			
7	ConEd	RQ	1			
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
					-137,129	-137,129	1
7,860				550,633		550,633	2
-9				-508		-508	3
9,704				752,636		752,636	4
5,042				398,502		398,502	5
2,056				130,735		130,735	6
543				43,968		43,968	7
							8
							9
							10
							11
							12
							13
							14
25,196				1,875,966	-137,129	1,738,837	

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2020/Q4</u>
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)		Electric (c)	
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	127,016,361		127,016,361	
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified	5,564,673		5,564,673	
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	132,581,034		132,581,034	
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	5,421,844		5,421,844	
12	Acquisition Adjustments	16,551,550		16,551,550	
13	Total Utility Plant (8 thru 12)	154,554,428		154,554,428	
14	Accum Prov for Depr, Amort, & Depl	58,652,290		58,652,290	
15	Net Utility Plant (13 less 14)	95,902,138		95,902,138	
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	57,806,296		57,806,296	
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant				
22	Total In Service (18 thru 21)	57,806,296		57,806,296	
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj	845,994		845,994	
33	Total Accum Prov (equals 14) (22,26,30,31,32)	58,652,290		58,652,290	

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
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					29
					30
					31
					32
					33

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Nantucket Electric Company			2020/Q4
FOOTNOTE DATA			

Schedule Page: 200 Line No.: 13 Column: c

On page 200-201, the company reports a Total Utility Plant of \$155,141,847 which includes \$587,418 in right of Use Assets related to Operating Leases. For the purposes of this page, the Right of Use Assets are excluded.

Schedule Page: 200 Line No.: 14 Column: c

On page 200-201, the company reports a Total Accumulated Provision for Depreciation/Amortization and Depletion of \$58,888,292 which includes \$236,002 in right of Use Assets related to Operating Leases. For the purposes of this page, the Right of Use Assets are excluded.

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)		
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)		
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights		
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators		
42	(345) Accessory Electric Equipment		
43	(346) Misc. Power Plant Equipment		
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)		

Name of Respondent Nantucket Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
					3
					4
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Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
47	3. TRANSMISSION PLANT				
48	(350) Land and Land Rights				
49	(352) Structures and Improvements				
50	(353) Station Equipment				
51	(354) Towers and Fixtures				
52	(355) Poles and Fixtures				
53	(356) Overhead Conductors and Devices				
54	(357) Underground Conduit				
55	(358) Underground Conductors and Devices				
56	(359) Roads and Trails				
57	(359.1) Asset Retirement Costs for Transmission Plant				
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)				
59	4. DISTRIBUTION PLANT				
60	(360) Land and Land Rights	1,818,516	-188		
61	(361) Structures and Improvements	437,666			
62	(362) Station Equipment	21,584,183	72,383		
63	(363) Storage Battery Equipment				
64	(364) Poles, Towers, and Fixtures	7,421,499	137,983		
65	(365) Overhead Conductors and Devices	5,769,484	163,152		
66	(366) Underground Conduit	15,687,439	67,904		
67	(367) Underground Conductors and Devices	52,299,937	641,989		
68	(368) Line Transformers	7,634,308	325,662		
69	(369) Services	8,611,097	455,693		
70	(370) Meters	1,454,472	32,674		
71	(371) Installations on Customer Premises				
72	(372) Leased Property on Customer Premises				
73	(373) Street Lighting and Signal Systems	531,881	69,665		
74	(374) Asset Retirement Costs for Distribution Plant				
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	123,250,482	1,966,917		
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT				
77	(380) Land and Land Rights				
78	(381) Structures and Improvements				
79	(382) Computer Hardware				
80	(383) Computer Software				
81	(384) Communication Equipment				
82	(385) Miscellaneous Regional Transmission and Market Operation Plant				
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper				
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)				
85	6. GENERAL PLANT				
86	(389) Land and Land Rights	31,005			
87	(390) Structures and Improvements	2,174,071			
88	(391) Office Furniture and Equipment	82,540			
89	(392) Transportation Equipment				
90	(393) Stores Equipment				
91	(394) Tools, Shop and Garage Equipment	141,528			
92	(395) Laboratory Equipment	23,695			
93	(396) Power Operated Equipment				
94	(397) Communication Equipment	5,685,494	23,853		
95	(398) Miscellaneous Equipment	31,660			
96	SUBTOTAL (Enter Total of lines 86 thru 95)	8,169,993	23,853		
97	(399) Other Tangible Property	3,802			
98	(399.1) Asset Retirement Costs for General Plant				
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	8,173,795	23,853		
100	TOTAL (Accounts 101 and 106)	131,424,277	1,990,770		
101	(102) Electric Plant Purchased (See Instr. 8)				
102	(Less) (102) Electric Plant Sold (See Instr. 8)				
103	(103) Experimental Plant Unclassified				
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	131,424,277	1,990,770		

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2020/Q4	
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.		
					47		
					48		
					49		
					50		
					51		
					52		
					53		
					54		
					55		
					56		
					57		
					58		
					59		
			1,818,328		60		
			437,666		61		
79,475			21,577,091		62		
					63		
83,369	-1		7,476,112		64		
277,057			5,655,579		65		
6,066			15,749,277		66		
114,146			52,827,780		67		
109,573	1		7,850,398		68		
77,607			8,989,183		69		
34,531	1		1,452,616		70		
					71		
					72		
28,495	-1		573,050		73		
					74		
810,319			124,407,080		75		
					76		
					77		
					78		
					79		
					80		
					81		
					82		
					83		
					84		
					85		
	1		31,006		86		
			2,174,071		87		
			82,540		88		
					89		
					90		
			141,528		91		
23,695					92		
					93		
			5,709,347		94		
			31,660		95		
23,695	1		8,170,152		96		
			3,802		97		
					98		
23,695	1		8,173,954		99		
834,014	1		132,581,034		100		
					101		
					102		
					103		
834,014	1		132,581,034		104		

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2021	Year of Report Dec 31, 2020
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PART XXII: PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of Scheduling, System Control and Dispatch services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

	Type of Ancillary Service (a)	Amount Purchased For the Year			Amount Sold For the Year		
		(b)	(c)	(d)	(e)	(f)	(g)
		Usage – Related Billing Determinant			Usage – Related Billing Determinant		
		Number of Units	Unit of Measure	Dollars	Number of Units	Unit of measure	Dollars
1	Scheduling, System Control and Dispatch	N/A					
2	Reactive Supply and Voltage	N/A					
3	Regulation and Frequency Response	N/A					
4	Energy Imbalance	N/A					
5	Operating Reserve - Spinning	N/A					
6	Operating Reserve - Supplemental	N/A					
7	Other	N/A					
8	Total	N/A					

Name of Respondent Nantucket Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2021	Year of Report Dec 31, <u>2020</u>
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PART XXIII: Monthly Transmission System Peak Load

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.

(2) Report on Column (b) by month the transmission system's peak load.

(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).

(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

Name of System:

Line No.		Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Firm Network Service - For Self
	(a)	(b)	(c)	(d)	(e)
1	January				
2	February				
3	March				
4	Total for Quarter 1				
5	April				
6	May				
7	June				
8	Total for Quarter 2				
9	July				
10	August				
11	September				
12	Total for Quarter 3				
13	October				
14	November				
15	December				
16	Total for Quarter 4				
17	Total for Year to Date/Year	N/A	N/A	N/A	N/A

Name of Respondent Nantucket Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2021	Year of Report Dec 31, <u>2020</u>
PART XXIII: Monthly Transmission System Peak Load (Continued)					
Firm Network Service - For Others (f)	Long-Term Firm Point-to-Point Reservations (g)	Other Long-Term Firm service (h)	Short-Term Firm Point-to-Point Reservations (i)	Other Service (j)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
N/A	N/A	N/A	N/A	N/A	17

Name of Respondent Nantucket Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo., Da., Yr.) 03/31/2021	Year/Period of Report End of 2020
Transmission Service and Generation Interconnection Study Costs					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
Transmission Studies					
1	N/A				
2					
3					
4					
5					
6					
7					
8					
9					
10					

Generation Studies					
11	N/A				
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent Nantucket Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo., Da., Yr.) 03/31/2021	Year/Period of Report End of 2020
AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS					
1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements.					
Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
8					
9					
10					
11					
12	Total	N/A	N/A	N/A	N/A

DEPARTMENT OF PUBLIC UTILITIES

This statement is filed in accordance with Chapter 164, Section 84A

CONDENSED FINANCIAL RETURN FOR THE YEAR ENDED DECEMBER 31, 2020

FULL NAME OF COMPANY - NANTUCKET ELECTRIC COMPANY

LOCATION OF PRINCIPAL BUSINESS OFFICE - 40 Sylvan Road, Waltham, MA 02451

STATEMENT OF INCOME FOR THE YEAR

See Copy of Statement of Income Filed with the DPU Return Attached

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME	\$	\$
Operating Revenues		
Operating Expenses:		
Operation Expense		
Maintenance Expense		
Depreciation Expense		
Amortization of Utility Plant		
Amortization of Property Losses		
Amortization of Conversion Expenses		
Taxes Other Than Income Taxes		
Income Taxes		
Provisions for Deferred Federal Income Taxes		
Federal Income Taxes Deferred in Prior Years - Cr		
Total Operating Expenses		
Net Operating Revenues		
Income from Utility Plant Leased to Others		
Other Utility Operating Income		
Total Utility Operating Income		
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work		
Income from Nonutility Operations		
Nonoperating Rental Income		
Interest and Dividend Income		
Miscellaneous Nonoperating Income		
Total Other Income		
Total Income		
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization		
Other Income Deductions		
Total Income Deductions		
Income Before Interest Charges		
INTEREST CHARGES		
Interest on Long-Term Debt		
Amortization of Debt Discount and Expense		
Amortization of Premium on Debt - Credit		
Interest on Debt to Associated Companies		
Other Interest Expense		
Interest Charged to Construction - Credit		
Total Interest Charges		
Net Income		

See Copy of Balance Sheet Filed with the DPU Return Attached

NOTES:


NANTUCKET ELECTRIC COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF EARNED SURPLUS			
Unappropriated Earned Surplus (at beginning of period).....	\$		
Balance Transferred from Income.....			
Miscellaneous Credits to Surplus.....			
Miscellaneous Debits to Surplus.....			
Appropriations of Surplus.....			
Net Additons to Earned Surplus.....			
Dividends Declared -- Preferred Stock.....			
Dividends Declared -- Common Stock.....			
Unappropriated Earned Surplus (at end of period).....			
ELECTRIC OPERATING REVENUES			
Account	Operating Revenues		
	Amount for Year	Increase or (Decrease) from Preceding Year	
SALES OF ELECTRICITY	\$	\$	
Residential Sales.....	2,014,345	899,753	
Commercial and Industrial Sales.....			
Small (or Commercial).....	257,443	108,687	
Large (or Industrial).....	2,512	769	
Public Street and Highway Lighting.....	(121)	159	
Other Sales to Public Authorities.....			
Sales to Railroad and Railways.....			
Interdepartmental Sales.....			
Miscellaneous Electric Sales.....			
Provision for Rate Refunds.....	398,207	466,007	
Total Sales to Ultimate Consumers.....	1,875,972	543,361	
Sales for Resale.....			
Total Sales of Electricity.....	1,875,972	543,361	
OTHER OPERATING REVENUES			
Forfeited Discounts.....	3,902	(15,955)	
Miscellaneous Service Revenues.....	2,251,121	(4,979,582)	
Sales of Water and Water Power.....			
Rent from Electric Property.....	587,320	51,485	
Interdepartmental Rents.....			
Other Electric Revenues.....	19,183,344	5,990,170	
Total Other Operating Revenues.....	22,025,687	1,046,118	
Total Electric Operating Revenues.....	\$ 23,901,659	\$ 1,589,479	
SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES			
Functional Classification	Operation	Maintenance	Total
Power Production Expenses	\$	\$	\$
Electric Generation:			
Steam Power.....			
Nuclear Power.....			
Hydraulic Power.....			
Other Power.....			
Other Power Supply Expenses.....	1,738,837	-	1,738,837
Total Power Production Expenses.....	1,738,837	-	1,738,837
Transmission Expenses.....	3,905,254	-	3,905,254
Distribution Expenses.....	781,790	1,530,842	2,312,632
Customer Accounts Expenses.....	1,083,704	-	1,083,704
Sales Expenses.....	7,322	-	7,322
Administrative and General Expenses.....	3,044,852	499	3,045,351
Total Electric Oper. and Maint. Expenses	\$ 10,561,759	\$ 1,531,341	\$ 12,093,100


NANTUCKET ELECTRIC COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2020

GAS OPERATING REVENUES		(Not Applicable)	
Account	Operating Revenues		
	Amount for Year	Increase of (Decrease) from Preceding Year	
SALES OF GAS			
Residential Sales.....	\$	\$	
Commercial and Industrial Sales.....			
Small (or Commercial).....			
Large (or Industrial).....			
Other Sales to Public Authorities.....			
Interdepartmental Sales.....			
Miscellaneous Gas Sales.....			
Total Sales to Ultimate Consumers.....			
Sales for Resale.....			
Total Sales of Gas.....			
OTHER OPERATING REVENUES			
Forfeited Discounts.....			
Miscellaneous Service Revenues.....			
Revenues from Transportation of Gas of Others.....			
Sales of Products Extracted from Natural Gas.....			
Revenues from Natural Gas Processed by Others.....			
Rent from Gas Property.....			
Interdepartmental Rents.....			
Other Gas Revenues.....			
Total Other Operating Revenues.....			
Total Gas Operating Revenues.....			
SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES			
(Not Applicable)			
Functional Classification	Operation	Maintenance	Total
Steam Production.....	\$	\$	\$
Manufactured Gas Production.....			
Other Gas Supply Expenses.....			
Total Production Expenses.....			
Local Storage Expenses.....			
Transmission and Distribution Expenses.....			
Customer Accounts Expenses.....			
Sales Expenses.....			
Administrative and General Expenses.....			
Total Gas Operation and Maintenance Exp....			
<p>...31.March, 2021, I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.</p> <div style="text-align: right; margin-top: 20px;"> <p>Christopher McCusker </p> <p>-----</p> <p>VP, NE Controller</p> </div> <div style="text-align: right; margin-top: 20px;"> <p>Christina Bostic</p> <p>-----</p> <p>VP, US Treasurer</p> </div>			

NANTUCKET ELECTRIC COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2020

GAS OPERATING REVENUES		(Not Applicable)	
Account	Operating Revenues		
	Amount for Year	Increase of (Decrease) from Preceding Year	
SALES OF GAS			
Residential Sales.....	\$	\$	
Commercial and Industrial Sales.....			
Small (or Commercial).....			
Large (or Industrial).....			
Other Sales to Public Authorities.....			
Interdepartmental Sales.....			
Miscellaneous Gas Sales.....			
Total Sales to Ultimate Consumers.....			
Sales for Resale.....			
Total Sales of Gas.....			
OTHER OPERATING REVENUES			
Forfeited Discounts.....			
Miscellaneous Service Revenues.....			
Revenues from Transportation of Gas of Others.....			
Sales of Products Extracted from Natural Gas.....			
Revenues from Natural Gas Processed by Others.....			
Rent from Gas Property.....			
Interdepartmental Rents.....			
Other Gas Revenues.....			
Total Other Operating Revenues.....			
Total Gas Operating Revenues.....			
SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES			
(Not Applicable)			
Functional Classification	Operation	Maintenance	Total
Steam Production.....	\$	\$	\$
Manufactured Gas Production.....			
Other Gas Supply Expenses.....			
Total Production Expenses.....			
Local Storage Expenses.....			
Transmission and Distribution Expenses.....			
Customer Accounts Expenses.....			
Sales Expenses.....			
Administrative and General Expenses.....			
Total Gas Operation and Maintenance Exp....			
<p>...31.March, 2021, I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.</p> <div style="text-align: right; margin-top: 20px;"> <p>Christopher McCusker</p> <p>-----</p> <p>VP, NE Controller</p> </div> <div style="text-align: right; margin-top: 20px;"> <p>Christina Bostic</p> <p>-----</p> <p></p> <p>VP, US Treasurer</p> </div>			

Massachusetts Department of Public Utilities (DPU) Filing

Nantucket Electric Company

December 31, 2020

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Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2021	Year of Report December 31, 2020
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GENERAL INFORMATION

PRINCIPAL AND SALARIED OFFICERS* (As of December 31, 2020)			
Titles	Names	Addresses	Annual Salaries ⁽¹⁾
Vice President, CFO and Director	McNeill, Brian	Brooklyn, NY	\$ 900
Vice President and Treasurer	Bostic, Christina	Waltham, MA	\$ 1,376
Senior Vice President	Sweet-Zavaglia, Keri	Syracuse, NY	\$ 635
Senior Vice President	Bracken, Vivienne	Warwick, UK	\$ -
President and Director	Reed, Marcy L.	Waltham, MA	\$ 3,614
Vice President and Controller	McCusker, Christopher	Waltham, MA	\$ 1,246
Vice President and Director	McCallan, Michael	Worcester, MA	\$ 314

DIRECTORS* (As of December 31, 2020)		
Names	Addresses	Fees Paid During Year
McNeill, Brian McCallan, Michael Reed, Marcy L.	Brooklyn, NY Worcester, MA Waltham, MA	None None None
* By General Laws, Chapter 164, Section 83, the Return must contain a "list of the names of all their salaried officers and the amount of the salary paid to each," and by Section 77, the Department is required to include in its annual report "the names and addresses of the principal officers and of the directors."		

(1) Salary paid by National Grid USA Service Company, Inc. (an associated company). The amounts disclosed herein represent only the portion of the officers' salary that is allocated to the Company.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Nantucket Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 31, 2021	December 31, 2020

GENERAL INFORMATION - Continued

1. Corporate name of company making this report,
Nantucket Electric Company

2. Date of organization,
January 8, 1895

3. Date of incorporation,
January 8, 1895

4. Give location (including street and number) of principal business office:--
40 Sylvan Road, Waltham, Massachusetts 02451

5. Total number of stockholders, 1

6. Number of stockholders in Massachusetts, 1

7. Amount of stock held in Massachusetts, No. of shares, 1 \$ 1

8. Capital stock issued prior to June 5, 1894, No. of shares, None \$ None

9. Capital stock issued with approval of Board of Gas and Electric Light Commissioners or Department of Public Utilities since June 5, 1894, No. of shares, 1 \$ 1

Total 1 share, par value, \$ 1 outstanding December 31, 2020

<u>Class</u>	<u>No. Shares</u>	<u>Par Value</u>	<u>Amount</u>
Common	1	\$1	\$1
	----- 1		----- \$1

10. If any stock has been issued during the last fiscal period, give the date and terms upon which such issue was offered to the stockholders, and if the whole or any part of the issue was sold at auction, the date or dates of such sale or sales, the number of shares sold and the amounts realized therefrom.

None

11. Management Fees and Expenses During the Year.

List all individuals, corporations or concerns with whom the company has any contracts or agreement covering management or supervision of its affairs, such as accounting, financing, engineering, construction, purchasing, operation, etc., and show the total amount paid to each for the year.

National Grid USA Service Company, Inc., pursuant to an agreement, a copy of which is on file with the Massachusetts Department of Public Utilities, rendered various services in 2020 as requested, at the actual cost thereof, pursuant to rules and orders of the Federal Energy Regulatory Commission. See Page S18 for additional detail.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2021	Year of Report December 31, 2020
Nantucket Electric Company			
GENERAL INFORMATION - Continued			
Names of the cities or towns in which the company supplies ELECTRICITY, with the number of customers' meters in each place.			
City or Town	Number of Customers' Meters December 31, 2020	City or Town	Number of Customers' Meters December 31, 2020
Nantucket	14,194		
		Total	14,194

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) March 31, 2021		December 31, 2020	
<p align="center">NOTES RECEIVABLE (Account 141) (Not Applicable)</p> <p>1. Give the particulars called for below concerning notes receivable at end of year. 2. Give particulars of any note pledged or discounted. 3. Minor items may be grouped by classes, showing number of such items. 4. Designate any note the maker of which is a director, officer or other employee.</p>							
Line No.	Name of Maker and Purpose for Which Received (a)	Date of Issue (b)	Date of Maturity (c)	Interest Rate (d)	Amount End of Year (e)		
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12				Total	\$		

Name of Respondent		This Report Is:	Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 31, 2021	December 31, 2020

ACCOUNTS RECEIVABLE (Accounts 142,143)

1. Give the particulars called for below concerning accounts receivable at end of year.
2. Designate any account included in Account 143 in excess of \$5,000.

Line No.	Description (a)	Amount End of Year (b)
1	Customers (Account 142):	3,727,628
2	Electric (Includes \$ 0.00 Unbilled Revenue).....	
3		
4	Other Electric and Gas Utilities.....	
5	Other Accounts Receivable (Account 143):	
6	Officers and employees.....	
7	Due on subscriptions to capital stock (state class series	
8	of stock).....	
9		
10	Miscellaneous (group and describe by classes):	41,559
11	Union Billable Labor	429
12	Sundries	762
13	Other A/R - Non-Associated	219
14		
15		
16		42,969
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
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42		
43		
44		
45		
46		
47		
48		
49		
50		
51		
52		
53		
54		
55		
56		
57	Total	\$ 3,770,597

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) March 31, 2021		Year of Report December 31, 2020	
PRODUCTION FUEL AND OIL STOCKS (Included in Account 151) (Except Nuclear Materials) 1. Report below the information called for concerning production fuel and oil stocks. 2. Show quantities in tons of 2,000 lbs., or Mcf, whichever unit of quantity is applicable. 3. Each kind of coal or oil should be shown separately. 4. Show electric fuels separately by specific use.							
Line No.	Item (a)	Total Cost (b)	Kinds of Fuel and Oil				
			Quantity (c)	Cost (d)	Quantity (e)	Cost (f)	
1	On hand Beginning of Year						\$
2	Received During Year						
3	TOTAL						
4	Used During Year (Note A)						
5							
6							
7							
8	Sold or Transferred						
9	TOTAL DISPOSED OF						
10	BALANCE END OF YEAR						
Line No.	Item (g)	Kinds of Fuel and Oil - Continued					
		Quantity (h)	Cost (i)	Quantity (j)	Cost (k)		
11	On hand Beginning of Year		\$		\$		
12	Received During Year						
13	TOTAL						
14	Used During Year (Note A)						
15							
16							
17							
18	Sold or Transferred						
19	TOTAL DISPOSED OF						
20	BALANCE END OF YEAR						

Note A -- Indicate specific purpose for which used, e.g., Boiler Oil, Make Oil, Generator Fuel, etc.

Name of Respondent Nantucket Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) March 31, 2021		Year of Report December 31, 2020	
<p>DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT (Account 187) (Not Applicable)</p> <p>1. In column (a) give a brief description of property creating the deferred loss and the date the loss was recognized. Identify items by department where applicable.</p> <p>2. Losses on property with an original cost of less than \$50,000 may be grouped. The number of items making up the grouped amount shall be reported in column (a).</p> <p>3. In column (b) give date of Commisiion approval of journal entries. Where approval has not been received, give explanation following the respective item in column (a). (See Account 187, Deferred Losses From sale of Utility Plant.)</p>							
Line No.	Description of Property (a)	Date J.E. Approved (b)	Total Amount of Loss (c)	Balance Beginning of Year (d)	Current Year		Balance End of Year (g)
					Amortizations to Acc. 411,6 (e)	Additional Losses (f)	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Total		\$	\$	\$	\$	\$

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 31, 2021	December 31, 2020	
<p style="text-align: center;">NOTES PAYABLE (Account 231)</p> <p style="text-align: center;">Report particulars indicated concerning notes payable at year end (Not Applicable)</p>					
Line No.	Payee (a)	Date of Note (b)	Date of Maturity (c)	Int. Rate (d)	Balance End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Total				\$ -

Name of Respondent		This Report Is:	Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 31, 2021	December 31, 2020
PAYABLE TO ASSOCIATED COMPANIES (Accounts 233, 234)				
Report particulars of notes and accounts payable to associated companies at end of year.				
Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
	<u>Account 234</u>			
1	National Grid USA Parent	\$ 1,077,666		
2	NGUSA Service Company	627,743		
3	NG Engineering Svcs, LLC	35		
4	Massachusetts Electric Co	211,186		
5	Boston Gas Company	826		
6	The Narragansett Electric Company	913		
7	Niagara Mohawk Power Corporation	148		
8	The Brooklyn Union Gas Company	183		
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23	Total Account 234	1,918,700		
24	<u>Account 233</u>			
25				
26	National Grid USA Service Co., Inc.			
27	(Money Pool)	-	1.09%	-
28				
29				
	Totals	\$ 1,918,700		\$ -

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		March 31, 2021		December 31, 2020	
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT (Account 256) (Not Applicable)							
1. In column (a) give a brief description of property creating the deferred loss and the date the loss was recognized. Identify items by department where applicable. 2. Losses on property with an original cost of less than \$50,000 may be grouped. The number of items making up the grouped amount shall be reported in column (a). 3. In column (b) give date of Commisiion approval of journal entries. Where approval has not been received, give explanation following the respective item in column (a). (See Account 187, Deferred Losses From sale of Utility Plant.)							
Line No.	Description of Property (a)	Date J.E. Approved (b)	Total Amount of Loss (c)	Balance Beginning of Year (d)	Current Year		Balance End of Year (g)
					Amortizations to Acc. 411,6 (e)	Additional Losses (f)	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23	Total		\$	\$	\$	\$	\$

Name of Respondent		This Report Is:		Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) March 31, 2021	December 31, 2020

OPERATING RESERVES (Accounts 261, 262, 263, 265)

1. Report below an analysis of the changes during the year for each of the above-named reserves.
2. Show name of reserve and account number, balance beginning of year, credits, debits, and balance at end of year. Credit amounts should be shown in black, debit amounts enclosed by parentheses.
3. Each credit and debit amount should be described as to its general nature and the contra account debited or credited shown. Combine the amounts of monthly accounting entries of the same general nature. If respondent has more than one utility department, contra accounts debited or credited should indicate the utility department affected.
4. For Accounts 261, Property Insurance Reserve, 262, Injuries and Damages Reserve, explain the nature of the risks covered by the reserve.
5. For Account 265, Miscellaneous Operating Reserves, report separately each reserve composing the account and explain briefly its purpose.

Line No.	Name of Reserve (a)	Bal. Beg. of Year (b)	Contra Acct. Debited Credited (c)	Debits (c)	Credits (d)	Balance at end of Year
1	<u>Account 262 (FERC 228.2)</u>					
2						
3						
4	Incurred but Not Reported 'Reserves (IBNR)	\$ 29,672	925	\$ 16,200	\$ 1,943	\$ 15,415
5						
6	Injuries and Damages (includes Gen, Auto and OCIP)	2,183	228.2/242	6,410	5,318	1,091
7						
8						
9	Account 262 Subtotal	31,855		22,610	7,261	16,506
10						
11	<u>Account 263 (FERC 228.3):</u>					
12						
13	Pension	1,590,432	926/232	903,035	704,664	1,392,061
14						
15	Other Post Employment Benefits	3,177,667	234/242	158,412	225,256	3,244,511
16						
17	Account 263 Subtotal	4,768,099		1,061,447	929,920	4,636,572
18						
19						
20						
21	<u>Account 265 (FERC 253)</u>					
22						
23	FAS 112	297,658	926	14,778	3,026	285,906
24						
25	FIN 48 Income Tax Liability	124,217	282/283	170,647	70,815	24,385
26						
27	Other Provision	12,000		-	-	12,000
28						
29						
30						
31	Account 265 Subtotal	433,875		185,425	73,841	322,291
32						
33						
34	Total	\$ 5,233,829		\$ 1,269,482	\$ 1,011,022	\$ 4,975,369

Name of Respondent			This Report Is:		Date of Report	Year of Report	
Nantucket Electric Company			(1)[x] An Original (2)[] A Resubmission		(Mo, Da, Yr) March 31, 2021	December 31, 2020	
SALES OF ELECTRICITY TO ULTIMATE CONSUMERS							
Report by account, the k.W.h. sold, the amount derived and the number of customers under each filed schedule or contract. Contract sales and unbilled sales may be reported separately in total.							
Line No.	Account No.	Schedule (a)	k.W.h (b)	Revenue (c)	Average Revenue per k.W.h. (d)	Number of Customers (Per Bills Rendered)	
						July 31, (e)	December 31, (f)
1	440	S-6 St Lt - Security	0	\$ -	0.0000	15	21
2		E Res-Elec Space Htg.	0	-	0.0000	-	-
3		R-1 Residential	117,253,388	1,977,231	1.6863	11,724	11,852
4		R-2 Res. Low Income	1,249,907	28,462	2.2771	138	142
5		G-1 Gen. Serv. Small	316,377	8,652	2.7347	47	47
6							
7		Total Account 440	118,819,672	2,014,345	1.6953	11,924	12,062
8		Rate Refunds, Net	(108,004)	(276,032)			
9							
10	442						
11		R-1 Residential	137,734	9,623	6.9867	42	41
12		G-1 Gen. Serv.Small	22,325,066	197,427	0.8843	1,485	1,513
13		G-2 Gen. Serv. Demand	16,699,115	28,495	0.1706	75	76
14		G-3 Time Of Use-Large	13,165,275	24,410	0.1854	12	11
15		S4A St Lt - Security	246		0.0000	1	1
16							
17							
18		Total Account 442	52,327,436	259,955	0.4968	1,615	1,643
19		Rate Refunds, Net	(47,564)	(121,563)			
20							
21	444						
22		S-1 St.Lt.Co.Own Equip.	184,697	(85)	-0.0458	1	1
23		S-3 St.Lt.U/G Div. of Own	79,104	(36)	-0.0458	4	4
24		G-1 Gen. Serv. Small	0	-	0.0000	-	-
25							
26		Total Account 444	263,801	(121)	-0.0458	5	5
27		Rate Refunds, Net	(240)	(613)			
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							
52		Total					
53		Unbilled					
54	TOTAL SALES TO ULTIMATE CONSUMERS		171,255,101	\$ 1,875,972	1.0954	13,544	13,710

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OTHER UTILITY OPERATING INCOME (Account 414) (Not Applicable)					
Report below the particulars called for in each column.					
Line No.	Property (a)	Amount of Investment (b)	Amount of Revenue (c)	Amount of Operating Expenses (d)	Gain or (Loss) from Operation (e)
1		\$	\$	\$	\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32	Total	\$	\$	\$	\$

Name of Respondent Nantuckett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2021	Year of Report December 31, 2020
OVERHEAD DISTRIBUTION LINES OPERATED				
Line No.		Wood Poles	Length (Pole Miles) Steel Towers	Total
1	Miles - Beginning of Year	137.18		137.18
2	Added During Year	19.80		19.80
3	Retired During Year	(8.97)		(8.97)
	Adjusted During Year.....			
4	Miles - End of Year	148.01		148.01
5				
6				
7				
8	Distribution System Characteristics - A.C. or D.C., phase, cycles and operating voltages for light and power.			
9				
10				
11				
12				
13				
14				
15				
ELECTRIC DISTRIBUTION SERVICES				
Line No.	Item	Electric Services		
16	Number at beginning of year	7,094		
17	Additions during year :			
18	Purchased			
19	Installed	22		
20	Associated with utility plant acquired			
21	Total additions	22		
22	Reductions during year :			
23	Retirements	(24)		
24	Associated with utility plant sold			
25	Total reductions	(24)		
26	Adjustments during year:			
27	Adjustments	-		
28	Adjustments due to miscalculation in prior years.....	-		
29				
30	Number at End of Year	7,092		

[illegible]

Name of Respondent		This Report Is:	Date of Report	Year of Report
NANTUCKET ELECTRIC COMPANY		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 31, 2021	December 31, 2020
RATE SCHEDULE INFORMATION				
1. Attach copies of all filed rates for general consumers.				
2. Show below the changes in rate schedules during the year and the established increase or decrease in annual revenue predicated on the previous year's operations.				
Date Effective	M.D.P.U. Number	Rate Schedule	Estimated Effect on Annual Revenues	
			Increases	Decreases
10/1/2019	1424	RESIDENTIAL REGULAR R-1		
10/1/2019	1425	RESIDENTIAL-LOW INCOME R-2		
		R-1/R-2 COMBINED	8%	
10/1/2019	1426	GENERAL SERVICE - SMALL COMMERCIAL AND INDUSTRIAL G-1	12%	
10/1/2019	1427	GENERAL SERVICE - DEMAND G-2	9%	
10/1/2019	1428	TIME-OF-USE - G-3	3%	
10/1/2020	1450	STREET AND AREA LIGHTING – COMPANY OWNED EQUIPMENT S-1		
10/1/2020	1451	STREET LIGHTING – OVERHEAD – CUSTOMER OWNED EQUIPMENT S-2		
10/1/2020	1452	STREET LIGHTING – UNDERGROUND – DIVISION OF OWNERSHIP S-3		
10/1/2019	1432	STREET AND AREA LIGHTING – CUSTOMER OWNED EQUIPMENT S-5		
10/1/2020	1453	DECORATIVE STREET AND AREA LIGHTING – COMPANY OWNED EQUIPMENT S-6		
		STREET AND AREA LIGHTING COMBINED	6%	

Note: Effect on annual revenues is estimated for Massachusetts Electric Company and Nantucket Electric Company combined, together doing business as National Grid and includes estimated impact of changes in Net CapEx Factors, Residential Assistance Adjustment Factors, Storm Fund Replenishment Factors, Revenue Decoupling Mechanism Factors, Solar Cost Adjustment Factors, Pension/PBOP Adjustment Factors, Basic Service Administrative Cost Factors and Net Metering Recovery Surcharges

Name of Respondent		This Report Is:		Date of Report	Year of Report
Nantucket Electric Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) March 31, 2021	December 31, 2020
ADVERTISING EXPENSES					
Line No.	Account No.	Type (a)	General Description (b)	Amount for Year (c)	
1	<u>Account 99090000</u>	<u>Information and Instructional Advertising Expense</u>			
2					
3			Commercial & Industrial Existing Building	\$	102
4			Commercial & Industrial New Buildings & Major Repairs		109
5			Commercial & Industrial Statewide Marketing		2,468
6			Residential Adminstrative & General		104
7			Residential Coordinated Delivery		2,375
8			Residential Home Energy Services		7,497
9			Residential Cooling & Heating		21,810
10			Residential Consumer Product		2,730
11			Residential Statewide Market		2,866
12			Residential Education		1,306
13			Residential Coordinated Delivery - Attached Low Rise		2,412
14			Residential Coordinated Delivery - Single Family		2,531
15			Low-Income Statewide Marketing		644
16			Minor Items <\$100.00		121
17			National Grid - Demand Side Management		1,193
18			National Grid - Salary Expense		93
19			New Product & Energy - Salary Expense		30
20					
21			Information and Instructional Advertising Expense Subtotal		48,393
22					
23					
24	<u>Account 99130000</u>	<u>Advertising Expenses</u>			
25			Digital Outside Services		3,427
26			Digital Web/Social		268
27			DigitalWeb/Social/Email/Mobile Communication		1,858
28			Branding Events Brand Deployment		647
29			National Grid -genaral brand deployment an infrastructure		343
30					
31			Advertising Expenses Subtotal		6,543
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54	TOTAL			\$	54,936

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2021	Year of Report December 31, 2020
Nantucket Electric Company			
CHARGES FOR OUTSIDE SERVICES (Continued)			
1. Report the information specified below for all charges made during the year included in any account			
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside services, such as services concerning rates, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounted to 5% or more of total charges for outside professional and other consultative services, including payments for legislative services except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities:</p> <p>(a) Name and address of person or organization rendering services, (b) description of services received during year and project or case to which services relate, (c) basis of charges, (d) total charges for the year, detailing utility department and account charges.</p> <p>2. For aggregate payments to any one individual, group, partnership, corporation or organization of any kind in excess of \$25,000 (not included in No. 1), there shall be reported the name of the payee, the predominant nature of the services performed and the amount of payment. Amounts charged to plant accounts shall be reported separately.</p> <p>3. All charges not reported under No. 1 or 2 shall be aggregated by the type of service and each type shall show the amount charged. Amounts charged to plant accounts shall be reported separately for each type.</p> <p>4. For any such services which are of a continuing nature give date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>5. Designate associated companies.</p>			
1	1. (a) National Grid USA Service Company (Associated Company)		
2	40 Sylvan Road, Waltham, Massachusetts 02451		
3			
4	(b) The following services are rendered:		
5			
6	Servicing Division:		
7			
8	Purchasing, Stores, Rates, Advertising, Employee Relations,		
9	Treasury, Accounting, Audit, Insurance, Taxes, Emergency		
10	Service, Administrative and Budgeting.		
11			
12	Engineering and Construction Division:		
13	Civil and Mechanical Engineering, Electrical and District		
14	Engineering, Transmission Lines and Properties, Engineering		
15	Supervision, Construction, Emergency and Miscellaneous.		
16			
17	(c) At cost, including interest on borrowed capital and a reasonable		
18	return on amount of capital necessary to perform services.		
19	Services performed by the Service Company for companies in		
20	the National Grid USA system will be rendered to them at cost		
21	in accordance with the service contracts between Service Company		
22	and its associate companies.		

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Nantucket Electric Company			
CHARGES FOR OUTSIDE SERVICES (Continued)			
23			
24	4. Service Agreement dated as of November 5, 2012 between National Grid USA Service Company, Inc.		
25	and certain and certain of its affiliates party thereto.		
26			
27	5. A Mutual Assistance Agreement dated as of March 28, 2008, as extended by a letter agreement effective as of March 19, 2022.		
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CHARGES FOR OUTSIDE SERVICES (Continued)			
71			
72	<u>Account #</u>		
73		<u>Transmission Expenses</u>	
74	95620000 Station Expenses	\$	44
75	95660000 Miscellaneous Transmission Expenses		16,250
76			
77	Total Transmission Expenses	\$	16,294
78			
79		<u>Distribution Expenses</u>	
80	95800000 Operation Supervision and Engineering	\$	60,344
81	95810000 Load Dispatching		55,524
82	95820000 Station Expenses		1,441
83	95830000 Overhead Line Expenses		7,314
84	95840000 Underground Line Expenses		3,285
85	95860000 Meter Expenses		3,414
86	95870000 Customer Installation Expenses		112
87	95880000 Miscellaneous Distribution Expenses		50,880
88	95900000 Maintenance Supervision and Engineering		699
89	95920000 Maintenance of Station Equipment		5,823
90	95930000 Maintenance of Overhead Lines		72,023
91	95940000 Maintenance of Underground Lines		397
92	95950000 Maintenance of Line Transformers		667
93	95970000 Maintenance of Meters		158
94	95980000 Maintenance of Miscellaneous Distribution Plant		382
95			
96	Total Distribution Expenses	\$	262,463
97			
98		<u>Customer Expenses</u>	
99	99010000 Supervision	\$	24,036
100	99030000 Customer Records and Collection Expenses		259,115
101	99040000 Uncollectible Accounts		2,264
102	99050000 Miscellaneous Customer Accounts Expenses		26,562
103	99070000 Supervision		7
104	99080000 Customer Assistance Expenses		97,037
105	99090000 Information and Instructional Advertising Expenses		1,694
106	99100000 Miscellaneous Customer Service and Information Expenses		74,334
107			
108	Total Customer Expenses	\$	485,049
109			
110		<u>Sales Expenses</u>	
111	99110000 Supervision	\$	338
112	99130000 Advertising Expenses		4,034
113	99160000 Miscellaneous Sales Expenses		208
114			
115	Total Sales Expenses	\$	4,580
116			
117		<u>Administrative and General Expenses</u>	
118	99200000 Administrative and General Salaries	\$	729,558
119	99210000 Office Supplies and Expenses		146,275
120	99230000 Outside Services Employed		16
121	99240000 Property insurance		44,284
122	99250000 Injuries and damages		76,602
123	99260000 Employee Pensions and Benefits		568,212
124	99280000 Regulatory Commission Expenses		4,053
125	99302000 Miscellaneous General Expenses		13,539
126	99310000 Rents		253,601
127	99350000 Maintenance of General Plant		498
128			
129	Total Administrative and General Expenses	\$	1,836,638
130			
131	Total Electric Operating and Maintenance Expenses	\$	2,605,024
132			
133			

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CHARGES FOR OUTSIDE SERVICES (Continued)			
134			
135	<u>Account #</u>		
136			
137	91070000 Construction Work in Progress	\$	1,133,574
138	91080000 Accum Provision for Deprec		6,585
139	91630000 Stores Clearing		58,543
140	92420000 Curr&Accr Liab-Miscellaneous		5,054
141	94030000 Depreciation expense		38,883
142	94050000 Amortization of Other Plant		265,984
143	94081000 Taxes Other Than Inc Tax-Util Oper Inc		101,255
144	94171000 Expenses of Non-Utility Operations		5,600
145	94190000 Interest and Dividend Income		(7,261)
146	94210000 Misc Non-Operating Income		(15,449)
147	94261000 Donations		13,004
148	94262000 Life insurance		5,880
149	94264000 Exp Certain Civic, Political & Related Activ		2,214
150	94265000 Other deductions		(27,114)
151	94310000 Other Interest Expense		1,930
152			
153	Total Other Accounts	\$	<u>1,588,682</u>
154			
155	Total Charges	\$	<u>4,193,706</u>
156			
157			

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CHARGES FOR OUTSIDE SERVICES (Continued)			
158	<u>Payment for Outside Vendors and Other Consultative Service</u>		
159	<u>Vendor</u>		
160		<u>Plant Accounts</u>	
161	ASPLUNDH CONSTRUCTION LLC	\$	924,345
162	KOBO UTILITY CONSTRUCTION CORP.		405,947
163	BURNS AND MCDONNELL INC.		175,039
164	CLEAN HARBORS ENVIRONMENTAL SERVICE		124,925
165	O'HARA INDUSTRIAL SERVICES LLC		78,740
166	TOWN OF NANTUCKET		67,744
167	BSC GROUP INC		34,970
168	RDW GROUP INC		31,600
169	BOWDITCH AND DEWEY LLP		27,974
170	Other Vendors (37)		84,323
171			
172	Total Plant Accounts	\$	<u>1,955,607</u>
173			
174		<u>Operation Accounts</u>	
175	ASPLUNDH CONSTRUCTION LLC	\$	463,845
176	FTI CONSULTING INC.		197,104
177	PONTOON SOLUTIONS INC		178,397
178	VERIZON		56,329
179	COMPUTER SCIENCES CORP.		55,439
180	KOBO UTILITY CONSTRUCTION CORP.		52,502
181	NIXON PEABODY LLP		39,966
182	DELOITTE & TOUCHE LLP		38,220
183	ATOS IT SOLUTIONS AND SERVICES INC		34,033
184	EAST END MATERIALS INC		33,942
185	CONVERGENT OUTSOURCING INC		33,742
186	ERNST & YOUNG LLP		27,444
187	Other Vendors (440)		279,153
188			
189	Total Operation Accounts	\$	<u>1,490,114</u>
190			
191	Total Charges	\$	<u>3,445,721</u>
192			

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DEPOSITS AND COLLATERAL				
1. Statement of money and the value of any collateral held as guaranty for the payment of charges pursuant to Massachusetts General Laws. Chapter 164, Section 128.				
Line No.	Name of City or Town			Amount
1	Nantucket			\$ 83,025
2				
3				
4				
5				
6				
7				
8				
9				
10	Deposits on Hand = Cash received.			
11	*Provided by Billings Management			
12				
13				
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49				
50	Total			\$ 83,025

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THIS RETURN [THE FERC FORM NO. 1 AND THE MASSACHUSETTS SUPPLEMENT]
IS SIGNED UNDER THE PENALTIES OF PERJURY

Christopher McCusker

a n

VP, NE Controller

Christina Bostic

VP, US Treasurer

SIGNATURE OF ABOVE PARTIES AFFIXED OUTSIDE THE COMMONWEALTH OF
MASSACHUSETTS MUST BE PROPERLY SWORN TO

Middlesex County, MA ss. March 31 20 21

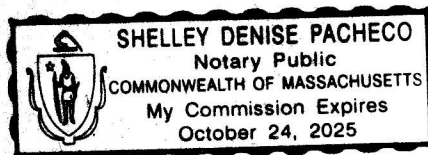
Then personally appeared

before me, Shelley Denise Pacheco,
a notary public on this day Christopher
McCusker proven through presentation of a
MA Drivers License to be the person subscribed
to the foregoing.

and severally made oath to the truth of the foregoing statement by them subscribed according to their best
knowledge and belief.

Shelley Denise Pacheco

Notary Public
Justice of the Peace



Name of Respondent	This Report Is:	Date of Report	Year of Report
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SIGNATURE OF ABOVE PARTIES AFFIXED OUTSIDE THE COMMONWEALTH OF
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Middlesex County, MA ss. March 31 2021

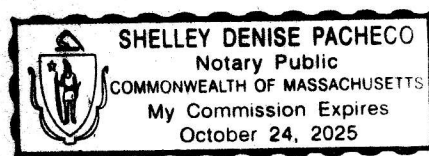
Then personally appeared

before me, Shelley Denise Pacheco
a notary public on this day Christina Bostic
proven through presentation of a MA Drivers
license to be the person subscribed to the
foregoing.

and severally made oath to the truth of the foregoing statement by them subscribed according to their best
knowledge and belief.

Shelley Denise Pacheco

Notary Public
Justice of the Peace



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RETURN ON EQUITY				
Line No.	FERC Form 1 Reference	Description	Amount (000's)	
1	Net Utility Income Available for Common Shareholders			
2				
3	Add: Page 117 Line 27	Net Utility Operating Income	\$	5,519
4				
5	Add:	Amort of Acquisition Premium		-
6				
7				
8				
9	Less: Page 117 Line 70	Net Interest Charges		542
10				
11	Less: Page 118 Line 31	Preferred Stock Dividends		-
12				
13	Net Utility Income Available for Common Shareholders			<u>4,977</u>
14				
15				
16	Total Utility Common Equity			
17				
18	Add: Page 112 Line 16	Total Proprietary Capital		78,292
19				
20	Add: Page 112 Line 9	Discount on Preferred Stock		-
21				
22	Add: Page 112 Line 10	Preferred Stock Expense		-
23				
24	Less: Page 112 Line 3	Preferred Stock Issued		-
25				
26	Less: Page 112 Line 12	Unappropriated, Undistributed Sub Earnings		-
27				
28	Less: Page 200 Line 12	Acquisition Adjustments		16,552
29				
30	Add: Page 200 Line 32	Amort of Plant Acquisition Adjustments		<u>846</u>
31				
32	Total Common Equity Excluding Unamort Acquisition Adjustment			62,586
33				
34	Electric Operations Allocator (Line 51 below)			<u>99.02%</u>
35				
36		Total Utility Common Equity		<u>61,973</u>
37				
38				
39	Electric Operations Allocator			
40				
41	Add: Page 110 Line 4	Total Utility Plant		155,142
42	Less: Page 200 Line 12	Acquisition Adjustments		<u>16,552</u>
43				<u>138,590</u>
44				
45				
46	Add: Page 110 Line 4	Total Utility Plant		155,142
47	Add: Page 110 Line 32	Total Other Property and Investment		1,373
48	Less: Page 200 Line 12	Acquisition Adjustments		<u>16,552</u>
49				<u>139,963</u>
50				
51		Electric Operations Allocator (Line 43 / Line 49)		<u>99.02%</u>
52				
53				
54				
55	Return on Equity	(Line 13 / Line 36)		<u>8.03%</u>
56				