

THE COMMONWEALTH OF MASSACHUSETTS

ANNUAL RETURN

OF THE

NANTUCKET ELECTRIC COMPANY

TO THE

DEPARTMENT OF PUBLIC UTILITIES

For the Year Ended December 31,

2021

nationalgrid

Commonwealth of Massachusetts
Department of Public Utilities
One South Station
Boston, MA 02110

STATEMENT OF OPERATING REVENUES

YEAR 2021

Name of Company

Nantucket Electric Company

D B A

Address

2 Hanson Place, 12th Floor
Brooklyn, NY 11217

Location on
Annual Return

Massachusetts Operating Revenues (Intrastate)

\$ 26,051,743

Refer to the FERC Form 1

Other Revenues (outside Massachusetts)

\$ 26,051,743

Refer to the FERC Form 1

Total Revenues

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

Signature

Name

Title


Christopher McCusker
VP, US Controller

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

| |
|---|
| THIS FILING IS |
| Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission OR <input type="checkbox"/> Resubmission No. |



**FERC FINANCIAL REPORT
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/Period of Report End of: 2021/ Q4 |
|---|--|

FERC FORM NO. 1-F ()

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 nonmajor public utilities and licensees subject to the jurisdiction of the Federal Energy Regulatory Commission.

II. Who Must Submit

Each Nonmajor Public Utility or Licensee, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities, Licensees, and Others 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). Each Nonmajor 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: Nonmajor means having total annual sales of 10,000 megawatt-hours or more in the previous calendar year and not classified as "Major."

III. What and Where to Submit

IV. Submit FERC Form Nos. 1 and 3-Q electronically through the eCollection portal at <https://eCollection.ferc.gov> and according to the specifications in the Form 1-F taxonomy.

- 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):

- 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
- 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 subdivision 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 [COMPANY NAME] for the year ended on which we have reported separately under date of [DATE] we have also reviewed schedules of [NAME OF SCHEDULES] 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.

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 <https://www.ferc.gov/general-information/ferc-forms>.

When to Submit 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 122 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: Information Clearance Officer, 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 |

Enter in whole dollars only.

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

When making revisions, please explain the reason for the resubmission in a footnote to the data field.

Enter Not applicable whenever a particular part is not applicable.

Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

| | | | | |
|---|---|---|-------------------------------|---|
| 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: 2022-03-31 | Year/Period of Report End of: 2021/ Q4 |
| Table of Contents | | | | |
| | Table of Contents | | | 1 |
| | Instructions | | | 2 |
| I | Identification | | | 3 |
| II | Annual Report Corporate Officer Certification | | | 3a |
| III | Comparative Balance Sheet | | | 4-5 |
| III | Comparative Balance Sheet (Assets and Other Debits) | | | |
| | Comparative Balance Sheet (Liabilities and Other Credits) | | | |
| IV | Statement of Income for the Year | | | 6-8 |
| V | Statement of Retained Earnings | | | 9 |
| VI | Statement of Cash Flows | | | 10-11 |
| VII | Statement of Accumulated Other Comprehensive Income and Hedging Activities | | | 12(a)(b) |
| VIII | Notes to Financial Statements | | | 13-14 |
| IX | Allowances | | | 15-16 |
| X | Other Regulatory Assets | | | 17 |
| XI | Data on Officers and Directors | | | 18 |
| XII | Accumulated Provision for Depreciation and Amortization of Utility Plant | | | 19 |
| XIII | Capital Stock Data | | | 19 |
| XIV | Long-Term Debt Data | | | 19 |
| XV | Other Regulatory Liabilities | | | 20 |
| XVI | Electric Sales Data for the Year | | | 21 |
| XVII | Electric Operation and Maintenance Expense | | | 21 |
| XVIII | Sales for Resale | | | 22 |
| XIX | Purchased Power | | | 23 |
| XX | Utility Plant Data | | | 24 |
| XXI | Footnote Data | | | 25 |
| XXII | Purchases and Sales of Ancillary Services | | | 26 |
| XXIII | Monthly Transmission System Peak Load | | | 27-28 |
| XXIV | Transmission Service and Generation Interconnection Study Costs | | | 29 |
| XXV | Amounts Included in ISO/RTO Settlement Statements | | | 30 |
| | Energy Storage Operations (Small Plants) | | | 419 |
| | SUBSTITUTE PAGES FOR NONMAJOR RESPONDENTS USING ACCOUNTS DESIGNATED FOR MAJOR CLASSIFICATION (Part 101) | | | |
| III | Comparative Balance Sheet (110-113) | | | |
| IV | Statement of Income for the Year (114-117) | | | |
| V | Statement of Retained Earnings for the Year (118-119) | | | |
| XX | Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (200-201, 204-207) | | | |
| XII | Accumulated Provision for Depreciation of Electric Utility Plant (219) | | | |
| XVI | Electric Operating Revenues (300-301) | | | |
| XVIII | Sales for Resale (310-311) | | | |
| XVII | Electric Operation and Maintenance Expenses (320-323) | | | |
| XIX | Purchased Power (326-327) | | | |

| PART I: IDENTIFICATION | | |
|--|--|--|
| 01 Exact Legal Name of Respondent Nantucket Electric Company | | 02 Year of Report End of: 2021/ Q4 |
| 03 Previous Name and Date of Change (If name changed during year) / | | |
| 04 Address of Principal Business Office at End of Year (Street, City, State, Zip Code) 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 (Street, City, State, Zip Code) 2 Hanson Place, Brooklyn, NY 11217 | | |
| 08 Telephone of Contact Person, Including Area Code (929) 324-4785 | 09 This Report is An Original / A Resubmission (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | 10 Date of Report (Mo, Da, Yr) 03/31/2022 |
| 11 Name of Officer Having Custody of the Books of Account Christopher McCusker | | 12 Title of Officer VP, US Controller |
| 13 Address of Officer Where Books of Account Are Kept (Street, City, State, Zip Code) 40 Sylvan Road, Waltham MA 02451 | | |
| 14 Name of State Where Respondent Is Incorporated MA | 15 Date of Incorporation (Mo, Da, Yr) 1905-04-12 | 16 If applicable, Reference to Law Incorporated Under GL15613 |
| 17 Explanation of Manner and Extent of Corporate Control (If the respondent controls or is controlled by any other corporation, business trust, or similar organization) | | |

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, US Controller | 3/30/2022 |

Title 18, U.S.C. 1001 makes it a crime for any person to 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: Nantucket Electric Company | | This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report: 03/31/2022 | Year/Period of Report End of: 2021/ 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 | 157,144,472 | 149,720,002 | |
| 3 | Construction Work in Progress (107) | 200 | 2,103,054 | 5,421,845 | |
| 4 | TOTAL Utility Plant (Enter Total of lines 2 and 3) | | 159,247,526 | 155,141,847 | |
| 5 | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115) | 200 | 61,154,092 | 58,888,292 | |
| 6 | Net Utility Plant (Enter Total of line 4 less 5) | | 98,093,434 | 96,253,555 | |
| 7 | Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1) | 202 | | | |
| 8 | Nuclear Fuel Materials and Assemblies-Stock Account (120.2) | | | | |
| 9 | Nuclear Fuel Assemblies in Reactor (120.3) | | | | |
| 10 | Spent Nuclear Fuel (120.4) | | | | |
| 11 | Nuclear Fuel Under Capital Leases (120.6) | | | | |
| 12 | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5) | 202 | | | |
| 13 | Net Nuclear Fuel (Enter Total of lines 7-11 less 12) | | | | |
| 14 | Net Utility Plant (Enter Total of lines 6 and 13) | | 98,093,434 | 96,253,555 | |
| 15 | Utility Plant Adjustments (116) | | | | |
| 16 | Gas Stored Underground - Noncurrent (117) | | | | |
| 17 | OTHER PROPERTY AND INVESTMENTS | | | | |
| 18 | Nonutility Property (121) | | 290,808 | 290,808 | |
| 19 | (Less) Accum. Prov. for Depr. and Amort. (122) | | 229,925 | 229,926 | |
| 20 | Investments in Associated Companies (123) | | | | |
| 21 | Investment in Subsidiary Companies (123.1) | 224 | | | |
| 23 | Noncurrent Portion of Allowances | 228 | | | |
| 24 | Other Investments (124) | | | | |
| 25 | Sinking Funds (125) | | | | |
| 26 | Depreciation Fund (126) | | | | |
| 27 | Amortization Fund - Federal (127) | | | | |
| 28 | Other Special Funds (128) | | | 1,312,244 | |
| 29 | Special Funds (Non Major Only) (129) | | | | |
| 30 | Long-Term Portion of Derivative Assets (175) | | | | |
| 31 | Long-Term Portion of Derivative Assets - Hedges (176) | | | | |
| 32 | TOTAL Other Property and Investments (Lines 18-21 and 23-31) | | 60,883 | 1,373,126 | |
| 33 | CURRENT AND ACCRUED ASSETS | | | | |
| 34 | Cash and Working Funds (Non-major Only) (130) | | | | |
| 35 | Cash (131) | | 114,130 | 58,801 | |
| 36 | Special Deposits (132-134) | | | | |
| 37 | Working Fund (135) | | | | |
| 38 | Temporary Cash Investments (136) | | | | |
| 39 | Notes Receivable (141) | | | | |
| 40 | Customer Accounts Receivable (142) | | 3,313,083 | 3,727,628 | |
| 41 | Other Accounts Receivable (143) | | 46,283 | 42,969 | |
| 42 | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144) | | 355,509 | 281,019 | |
| 43 | Notes Receivable from Associated Companies (145) | | 82,092,966 | 69,878,708 | |
| 44 | Accounts Receivable from Assoc. Companies (146) | | 718,336 | 1,211,803 | |
| 45 | Fuel Stock (151) | 227 | | | |
| 46 | Fuel Stock Expenses Undistributed (152) | 227 | | | |
| 47 | Residuals (Elec) and Extracted Products (153) | 227 | | | |
| 48 | | 227 | 311,735 | 570,050 | |

| | | | | |
|----|---|---------|-------------|-------------|
| | Plant Materials and Operating Supplies (154) | | | |
| 49 | Merchandise (155) | 227 | | |
| 50 | Other Materials and Supplies (156) | 227 | | |
| 51 | Nuclear Materials Held for Sale (157) | 202/227 | | |
| 52 | Allowances (158.1 and 158.2) | 228 | | |
| 53 | (Less) Noncurrent Portion of Allowances | 228 | | |
| 54 | Stores Expense Undistributed (163) | 227 | | |
| 55 | Gas Stored Underground - Current (164.1) | | | |
| 56 | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3) | | | |
| 57 | Prepayments (165) | | 21,295 | 3,653 |
| 58 | Advances for Gas (166-167) | | | |
| 59 | Interest and Dividends Receivable (171) | | | |
| 60 | Rents Receivable (172) | | 90,045 | 127,925 |
| 61 | Accrued Utility Revenues (173) | | 1,134,661 | 824,093 |
| 62 | Miscellaneous Current and Accrued Assets (174) | | | |
| 63 | Derivative Instrument Assets (175) | | | |
| 64 | (Less) Long-Term Portion of Derivative Instrument Assets (175) | | | |
| 65 | Derivative Instrument Assets - Hedges (176) | | | |
| 66 | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | | | |
| 67 | Total Current and Accrued Assets (Lines 34 through 66) | | 87,487,025 | 76,164,611 |
| 68 | DEFERRED DEBITS | | | |
| 69 | Unamortized Debt Expenses (181) | | 672,387 | 733,086 |
| 70 | Extraordinary Property Losses (182.1) | 230a | | |
| 71 | Unrecovered Plant and Regulatory Study Costs (182.2) | 230b | | |
| 72 | Other Regulatory Assets (182.3) | 232 | 3,726,726 | 4,195,697 |
| 73 | Prelim. Survey and Investigation Charges (Electric) (183) | | | |
| 74 | Preliminary Natural Gas Survey and Investigation Charges (183.1) | | | |
| 75 | Other Preliminary Survey and Investigation Charges (183.2) | | | |
| 76 | Clearing Accounts (184) | | 39 | 39,018 |
| 77 | Temporary Facilities (185) | | | |
| 78 | Miscellaneous Deferred Debits (186) | 233 | 6,759 | 16,383 |
| 79 | Def. Losses from Disposition of Utility Pkt. (187) | | | |
| 80 | Research, Devel. and Demonstration Expend. (188) | 352 | | |
| 81 | Unamortized Loss on Reacquired Debt (189) | | | |
| 82 | Accumulated Deferred Income Taxes (190) | 234 | 12,501,023 | 10,364,863 |
| 83 | Unrecovered Purchased Gas Costs (191) | | | |
| 84 | Total Deferred Debits (lines 69 through 83) | | 16,908,934 | 15,349,047 |
| 85 | TOTAL ASSETS (lines 14-16, 32, 67, and 84) | | 202,550,276 | 189,140,339 |

| 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 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
|---|---|---|--|----------------------------------|---|
| 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 | 1 | 1 | |
| 3 | Preferred Stock Issued (204) | 250 | | | |
| 4 | Capital Stock Subscribed (202, 205) | | | | |
| 5 | Stock Liability for Conversion (203, 206) | | | | |
| 6 | Premium on Capital Stock (207) | | | | |
| 7 | Other Paid-In Capital (208-211) | 253 | 31,654,511 | 31,041,381 | |
| 8 | Installments Received on Capital Stock (212) | 252 | | | |
| 9 | (Less) Discount on Capital Stock (213) | 254 | | | |
| 10 | (Less) Capital Stock Expense (214) | 254b | | | |
| 11 | Retained Earnings (215, 215.1, 216) | 118 | 53,527,469 | 47,212,268 | |
| 12 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 118 | | | |
| 13 | (Less) Reaquired Capital Stock (217) | 250 | | | |
| 14 | Noncorporate Proprietorship (Non-major only) (218) | | | | |
| 15 | Accumulated Other Comprehensive Income (219) | 122(a)(b) | 30,322 | 38,393 | |
| 16 | Total Proprietary Capital (lines 2 through 15) | | 85,212,303 | 78,292,043 | |
| 17 | LONG-TERM DEBT | | | | |
| 18 | Bonds (221) | 256 | 51,300,000 | 51,300,000 | |
| 19 | (Less) Reaquired Bonds (222) | 256 | | | |
| 20 | Advances from Associated Companies (223) | 256 | | | |
| 21 | Other Long-Term Debt (224) | 256 | | | |
| 22 | Unamortized Premium on Long-Term Debt (225) | | | | |
| 23 | (Less) Unamortized Discount on Long-Term Debt-Debit (226) | | | | |
| 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) | | 1,181,051 | 236,330 | |
| 27 | Accumulated Provision for Property Insurance (228.1) | | | | |
| 28 | Accumulated Provision for Injuries and Damages (228.2) | | 18,965 | 16,506 | |
| 29 | Accumulated Provision for Pensions and Benefits (228.3) | | 3,721,154 | 4,636,572 | |
| 30 | Accumulated Miscellaneous Operating Provisions (228.4) | | | | |
| 31 | Accumulated Provision for Rate Refunds (229) | | | | |
| 32 | Long-Term Portion of Derivative Instrument Liabilities | | | | |
| 33 | Long-Term Portion of Derivative Instrument Liabilities - Hedges | | | | |
| 34 | Asset Retirement Obligations (230) | | 8,283 | 7,922 | |
| 35 | Total Other Noncurrent Liabilities (lines 26 through 34) | | 4,929,453 | 4,897,330 | |
| 36 | CURRENT AND ACCRUED LIABILITIES | | | | |
| 37 | Notes Payable (231) | | | | |
| 38 | Accounts Payable (232) | | 2,286,059 | 2,121,312 | |
| 39 | Notes Payable to Associated Companies (233) | | | | |
| 40 | Accounts Payable to Associated Companies (234) | | 1,623,986 | 1,918,700 | |
| 41 | Customer Deposits (235) | | 77,256 | 83,025 | |
| 42 | Taxes Accrued (236) | 262 | 3,585,587 | 2,747,082 | |
| 43 | Interest Accrued (237) | | 9,536 | 10,163 | |
| 44 | Dividends Declared (238) | | | | |
| 45 | Matured Long-Term Debt (239) | | | | |
| 46 | Matured Interest (240) | | | | |
| 47 | | | 6,982 | 866 | |

| | | | | |
|----|---|-----|--------------------|--------------------|
| | Tax Collections Payable (241) | | | |
| 48 | Miscellaneous Current and Accrued Liabilities (242) | | 712,040 | 413,426 |
| 49 | Obligations Under Capital Leases-Current (243) | | 228,079 | 115,086 |
| 50 | Derivative Instrument Liabilities (244) | | | |
| 51 | (Less) Long-Term Portion of Derivative Instrument Liabilities | | | |
| 52 | Derivative Instrument Liabilities - Hedges (245) | | | |
| 53 | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges | | | |
| 54 | Total Current and Accrued Liabilities (lines 37 through 53) | | 8,529,525 | 7,409,660 |
| 55 | DEFERRED CREDITS | | | |
| 56 | Customer Advances for Construction (252) | | | |
| 57 | Accumulated Deferred Investment Tax Credits (255) | 266 | | |
| 58 | Deferred Gains from Disposition of Utility Plant (256) | | | |
| 59 | Other Deferred Credits (253) | 269 | 109,715 | 322,291 |
| 60 | Other Regulatory Liabilities (254) | 278 | 38,098,324 | 32,570,187 |
| 61 | Unamortized Gain on Reacquired Debt (257) | | | |
| 62 | Accum. Deferred Income Taxes-Accel. Amort.(281) | 272 | | |
| 63 | Accum. Deferred Income Taxes-Other Property (282) | | 13,309,318 | 13,147,979 |
| 64 | Accum. Deferred Income Taxes-Other (283) | | 1,061,638 | 1,200,849 |
| 65 | Total Deferred Credits (lines 56 through 64) | | 52,578,995 | 47,241,306 |
| 66 | TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65) | | 202,550,276 | 189,140,339 |

[illegible]

| | | | | | | | | | | | | |
|----|--|---------|------------|------------|--|--|------------|------------|--|--|--|--|
| 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) | | 19,462,240 | 18,382,947 | | | 19,462,240 | 18,382,947 | | | | |
| 27 | Net Util Oper Inc (Enter Tot line 2 less 25) | | 6,589,503 | 5,518,712 | | | 6,589,503 | 5,518,712 | | | | |
| 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) | | 729 | 4,525 | | | | | | | | |
| 34 | (Less) Expenses of Nonutility Operations (417.1) | | 42,423 | 5,600 | | | | | | | | |
| 35 | Nonoperating Rental Income (418) | | | | | | | | | | | |
| 36 | Equity in Earnings of Subsidiary Companies (418.1) | 119 | | | | | | | | | | |
| 37 | Interest and Dividend Income (419) | | 323,739 | 852,580 | | | | | | | | |
| 38 | Allowance for Other Funds Used During Construction (419.1) | | 56,955 | 89,309 | | | | | | | | |
| 39 | Miscellaneous Nonoperating Income (421) | | 46,420 | 50,419 | | | | | | | | |
| 40 | Gain on Disposition of Property (421.1) | | | | | | | | | | | |
| 41 | TOTAL Other Income (Enter Total of lines 31 thru 40) | | 385,420 | 992,715 | | | | | | | | |
| 42 | Other Income Deductions | | | | | | | | | | | |
| 43 | Loss on Disposition of Property (421.2) | | | | | | | | | | | |
| 44 | Miscellaneous Amortization (425) | | | | | | | | | | | |
| 45 | Donations (426.1) | | 13,154 | 13,093 | | | | | | | | |
| 46 | Life Insurance (426.2) | | 6,395 | 5,880 | | | | | | | | |
| 47 | Penalties (426.3) | | 6,802 | 56,050 | | | | | | | | |
| 48 | Exp. for Certain Civic, Political & Related Activities (426.4) | | 4,176 | 5,534 | | | | | | | | |
| 49 | Other Deductions (426.5) | | 403,737 | 107,313 | | | | | | | | |
| 50 | TOTAL Other Income Deductions (Total of lines 43 thru 49) | | 434,264 | 187,870 | | | | | | | | |
| 51 | Taxes Applicable to Other Income and Deductions | | | | | | | | | | | |
| 52 | Taxes Other Than Income Taxes (408.2) | 262 | | | | | | | | | | |
| 53 | Income Taxes-Federal (409.2) | 262 | (50,171) | 130,780 | | | | | | | | |
| 54 | Income Taxes-Other (409.2) | 262 | (20,221) | 55,384 | | | | | | | | |
| 55 | Provision for Deferred Inc. Taxes (410.2) | 234,272 | 46,970 | (42) | | | | | | | | |
| 56 | (Less) Provision for Deferred Income Taxes-Cr. (411.2) | 234,272 | | | | | | | | | | |
| 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) | | (23,422) | 186,122 | | | | | | | | |

| | | | | | | | | | | | | |
|----|--|-----|-----------|-----------|--|--|--|--|--|--|--|--|
| 60 | Net Other Income and Deductions (Total of lines 41, 50, 59) | | (25,422) | 618,723 | | | | | | | | |
| 61 | Interest Charges | | | | | | | | | | | |
| 62 | Interest on Long-Term Debt (427) | | 79,162 | 313,374 | | | | | | | | |
| 63 | Amort. of Debt Disc. and Expense (428) | | 107,694 | 107,531 | | | | | | | | |
| 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) | | 65,712 | 137,647 | | | | | | | | |
| 69 | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) | | 3,688 | 16,237 | | | | | | | | |
| 70 | Net Interest Charges (Total of lines 62 thru 69) | | 248,880 | 542,315 | | | | | | | | |
| 71 | Income Before Extraordinary Items (Total of lines 27, 60 and 70) | | 6,315,201 | 5,595,120 | | | | | | | | |
| 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 | | | | | | | | | | |
| 77 | Extraordinary Items After Taxes (line 75 less line 76) | | | | | | | | | | | |
| 78 | Net Income (Total of line 71 and 77) | | 6,315,201 | 5,595,120 | | | | | | | | |

| | | | |
|---|---|-------------------------------|---|
| 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: 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

| STATEMENT OF RETAINED EARNINGS | | | | |
|---|---|-------------------------------------|---|--|
| <p>1. Do not report Lines 49-53 on the quarterly report.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>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).</p> <p>4. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>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.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.</p> <p>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.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.</p> | | | | |
| 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 | | 47,212,268 | 41,617,148 |
| 2 | Changes | | | |
| 3 | Adjustments to Retained Earnings (Account 439) | | | |
| 4 | Adjustments to Retained Earnings Credit | | | |
| 9 | TOTAL Credits to Retained Earnings (Acct. 439) | | | |
| 10 | Adjustments to Retained Earnings Debit | | | |
| 15 | TOTAL Debits to Retained Earnings (Acct. 439) | | | |
| 16 | Balance Transferred from Income (Account 433 less Account 418.1) | | 6,315,201 | 5,595,120 |
| 17 | Appropriations of Retained Earnings (Acct. 436) | | | |
| 22 | TOTAL Appropriations of Retained Earnings (Acct. 436) | | | |
| 23 | Dividends Declared-Preferred Stock (Account 437) | | | |
| 29 | TOTAL Dividends Declared-Preferred Stock (Acct. 437) | | | |
| 30 | Dividends Declared-Common Stock (Account 438) | | | |
| 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) | | 53,527,469 | 47,212,268 |
| 39 | APPROPRIATED RETAINED EARNINGS (Account 215) | | | |
| 45 | TOTAL Appropriated Retained Earnings (Account 215) | | | |
| | APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1) | | | |
| 46 | TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1) | | | |
| 47 | TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46) | | | |
| 48 | TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1) | | 53,527,469 | 47,212,268 |
| | UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly) | | | |
| 49 | Balance-Beginning of Year (Debit or Credit) | | | |
| 50 | Equity in Earnings for Year (Credit) (Account 418.1) | | | |
| 51 | (Less) Dividends Received (Debit) | | | |
| 52 | TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year | | | |
| 53 | Balance-End of Year (Total lines 49 thru 52) | | | |

| | | | | |
|---|--|---|------------------------------|---|
| 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 2022-03-31 | Year/Period of Report End of: 2021/ Q4 |
|---|--|---|------------------------------|---|

| PART VI: STATEMENT OF CASH FLOWS | | | |
|---|--|----------------------------|-----------------------------|
| <p>1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be attached to page 13. Information about noncash investing and financing activities should be provided on page 13. Provide also on page 13 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.</p> <p>2. Under "Other" specify significant amounts and group others.</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 on page 13 the amounts of interest paid (net of amounts 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> <p>5. Codes used: (a) Net proceeds or payments, (b) Bonds, debentures and other long-term debt, (c) Include commercial paper, (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>6. Enter on page 13 clarifications and explanations.</p> | | | |
| Line No. | Description (See Instructions for Explanation of Codes) (a) | Current Year Amount (b) | Previous Year Amount (c) |
| 1 | Net Cash Flow from Operating Activities: | | |
| 2 | Net Income (Line 65(b) on page 8) | 6,315,201 | 5,595,120 |
| 3 | Noncash Charges (Credits) to Income: | | |
| 4 | Depreciation and Depletion | 2,913,806 | 2,818,634 |
| 5 | Amortization of (Specify) | | |
| 5.1 | Amortization of Debt Discount and Expenses | 107,694 | 107,531 |
| 5.2 | Amortization of Loss on Reacquired Debt | | |
| 5.3 | Amortization of Regulatory Debits and Credits, Net | | |
| 8 | Deferred Income Taxes (Net) In | (1,379,574) | (32,458) |
| 9 | Investment Tax Credit Adjustments (Net) | | |
| 10 | Net (Increase) Decrease in Receivables | 213,034 | (1,176,999) |
| 11 | Net (Increase) Decrease in Inventory | 258,315 | (313,348) |
| 12 | Net (Increase) Decrease in Allowances Inventory | | |
| 13 | Net Increase (Decrease) in Payables and Accrued Expenses | 1,939,360 | 789,713 |
| 14 | Net (Increase) Decrease in Other Regulatory Assets | 212,956 | 4,383,736 |
| 15 | Net Increase (Decrease) in Other Regulatory Liabilities | 4,796,713 | 4,018,423 |
| 16 | (Less) Allowance for Other Funds Used During Construction | 56,955 | (89,309) |
| 17 | (Less) Undistributed Earnings from Subsidiary Companies | | |
| 18 | Other: | | |
| 18.1 | Accounts Receivable/Payable from/to Associated Companies | 198,753 | (483,466) |
| 18.2 | Change in Prepayments | (17,642) | (3,034) |
| 18.3 | Change in Unamortized Debt Expense | (46,995) | (46,738) |
| 18.4 | Change in Clearing Accounts | 38,979 | (46,665) |
| 18.5 | Change in Miscellaneous Deferred Debits | 7,623 | 17,862 |
| 18.6 | Change in Accumulated Provision for Injuries and Damages | 2,459 | (15,349) |
| 18.7 | Change in Accumulated Provision for Pensions and Benefits | (664,422) | (4,259,849) |
| 18.8 | Change in Asset Retirement Obligations | 361 | 344 |
| 18.9 | Change in Other Deferred Credits | (212,576) | (111,584) |
| 18.10 | Change in Deferred Income Taxes | | 5 |
| 18.11 | Change in Pension/OPEB Capitalized dollars | (148,619) | (140,886) |
| 22 | Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21) | 14,478,471 | 11,190,301 |
| 24 | Cash Flows from Investment Activities: | | |
| 25 | Construction and Acquisition of Plant (including land): | | |
| 26 | Gross Additions to Utility Plant (less nuclear fuel) | (3,250,873) | (5,129,844) |
| 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 | (56,955) | 89,309 |
| 31 | Other: | | |
| 31.1 | Change in Utility Plant other | 130 | 129 |
| 31.2 | Cost of Removal | (316,235) | (432,541) |

| | | | |
|------|---|--------------|--------------|
| 34 | Cash Outflows for Plant (Total of lines 26 thru 33) | (3,510,023) | (5,651,565) |
| 36 | Acquisition of Other Noncurrent Assets (d) | | |
| 37 | Proceeds from Disposal of Noncurrent Assets (d) | | |
| 39 | Investments in and Advances to Assoc. and Subsidiary Companies | | |
| 40 | Contributions and Advances from Assoc. and Subsidiary Companies | | |
| 43 | Disposition of Investments in (and Advances to) Associated and Subsidiary Companies | | |
| 44 | Purchase of Investment Securities (a) | | |
| 45 | Proceeds from Sales of Investment Securities (a) | | |
| 46 | Loans Made or Purchased | | |
| 47 | Collections on Loans | | |
| 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: | | |
| 53.1 | Change in Special Funds | 1,312,244 | (94,680) |
| 53.2 | Change in Accumulated Other Comprehensive Income | (11,105) | 21,043 |
| 53.3 | Affiliate Moneypool Lending | (12,214,258) | (5,470,418) |
| 57 | Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55) | (14,423,142) | (11,195,620) |
| 59 | Cash Flows from Financing Activities: | | |
| 60 | Proceeds from Issuance of: | | |
| 61 | Long-Term Debt (b) | | |
| 62 | Preferred Stock | | |
| 63 | Common Stock | | |
| 64 | Other: | | |
| 64.1 | Change in Advances from Associated Companies | | |
| 66 | Net Increase in Short-Term Debt (c) | | |
| 67 | Other: | | |
| 70 | Cash Provided by Outside Sources (Total 61 thru 69) | | |
| 72 | Payments for Retirement of: | | |
| 73 | Long-term Debt (b) | | |
| 74 | Preferred Stock | | |
| 75 | Common Stock | | |
| 76 | Other: | | |
| 76.1 | Change in Advances from Associated Companies | | |
| 78 | Net Decrease in Short-Term Debt (c) | | |
| 80 | Dividends on Preferred Stock | | |
| 81 | Dividends on Common Stock | | |
| 83 | Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81) | | |
| 86 | Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 18, 49 and 71) | 55,329 | (5,319) |
| 88 | Cash and Cash Equivalents at Beginning of Year | 58,801 | 64,120 |
| 90 | Cash and Cash Equivalents at End of Year | 114,130 | 58,801 |

| | | | |
|---|---|-------------------------------|--|
| 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: 2022-03-31 | Year/Period of Report: End of: 2021/ Q4 |
|---|---|-------------------------------|--|

PART VII: STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME AND HEDGING ACTIVITIES

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

| Line No. | Item (a) | Unrealized Gains and Losses on Available-For-Sale Securities (b) | Minimum Pension Liability Adjustment (net amount) (c) | Foreign Currency Hedges (d) | Other Adjustments (e) | Other Cash Flow Hedges Interest Rate Swaps (f) | Other Cash Flow Hedges (Specify) (g) | Totals for each category of items recorded in Account 219 (h) | Net Income (Carried Forward from Page 6, Line 65) (i) | Total Comprehensive Income (j) |
|----------|---|--|---|-----------------------------|-----------------------|--|--------------------------------------|---|---|--------------------------------|
| 1 | Balance of Account 219 at Beginning of Preceding Year | 23,099 | | | | | | 23,099 | | |
| 2 | Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income | 18,149 | | | | | | 18,149 | | |
| 3 | Preceding Quarter/Year to Date Changes in Fair Value | (2,855) | | | | | | (2,855) | | |
| 4 | Total (lines 2 and 3) | 15,294 | | | | | | 15,294 | 5,595,120 | 5,610,414 |
| 5 | Balance of Account 219 at End of Preceding Quarter/Year | 38,393 | | | | | | 38,393 | | |
| 6 | Balance of Account 219 at Beginning of Current Year | 38,393 | | | | | | 38,393 | | |
| 7 | Current Quarter/Year to Date Reclassifications from Account 219 to Net Income | | | | | | | | | |
| 8 | Current Quarter/Year to Date Changes in Fair Value | (8,071) | | | | | | (8,071) | | |
| 9 | Total (lines 7 and 8) | (8,071) | | | | | | (8,071) | 6,315,201 | 6,307,130 |
| 10 | Balance of Account 219 at End of Current Quarter/Year | 30,322 | | | | | | 30,322 | | |

| | | | |
|---|---|-------------------------------|---|
| 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: 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

PART VIII: NOTES TO FINANCIAL STATEMENTS

- 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.
- 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.
- 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.
- 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 Systems of Accounts.
- Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
- 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 6-11, such notes may be attached hereto.

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 14,059 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 Massachusetts Electric, as discussed in Note 13, "Related Party Transactions."

The accompanying financial statements are prepared in accordance with the 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 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 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 U.S. GAAP reporting, no distinction between utility and non-utility is made.

The novel coronavirus ("COVID-19") pandemic has disrupted the U.S. and global economies and continues to have 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. In the COVID-19 pandemic, the materiality of the impact on the Company's financial statements is uncertain. The Company is monitoring COVID-19 developments closely.

Supplemental Cash Flow Information

| | Twelve Months Ended December | |
|---|------------------------------|---------|
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Supplemental disclosures: | | |
| Interest paid | \$ (78) | \$ (53) |
| Income taxes paid | (1,884) | (2,760) |
| Supplemental disclosure of non-cash financing and investing activities: | | |
| Capital related accruals included in accounts payable | (82) | 73 |
| Parent tax loss allocation | 654 | 524 |

The Company has evaluated subsequent events and transactions through March 31, 2022, 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, 2021.

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 rate-making process.

Revenue Recognition

Revenues are recognized for energy services billed on a monthly cycle basis together with 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 and state 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 enough 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 benefit of consolidated tax losses and credits is allocated to the NGNA subsidiary 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 is allocated 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 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.

Plant Materials and Operating Supplies

Plant materials and operating supplies are stated at weighted average cost, which represents net realizable value, and are expensed as capitalized as used. There were no significant write-offs of obsolete plant materials and operating supplies for the years ended December 31, 2021 or 2020.

Fair Value Measurements

The Company measures securities and pension and postretirement benefit 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: investments in certain funds that meet certain conditions of ASC 820, are not required to be 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.

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, 2021 and 2020 were 3.0% and 3.0%, respectively.

Depreciation expense includes a component for the estimated 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 the ratemaking process. The Company recorded AFUDC related to equity of \$57 thousand and \$89 thousand and AFUDC related to debt of \$4 thousand and \$16 thousand, for the years ended December 31, 2021 and 2020, respectively. The average AFUDC rates for the years ended December 31, 2021 and 2020 were 5.6% and 6.1%, 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 (or asset group) may not be recoverable. If identified, 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, 2021 and 2020, there were no impairment losses recognized for long-lived assets.

Goodwill

The Company tests goodwill for impairment annually on January 1, or more frequently if events occur or circumstances exist that indicate it is more likely than not that the fair value of the Company is 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 previously required under the former standard. The goodwill impairment test requires a recoverability test performed based on the comparison of the Company's estimated fair value with its carrying value, including goodwill. 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 elected to perform a qualitative assessment to determine whether it is more likely than not that the carrying value of the Company exceeds its estimated fair value and an impairment exists. The qualitative assessment is commonly referred to as the "Step 0" test and requires the Company to evaluate relevant events and circumstances including, but not limited to, macroeconomic conditions, industry and market considerations, cost factors, and other relevant entity-specific events that may indicate the existence of a decline in fair value that is other than temporary. The Company performed its latest qualitative assessment as of January 1, 2021, at which time the qualitative assessment indicated that it was more likely than not that the fair value of the Company exceeds its carrying value and, as such, no impairment loss existed.

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, 2021 or 2020.

Employee Benefits

The Company participates with other NGUSA subsidiaries in defined benefit pension plans and postretirement benefits 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 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 each year-end date. Pension and PBOP plan assets are measured at fair value, using the year-end market value of those assets.

Leases

The Company adopted Topic 842 during the year ended March 31, 2020. The Company elected the practical expedient "package" in which any expired contracts were not reassessed to determine whether they met the definition of a lease; classification of leases that commenced prior to the adoption of this standard was not reassessed; and any initial direct costs for existing leases were not reassessed. Additionally, the Company elected the practical expedient to not reassess existing easements that were not previously accounted for as leases under Topic 840.

The Company has elected to not evaluate whether sales tax and other similar taxes are lessor and lessee costs. Instead, such costs are deemed lessee costs. The Company does not combine lease and non-lease components for contracts in which the Company is the lessee or the lessor.

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

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. 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. Variable lease payments were not material for the years ended December 31, 2021 and 2020. The Company does not reflect short-term leases on the balance sheets. Expense related to short-term leases was not material for the years ended December 31, 2021 and 2020.

Right of use ("ROU") assets consist of the lease liability, together with any payments made to the lessor prior to commencement of the lease (less any lease incentives) and any initial direct costs. ROU assets are amortized over the lease term.

The Company recognizes lease expense based on a pattern that conforms to the regulatory ratemaking treatment.

New and Recent Accounting Guidance

Accounting Guidance Recently 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. The Company early adopted this new guidance prospectively on April 1, 2021. The amendments did not result in a material impact on the Company's financial position, results of operations, or cash flows.

Accounting Guidance Not Yet Adopted

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 standard provides a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses that replaces existing incurred loss impairment methodology requiring delayed recognition of credit losses. A broader range of reasonable and supportable information must be considered in developing estimates of credit losses. 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, except for 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, 2021, and 2020, 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, | |
|---|---------------------------|-----------|
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Revenue from contracts with customers: | | |
| Electric services | \$ 22,491 | \$ 20,411 |
| Other revenue from contracts with customers | 7,913 | 7,835 |
| Total revenue from contracts with customers | 30,404 | 28,246 |
| Revenue from regulatory mechanisms | (4,353) | (4,144) |
| Total operating revenues | \$ 26,052 | \$ 23,902 |

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 rate-making 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 service 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 and 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 respective 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 services. 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

This 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 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. This revenue also includes Massachusetts Electric reimbursement as discussed in Note 13, "Related Party Transactions".
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. Revenue from Regulatory Mechanisms include various deferral mechanisms such as capital tracers, energy efficiency programs, 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 in homes, and certain other rate making 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 within 24 months from the end of the annual reporting period.

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

| | | December 31, | |
|-------------------------------|--|---------------------------|-----------|
| | | 2021 | 2020 |
| | | (in thousands of dollars) | |
| Other regulatory assets: | | | |
| Postretirement benefits | | \$ 3,651 | \$ 4,127 |
| Rate adjustment mechanisms | | 68 | 64 |
| Other | | 8 | 5 |
| Total | | 3,727 | 4,196 |
| Other regulatory liabilities: | | | |
| Revenue decoupling mechanism | | 1,372 | 918 |
| Rate adjustment mechanisms | | 3,296 | 2,661 |
| Energy Efficiency | | 6,812 | 5,119 |
| Transmission service | | 19,600 | 17,984 |
| Regulatory tax liability, net | | 5,141 | 4,410 |
| Second cable deferral | | 1,870 | 1,417 |
| Other | | 7 | 61 |
| Total | | \$ 38,098 | \$ 32,570 |

Other than \$3.7 million of Postretirement benefits regulatory assets summarized above, all regulatory assets earn a rate of return.

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.

Postretirement benefits: Represents the Company's unamortized non-cash accrual of net actuarial gains and losses, offset by the excess amounts received in rates over actual costs of the Company's pension and PROP plans, that are to be recovered from or passed back to customers in future periods.

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.
Regulatory tax asset/liability: Represents under-recovered or over-recovered federal and state deferred taxes of the Company, primarily as a result of regulatory flow through accounting treatment for \$10.2 million, state income tax rate changes for \$10.2 million, and excess federal deferred taxes as a result of the Tax Cuts and Jobs Act of 2017 ("Tax Act") for \$5 million.

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.

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.

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, including 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 Nantucket Electric an overall net increase in base distribution revenue of approximately \$40 million based upon a 9.6% ROE, with a 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. Also, the Capital Investment Recovery Mechanism has been discontinued after a transition period that concluded with nine months of recovery of vintage year 2019 investments through September 30, 2021, at which point the recovery of capital investments has fully transitioned to the PBR plan. The approved net increase includes an increase in annual funding of the storm fund from \$10.5 million to \$16.0 million per year and an extension of the storm fund replenishment factor through November 2023.

PBR Plan Filing

On June 15, 2021, the Company and Massachusetts Electric filed the second annual PBR plan filing for rates effective October 1, 2021. 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 was a proposed increase to base distribution revenue of 2.709%, or \$22.8 million. On September 8, 2021, the DPU approved the Company and Massachusetts Electric's proposed PBR and Capital Expenditure Adjustment filing, effective October 1, 2021, subject to further investigation and reconciliation in the second phase of the proceeding. On February 29, 2022, the DPU issued final approval of Company and Nantucket 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 accumulated deferred income taxes ("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 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.

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. On June 29, 2020, NEP on behalf of the Company, submitted a compliance filing to address the application of Order 864 in NEP's Tariff No. 1. The filing proposes changes to various revenue requirement calculations in the tariff for the inclusion of the Rate Adjustment and Income Tax Allowance mechanisms. The filing also includes the populated permanent ADIT worksheet, which will be provided with the issuance of final rates pursuant to the proposed tariff. NEP has proposed for the Company to amortize transmission related, protected property-related excess or deficient ADIT associated with the 2017 Tax Act using the Average Rate Assumption Method ("ARAM"), and a 21-year amortization period for unprotected property-related excess or deficient balances. Other unprotected excess or deficient ADIT is proposed to be amortized over five years, consistent with the time period approved in the DPU docket addressing the Tax Act.

Grid Modernization Plan

On August 19, 2015, the Company, together with Massachusetts Electric, filed its first 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/volt-amps reactive 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 operations and maintenance expenses and capital costs through a reconciling mechanism, and in the future will consider GMPs 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 the DPU 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 cost recovery filings with the DPU for its GMP, in 2019 and 2020. The Company filed its next proposed four-year GMP (for calendar years 2022-2025) on July 1, 2021. Additionally, on July 2, 2020, the DPU opened the next phase 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 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 and undertook an independent audit. The draft audit report was provided to the Company on March 1, 2021 for review and factual correction, and the final report was submitted to the DPU on March 29, 2021. On April 30, 2021, the Company filed a comprehensive response to the audit report formally adopting the findings and recommendations, for the DPU's consideration. On June 30, 2021 the AG's office filed written comments in response to the final audit report. The Company and the independent auditor filed reply comments to the AG on July 21, 2021. This matter is currently pending before the DPU.

COVID-19 Moratorium on Utility Shut Offs

Between March 24, 2020 and February 26, 2021, the Chairman of the MDPU declared a moratorium prohibiting all residential utility collection activities due to the COVID-19 pandemic until July 1, 2021. Effective July 1, 2021, the Company recommenced normal collection activities, which includes issuing notices of amounts in arrears and alerting customers that their service is subject to disconnection for non-payment. The Commercial moratorium had been lifted effective September 1, 2020. The following are highlights of the Customer Assistance programs implemented to assist customers during the pandemic:

- Extended deferred payment arrangements ("DPAs") up to 12 months for residential and small C&I customers, with the ability to extend to 18 months for unique circumstances; up to six months for large C&I customers, with the terms to be determined on a case-by-case basis. On January 24, 2022, the Company discontinued the 5% down COVID DPAs and is implementing a transitional DPA program until May 2022.
- Rate fees for C&I customers were waived during the pandemic and resumed effective January 7, 2022.
- Revisions to residential Arrearage Management Plans ("AMPs") to provide more flexible enrollment terms and an increase in arrearages forgiven from \$4,000 to \$12,000 are still in effect. The Company is proposing to continue to apply most of the COVID-19 AMP terms for the 2022 AMP program year in its filing submitted on due on February 25, 2022.
- A COVID-19 Small C&I Arrearage Forgiveness Program ("AFP") that was extended several times and expired on September 30, 2021.

On December 31, 2020, the DPU approved the following implementation items related to the ratemaking treatment of the COVID-19 customer assistance programs in which the companies and the Massachusetts Attorney General's Office ("AGO") had reached consensus: (1) the

distribution companies should be allowed to record, defer, and track their bad debt and other COVID-related expenses, (2) cost recovery should be limited to the incremental costs incurred, and (3) certain costs must be extraordinary to qualify for recovery. The DPU decided that the contested issues, including the extent to which the distribution companies will be allowed to recover their COVID-19 costs, should be fully adjudicated in a new docket, D.P.U. 20-91.

The AGO opposes recovery by companies with PBR plans (including National Grid) of incremental COVID related O&M expenses. The AG also opposes the pre-tax overall weighted cost of capital for calculation of carrying charges on bad debt, arguing that the short-term debt rate or, in the alternative, an interest rate contemporaneous to two-year US Treasury notes is the correct rate. The AG also takes the position that the Department should consider the significance of the companies' net incremental O&M costs due to COVID-19 to determine whether they result in substantial harm to the companies' financial position. The proceeding is currently in the briefing phase.

Massachusetts Petition for Waiver of Jurisdiction Regarding the Rhode Island Sale

On March 17, 2021, National Grid USA announced the sale of its RI business to PPL Energy Holdings, LLC. On May 4, 2021, National Grid USA filed a petition with the Department for a waiver of jurisdiction under G.L.c. 164, § 96(c), based on a finding that the sale of The Narragansett Electric Company to PPL Energy Holdings, LLC will have no adverse impacts on any electric or gas company subject to the Department's jurisdiction, as applicable, or the customers of any such electric or gas company. On July 16, 2021, the DPU issued an order approving the Company's request for a waiver of Section 96 regarding the sale of The Narragansett Electric Company.

On August 12, 2021, the AG filed an appeal of the DPU's waiver of jurisdiction with the Massachusetts Supreme Judicial Court. The Attorney General filed a Motion to Stay the DPU Order from D.P.U. 21-60 along with a request for the court to issue a decision on the Motion on or before February 14, 2022. On January 7, 2022, the Company filed its Opposition to the Attorney General's Motion to Stay the order. On February 10, 2022, the single justice referred the matter to the full court (SJC) instead of ruling on the motion for a stay. On February 16, 2022, the full court issued an order requesting that the single justice make a recommendation to the full court regarding the Motion to Stay. On February 24, 2022, the Single Justice issued a temporary stay of the order. The Company provided an update to the single justice and SJC on the Rhode Island legal process and closing date of March 8, 2022 and requested a decision on the Stay by March 4, 2022. The full court on March 3, 2022 issued a Docket Entry Order allowing the AG's motion to stay the DPU decision in Docket D.P.U. 21-60 "until further order." The Company is working to resolve the stay as quickly as possible. The AG's appeal remains pending before the court with oral argument set for early May 2022.

6. UTILITY PLANT AND NONUTILITY PROPERTY

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

| | December 31, | |
|---|---------------------------|------------|
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Plant and machinery | \$ 134,285 | \$ 128,120 |
| Goodwill | 16,552 | 16,552 |
| Land and buildings | 4,783 | 4,752 |
| Assets in construction | 2,103 | 5,422 |
| Operating leases | 1,818 | 587 |
| Total utility plant and nonutility property | 159,539 | 155,433 |
| Accumulated depreciation and amortization | (60,976) | (58,882) |
| Operating lease accumulated depreciation | (408) | (216) |
| Utility plant and nonutility property, net | \$ 98,155 | \$ 96,335 |

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, 2021 and 2020.

| | December 31, 2021 | | | |
|------------|---------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| | (in thousands of dollars) | | | |
| Assets | | | | |
| Securities | \$ - | \$ - | \$ - | \$ - |

| | December 31, 2020 | | | |
|------------|---------------------------|---------|---------|----------|
| | Level 1 | Level 2 | Level 3 | Total |
| | (in thousands of dollars) | | | |
| Assets | | | | |
| Securities | \$ 185 | \$ 728 | \$ - | \$ 1,313 |

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 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, 2021 and 2020, the Company made contributions of approximately \$0.5 million on each year 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, 2021 and 2020, 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, 2021 and 2020 are \$0.2 million each year.

The Company's total PBOP costs for the years ended December 31, 2021 and 2020 are \$0.2 million each year.

Amounts Recognized in Regulatory Assets/Liabilities

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, 2021 and 2020.

| | Pension Plans | |
|---|---------------------------|--------|
| | December 31, | |
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Net actuarial (gain) loss | \$ (526) | \$ 692 |
| Amortization of net actuarial (gain) loss | (176) | (178) |
| Total | (702) | 514 |
| Included in regulatory assets | (702) | 514 |
| Total | \$ (702) | \$ 514 |

| | PBOP Plans | |
|------------------------------------|---------------------------|----------|
| | December 31, | |
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Net actuarial gain | \$ (199) | \$ (300) |
| Amortization of net actuarial loss | (23) | (38) |
| Total | (222) | (338) |
| Included in regulatory assets | (222) | (338) |
| Total | \$ (222) | \$ (338) |

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 in the balance sheet that have not yet been recognized as components of net actuarial loss as of December 31, 2021 and 2020.

| | Pension Plans | |
|-------------------------------|---------------|----------|
| | December 31, | |
| | 2021 | 2020 |
| (in thousands of dollars) | | |
| Net actuarial loss | \$ 1,928 | \$ 2,630 |
| Prior service cost | 1 | 1 |
| Total | 1,929 | 2,631 |
| Included in regulatory assets | 1,929 | 2,631 |
| Total | \$ 1,929 | \$ 2,631 |

| | PBOP Plans | |
|-------------------------------|--------------|----------|
| | December 31, | |
| | 2021 | 2020 |
| (in thousands of dollars) | | |
| Net actuarial loss | \$ 868 | \$ 1,067 |
| Prior service benefit | (105) | (82) |
| Total | 763 | 985 |
| Included in regulatory assets | 763 | 985 |
| Total | \$ 763 | \$ 985 |

Amounts Recognized in the Balance Sheet

The following table summarizes the portion of the funded status above that is recognized on the Company's balance sheet as of December 31, 2021 and 2020:

| | Pension Plans | | | PBOP Plans | | |
|---------------------------|---------------|------------|--|--------------|------------|--|
| | December 31, | | | December 31, | | |
| | 2021 | 2020 | | 2021 | 2020 | |
| (in thousands of dollars) | | | | | | |
| Other non-current assets | \$ - | \$ (43) | | \$ - | \$ - | |
| Other current liabilities | - | (38) | | (46) | (83) | |
| Non-current liabilities | (729) | (1,735) | | (2,992) | (2,945) | |
| Total | \$ (729) | \$ (1,730) | | \$ (3,038) | \$ (3,028) | |

Expected Benefit Payments

Based on current assumptions, the Company expects to make the following benefit payments subsequent to December 31, 2021.

| (in thousands of dollars) | | Pension | PBOP |
|---------------------------|--|----------|----------|
| Years Ended December 31, | | Plans | Plans |
| 2022 | | \$ 407 | \$ 80 |
| 2023 | | 425 | 80 |
| 2024 | | 444 | 89 |
| 2025 | | 463 | 103 |
| 2026 | | 478 | 114 |
| 2027-2031 | | 2,564 | 734 |
| Total | | \$ 4,781 | \$ 1,200 |

Assumptions Used for Employee Benefits Accounting

| | Pension Plans | |
|---|--------------------------|-------|
| | Years Ended December 31, | |
| | 2021 | 2020 |
| Benefit Obligations: | | |
| Discount rate | 3.25% | 3.65% |
| Rate of compensation increase (nonunion) | 4.10% | 3.50% |
| Rate of compensation increase (union) | 4.05% | 3.50% |
| Weighted average cash balance interest crediting rate | 2.75% | 2.75% |
| Net Periodic Benefit Costs: | | |
| Discount rate | 3.65% | 4.10% |
| Rate of compensation increase | 3.50% | 3.50% |
| Expected return on plan assets | 6.00% | 6.50% |
| Weighted average cash balance interest crediting rate | 2.75% | 3.25% |

| | PBOP Plans | |
|--------------------------------|--------------------------|-------------|
| | Years Ended December 31, | |
| | 2021 | 2020 |
| Benefit Obligations: | | |
| Discount rate | 3.25% | 3.65% |
| Net Periodic Benefit Costs: | | |
| Discount rate | 3.65% | 4.10% |
| Expected return on plan assets | 6.50%-7.00% | 6.50%-7.25% |

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 Aon AA-Only Bond Universe 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 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, | |
|---|--------------|-------|
| | 2021 | 2020 |
| | | |
| Health care cost trend rate assumed for next year | | |
| Pre-65 | 6.80% | 7.00% |
| Post-65 | 5.40% | 5.50% |
| Prescription | 7.70% | 8.00% |
| Rate to which the cost trend is assumed to decline (ultimate) | 4.50% | 4.50% |
| Year that rate reaches ultimate trend | | |

Pre 65
Post 65
Prescription

2031+
2031+
2031+

2031+
2031+
2031+

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, to 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 plans by diversifying its funds across asset classes, investment styles and fund managers. An asset/liability study typically 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 2021 reflects the results of such a pension study conducted in 2019. The Union PBOP Plan asset liability study was conducted in 2021. As a result of that study the RPC approved changes to the Union PBOP asset allocation effective in fiscal year 2022. The Non Union PBOP Plan asset liability study is expected to be run within the next 12-18 months.

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.

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, 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 are 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, 2021 and 2020 are as follows:

| | Pension Plans | | Union PBOP Plans | | | | Non-Union PBOP Plans | |
|--------------------------|---------------|------|------------------|------|------|------|----------------------|------|
| | December 31, | | December 31, | | | | December 31, | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Equity | 30% | 37% | 39% | 63% | | | 70% | 70% |
| Diversified alternatives | 8% | 10% | 11% | 17% | | | 0% | 0% |
| Fixed income securities | 50% | 40% | 50% | 20% | | | 30% | 30% |
| Private equity | 5% | 5% | 0% | 0% | | | 0% | 0% |
| Real estate | 4% | 5% | 0% | 0% | | | 0% | 0% |
| Infrastructure | 3% | 3% | 0% | 0% | | | 0% | 0% |
| | 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:

| | December 31, 2021 | | | | |
|--------------------------|---------------------------|------------|---------|-----------------|--------------|
| | Level 1 | Level 2 | Level 3 | Not categorized | Total |
| | (in thousands of dollars) | | | | |
| Pension assets: | | | | | |
| Equity | \$ 169,011 | \$ - | \$ - | \$ 745,693 | \$ 914,705 |
| Diversified alternatives | 69,094 | - | - | 171,156 | 240,250 |
| Corporate bonds | - | 581,424 | - | 224,284 | 805,708 |
| Government securities | 4,260 | 147,032 | - | 670,359 | 821,651 |
| Private equity | - | - | - | 222,618 | 222,618 |
| Real estate | - | - | - | 115,925 | 115,925 |
| Infrastructure | - | - | - | 62,011 | 62,011 |
| Total assets | \$ 242,366 | \$ 728,456 | \$ - | \$ 2,212,058 | \$ 3,182,880 |
| Pending transactions | - | - | - | - | (65,867) |
| Total net assets | | | | | \$ 3,117,013 |
| PBOP assets: | | | | | |
| Equity | \$ 137,446 | \$ - | \$ - | \$ 282,781 | \$ 420,227 |
| Diversified alternatives | 34,002 | - | - | 29,056 | 63,058 |
| Corporate bonds | - | 184,393 | - | - | 184,393 |
| Government securities | 70,610 | 116,366 | - | 810 | 187,787 |
| Insurance contracts | - | - | - | 40,821 | 40,821 |
| Total assets | \$ 242,059 | \$ 300,759 | \$ - | \$ 353,468 | \$ 542,818 |
| Pending transactions | - | - | - | - | 730 |
| Total net assets | | | | | \$ 543,548 |

| | December 31, 2020 | | | | |
|--------------------------|---------------------------|---------|---------|-----------------|--------------|
| | Level 1 | Level 2 | Level 3 | Not categorized | Total |
| | (in thousands of dollars) | | | | |
| Pension assets: | | | | | |
| 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 | 391,495 | - | 275,548 | 668,435 |
| Infrastructure | - | - | - | 48,378 | 48,378 |
| Private equity | - | - | - | 152,375 | 152,375 |
| Real estate | - | - | - | 110,861 | 110,861 |

| | | | | | |
|--------------------------|------------|------------|------|--------------|--------------|
| Total assets | \$ 912,857 | \$ 908,434 | \$ - | \$ 1,845,035 | \$ 3,066,326 |
| Pending transactions | | | | | (208,618) |
| Total net assets | | | | | \$ 2,857,708 |
| PBOP assets: | | | | | |
| Equity | \$ 190,390 | \$ - | \$ - | \$ 321,108 | \$ 511,498 |
| Diversified alternatives | 43,034 | - | - | 42,325 | 85,359 |
| Corporate bonds | - | 3,910 | - | - | 1,910 |
| Government securities | 11,147 | 161,378 | - | 794 | 173,319 |
| Insurance contracts | - | - | - | 41,201 | 41,201 |
| Total assets | \$ 244,571 | \$ 165,288 | \$ - | \$ 405,428 | \$ 815,287 |
| Pending transactions | | | | | 1,559 |
| Total net assets | | | | | \$ 816,846 |

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 assets 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 US agency and treasury securities, as well as state and local municipal bonds. The plans also include a small amount of Non-US government debt, which is also captured here. US Government money market funds are also included. In addition, interest rate futures and swaps are held as a tool to manage interest rate risk.

Private equity: Private equity consists of limited partnership 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 US 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.

Pending transactions: These 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 plans that covers substantially all employees. For the years ended December 31, 2021 and 2020, the Company recognized an expense in the accompanying statement of income of \$57 thousand, and \$50 thousand, respectively, for matching contributions.

9. CAPITALIZATION

Long term Debt

Long-term debt at December 31, 2021 and 2020 is as follows:

| | | | December 31, | |
|----------------------|---------------|------------------|--------------|-----------|
| | | | 2021 | 2020 |
| | Interest Rate | Maturity Date | | |
| Unsecured notes: | | | | |
| 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 MIFA tax exempt | Variable | August 1, 2042 | 13,300 | 13,300 |
| Long Term Debt | | | \$ 51,300 | \$ 51,300 |

The aggregate maturities of long-term debt for the years subsequent to December 31, 2021 are as follows:

(in thousands of dollars)

| December 31, 2021 | |
|-------------------|----------|
| 2022 | \$ - |
| 2023 | - |
| 2024 | - |
| 2025 | - |
| 2026 | - |
| Thereafter | \$1,300 |
| Total | \$ 1,300 |

The Company's debt agreements and banking facilities contain covenants, including those relating to the periodic and timely provision of financial information by the issuing entity. 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, 2021, and 2020, 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. The authorization was renewed with an effective date of January 13, 2021 and expires on October 14, 2022. The Company had no external short-term debt as of December 31, 2021 and 2020. 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, 2021, 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 0.11% and 0.25% and from 0.18% and 1.35% for the years ended December 31, 2021 and 2020, 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, 2021, and 2020, 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, 2021, and December 31, 2020, common equity was 63% and 61% of total capitalization, respectively. Under these provisions, none of the Company's retained earnings as of December 31, 2021 and December 31, 2020 were restricted as to common dividends.

10. INCOME TAXES

Components of Income Tax Expense

| | Years Ended December 31, | |
|---|--------------------------|----------|
| | 2021 | 2020 |
| (in thousands of dollars) | | |
| Current tax expense: | | |
| Federal | \$ 2,831 | \$ 1,977 |
| State | 1,116 | 998 |
| Total current tax expense | 3,947 | 2,975 |
| Deferred tax (benefit) expense: | | |
| Federal | (970) | 280 |
| State | (410) | (312) |
| Total deferred tax benefit | (1,380) | (32) |
| Total income tax expense | \$ 2,567 | \$ 2,943 |
| Years Ended December 31, | | |
| | 2021 | 2020 |
| (in thousands of dollars) | | |
| Total income taxes in the statement of income | | |
| Income taxes charged to operations | \$ 2,590 | \$ 2,757 |
| Income taxes charged to other deductions | (23) | 186 |

Total

\$ 2,567

\$ 2,943

Statutory Rate Reconciliation

The Company's effective tax rates for the years ended December 31, 2021 and 2020 are 28.9% and 34.5%, 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, | |
|--|---------------------------|----------|
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Computed tax | \$ 1,865 | \$ 1,794 |
| Change in computed taxes resulting from: | | |
| State income tax, net of federal benefit | 558 | 540 |
| Temporary differences flowed through | 504 | 658 |
| Audit and reserve settlements | 119 | - |
| Provision to return adjustment | (472) | - |
| Other items, net | (8) | (49) |
| Total changes | 702 | 1,149 |
| Total income tax expense | \$ 2,567 | \$ 2,943 |

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 \$0.3 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, 2021 and December 31, 2020, 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:

| Accounts | Years Ended December 31, | | | 2020 | | |
|----------|---------------------------|------------|------------|-------------|------------|------------|
| | Excess ADIT | Gross-up | Total | Excess ADIT | Gross-up | Total |
| | (in thousands of dollars) | | | | | |
| 254 | \$ (2,930) | \$ (1,102) | \$ (4,032) | \$ (2,914) | \$ (1,095) | \$ (4,009) |
| 190 | (4,553) | 1,102 | (3,252) | (4,353) | 1,095 | (3,258) |
| 282 | 6,542 | - | 6,542 | 6,525 | - | 6,525 |
| 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 410.2 are presented below:

| Excess ADIT Category | Period | Years Ended December 31, | | 2020 | |
|----------------------|------------|---------------------------|-------------|--------------|-------------|
| | | Amortization | Excess ADIT | Amortization | Excess ADIT |
| | | (in thousands of dollars) | | | |
| Protected | | | | | |
| MA | ARAV (1) | \$ 99 | \$ (3,604) | \$ 99 | \$ (3,692) |
| Unprotected | | | | | |
| MA - Plant related | 20-3 years | 121 | (2,938) | 121 | (2,818) |
| MA - Other | 5 years | (733) | 3,612 | (733) | 3,613 |
| Total | | \$ (513) | \$ (2,930) | \$ (513) | \$ (2,914) |

(1) Average Rate Assumption Method

Deferred Tax Components

| | December 31, | |
|---|---------------------------|----------|
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Deferred tax assets: | | |
| Postretirement benefits and other employee benefits | \$ 1,187 | \$ 1,424 |
| Regulatory liabilities | 9,004 | 7,693 |
| Regulatory tax liability | 1,405 | 1,219 |
| Other | 966 | 29 |
| Total deferred tax assets | 12,562 | 10,365 |
| Deferred tax liabilities: | | |
| Property-related differences | 13,109 | 13,148 |
| Regulatory assets | 1,018 | 1,146 |
| Other | 46 | 55 |
| Total deferred tax liabilities | 14,173 | 14,349 |
| Deferred income tax liabilities, net | \$ 1,649 | \$ 3,984 |

Status of Income Tax Examinations

As of December 31, 2021, the income tax returns for the periods ended March 31, 2016 and 2017 are no longer subject to examination by the IRS due to the statute of limitations. The IRS commenced its examination of the next audit cycle which includes the periods ended March 31, 2018 and 2019. Therefore, the income tax returns for the years ended March 31, 2018 through March 31, 2021 remain subject to examination by the IRS.

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

| Jurisdiction | Tax Year |
|---------------|----------------|
| Federal | March 31, 2018 |
| Massachusetts | March 31, 2013 |

Uncertain Tax Positions

The Company adopted the provisions of FASB guidance which clarifies the accounting for uncertain tax positions as modified by FERC Docket A07-2-000. 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 A07-2-000 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, 2021, and December 31, 2020, 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, 2021, and 2020, the Company has accrued for interest related to unrecognized tax benefits of \$0.02 million and \$0.02 million, respectively. During the years ended December 31, 2021 and 2020, the Company recorded interest income of \$0.02 million and \$0.01 million, respectively. No tax penalties were recognized during the years ended December 31, 2021 and 2020.

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.

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.

New York Public Service Commission Investigation

On June 17, 2021, five former NGUSA employees in the downstate New York facilities department were arrested on federal charges alleging fraud and bribery. It is NGUSA's understanding that the investigation by the U.S. Attorney's office and the Federal Bureau of Investigation remains ongoing. NGUSA is a victim of the alleged crimes and will continue to comply with the federal government's investigation. The DPU, the New York Public Service Commission, and the Rhode Island Public Utilities Commission have issued requests for information related to the alleged criminal conduct. At this time, it is not possible to predict the outcome of the investigation or regulatory reviews or to determine the amount, if any, of any potential liabilities that may be incurred by the Company related to this matter. However, the Company does not expect this matter will have a material adverse effect on its results of operations, financial position, or cash flows.

Energy Efficiency Program Investigation

NGUSA is performing a standard investigation regarding potential violations with regard to energy efficiency programs for the Commission and Public Utilities. At this time, it is not possible to predict the outcome of the investigation or to determine the amount, if any, of any potential liabilities that may be incurred by the Company related to this matter. However, the Company does not expect this matter will have a material adverse effect on its results of operations, financial position, or cash flows.

NGUSA is performing an internal investigation regarding without associated with energy efficiency programs for the Company and certain affiliates. At this time, it is not possible to predict the outcome of the investigation or determine the amount, if any, of any expenses that may be incurred by the Company or its affiliates. However, the Company does not expect this matter will have a material adverse effect on its results of operations, financial position, or cash flows.

12. LEASES

The Company has various operating leases, primarily related to fleet vehicles and real estate used to support electric operations, with lease terms ranging between 6 and 13 years.

Operating lease RDU assets are included in obligations under capital lease current and obligations under capital lease non-current on the balance sheet. As of December 31, 2021, the Company does not have any finance leases.

As of December 31, 2021, 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 and other operating lease-related information:

| | Year Ended December 31, | |
|---|---------------------------|---------|
| | 2021 | 2020 |
| | (in thousands of dollars) | |
| Cash paid for amounts included in lease liabilities | | |
| Operating cash flows from operating leases | \$ 154 | \$ 146 |
| RDU assets obtained in exchange for new operating lease liabilities | \$ 1,230 | \$ 50 |
| Weighted-average remaining lease term – operating leases | 8 years | 3 years |
| Weighted-average discount rate – operating leases | 1.7% | 2.7% |

The following contains the Company's maturity analysis of its operating lease liabilities as of December 31, 2021, 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:

| Year Ending December 31, | Operating Leases | |
|---|---------------------------|----------|
| | (in thousands of dollars) | |
| 2022 | \$ 63 | |
| 2023 | | 249 |
| 2024 | | 212 |
| 2025 | | 157 |
| 2026 | | 134 |
| Thereafter | | 645 |
| Total future minimum lease payments | | 1,301 |
| Less: imputed interest | | (92) |
| Total | | \$ 1,409 |
| Reported as of December 31, 2021: | | |
| Obligations under capital leases - current | | 228 |
| Obligations under capital leases - noncurrent | | 1,181 |
| Total | | \$ 1,409 |

There are certain leases in which the Company is the lessor. Revenue under such leases was immaterial for the years ended December 31, 2021 and 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:

| | Accounts Receivable from Associated Companies | | Accounts Payable to Associated Companies | |
|--------------------------------|--|----------|---|----------|
| | December 31, | | December 31, | |
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousands of dollars) | | | |
| Massachusetts Electric Company | \$ 601 | \$ 1,057 | \$ 790 | \$ 211 |
| New England Power Company | 21 | 10 | 271 | |
| NGUSA | 25 | 22 | 21 | 1,078 |
| NGUSA Service Company | 76 | 110 | 542 | 628 |
| Other | 4 | 13 | - | 2 |
| Total | \$ 718 | \$ 1,212 | \$ 1,624 | \$ 1,919 |

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, 2021, and 2020, 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. 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 \$82.1 million and \$69.9 million as of December 31, 2021 and 2020, respectively. The average interest rates for the intercompany money pool were 0.39% and 1.09% for the years ended December 31, 2021 and 2020, 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 RDE 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, 2021 and 2020, Massachusetts Electric reimbursed the Company \$7.2 million each year.

Service Company Charges

The affiliated service companies of NGUSA provide certain services to the Company at cost without a markup. The service company costs are 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, 2021 and 2020 cost allocated to the Company using the second and third tiers noted above were \$5.3 million and \$5.4 million, respectively.

| | | | | | | | | | | | | | | |
|----|---------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 39 | Cost of Sales | | | | | | | | | | | | | |
| 40 | Balance-End of Year | | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | | | |
| 42 | Sales | | | | | | | | | | | | | |
| 43 | Net Sales Proceeds (Assoc. Co.) | | | | | | | | | | | | | |
| 44 | Net Sales Proceeds (Other) | | | | | | | | | | | | | |
| 45 | Gains | | | | | | | | | | | | | |
| 46 | Losses | | | | | | | | | | | | | |

FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

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.

(b) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

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 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.

(c) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

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.

(d) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

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.

(e) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

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.

(f) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

As approved by the Department in DPU 20-58-C, the Company is allowed to defer for future recovery the credits associated with COVID-19 related small, commercial and industrial arrearage management and forgiveness program ("AFP"). The AFP is intended to encourage small commercial customer to enroll and successfully complete a payment plan. The goal of the AFP is to enhance assistance through economic relief that would reduce the accrued arrearage of the Company's small commercial customers that have gone into arrears during the state of the COVID-19 emergency.

| | | | |
|---|---|-------------------------------|---|
| 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: 2022-03-31 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

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) |
|----------|--|--------------|---------------------|----------------------|
| 1 | Woerner, Stephen* (President & Director) | Waltham, MA | | Appointed 10/25/2021 |
| 2 | Kelly, Christopher* (SVP, COO & Director) | Warwick, UK | | Appointed 4/1/2021 |
| 3 | Bracken, Vivienne (Senior Vice President) | Warwick, UK | | |
| 4 | Sweet-Zavaglia, Keri (Senior Vice President) | Syracuse, NY | | |
| 5 | Campbell, David H.* (VP, CFO, & Director) | Waltham, MA | | Appointed 4/26/2021 |
| 6 | McCusker, Christopher (VP & Controller) | Waltham, MA | | |
| 7 | Bostic, Christina (VP & Treasurer) | Waltham, MA | | |
| 8 | Sobolewski, Terence M. (VP) | Waltham, MA | | Resigned 10/25/2021 |
| 9 | O'Brien, John (President & Director) | Waltham, MA | | Resigned 11/15/2021 |
| 10 | Reed, Marcy L. (President & Director) | Waltham, MA | | Resigned 4/1/2021 |
| 11 | McNeill, Brian (VP, CFO, & Director) | Brooklyn, NY | | Resigned 4/1/2021 |
| 12 | McCallan, Michael (VP & Director) | Waltham, MA | | Resigned 4/1/2021 |

| 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: 03/31/2022 | Year/Period of Report End of: 2021/ 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 12, column (c), and that reported for electric plant in service, page 204, column (d), 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> | | | | | |
| 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) |
| Section A. Balances and Changes During Year | | | | | |
| 1 | Balance Beginning of Year | 57,806,296 | 57,806,296 | | |
| 2 | Depreciation Provisions for Year, Charged to | | | | |
| 3 | (403) Depreciation Expense | 2,913,806 | 2,913,806 | | |
| 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): | | | | |
| 9.1 | Other Accounts (Specify, details in footnote): | | | | |
| 10 | TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9) | 2,913,806 | 2,913,806 | | |
| 11 | Net Charges for Plant Retired: | | | | |
| 12 | Book Cost of Plant Retired | (504,433) | (504,433) | | |
| 13 | Cost of Removal | (330,948) | (330,948) | | |
| 14 | Salvage (Credit) | 14,716 | 14,716 | | |
| 15 | TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14) | (820,665) | (820,665) | | |
| 16 | Other Debit or Cr. Items (Describe, details in footnote): | | | | |
| 17.1 | Other Debit or Cr. Items (Describe, details in footnote): | | | | |
| 17.2 | Transfers | 65 | 65 | | |
| 18 | Book Cost or Asset Retirement Costs Retired | | | | |
| 19 | Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18) | 59,899,502 | 59,899,502 | | |
| 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 | 54,786,390 | 54,786,390 | | |
| 27 | Regional Transmission and Market Operation | 5,113,112 | 5,113,112 | | |
| 28 | General | | | | |
| 29 | TOTAL (Enter Total of lines 20 thru 28) | 59,899,502 | 59,899,502 | | |

| | | | |
|---|---|-------------------------------|---|
| 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: 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

PART XIII: CAPITAL STOCK DATA

(Column f refers to 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) | Outstanding Per Balance Sheet, Amount (f) |
|----------|-------------------------------|---------------------------------|--|--|---|---|
| 1 | Common Stock | 1 | 1.00 | | 1 | 1.00 |

| 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 03/31/2022 | Year/Period of Report End of: 2021/ Q4 | |
|---|--|---|-------------------------|--------------------------------------|---|-------------------------|
| 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 % Rate (e) | Interest, Amount (f) |
| 1 | Massachusetts Development Finance Agency-variable rate Utility Revenue Bonds Series 2004 | 12/16/2004 | 03/01/2039 | 10,000,000 | 0.16% | 15,920 |
| 2 | Massachusetts Development Finance Agency-variable rate Utility Revenue Bonds Series 2005 | 12/08/2005 | 12/01/2040 | 28,000,000 | 0.16% | 43,986 |
| 3 | Massachusetts Development Finance Agency-variable rate Utility Revenue Bonds Series 2007 | 08/01/2007 | 08/01/2042 | 13,300,000 | 0.14% | 19,256 |
| | TOTAL | | | 51,300,000 | | 79,162 |

| | | | |
|---|---|-------------------------------|---|
| 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: 2022-03-31 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

PART XV: 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 | 4,409,687 | 182.3/190/282/283 | 1,526,630 | 182,258,053 | 5,141,110 |
| 2 | Energy Efficiency | 5,118,776 | 431/451 | 356,689 | 2,050,060 | 6,812,147 |
| 3 | Transmission Service | 17,983,854 | 456 | 378,609 | 1,994,281 | 19,599,526 |
| 4 | Basic Service Administrative Cost | 1,701,297 | 182.3/431/456 | 278,334 | 275,280 | 1,698,243 |
| 5 | Revenue Decoupling Mechanism | 918,113 | 456 | 1,836,138 | 2,290,719 | 1,372,694 |
| 6 | Cable Facilities | 1,416,995 | 431/456 | 74,637 | 528,023 | 1,870,381 |
| 7 | Over Collect-Commodity | 959,516 | 449.1 | 124,577 | 762,426 | 1,597,365 |
| 8 | Service Quality Penalty | 61,949 | 426/456 | 127,782 | 72,691 | 6,858 |
| 41 | TOTAL | 32,570,187 | | 4,703,396 | 10,231,533 | 38,098,324 |

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

NOTES TO FINANCIAL STATEMENTS (Continued)

Schedule Page: 20 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: 20 Line No.: 2 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: 20 Line No.: 3 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: 20 Line No.: 4 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: 20 Line No.: 5 Column: a

Pursuant to MA DPU 07-SOA and the Company's Revenue Decoupling Mechanism ("ROM") 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 ROM 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: 20 Line No.: 6 Column: a

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: 20 | Line No.: 7 | 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: 20 | Line No.: 8 | Column: a |
|--------------------------|--------------------|------------------|

Pursuant to G.L. c. 164, § 11 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.

| 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: 03/31/2022 | | Year/Period of Report End of: 2021/ Q4 | |
|--|---|---|--|--|--|--|---|
| Electric Operating Revenues | | | | | | | |
| <p>1. 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.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. 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.</p> <p>4. 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.</p> <p>5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.</p> <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 page 108, 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> | | | | | | | |
| Line No. | Title of Account (a) | Operating Revenues Year to Date Quarterly/Annual (b) | Operating Revenues Previous year (no Quarterly) (c) | MEGAWATT HOURS SOLD Year to Date Quarterly/Annual (d) | MEGAWATT HOURS SOLD Amount Previous year (no Quarterly) (e) | AVG.NO. CUSTOMERS PER MONTH Current Year (no Quarterly) (f) | AVG.NO. CUSTOMERS PER MONTH Previous Year (no Quarterly) (g) |
| 1 | Sales of Electricity | | | | | | |
| 2 | (440) Residential Sales | 1,941,132 | 2,014,345 | 17,170 | 19,687 | 1,822 | 2,006 |
| 3 | (442) Commercial and Industrial Sales | | | | | | |
| 4 | Small (or Comm.) (See Instr. 4) | 351,414 | 257,884 | 3,850 | 3,511 | 254 | 284 |
| 5 | Large (or Ind.) (See Instr. 4) | 10,314 | 2,071 | 113 | 28 | 1 | 1 |
| 6 | (444) Public Street and Highway Lighting | 172 | (121) | | | | |
| 7 | (445) Other Sales to Public Authorities | | | | | | |
| 8 | (446) Sales to Railroads and Railways | | | | | | |
| 9 | (448) Interdepartmental Sales | | | | | | |
| 10 | TOTAL Sales to Ultimate Consumers | 2,303,032 | 2,274,179 | 21,133 | 23,227 | 2,077 | 2,291 |
| 11 | (447) Sales for Resale | | | | | | |
| 12 | TOTAL Sales of Electricity | 2,303,032 | 2,274,179 | 21,133 | 23,227 | 2,077 | 2,291 |
| 13 | (Less) (449.1) Provision for Rate Refunds | 448,203 | 398,207 | | | | |
| 14 | TOTAL Revenues Before Prov. for Refunds | 1,854,829 | 1,875,972 | 21,133 | 23,227 | 2,077 | 2,291 |
| 15 | Other Operating Revenues | | | | | | |
| 16 | (450) Forfeited Discounts | | 3,902 | | | | |
| 17 | (451) Miscellaneous Service Revenues | \$2,749,336 | \$2,251,121 | | | | |
| 18 | (453) Sales of Water and Water Power | | | | | | |
| 19 | (454) Rent from Electric Property | 532,538 | 587,320 | | | | |
| 20 | (455) Interdepartmental Rents | | | | | | |
| 21 | (456) Other Electric Revenues | \$20,915,040 | \$19,183,344 | | | | |
| 22 | (456.1) Revenues from Transmission of Electricity of Others | | | | | | |
| 23 | (457.1) Regional Control Service Revenues | | | | | | |
| 24 | (457.2) Miscellaneous Revenues | | | | | | |
| 25 | Other Miscellaneous Operating Revenues | | | | | | |
| 26 | TOTAL Other Operating Revenues | 24,196,914 | 22,025,687 | | | | |
| 27 | TOTAL Electric Operating Revenues | 26,051,743 | 23,901,659 | | | | |

Line 12, column (b) includes \$ of unbilled revenues.
Line 12, column (d) includes MWH relating to unbilled revenues

| 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: 03/31/2022 | Year/Period of Report End of: 2021/ 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 (Enter Total of 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-Nuclear, Power (Enter Total of 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 (Total of Lines 50 & 58) | | |
| 60 | D. Other Power Generation | | |
| 61 | Operation | | |
| 62 | (546) Operation Supervision and Engineering | | |
| 63 | (547) Fuel | | |
| 64 | (548) Generation Expenses | | |
| 64.1 | (548.1) Operation of Energy Storage Equipment | | |
| 65 | (549) Miscellaneous Other Power Generation Expenses | | |
| 66 | (550) Rents | | |
| 67 | TOTAL Operation (Enter Total of Lines 62 thru 67) | | |
| 68 | Maintenance | | |
| 69 | (551) Maintenance Supervision and Engineering | | |
| 70 | (552) Maintenance of Structures | | |
| 71 | (553) Maintenance of Generating and Electric Plant | | |
| 71.1 | (553.1) Maintenance of Energy Storage Equipment | | |
| 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 Total of Lines 67 & 73) | | |
| 75 | E. Other Power Supply Expenses | | |
| 76 | (555) Purchased Power | 1,677,330 | 1,738,837 |
| 76.1 | (555.1) Power Purchased for Storage Operations | | |
| 77 | (556) System Control and Load Dispatching | | |
| 78 | (557) Other Expenses | | |
| 79 | TOTAL Other Power Supply Exp (Enter Total of Lines 76 thru 78) | 1,677,330 | 1,738,837 |
| 80 | TOTAL Power Production Expenses (Total of Lines 21, 41, 59, 74 & 79) | 1,677,330 | 1,738,837 |
| 81 | 2. TRANSMISSION EXPENSES | | |
| 82 | Operation | | |
| 83 | (560) Operation Supervision and Engineering | 539 | |
| 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 | 134,135 | 117,962 |
| 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 | 90 | 44 |
| 93.1 | (562.1) Operation of Energy Storage Equipment | | |
| | | | |

| | | | |
|-------|--|-----------|-----------|
| 143 | (589) Rents | 5,835 | 9,107 |
| 144 | TOTAL Operation (Enter Total of Lines 134 thru 143) | 872,577 | 781,790 |
| 145 | Maintenance | | |
| 146 | (590) Maintenance Supervision and Engineering | 24,941 | |
| 147 | (591) Maintenance of Structures | 49,418 | 17,751 |
| 148 | (592) Maintenance of Station Equipment | 68,148 | 69,126 |
| 148.1 | (592.2) Maintenance of Energy Storage Equipment | | |
| 149 | (593) Maintenance of Overhead Lines | 1,081,671 | 1,100,626 |
| 150 | (594) Maintenance of Underground Lines | 207,726 | 267,709 |
| 151 | (595) Maintenance of Line Transformers | 12,653 | 13,349 |
| 152 | (596) Maintenance of Street Lighting and Signal Systems | 43,706 | 44,893 |
| 153 | (597) Maintenance of Meters | 163 | 158 |
| 154 | (598) Maintenance of Miscellaneous Distribution Plant | 30,052 | 17,230 |
| 155 | TOTAL Maintenance (Total of Lines 146 thru 154) | 1,518,478 | 1,530,842 |
| 156 | TOTAL Distribution Expenses (Total of Lines 144 and 155) | 2,391,055 | 2,312,632 |
| 157 | 5. CUSTOMER ACCOUNTS EXPENSES | | |
| 158 | Operation | | |
| 159 | (901) Supervision | 20,284 | 29,642 |
| 160 | (902) Meter Reading Expenses | 5,707 | 19,858 |
| 161 | (903) Customer Records and Collection Expenses | 408,525 | 401,131 |
| 162 | (904) Uncollectible Accounts | (189,422) | (243,001) |
| 163 | (905) Miscellaneous Customer Accounts Expenses | 22,430 | 30,992 |
| 164 | TOTAL Customer Accounts Expenses (Enter Total of Lines 159 thru 163) | 267,524 | 238,622 |
| 165 | 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | |
| 166 | Operation | | |
| 167 | (907) Supervision | 3 | 188 |
| 168 | (908) Customer Assistance Expenses | 1,241,880 | 708,163 |
| 169 | (909) Informational and Instructional Expenses | 46,537 | 48,393 |
| 170 | (910) Miscellaneous Customer Service and Informational Expenses | 92,291 | 88,338 |
| 171 | TOTAL Customer Service and Information Expenses (Total Lines 167 thru 170) | 1,380,711 | 845,082 |
| 172 | 7. SALES EXPENSES | | |
| 173 | Operation | | |
| 174 | (911) Supervision | 983 | 571 |
| 175 | (912) Demonstrating and Selling Expenses | | |
| 176 | (913) Advertising Expenses | 5,581 | 6,543 |
| 177 | (916) Miscellaneous Sales Expenses | 311 | 208 |
| 178 | TOTAL Sales Expenses (Enter Total of Lines 174 thru 177) | 6,875 | 7,322 |
| 179 | 8. ADMINISTRATIVE AND GENERAL EXPENSES | | |
| 180 | Operation | | |
| 181 | (920) Administrative and General Salaries | 623,344 | 766,695 |
| 182 | (921) Office Supplies and Expenses | 528,687 | 550,202 |
| 183 | (Less) (922) Administrative Expenses Transferred-Credit | 133,553 | 140,997 |
| 184 | (923) Outside Services Employed | 222,675 | 248,061 |
| 185 | (924) Property Insurance | 38,240 | 44,501 |
| 186 | (925) Injuries and Damages | 62,281 | 68,494 |
| 187 | (926) Employee Pensions and Benefits | 625,766 | 810,262 |
| 188 | (927) Franchise Requirements | | |
| 189 | (928) Regulatory Commission Expenses | 71,051 | 72,974 |
| 190 | (929) (Less) Duplicate Charges-Cr. | | |
| 191 | (930.1) General Advertising Expenses | | |
| 192 | (930.2) Miscellaneous General Expenses | 12,304 | 46,621 |
| 193 | (931) Rents | 770,391 | 578,039 |

| | | | |
|--|---|-------------------------------|---|
| Name of Respondent: Nanucket Electric Company | This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report: 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
|--|---|-------------------------------|---|

SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326).
- Enter the name of the purchaser 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 purchaser.
- 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 projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term 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 which meets the definition of RQ service. For all transactions 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 except that "intermediate-term" means longer than one year but Less than five years.

SF - for short-term firm 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 designated unit.

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

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.

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.
- Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (g) through (k).
- In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
- For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly 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.
- Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
- Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
- The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
- Footnote entries as required and provide explanations following all required data.

| 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) | | Megawatt Hours Sold (g) | REVENUE | | | Total (\$) (h+i+j) (k) |
|----------|---|--------------------------------|---|---|--------------------------------|-------------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------------|
| | | | | | Average Monthly NCP Demand (e) | Average Monthly CP Demand (f) | | Demand Charges (\$) (h) | Energy Charges (\$) (i) | Other Charges (\$) (j) | |
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |
| 4 | | | | | | | | | | | |
| 5 | | | | | | | | | | | |
| 6 | | | | | | | | | | | |
| 7 | | | | | | | | | | | |
| 8 | | | | | | | | | | | |
| 9 | | | | | | | | | | | |
| 10 | | | | | | | | | | | |
| 11 | | | | | | | | | | | |
| 12 | | | | | | | | | | | |
| 13 | | | | | | | | | | | |
| 14 | | | | | | | | | | | |
| 15 | Subtotal - RQ | | | | | | | | | | |
| 16 | Subtotal-Non-RQ | | | | | | | | | | |
| 17 | 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: 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

PURCHASED POWER (Account 555)

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.

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 megawatt-hours shown on bills rendered to the respondent, excluding purchases for energy storage. Report in column (h) the megawatt-hours shown on bills rendered to the respondent for energy storage purchases. Report in columns (i) and (j) the megawatt-hours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (k), energy charges in column (l), and the total of any other types of charges, including out-of-period adjustments, in column (m). Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (n) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (m) 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 columns (g) through (n) must be totaled on the last line of the schedule. The total amount in columns (g) and (h) must be reported as Purchases on Page 401, line 10. The total amount in column (i) must be reported as Exchange Received on Page 401, line 12. The total amount in column (j) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

| 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) | | MegaWatt Hours Purchased (Excluding for Energy Storage) (g) | MegaWatt Hours Purchased for Energy Storage (h) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | |
|----------|---|--------------------------------|---|---|--------------------------------|-------------------------------|---|---|-----------------------------|------------------------------|--------------------------|-------------------------|------------------------|--------------------------------------|
| | | | | | Average Monthly NCP Demand (e) | Average Monthly CP Demand (f) | | | MegaWatt Hours Received (i) | MegaWatt Hours Delivered (j) | Demand Charges (\$) (k) | Energy Charges (\$) (l) | Other Charges (\$) (m) | Total (k+l+m) of Settlement (\$) (n) |
| 1 | New England Power | OS | 1 | | | | | | | | | | (177.513) | (177.513) |
| 2 | Constellation | RQ | 1 | | | | 5,883 | | | | | 486,097 | | 486,097 |
| 3 | DTE Energy | RQ | 1 | | | | 205 | | | | | 11,190 | | 11,190 |
| 4 | NextEra Marketing | RQ | 1 | | | | 4,731 | | | | | 379,401 | | 379,401 |
| 5 | Calpine | RQ | 1 | | | | 3,836 | | | | | 371,922 | | 371,922 |
| 6 | Dynegy | RQ | 1 | | | | 2,627 | | | | | 177,379 | | 177,379 |
| 7 | Macquarie | RQ | 1 | | | | 2,821 | | | | | 178,686 | | 178,686 |
| 8 | ConEd | RQ | 1 | | | | 3,449 | | | | | 250,168 | | 250,168 |
| 15 | TOTAL | | | | | | 23,552 | | | | | 1,854,843 | (177.513) | 1,677,330 |

| 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: 03/31/2022 | | Year/Period of Report End of: 2021/ Q4 | | |
|---|---|---|--------------|-------------------------------|---------------------|---|---------------------|------------|
| 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) | Gas (d) | Other (Specify) (e) | Other (Specify) (f) | Other (Specify) (g) | Common (h) |
| 1 | UTILITY PLANT | | | | | | | |
| 2 | In Service | | | | | | | |
| 3 | Plant in Service (Classified) | 134,085,512 | 134,085,512 | | | | | |
| 4 | Property Under Capital Leases | 1,817,728 | 1,817,728 | | | | | |
| 5 | Plant Purchased or Sold | | | | | | | |
| 6 | Completed Construction not Classified | 4,689,682 | 4,689,682 | | | | | |
| 7 | Expenmental Plant Unclassified | | | | | | | |
| 8 | Total (3 thru 7) | 140,592,922 | 140,592,922 | | | | | |
| 9 | Leased to Others | | | | | | | |
| 10 | Held for Future Use | | | | | | | |
| 11 | Construction Work in Progress | 2,103,054 | 2,103,054 | | | | | |
| 12 | Acquisition Adjustments | 16,551,550 | 16,551,550 | | | | | |
| 13 | Total Utility Plant (8 thru 12) | 159,247,526 | *159,247,526 | | | | | |
| 14 | Accumulated Provisions for Depreciation, Amortization, & Depletion | 61,154,092 | *61,154,092 | | | | | |
| 15 | Net Utility Plant (13 less 14) | 98,093,434 | 98,093,434 | | | | | |
| 16 | DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION | | | | | | | |
| 17 | In Service: | | | | | | | |
| 18 | Depreciation | 60,308,099 | 60,308,099 | | | | | |
| 19 | Amortization and Depletion of Producing Natural Gas Land and Land Rights | | | | | | | |
| 20 | Amortization of Underground Storage Land and Land Rights | | | | | | | |
| 21 | Amortization of Other Utility Plant | | | | | | | |
| 22 | Total in Service (18 thru 21) | 60,308,099 | 60,308,099 | | | | | |
| 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 | Amortization of Plant Acquisition Adjustment | 845,993 | 845,993 | | | | | |
| 33 | Total Accum Prov (equals 14) (22,26,30,31,32) | 61,154,092 | *61,154,092 | | | | | |

| | | | |
|---|---|------------------------------|---|
| 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 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
| FOOTNOTE DATA | | | |

| |
|---|
| (a) Concept: UtilityPlantAndConstructionWorkInProgress |
| This Total Utility Plant of \$159,247,526 which includes \$1,817,728 in right of Use Assets related to Operating Leases. For the purposes of this page, the Right of Use Assets are excluded. |
| (b) Concept: AccumulatedProvisionForDepreciationAmortizationAndDepletionOfPlantUtility |
| The Total Accumulated Provision for Depreciation/Amortization and Depletion of \$61,154,092 which includes \$408,599 in right of Use Assets related to Operating Leases. For the purposes of this page, the Right of Use Assets are excluded. |
| (g) Concept: AccumulatedProvisionForDepreciationAmortizationAndDepletionOfPlantUtility |
| The Total Accumulated Provision for Depreciation/Amortization and Depletion of \$61,154,092 which includes \$408,599 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: 03/31/2022 | | Year/Period of Report End of: 2021/ Q4 | |
| ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) | | | | | | | |
| <p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. 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.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. 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.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. 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 the 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) 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> | | | | | | | |
| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) |

PAGE 264

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1 Report below the original cost of electric plant in service according to the prescribed accounts.

2 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.

3 Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.

4 For retirements to the amount of initial asset retirement costs capitalized, included by primary plant account, increase in column (c) additions and reductions in column (e) adjustments.

5 Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

6 Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entire in column (c). Also to be included in column (c) are entries for reversal of tentative distributions of prior year reported in column (b). Reverse, 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).

PAGE 265

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

7 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.

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.

| Line No | Account (a) | Balance Beginning of Year (b) December 31, 2020 | Additions (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) December 31, 2021 | Thousands (h) |
|---------|--|---|------------------|--------------------|--------------------|------------------|--|------------------|
| 1 | 1. INTANGIBLE PLANT | | | | | | | 1 |
| 2 | 2. (301) Organization | | | | | | | 2 |
| 3 | 3. (302) Franchises and Consents | | | | | | | 3 |
| 4 | 4. (303) Miscellaneous Intangible Plant | | | | | | | 4 |
| 5 | 5. TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4) | | | | | | | 5 |
| 6 | 6. 2. PRODUCTION PLANT | | | | | | | 6 |
| 7 | 7. A. Steam Production Plant | | | | | | | 7 |
| 8 | 8. (310) Land and Land Rights | | | | | | | 8 |
| 9 | 9. (311) Structures and Improvements | | | | | | | 9 |
| 10 | 10. (312) Boiler Plant Equipment | | | | | | | 10 |
| 11 | 11. (313) Engines and Engine-Driven Generators | | | | | | | 11 |
| 12 | 12. (314) Turbogenerator Units | | | | | | | 12 |
| 13 | 13. (315) Accessory Electric Equipment | | | | | | | 13 |
| 14 | 14. (316) Misc. Power Plant Equipment | | | | | | | 14 |
| 15 | 15. (317) Asset Retirement Costs for Steam Production | | | | | | | 15 |
| 16 | 16. TOTAL Steam Production Plant (Enter Total of lines 8 thru 15) | | | | | | | 16 |
| 17 | 17. B. Nuclear Production Plant | | | | | | | 17 |
| 18 | 18. (320) Land and Land Rights | | | | | | | 18 |
| 19 | 19. (321) Structures and Improvements | | | | | | | 19 |
| 20 | 20. (322) Reactor Plant Equipment | | | | | | | 20 |
| 21 | 21. (323) Turbogenerator Units | | | | | | | 21 |
| 22 | 22. (324) Accessory Electric Equipment | | | | | | | 22 |
| 23 | 23. (325) Misc. Power Plant Equipment | | | | | | | 23 |
| 24 | 24. (326) Asset Retirement Costs for Nuclear Production | | | | | | | 24 |
| 25 | 25. TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24) | | | | | | | 25 |
| 26 | 26. C. Hydraulic Production Plant | | | | | | | 26 |
| 27 | 27. (330) Land and Land Rights | | | | | | | 27 |
| 28 | 28. (331) Structures and Improvements | | | | | | | 28 |
| 29 | 29. (332) Reservoirs, Dams, and Waterways | | | | | | | 29 |
| 30 | 30. (333) Water Wheels, Turbines, and Generators | | | | | | | 30 |
| 31 | 31. (334) Accessory Electric Equipment | | | | | | | 31 |
| 32 | 32. (335) Misc. Power Plant Equipment | | | | | | | 32 |
| 33 | 33. (336) Roads, Railroads, and Bridges | | | | | | | 33 |
| 34 | 34. (337) Asset Retirement Costs for Hydraulic Production | | | | | | | 34 |
| 35 | 35. TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34) | | | | | | | 35 |
| 36 | 36. D. Other Production Plant | | | | | | | 36 |
| 37 | 37. (340) Land and Land Rights | | | | | | | 37 |
| 38 | 38. (341) Structures and Improvements | | | | | | | 38 |
| 39 | 39. (342) Fuel Holders, Products and Accessories | | | | | | | 39 |
| 40 | 40. (343) Prime Movers | | | | | | | 40 |
| 41 | 41. (344) Generators | | | | | | | 41 |
| 42 | 42. (345) Accessory Electric Equipment | | | | | | | 42 |
| 43 | 43. (346) Misc. Power Plant Equipment | | | | | | | 43 |
| 44 | 44. (347) Asset Retirement Costs for Other Production | | | | | | | 44 |
| 45 | 45. (348) Energy Storage Equipment - Production | | | | | | | 45 |
| 46 | 46. TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44) | | | | | | | 46 |
| 47 | 47. TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 46) | | | | | | | 47 |

PAGE 264 - 265

| PAGE 206 | | | | PAGE 207 | | | |
|---|--|---------------------------|--------------|---|-------------|-----------|------------------------|
| ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued) | | | | ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued) | | | |
| Line No. | Account | Balance Beginning of Year | Additions | Retirements | Adjustments | Transfers | Balance at End of Year |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 47 | TRANSMISSION PLANT | | | | | | 47 |
| 48 | (350) Land and Land Rights | - | - | - | - | - | 48 |
| 48 | (351) Energy Storage Equipment - Transmission | - | - | - | - | - | 48.1 |
| 49 | (352) Structures and Improvements | - | - | - | - | - | 49 |
| 50 | (353) Station Equipment | - | - | - | - | - | 50 |
| 51 | (354) Towers and Fences | - | - | - | - | - | 51 |
| 52 | (355) Poles and Fences | - | - | - | - | - | 52 |
| 53 | (356) Overhead Conductors and Devices | - | - | - | - | - | 53 |
| 54 | (357) Underground Conduit | - | - | - | - | - | 54 |
| 55 | (358) Underground Conductors and Devices | - | - | - | - | - | 55 |
| 56 | (359) Roads and Trails | - | - | - | - | - | 56 |
| 57 | (359.1) Asset Retirement Costs for Transmission Plant | - | - | - | - | - | 57 |
| 58 | TOTAL Transmission Plant (Enter Total of lines 48 thru 57) | - | - | - | - | - | 58 |
| 59 | DISTRIBUTION PLANT | | | | | | 59 |
| 60 | (360) Land and Land Rights | 1,818,328 | 29,645 | - | - | - | 1,847,974 |
| 61 | (361) Structures and Improvements | 437,686 | - | - | - | - | 437,686 |
| 62 | (362) Station Equipment | 21,577,091 | 115,077 | - | - | - | 21,692,168 |
| 63 | (363) Storage Battery Equipment | - | - | - | - | - | 63 |
| 64 | (364) Poles, Towers, and Fences | 7,476,112 | 483,005 | 36,850 | (1) | - | 7,922,266 |
| 65 | (365) Overhead Conductors and Devices | 5,655,579 | 3,739,647 | 71,974 | - | - | 6,823,252 |
| 66 | (366) Underground Conduit | 15,749,277 | 140,357 | 3,684 | - | - | 15,885,950 |
| 67 | (367) Underground Conductors and Devices | 52,827,780 | 1,275,779 | 204,668 | - | - | 53,698,891 |
| 68 | (368) Line Transformers | 7,850,398 | 563,269 | 72,338 | 1 | - | 6,341,330 |
| 69 | (369) Services | 8,989,183 | 672,187 | 61,916 | - | - | 9,599,454 |
| 70 | (370) Meters | 1,452,616 | 60,232 | 42,923 | 1 | - | 1,469,926 |
| 71 | (371) Installations on Customer Premises | - | - | - | - | - | 71 |
| 72 | (372) Leased Property on Customer Premises | - | - | - | - | - | 72 |
| 73 | (373) Street Lighting and Signal Systems | 573,050 | 28,595 | 10,079 | (1) | - | 591,565 |
| 74 | (374) Asset Retirement Costs for Distribution Plant | - | - | - | - | - | 74 |
| 75 | TOTAL Distribution Plant (Enter Total of lines 60 thru 74) | 124,407,060 | 6,807,704 | 504,432 | - | - | 130,510,442 |
| 76 | REGIONAL TRANSMISSION AND MARKET OPERATION PLANT | | | | | | 76 |
| 77 | (380) Land and Land Rights | - | - | - | - | - | 77 |
| 78 | (381) Structures and Improvements | - | - | - | - | - | 78 |
| 79 | (382) Computer Hardware | - | - | - | - | - | 79 |
| 80 | (383) Computer Software | - | - | - | - | - | 80 |
| 81 | (384) Communication Equipment | - | - | - | - | - | 81 |
| 82 | (385) Miscellaneous Regional Transmission and Market Operation Plant | - | - | - | - | - | 82 |
| 83 | (386) Asset Retirement Costs for Regional Transmission and Market Oper | - | - | - | - | - | 83 |
| 84 | TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83) | - | - | - | - | - | 84 |
| 85 | GENERAL PLANT | | | | | | 85 |
| 86 | (389) Land and Land Rights | 31,005 | - | - | - | - | 31,005 |
| 87 | (390) Structures and Improvements | 2,174,071 | - | - | - | - | 2,174,071 |
| 88 | (391) Office Furniture and Equipment | 82,540 | - | - | - | - | 82,540 |
| 89 | (392) Transportation Equipment | - | - | - | - | - | 89 |
| 90 | (393) Stores Equipment | - | 84,015 | - | - | - | 84,015 |
| 91 | (394) Tools, Shop and Garage Equipment | 141,528 | 6,783 | - | - | - | 148,311 |
| 92 | (395) Laboratory Equipment | - | - | - | - | - | 92 |
| 93 | (396) Power Operated Equipment | - | - | - | - | - | 93 |
| 94 | (397) Communication Equipment | 5,709,347 | - | - | - | - | 5,709,347 |
| 95 | (398) Miscellaneous Equipment | 31,680 | - | - | - | - | 31,680 |
| 96 | SUBTOTAL (Enter Total of lines 86 thru 95) | 8,170,151 | 90,798 | - | - | - | 8,260,949 |
| 97 | (399) Other Tangible Property | 3,802 | - | - | - | - | 3,802 |
| 98 | (399.1) Asset Retirement Costs for General Plant | - | - | - | - | - | 98 |
| 99 | TOTAL General Plant (Enter Total of lines 96, 97, and 98) | 8,173,953 | 90,798 | - | - | - | 8,264,751 |
| 100 | TOTAL (Accounts 101 and 106) | 132,581,034 | 6,898,502 | 504,432 | - | - | 138,775,194 |
| 101 | (102) Electric Plant Purchased (See instr. 8) | - | - | - | - | - | 101 |
| 102 | (Less) (102) Electric Plant Sold (See instr. 8) | - | - | - | - | - | 102 |
| 103 | (103) Experimental Plant Unclassified | - | - | - | - | - | 103 |
| 104 | TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103) | \$ 132,581,034 | \$ 6,898,502 | \$ 504,432 | \$ - | \$ - | \$ 138,775,194 |

| | | | |
|---|---|-------------------------------|---|
| 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: 2022-03-31 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

PART XXI: FOOTNOTE DATA

| Line No. | Page Number (a) | Part Number (b) | Item Number (c) | Column Number (d) | Comments (e) |
|----------|-----------------|-----------------|-----------------|-------------------|--------------|
| 1 | | | | | |
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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: 2022-03-31 | Year/Period of Report End of: 2021/ Q4 |
|---|---|-------------------------------|---|

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), and (e) report the amount of ancillary services purchased and sold during the year.
2. On Line 2 columns (b), (c), (d), and (e) report the amount of reactive supply and voltage control services purchased and sold during the year.
3. On Line 3 columns (b), (c), (d), and (e) report the amount of regulation and frequency response services purchased and sold during the year.
4. On Line 4 columns (b), (c), (d), and (e) report the amount of energy imbalance services purchased and sold during the year.
5. On Lines 5 and 6, columns (b), (c), (d), and (e) report the amount of operating reserve spinning and supplement services purchased and sold during the period.
6. On Line 7 columns (b), (c), (d), and (e) 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.

| Line No. | Type of Ancillary Service (a) | Amount Purchased for the Year | | | Amount Sold for the Year | | |
|----------|---|-------------------------------------|---------------------|------------|-------------------------------------|---------------------|-------------|
| | | Usage - Related Billing Determinant | | | Usage - Related Billing Determinant | | |
| | | Number of Units (b) | Unit of Measure (c) | Dollar (d) | Number of Units (e) | Unit of Measure (f) | Dollars (g) |
| 1 | Scheduling, System Control and Dispatch | | | | | | |
| 2 | Reactive Supply and Voltage | | | | | | |
| 3 | Regulation and Frequency Response | | | | | | |
| 4 | Energy Imbalance | | | | | | |
| 5 | Operating Reserve - Spinning | | | | | | |
| 6 | Operating Reserve - Supplement | | | | | | |
| 7 | Other | | | | | | |
| 8 | Total (Lines 1 thru 7) | | | | | | |

| 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: 2022-03-31 | | Year/Period of Report End of: 2021/ Q4 | | | | |
|--|------------------------------|---|-------------------------|-------------------------------|-----------------------------------|---|--|----------------------------------|--|-------------------|
| PART XXIII: Monthly Transmission System Peak Load | | | | | | | | | | |
| <p>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.</p> <p>2. Report on Column (b) by month the transmission system's peak load.</p> <p>3. Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>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.</p> | | | | | | | | | | |
| Line No. | Month (a) | Monthly Peak MW - Total (b) | Day of Monthly Peak (c) | Hour of Monthly Peak (d) | Firm Network Service for Self (e) | 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 Reservation (i) | Other Service (j) |
| | NAME OF SYSTEM: Enter System | | | | | | | | | |
| 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 | | | | | | | | | |

| 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: 2022-03-31 | Year/Period of Report End of: 2021/ Q4 |
|--|----------------------|---|---------------------|---|---|
| Part XXIV: 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 | | | | |
| 10 | Total | | | | |
| | Generation Studies | | | | |
| 19 | Total | | | | |
| 20 | Grand 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 03/31/2022 | Year/Period of Report End of: 2021/ Q4 |
|---|-------------------------------|---|------------------------------------|------------------------------------|---|
| PART XXV: 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 | | | | | |
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| 12 | 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: 03/31/2022 | | Year/Period of Report End of: 2021/ Q4 | | | |
|--|--|---|-----------------------------|-------------------------------|--|---|---|---|--------------------|
| ENERGY STORAGE OPERATIONS (Small Plants) | | | | | | | | | |
| <p>1. Small Plants are plants less than 10,000 Kw.</p> <p>2. In columns (a), (b) and (c) report the name of the energy storage project, functional classification (Production, Transmission, Distribution), and location.</p> <p>3. In column (d), report project plant cost including but not exclusive of land and land rights, structures and improvements, energy storage equipment and any other costs associated with the energy storage project.</p> <p>4. In column (e), report operation expenses excluding fuel, (f), maintenance expenses, (g) fuel costs for storage operations and (h) cost of power purchased for storage operations and reported in Account 555.1, Power Purchased for Storage Operations. If power was purchased from an affiliated seller specify how the cost of the power was determined.</p> <p>5. If any other expenses, report in column (i) and footnote the nature of the item(s).</p> | | | | | | | | | |
| Line No. | Name of the Energy Storage Project (a) | Functional Classification (b) | Location of the Project (c) | Project Cost (d) | BALANCE AT BEGINNING OF YEAR | | | | |
| | | | | | Operations (Excluding Fuel used in Storage Operations) (e) | Maintenance (f) | Cost of fuel used in storage operations (g) | Account No. 555.1, Power Purchased for Storage Operations (h) | Other Expenses (i) |
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DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 2021

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 | | |

BALANCE SHEET

See Copy of Balance Sheet Filed with the DPU Return Attached

| Title of Account | | Title of Account | |
|--|------------------------|--|------------------------|
| | Balance End of Year | | Balance End of Year |
| UTILITY PLANT | \$ | PROPRIETARY CAPITAL | \$ |
| Utility Plant | | CAPITAL STOCK | |
| OTHER PROPERTY | | Common Stock Issued..... | |
| AND INVESTMENTS | | Preferred Stock Issued..... | |
| Nonutility Property..... | | Capital Stock Subscribed..... | |
| Investment in Associated Companies..... | | Premium on Capital Stock..... | |
| Other Investments..... | | Total..... | |
| Special Funds..... | | SURPLUS | |
| Total Other Property and Investments..... | | Other Paid-In Capital..... | |
| CURRENT AND ACCRUED ASSETS | | Earned Surplus..... | |
| Cash..... | | Surplus Invested in Plant..... | |
| Special Deposits..... | | Total..... | |
| Working Funds..... | | Total Proprietary Capital..... | |
| Temporary Cash Investments..... | | LONG-TERM DEBT | |
| Notes and Accounts Receivable..... | | Bonds..... | |
| Receivables from Associated Companies..... | | Advances from Associated Companies... | |
| Materials and Supplies..... | | Other Long-Term Debt..... | |
| Prepayments..... | | Total Long-Term Debt..... | |
| Interest and Dividends Receivable..... | | CURRENT AND ACCRUED | |
| Rents Receivable..... | | LIABILITIES | |
| Accrued Utility Revenues..... | | Notes Payable..... | |
| Misc. Current and Accrued Assets..... | | Accounts Payable..... | |
| Total Current and Accrued Assets..... | | Payables to Associated Companies..... | |
| DEFERRED DEBITS | | Customer Deposits..... | |
| Unamortized Debt Discount and Expense..... | | Taxes Accrued..... | |
| Extraordinary Property Losses..... | | Interest Accrued..... | |
| Preliminary Survey and Investigation | | Dividends Declared..... | |
| Charges..... | | Matured Long-Term Debt..... | |
| Clearing Accounts..... | | Matured Interest..... | |
| Temporary Facilities..... | | Tax Collections Payable..... | |
| Miscellaneous Deferred Debits..... | | Misc. Current and Accrued Liabilities..... | |
| Total Deferred Debits..... | | Total Current and Accrued Liabilities..... | |
| CAPITAL STOCK DISCOUNT | | DEFERRED CREDITS | |
| AND EXPENSE | | Unamortized Premium on Debt..... | |
| Discount on Capital Stock..... | | Customer Advances for Construction..... | |
| Capital Stock Expense..... | | Other Deferred Credits..... | |
| Total Capital Stock Discount and | | Total Deferred Credits..... | |
| Expense..... | | RESERVES | |
| REACQUIRED SECURITIES | | Reserves for Depreciation..... | |
| Reacquired Capital Stock..... | | Reserves for Amortization..... | |
| Reacquired Bonds..... | | Reserve for Uncollectible Accounts..... | |
| Total Reacquired Securities..... | | Operating Reserves..... | |
| Total Assets and Other Debits..... | | Reserve for Depreciation and Amort... of Nonutility Property..... | |
| | | Reserves for Deferred Federal Income... | |
| | | Taxes..... | |
| | | Total Reserves..... | |
| | | CONTRIBUTIONS IN AID | |
| | | OF CONSTRUCTION | |
| | | Contributions in Aid of Construction..... | |
| | | Total Liabilities and Other Credits..... | |

NOTES:

NANTUCKET ELECTRIC COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2021

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 Additions 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..... | 1,941,132 | (73,213) |
| Commercial and Industrial Sales..... | - | |
| Small (or Commercial)..... | 351,414 | 93,971 |
| Large (or Industrial)..... | 10,314 | 7,802 |
| Public Street and Highway Lighting..... | 172 | 293 |
| Other Sales to Public Authorities..... | | |
| Sales to Railroad and Railways..... | | |
| Interdepartmental Sales..... | | |
| Miscellaneous Electric Sales..... | | |
| Provision for Rate Refunds..... | 448,203 | 49,996 |
| Total Sales to Ultimate Consumers..... | 1,854,829 | (21,143) |
| Sales for Resale..... | | |
| Total Sales of Electricity..... | 1,854,829 | (21,143) |
| OTHER OPERATING REVENUES | | |
| Forfeited Discounts..... | - | (3,902) |
| Miscellaneous Service Revenues..... | 2,749,336 | 532,538 |
| Sales of Water and Water Power..... | | |
| Rent from Electric Property..... | 532,538 | (54,782) |
| Interdepartmental Rents..... | | |
| Other Electric Revenues..... | 20,915,040 | 1,731,696 |
| Total Other Operating Revenues..... | 24,196,914 | 2,205,550 |
| Total Electric Operating Revenues..... | \$ 26,051,743 | \$ 2,184,407 |

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..... | 1,677,330 | - | 1,677,330 |
| Total Power Production Expenses..... | 1,677,330 | - | 1,677,330 |
| Transmission Expenses..... | 4,623,454 | - | 4,623,454 |
| Distribution Expenses..... | 872,577 | 1,518,478 | 2,391,055 |
| Customer Accounts Expenses..... | 1,648,235 | - | 1,648,235 |
| Sales Expenses..... | 6,875 | - | 6,875 |
| Administrative and General Expenses..... | 2,821,186 | 497 | 2,821,683 |
| Total Electric Oper. and Maint. Expenses | \$ 11,649,657 | \$ 1,518,975 | \$ 13,168,632 |
| | | | |

| 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>As of March 31, 2022, 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> <p style="text-align: right;">Christopher McCusker </p> <p style="text-align: right;">VP, US Controller</p> | | | |

Massachusetts Department of Public Utilities (DPU) Filing

Nantucket Electric Company

December 31, 2021

TABLE OF CONTENTS

| | |
|---|-------|
| General Information | S1-S3 |
| Notes Receivable | S4 |
| Accounts Receivable | S5 |
| Production Fuel & Oil Stocks | S6 |
| Deferred Losses From Disposition Of Utility Plant | S7 |
| Notes Payable | S8 |
| Payables to Associated Companies | S9 |
| Deferred Gains from Disposition Of Utility Plant | S10 |
| Operating Reserves | S11 |
| Sales of Electricity To Utilimate Customers | S12 |
| Other Utility Operating Income | S13 |
| Overhead Distribution Lines Operated | S14 |
| Electric Distribution Services | S14 |
| Street Lamps Connected To System | S15 |
| Rate Schedule Information | S16 |
| Advertising Expenses | S17 |
| Charges For Professional & Other Consulting Services | S18 |
| Deposits & Collateral | S19 |
| Signature Page | S20 |
| Return on Equity | S21 |

| | | | |
|--|---|--|-------------------------------------|
| 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, 2022 | Year of Report December 31, 2021 |
| GENERAL INFORMATION | | | |
| PRINCIPAL AND SALARIED OFFICERS* (As of December 31, 2021) | | | |
| Titles | Names | Addresses | Annual Salaries ⁽¹⁾ |
| Vice President, CFO and Director | Campbell, David H. | Waltham, MA | \$ 650 |
| Vice President and Treasurer | Bostic, Christina | Waltham, MA | \$ 215 |
| Senior Vice President, COO and Director | Kelly, Christopher | Waltham, MA | \$ 1,292 |
| Senior Vice President | Sweet-Zavaglia, Keri | Syracuse, NY | \$ 706 |
| Senior Vice President | Bracken, Vivienne | Warwick, UK | \$ - |
| President and Director | Woerner, Stephen | Waltham, MA | \$ 504 |
| Vice President and Controller | McCusker, Christopher | Waltham, MA | \$ 1,239 |
| DIRECTORS* (As of December 31, 2021) | | | |
| Names | | Addresses | Fees Paid During Year |
| Campbell, David H. Kelly, Christopher Woerner, Stephen | | Waltham, MA Waltham, MA Waltham, MA | None None None |
| <p>* 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."</p> | | | |
| <p>(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.</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) March 31, 2022 | Year of Report December 31, 2021 |
| Nantucket Electric Company | | | |

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, 2021

| <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 2021 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: | 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, 2022 | December 31, 2021 |
| 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, 2021 | City or Town | Number of Customers' Meters December 31, 2021 |
| Nantucket | 14,299 | | |
| | | Total | 14,299 |

| 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, 2022 | Year of Report December 31, 2021 |
|---|---|---|-------------------------|--|-------------------------------------|
| NOTES RECEIVABLE (Account 141) (Not Applicable) | | | | | |
| 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. | | | | | |
| 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 type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission | (Mo, Da, Yr) March 31, 2022 | December 31, 2021 |

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): | 3,313,083 |
| 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): | 44,016 |
| 11 | Union Billable Labor | 429 |
| 12 | Sundries | 1,619 |
| 13 | Other A/R - Non-Associated | 219 |
| 14 | | |
| 15 | | |
| 16 | | 46,283 |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
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| 49 | | |
| 50 | | |
| 51 | | |
| 52 | | |
| 53 | | |
| 54 | | |
| 55 | | |
| 56 | | |
| 57 | Total | \$ 3,359,366 |

| 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, 2022 | | Year of Report December 31, 2021 | |
|---|---------------------------------|---|-----------------------------------|--|--------------|-------------------------------------|--|
| 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, 2022 | | Year of Report December 31, 2021 | |
|---|--------------------------------|---|-----------------------------|--|------------------------------------|-------------------------------------|----------------------------|
| <p align="center">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 Commission 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 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, 2022 | Year of Report December 31, 2021 | |
| NOTES PAYABLE (Account 231) Report particulars indicated concerning notes payable at year end (Not Applicable) | | | | | |
| 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 type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission | (Mo, Da, Yr) March 31, 2022 | December 31, 2021 |
| 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) |
| Account 234 | | | | |
| 1 | National Grid USA Parent | \$ 20,791 | | |
| 2 | NGUSA Service Company | 542,230 | | |
| 3 | National Grid Engineering Services, LLC | 34 | | |
| 4 | PSEG Electric Service TSA Co | 100 | | |
| 5 | Niagara Mohawk Power Corporation | 200 | | |
| 6 | Massachusetts Electric Company | 789,512 | | |
| 7 | The Narragansett Electric Company | 143 | | |
| 8 | New England Power Company | 270,975 | | |
| 9 | NG Energy Trading Svcs | 1 | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | Total Account 234 | 1,623,986 | | |
| 24 | Account 233 | | | |
| 25 | | | | |
| 26 | National Grid USA Service Co., Inc. | | | |
| 27 | (Money Pool) | - | 0% | - |
| 28 | | | | |
| 29 | | | | |
| Totals | | \$ 1,623,986 | | \$ - |

| 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, 2022 | | Year of Report December 31, 2021 | |
|---|--------------------------------|---|-----------------------------|--|------------------------------------|-------------------------------------|----------------------------|
| <p align="center">DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT (Account 256)</p> <p>(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 Commission 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 | | | | | | | |
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| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | 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 March 31, 2022 | Year of Report December 31, 2021 |
|--|--|---|--|--------------------------------------|---|

OPERATING RESERVES (Accounts 228 & 229)

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 228 1, Property Insurance Reserve, and 228 2, Injuries and Damages Reserve, explain the nature of the risks covered by the reserve.
5 For Account 228 4, Miscellaneous Operating Revenues, report separately each reserve composing the account and explain briefly its purpose.

| Line No. | Item | Balance at date (debit)/credit | Contra Account Charged | (debit)/credit | Balance at date |
|--------------------------|--|--------------------------------|------------------------|---------------------|---------------------|
| Account 228 | | | | | |
| 1 | | | | | |
| 2 | Incurred but Not Reported Reserves (IBNR) | 15,415 | 925/228.2 | 2,459 | 17,874 |
| 3 | | | | | |
| 4 | Injuries and Damages (includes Gen. Auto and OCIP) | 1,091 | 228.2 | - | 1,091 |
| 5 | | | | | |
| 6 | Pension | 1,692,005 | 926/426/232 | (963,315) | 728,690 |
| 7 | | | | | |
| 8 | Other Post Employment Benefits | 2,944,567 | 926/426/232 | 47,897 | 2,992,464 |
| 9 | | | | | |
| Total Account 228 | | \$ 4,653,078 | \$ - | \$ (912,959) | \$ 3,740,119 |
| Account 229 | | | | | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| Total Account 229 | | \$ - | \$ - | \$ - | \$ - |

Footnote: Beginning Balances were updated to reflect reclasses not included in the prior filing.

| 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, 2022 | December 31, 2021 | | |
| 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 | - | - | 0.0000 | 60 | 70 |
| 2 | | E Res-Elec Space Htg. | - | - | 0.0000 | - | - |
| 3 | | R-1 Residential | 121,603,186 | 1,889,824 | 1.5541 | 11,999 | 12,018 |
| 4 | | R-2 Res. Low Income | 1,572,520 | 40,915 | 2.6019 | 171 | 169 |
| 5 | | G-1 Gen. Serv. Small | 382,316 | 10,393 | 2.7184 | 48 | 52 |
| 6 | | | | | | | |
| 7 | | Sub-total Account 440 before Rate Refunds | 123,558,022 | 1,941,131 | 1.5710 | 12,277 | 12,309 |
| 8 | | Rate Refunds, Billed | - | (309,159) | | | |
| 9 | | Total Account 440 | 123,558,022 | 1,631,973 | | | |
| 10 | | | | | | | |
| 11 | 442 | R-1 Residential | 370,495 | 16,340 | 4.4103 | 54 | 55 |
| 12 | | G-1 Gen. Serv.Small | 24,862,485 | 215,851 | 0.8682 | 1,555 | 1,558 |
| 13 | | G-2 Gen. Serv. Demand | 17,498,059 | 53,750 | 0.3072 | 73 | 74 |
| 14 | | G-3 Time Of Use-Large | 12,574,007 | 75,788 | 0.6027 | 10 | 10 |
| 15 | | S4A St Lt - Security | 248 | | 0.0000 | 1 | 15 |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | Sub-total Account 442 before Rate Refunds | 55,305,294 | 361,728 | 0.6541 | 1,693 | 1,712 |
| 19 | | Rate Refunds, Billed | - | (138,381) | | | |
| 20 | Total Account 442 | 55,305,294 | 223,347 | | | | |
| 21 | | | | | | | |
| 22 | 444 | S-1 St.Lt.Co.Own Equip. | 185,307 | 121 | 0.0653 | 1 | 1 |
| 23 | | S-3 St.Lt.U/G Div. of Own | 79,377 | 52 | 0.0655 | 4 | 4 |
| 24 | | G-1 Gen. Serv. Small | - | - | 0.0000 | - | - |
| 25 | | | | | | | |
| 26 | | Sub-total Account 444 before Rate Refunds | 264,684 | 172 | 0.0650 | 5 | 5 |
| 27 | | Rate Refunds, Billed | - | (662) | | | |
| 28 | | Total Account 444 | 264,684 | (490) | | | |
| 29 | | | | | | | |
| 30 | | | | | | | |
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| 48 | | | | | | | |
| 49 | | | | | | | |
| 50 | | | | | | | |
| 51 | | | | | | | |
| 52 | | Total | | | | | |
| 53 | | Unbilled | | | | | |
| 54 | TOTAL SALES TO ULTIMATE CONSUMERS | | 179,128,000 | \$ 1,854,829 | 1.0355 | 13,975 | 14,026 |

| 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, 2022 | December 31, 2021 |
| 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 | | | | | |
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| 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, 2022 | Year of Report December 31, 2021 |
| OVERHEAD DISTRIBUTION LINES OPERATED | | | | | |
| Line No. | | Length (Pole Miles) | | | |
| | | Wood Poles | Steel Towers | Total | |
| 1 | Miles - Beginning of Year | 148.01 | | 148.01 | |
| 2 | Added During Year | 34.68 | | 34.68 | |
| 3 | Retired During Year | (4.83) | | (4.83) | |
| 4 | Adjusted During Year | | | | |
| 4 | Miles - End of Year | 177.86 | | 177.86 | |
| 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 | 7,092 | | | |
| 17 | Additions during year : | | | | |
| 18 | Purchased | | | | |
| 19 | Installed | 23 | | | |
| 20 | Associated with utility plant acquired | | | | |
| 21 | Total additions | 23 | | | |
| 22 | Reductions during year : | | | | |
| 23 | Retirements | (23) | | | |
| 24 | Associated with utility plant sold | | | | |
| 25 | Total reductions | (23) | | | |
| 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 checked="" type="checkbox"/> A Resubmission | | (Mo, Da, Yr) March 31, 2022 | December 31, 2021 |
| 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 | 621 | RESIDENTIAL REGULAR R-1 | | | |
| 10/1/2019 | 622 | RESIDENTIAL-LOW INCOME R-2 | | | |
| | | R-1/R-2 COMBINED | 1% | | |
| 10/1/2019 | 623 | GENERAL SERVICE - SMALL COMMERCIAL AND INDUSTRIAL G-1 | 3% | | |
| 10/1/2019 | 624 | GENERAL SERVICE - DEMAND G-2 | 4% | | |
| 10/1/2019 | 625 | TIME-OF-USE - G-3 | 3% | | |
| 10/1/2021 | 640 | STREET AND AREA LIGHTING - COMPANY OWNED EQUIPMENT S-1 | | | |
| 10/1/2021 | 641 | STREET LIGHTING - OVERHEAD - CUSTOMER OWNED EQUIPMENT S-2 | | | |
| 10/1/2021 | 642 | STREET LIGHTING - UNDERGROUND - DIVISION OF OWNERSHIP S-3 | | | |
| 10/1/2019 | 629 | STREET AND AREA LIGHTING - CUSTOMER OWNED EQUIPMENT S-5 | | | |
| 10/1/2021 | 643 | DECORATIVE STREET AND AREA LIGHTING - COMPANY OWNED EQUIPMENT S-6 | | | |
| | | STREET AND AREA LIGHTING COMBINED | 5% | | |

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, Net Metering Recovery Surcharges and Performance-Based Ratemaking adjustments.

| 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, 2022 | December 31, 2021 |
| 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 | \$ | 10,675 |
| 4 | | | Commercial & Industrial Statewide Marketing | | 5,076 |
| 5 | | | Commercial & Industrial New & Replacement Equipment | | 303 |
| 6 | | | Commercial & Industrial Small Business Turnkey | | 1,890 |
| 7 | | | Residential Coordinated Delivery | | 299 |
| 8 | | | Residential Home Energy Services | | 7,070 |
| 9 | | | Residential Cooling & Heating | | 2,724 |
| 10 | | | Residential Consumer Product | | 8,565 |
| 11 | | | Residential Statewide Market | | 5,066 |
| 12 | | | Residential Education | | 180 |
| 13 | | | Residential Coordinated Delivery - Single Family | | 2,945 |
| 14 | | | Low-Income Statewide Marketing | | 1,278 |
| 15 | | | Minor Items <\$100.00 | | 353 |
| 16 | | | General Demand Side Management | | 111 |
| 17 | | | General & Administrative Expense - New Production & Energy | | 2 |
| 18 | | | | | |
| 19 | | | | | |
| 20 | | | | | |
| 21 | | | Information and Instructional Advertising Expense Subtotal | | 46,537 |
| 22 | | | | | |
| 23 | | | | | |
| 24 | <u>Account 99130000</u> | <u>Advertising Expenses</u> | | | |
| 25 | | | Infrastructure | | 4,676 |
| 26 | | | Brand Deployment | | 905 |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | Advertising Expenses Subtotal | | 5,581 |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
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| 51 | | | | | |
| 52 | | | | | |
| 53 | | | | | |
| 54 | TOTAL | | | \$ | 52,118 |

| | | | |
|---|---|--|-------------------------------------|
| 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, 2022 | Year of Report December 31, 2021 |
| 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.</p> <p>(b) description of services received during year and project or case to which services relate,</p> <p>(c) basis of charges.</p> <p>(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. | | |

| | | | |
|--|--|--|-------------------------------------|
| 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, 2022 | Year of Report December 31, 2021 |
| 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, 2023. | | |
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|----------------------------|--|--|--------------------------------|-------------------|
| 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, 2022 | December 31, 2021 |

| CHARGES FOR OUTSIDE SERVICES (Continued) | | | | |
|--|--|--|----|-----------|
| 71 | | | | |
| 72 | <u>Account #</u> | | | |
| 73 | | <u>Transmission Expenses</u> | | |
| 74 | 95600000 Operation supervision and engineering | | \$ | 539 |
| 75 | 95620000 Load dispatching | | | 90 |
| 76 | 95660000 Load dispatch - monitor and operate transmission system | | | 16,876 |
| 77 | | | | |
| 78 | Total Transmission Expenses | | \$ | 17,505 |
| 79 | | | | |
| 80 | | <u>Distribution Expenses</u> | | |
| 81 | 95800000 Operation supervision and engineering | | \$ | 83,988 |
| 82 | 95810000 Load dispatching | | | 36,374 |
| 83 | 95820000 Station expenses | | | 1,474 |
| 84 | 95830000 Overhead line expenses | | | 11,639 |
| 85 | 95840000 Underground line expenses | | | 2,119 |
| 86 | 95860000 Street lighting and signal system expenses | | | 2,776 |
| 87 | 95870000 Meter expenses | | | 9 |
| 88 | 95880000 Customer installations expenses | | | 47,199 |
| 89 | 95900000 Miscellaneous distribution expenses | | | 723 |
| 90 | 95920000 Rents | | | 22,574 |
| 91 | 95930000 Maintenance supervision and engineering | | | 99,877 |
| 92 | 95940000 Maintenance of structures | | | 1,419 |
| 93 | 95950000 Maintenance of station equipment | | | 1,291 |
| 94 | 95970000 Maintenance of overhead lines | | | 163 |
| 95 | 95980000 Maintenance of underground lines | | | 325 |
| 96 | 98850000 Maintenance of line transformers | | | 147 |
| 97 | | | | |
| 98 | Total Distribution Expenses | | \$ | 312,097 |
| 99 | | | | |
| 100 | | <u>Customer Expenses</u> | | |
| 101 | 99010000 Supervision | | \$ | 17,039 |
| 102 | 99030000 Customer records and collection expenses | | | 202,565 |
| 103 | 99040000 Uncollectible accounts | | | 5,056 |
| 104 | 99050000 Miscellaneous customer accounts expenses | | | 21,373 |
| 105 | 99080000 Customer assistance expenses | | | 68,330 |
| 106 | 99090000 Informational and instructional advertising expenses | | | 145 |
| 107 | 99100000 Miscellaneous customer service and informational expenses | | | 89,375 |
| 108 | | | | |
| 109 | Total Customer Expenses | | \$ | 403,882 |
| 110 | | | | |
| 111 | | <u>Sales Expenses</u> | | |
| 112 | 99110000 Supervision | | \$ | 648 |
| 113 | 99130000 Advertising expenses | | | 2,838 |
| 114 | 99160000 Miscellaneous sales expenses | | | 217 |
| 115 | | | | |
| 116 | Total Sales Expenses | | \$ | 3,702 |
| 117 | | | | |
| 118 | | <u>Administrative and General Expenses</u> | | |
| 119 | 99200000 Administrative and general salaries | | \$ | 599,134 |
| 120 | 99210000 Office supplies and expenses | | | 243,562 |
| 121 | 99230000 Outside services employed | | | 2 |
| 122 | 99240000 Property insurance | | | 38,055 |
| 123 | 99250000 Injuries and damages | | | 64,363 |
| 124 | 99260000 Employee pensions and benefits | | | 509,777 |
| 125 | 99280000 Regulatory commission expenses | | | 1,969 |
| 126 | 99302000 Miscellaneous general expenses | | | 15,376 |
| 127 | 99310000 Rents | | | 271,295 |
| 128 | 99350000 Maintenance of general plant | | | 494 |
| 129 | | | | |
| 130 | Total Administrative and General Expenses | | \$ | 1,744,027 |
| 131 | | | | |
| 132 | Total Electric Operating and Maintenance Expenses | | \$ | 2,481,213 |
| 133 | | | | |
| 134 | | | | |

| | | | | |
|--|---|--|--------------------------------|-------------------|
| 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, 2022 | December 31, 2021 |
| CHARGES FOR OUTSIDE SERVICES (Continued) | | | | |
| 135 | | | | |
| 136 | <u>Account #</u> | | | |
| 137 | | | | |
| 138 | 91070000 Construction Work in Progress | | \$ | 1,079,349 |
| 139 | 91080000 Accum Provision for Deprec | | | 5,874 |
| 140 | 91630000 Stores Clearing | | | 67,944 |
| 141 | 91740000 Misc Current & Accrued Assets | | | 611 |
| 142 | 94030000 Depreciation expense | | | 67,769 |
| 143 | 94050000 Amortization of Other Plant | | | 412,093 |
| 144 | 94081000 Taxes Other Than Inc Tax-Util Oper Inc | | | 83,379 |
| 145 | 94171000 Expenses of Non-Utility Operations | | | 42,423 |
| 146 | 94210000 Misc Non-Operating Income | | | (14,351) |
| 147 | 94212000 Loss on Disposition of Property | | | 2,065 |
| 148 | 94261000 Donations | | | 13,189 |
| 149 | 94262000 Life insurance | | | 6,395 |
| 150 | 94264000 Exp Certain Civic, Political & Related Activ | | | 1,436 |
| 151 | 94265000 Other deductions | | | 31,335 |
| 152 | 94310000 Other Interest Expense | | | 1,255 |
| 153 | 92420000 Curr&Accr Liab-Miscellaneous | | | 24,968 |
| 154 | | | | |
| 155 | Total Other Accounts | | \$ | <u>1,825,733</u> |
| 156 | | | | |
| 157 | Total Charges | | \$ | <u>4,306,946</u> |
| 158 | | | | |
| 159 | | | | |


| | | | | |
|----------------------------|--|--|--------------------------------|-------------------|
| 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, 2022 | December 31, 2021 |

| CHARGES FOR OUTSIDE SERVICES (Continued) | | | | |
|--|---|---------------------------|----|-----------|
| 160 | <u>Payment for Outside Vendors and Other Consultative Service</u> | | | |
| 161 | <u>Vendor</u> | | | |
| 162 | | <u>Plant Accounts</u> | | |
| 163 | BOSTON WELDING | | \$ | 46,500 |
| 164 | BURNS AND MCDONNELL INC. | | | 79,578 |
| 165 | KOBO UTILITY CONSTRUCTION CORP. | | | 426,256 |
| 166 | TOWN OF NANTUCKET | | | 100,022 |
| 167 | Other Vendors (33) | | | 113,767 |
| 168 | | | | |
| 169 | Total Plant Accounts | | \$ | 766,123 |
| 170 | | | | |
| 171 | | <u>Operation Accounts</u> | | |
| 172 | CLEARRESULT CONSULTING INC. | | \$ | 301,830 |
| 173 | FTI CONSULTING INC. | | | 278,058 |
| 174 | JAFLO INC | | | 116,830 |
| 175 | KOBO UTILITY CONSTRUCTION CORP. | | | 100,132 |
| 176 | CONVERGENT OUTSOURCING INC | | | 98,346 |
| 177 | TRC ENVIRONMENTAL CORP. | | | 89,960 |
| 178 | VERIZON | | | 68,781 |
| 179 | ICF RESOURCES LLC | | | 57,347 |
| 180 | ATOS IT SOLUTIONS AND SERVICES INC | | | 56,846 |
| 181 | COMPLETE ENERGY SERVICES CORP | | | 53,467 |
| 182 | COMPUTER SCIENCES CORP. | | | 52,399 |
| 183 | PONTOON SOLUTIONS INC | | | 40,431 |
| 184 | DNV ENERGY INSIGHTS USA INC | | | 39,285 |
| 185 | O'HARA INDUSTRIAL SERVICES LLC | | | 35,950 |
| 186 | MASSACHUSETTS CLEAN ENERGY CENTER | | | 34,586 |
| 187 | RIVER ENERGY CONSULTANTS | | | 31,852 |
| 188 | ATALIAN US NEW ENGLAND LLC | | | 29,886 |
| 189 | Other Vendors (477) | | | 530,265 |
| 190 | | | | |
| 191 | Total Operation Accounts | | \$ | 2,016,251 |
| 192 | | | | |
| 193 | Total Charges | | \$ | 2,782,374 |
| 194 | | | | |

| 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, 2022 | Year of Report December 31, 2021 |
|--|---|--|-------------------------------------|
| Nantucket Electric Company | | | |
| 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 | \$ 77,256 | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
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| 43 | | | |
| 44 | | | |
| 45 | | | |
| 46 | | | |
| 47 | | | |
| 48 | | | |
| 49 | | | |
| 50 | Total | \$ 77,256 | |

| | | | |
|----------------------------|---|----------------------------------|-------------------------------------|
| Name of Respondent | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report March 31, 2022 | Year of Report December 31, 2021 |
| Nantucket Electric Company | | | |

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

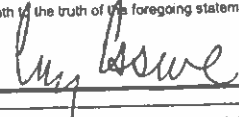
Christopher McCusker  VP, US Controller

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

WASSAU COUNTY ss. MARCH 30, 2022

Then personally appeared electronically, Christopher McCusker,
before me ON MARCH 30, 2022

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

 Notary Public
Justice of the Peace

NOTARY
Comm. Expires 03/31/2023

| 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, 2022 | December 31, 2021 |
| 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 | \$ | 6,590 |
| 4 | | | | |
| 5 | Add: | Amort of Acquisition Premium | | - |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | Less: Page 117 Line 70 | Net Interest Charges | | 249 |
| 10 | | | | |
| 11 | Less: Page 118 Line 31 | Preferred Stock Dividends | | - |
| 12 | | | | |
| 13 | Net Utility Income Available for Common Shareholders | | | <u>6,341</u> |
| 14 | | | | |
| 15 | | | | |
| 16 | Total Utility Common Equity | | | |
| 17 | | | | |
| 18 | Add: Page 112 Line 16 | Total Proprietary Capital | | 85,212 |
| 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 | | | 69,506 |
| 33 | | | | |
| 34 | Electric Operations Allocator (Line 51 below) | | | <u>99.96%</u> |
| 35 | | | | |
| 36 | | Total Utility Common Equity | | <u>69,478</u> |
| 37 | | | | |
| 38 | | | | |
| 39 | Electric Operations Allocator | | | |
| 40 | | | | |
| 41 | Add: Page 110 Line 4 | Total Utility Plant | | 159,248 |
| 42 | Less: Page 200 Line 12 | Acquisition Adjustments | | <u>16,552</u> |
| 43 | | | | <u>142,696</u> |
| 44 | | | | |
| 45 | | | | |
| 46 | Add: Page 110 Line 4 | Total Utility Plant | | 159,248 |
| 47 | Add: Page 110 Line 32 | Total Other Property and Investment | | 61 |
| 48 | Less: Page 200 Line 12 | Acquisition Adjustments | | <u>16,552</u> |
| 49 | | | | <u>142,757</u> |
| 50 | | | | |
| 51 | | Electric Operations Allocator (Line 43 / Line 49) | | <u>99.96%</u> |
| 52 | | | | |
| 53 | | | | |
| 54 | | | | |
| 55 | Return on Equity | (Line 13 / Line 36) | | <u>9.13%</u> |
| 56 | | | | |