

NYSEG and RG&E Annual Financial Compliance Filing Index

	<u>Page Reference</u>
<u>Schedule A: Regulated Earnings</u>	
NYSEG Electric and Gas	1 - 8
RG&E Electric and Gas	9 - 16
<u>Schedule B: Incremental Maintenance</u>	
NYSEG and RG&E Electric	17
NYSEG and RG&E Gas	18

New York State Electric & Gas Corporation
Regulated Electric Earnings - 12 Months Ended April 30, 2021
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	1,202,116	\$ (496)	\$ 1,201,620
2 Late Payments	(42)	4,766	4,724
3 Total Retail Revenue	1,202,074	4,270	1,206,344
4 Other Revenue	125,646	7,376	133,022
5 Excess DIT Amortization	46,209	-	46,209
6 Total Revenue	1,373,929	11,645	1,385,575
7 Gross Revenue Taxes	12,095	-	12,095
8 Less: Supply Costs	292,951	937	293,888
9 Net Revenue	1,068,883	10,709	1,079,592
10 O&M Expenses	648,125	(8,068)	640,057
11 Depreciation & Amortizations	128,995	-	128,995
12 Taxes Other Than Income Taxes	118,855	(89)	118,766
13 Total Operating Expenses	895,975	(8,157)	887,818
14 Subtotal	172,909	18,865	191,774
15 Plus: Other Income and (Deductions)	28,424	(28,424)	(0)
16 Less: Interest Expense	51,666	(5,620)	46,046
17 Operating Income Before Income Taxes	149,666	(3,938)	145,728
18 Income Taxes	32,565	5,521	38,086
19 Balance for Common	117,101	(9,459)	107,642
20 Rate Base	2,547,850	-	2,547,850
21 Rate of Return	5.51%		6.03%
22 Return on Equity before Sharing	8.85%		8.45%
<u>Calculation of Return on Equity</u>			
23 Balance for Common	117,101	(9,459)	107,642
24 Rate Base	2,547,850	-	2,547,850
25 Common Equity Percentage	51.91%	(1.91%)	50.00%
26 Equity Component of Rate Base	1,322,655		1,273,925
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			8.45%
28 Earnings Sharing Target			9.00%
29 Excess / (Shortfall)			(0.55%)
30 Before Tax Revenue - Customers' Share at 90%/10%			\$ -
31 Before Tax Revenue - Customers' Share at 75%/25%			\$ -
32 Before Tax Revenue - Customers' Share at 50%/50%			\$ -
33 Before Tax Revenue - Customers' Share Total			\$ -

New York State Electric & Gas Corporation
Regulated Gas Earnings - 12 Months Ended April 30, 2021
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	\$ 289,978	\$ (318)	\$ 289,660
2 Late Payments	(21)	1,361	1,340
3 Total Retail Revenue	289,958	1,043	291,001
4 Other Revenue	4,806	1,330	6,136
5 Excess DIT Amortization	5,060	-	5,060
6 Total Revenue	299,824	2,373	302,196
7 Gross Revenue Taxes	3,853	-	3,853
8 Less: Supply Costs	86,675	304	86,979
9 Net Revenue	209,296	2,068	211,364
10 O&M Expenses	99,076	(525)	98,551
11 Depreciation & Amortizations	35,605	-	35,605
12 Taxes Other Than Income Taxes	24,841	(27)	24,814
13 Total Operating Expenses	159,522	(552)	158,970
14 Subtotal	49,774	2,621	52,394
15 Plus: Other Income and (Deductions)	5,043	(5,043)	0
16 Less: Interest Expense	13,134	(1,147)	11,987
17 Operating Income Before Income Taxes	41,683	(1,275)	40,407
18 Income Taxes	9,477	1,083	10,560
19 Balance for Common	32,206	(2,358)	29,847
20 Rate Base	663,259	-	663,259
21 Rate of Return	6.08%		6.31%
22 Return on Equity before Sharing	9.35%		9.00%
<u>Calculation of Return on Equity</u>			
23 Balance for Common	32,206	(2,358)	29,847
24 Rate Base	663,259	-	663,259
25 Common Equity Percentage	51.91%	(1.91%)	50.00%
26 Equity Component of Rate Base	344,315		331,629
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			9.00%
28 Earnings Sharing Target			9.00%
29 Excess / (Shortfall)			0.00%
30 Before Tax Revenue - Customers' Share at 90%/10%			\$ -
31 Before Tax Revenue - Customers' Share at 75%/25%			\$ -
32 Before Tax Revenue - Customers' Share at 50%/50%			\$ -
33 Before Tax Revenue - Customers' Share Total			\$ -

New York State Electric & Gas Corporation
Rate Base
12 Months Ended April 30, 2021
(\$000)

	Monthly Average		
	Electric	Gas	Total
Total Rate Base			
1 Plant and Non Interest-Bearing CWIP	\$ 5,446,777	\$ 1,315,221	\$ 6,761,998
2 Depreciation Reserve	(2,320,028)	(476,615)	(2,796,643)
3 Materials and Supplies	16,443	4,413	20,856
4 Prepayments	36,153	10,935	47,089
5 O&M Working Capital	89,653	12,085	101,738
6 Non-Int Bearing Cust Advances	(33,892)	(9,096)	(42,988)
7 Deferred Debits & Credits	(137,999)	(76,006)	(214,006)
8 Deferred Income Tax	(504,059)	(107,796)	(611,855)
9 Deferred Investment Tax Credits	(10,254)	(786)	(11,040)
10 Subtotal - Standard Rate Base	\$ 2,582,793	\$ 672,355	\$ 3,255,148
11 Earnings Base Cap Differential	(34,943)	(9,096)	(44,039)
12 Capitalization Supporting Total Rate Base	\$ 2,547,850	\$ 663,259	\$ 3,211,109
13 Items Not in Rate Base			298,625
14 Total Capitalization			\$ 3,509,735
15 Capitalization Supporting Total Rate Base (Line 12)	\$ 2,547,850	\$ 663,259	\$ 3,211,109
16 Rate Base Used for ESM	\$ 2,547,850	\$ 663,259	\$ 3,211,109

New York State Electric & Gas Corporation
Capital Structure
12 Months Ended April 30, 2021
(\$000)

	<u>Regulated Capital Structure</u>	<u>Adjust to 50% Equity Ratio</u>	<u>Earnings Sharing Capital Structure</u>
<u>Capital Structure - \$</u>			
1	Short Term Debt	\$ -	\$ -
2	Long Term Debt	1,648,566	1,714,767
3	Customer Deposits & Deferred Compensation	15,914	15,914
4	Total Debt	1,664,480	1,730,682
5	Common Equity	1,796,883	1,730,682
6	Total	<u>3,461,363</u>	<u>3,461,363</u>
<u>Capital Structure - %</u>			
7	Short Term Debt	0.00%	0.00%
8	Long Term Debt	47.63%	49.54%
9	Customer Deposits	0.46%	0.46%
10	Total Debt	48.09%	50.00%
11	Common Equity	51.91%	50.00%
12	Total	<u>100%</u>	<u>100%</u>
<u>Cost of Debt - \$</u>			
13	Debt (Actual Regulated / Calculated for ESM)	\$ 60,162	\$ 62,555
<u>Cost of Debt - %</u>			
14	Debt (Cost Rate same for Actual and ESM)	3.61%	3.61%
<u>Weighted Cost of Debt - %</u>			
15	Debt (Actual Regulated / Calculated for ESM)	1.74%	1.81%

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

	<u>WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>Revenues</u>				
1				
1	1	(704)	(151)	(855)
2	2	(496)	440	(56)
3	3	-	(318)	(318)
4	4	-	720	720
5	5	7,000	-	7,000
6	6	1,079	321	1,400
7	7	4,766	1,361	6,127
8		<u>\$ 11,645</u>	<u>\$ 2,373</u>	<u>\$ 14,018</u>
<u>Supply Costs</u>				
9	8	-	304	304
10	9	937	-	937
11		<u>\$ 937</u>	<u>\$ 304</u>	<u>\$ 1,241</u>
<u>O&M Expenses</u>				
12	10	(1,039)	(253)	(1,292)
13	11	(1,500)	-	(1,500)
14a	7	(5,529)	(1,750)	(7,279)
14b	7	-	1,479	1,479
15		<u>\$ (8,068)</u>	<u>\$ (525)</u>	<u>\$ (8,593)</u>
<u>Depreciation & Amortizations</u>				
16		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Taxes Other than Income Taxes</u>				
17	12	\$ (89)	\$ (27)	\$ (116)
18		<u>\$ (89)</u>	<u>\$ (27)</u>	<u>\$ (116)</u>
19		\$ 18,865	\$ 2,621	\$ 21,486

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

	Adj line WP REF	Electric	Gas	Total
<u>Other Income and Deductions (See NYSEG GAAP Income Statement footnotes)</u>				
Exclude Other Income and Deductions				
20	Equity Component of AFUDC	\$ (17,919)	\$ (2,087)	\$ (20,006)
21	Non-Cash Return Accruals	(10,339)	(3,776)	(14,115)
22	Interest / Dividend Income	(355)	(93)	(447)
23	Gains and Losses on Sale of Property	(1,713)	(150)	(1,863)
24	Donations	784	971	1,756
25	Penalties	26	6	32
26	Other Misc Deductions / Customer Incentives	1,092	86	1,177
27	Total Adjustment to Other Income and Deductions	<u>(28,424)</u>	<u>(5,043)</u>	<u>(33,466)</u>
<u>Equity Component of Rate Base</u>				
28	Rate Base	\$ 2,547,850	\$ 663,259	\$ 3,211,109
29	Cap on Equity Component of Capitalization for Regulatory Earnings Purposes	<u>50%</u>	<u>50%</u>	<u>50%</u>
30	Adjusted Common Equity Component of Rate Base	1,273,925	331,629	1,605,555
31	Common Equity to be Used for Earnings Sharing	1,273,925	331,629	1,605,555
32	Common Equity Component of Rate Base per Books (51.91%)	<u>1,322,655</u>	<u>344,315</u>	<u>1,666,970</u>
33	Adjustment - Equity Component of Rate Base	<u><u>\$ (48,730)</u></u>	<u><u>\$ (12,686)</u></u>	<u><u>\$ (61,415)</u></u>

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

	<u>Adj line WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>Interest Expense</u>				
34	Amount of per Book Interest Expense Subject to Synchronization	\$ 51,666	\$ 13,134	\$ 64,800
<u>Interest Synchronization with Rate Base</u>				
35	Rate Base	\$ 2,547,850	\$ 663,259	\$ 3,211,109
36	Exclude Equity Component of Rate Base	<u>(1,273,925)</u>	<u>(331,629)</u>	<u>(1,605,554)</u>
37	Balance is Debt Supporting Rate Base - For Regulatory Purposes	1,273,925	331,630	1,605,555
38	Average Cost of Debt	<u>3.61%</u>	<u>3.61%</u>	<u>3.61%</u>
39	Interest Expense for Regulatory Purposes	46,046	11,987	58,033
40	Interest Expense per Books	<u>51,666</u>	<u>13,134</u>	<u>64,800</u>
41	Interest Synchronization Adjustment	\$ (5,620)	\$ (1,147)	\$ (6,767)

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

		<u>Adj line</u> <u>WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>State and Federal Income Taxes</u>					
42	Regulated Operating Income Before Interest - Schedule A, Line 13		\$ 191,774	\$ 52,394	\$ 244,168
43	Interest Expense - Schedule A, Line 15		(46,046)	(11,987)	(58,033)
44	Regulated Income Before Income Taxes - Schedule A, Line 16		\$ 145,728	\$ 40,407	\$ 186,135
45	Composite Federal & State Income Tax Rate		26.135%	26.135%	26.135%
46	Total Federal & State Income Taxes @ Statutory Rates for Regulatory Purposes		\$ 38,086	\$ 10,560	\$ 48,646
47	Total Federal & State Income Taxes as Booked		\$ 32,565	\$ 9,477	\$ 42,042
48	Total Adjustment to State and Federal Income Taxes (Line 46 minus Line 47)	See Note 1	<u>\$ 5,521</u>	<u>\$ 1,083</u>	<u>\$ 6,604</u>

Note 1: The purpose of this adjustment is to reflect Income Tax Expense in accordance with provisions of the 2020 Joint Proposal and tariff rates.

Rochester Gas and Electric Corporation
Regulated Electric Earnings - 12 Months Ended April 30, 2021
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	\$ 584,503		\$ 584,503
2 Late Payments	(41)	2,481	2,440
3 Total Retail Revenue	584,462	2,481	586,943
4 Other Revenue	38,778	(834)	37,944
5 Excess DIT Amortization	11,068	-	11,068
6 Total Revenue	634,308	1,647	635,955
7 Gross Revenue Taxes	8,583	-	8,583
8 Less: Supply Costs	110,556	-	110,556
9 Net Revenue	515,168	1,647	516,815
10 O&M Expenses	216,870	(1,033)	215,838
11 Depreciation & Amortizations	72,861	-	72,861
12 Taxes Other Than Income Taxes	92,100	(91)	92,009
13 Total Operating Expenses	381,832	(1,124)	380,708
14 Subtotal	133,337	2,771	136,108
15 Plus: Other Income and (Deductions)	18,000	(18,000)	-
16 Less: Interest Expense	31,596	5,422	37,018
17 Operating Income Before Income Taxes	119,740	(20,651)	99,090
18 Income Taxes	25,306	591	25,897
19 Balance for Common	94,434	(21,242)	73,193
20 Rate Base	1,626,507	-	1,626,507
21 Rate of Return	6.64%		6.78%
22 Return on Equity before Sharing	11.15%		9.00%
<u>Calculation of Return on Equity</u>			
23 Balance for Common	94,434	(21,242)	73,193
24 Rate Base	1,626,507	-	1,626,507
25 Common Equity Percentage	52.06%	(2.06%)	50.00%
26 Equity Component of Rate Base	846,813		813,254
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			9.00%
28 Earnings Sharing Target			9.00%
29 Excess / (Shortfall)			(0.00%)
30 Before Tax Revenue - Customers' Share at 90%/10%			\$ -
31 Before Tax Revenue - Customers' Share at 75%/25%			\$ -
32 Before Tax Revenue - Customers' Share at 50%/50%			\$ -
33 Before Tax Revenue - Customers' Share Total			\$ -

Rochester Gas and Electric Corporation
Regulated Gas Earnings - 12 Months Ended April 30, 2021
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	\$ 260,918		\$ 260,918
2 Late Payments	(35)	2,186	2,151
3 Total Retail Revenue	260,883	2,186	263,069
4 Other Revenue	3,326	2,891	6,218
5 Excess DIT Amortization	1,965		1,965
6 Total Revenue	266,174	5,077	271,252
7 Gross Revenue Taxes	4,861		4,861
8 Less: Supply Costs	81,114	337	81,451
9 Net Revenue	180,198	4,740	184,939
10 O&M Expenses	84,751	(2,105)	82,647
11 Depreciation & Amortizations	30,370	-	30,370
12 Taxes Other Than Income Taxes	30,955	(30)	30,925
13 Total Operating Expenses	146,076	(2,135)	143,941
14 Subtotal	34,122	6,875	40,997
15 Plus: Other Income and (Deductions)	1,180	(1,180)	(0)
16 Less: Interest Expense	19,320	(7,501)	11,819
17 Operating Income Before Income Taxes	15,982	13,196	29,178
18 Income Taxes	2,312	5,314	7,626
19 Balance for Common	13,670	7,882	21,552
20 Rate Base	519,292	-	519,292
21 Rate of Return	6.13%		6.43%
22 Return on Equity before Sharing	5.06%		8.30%
<u>Calculation of Return on Equity</u>			
23 Balance for Common	13,670	7,882	21,552
24 Rate Base	519,292	-	519,292
25 Common Equity Percentage	52.06%	(2.06%)	50.00%
26 Equity Component of Rate Base	270,360		259,646
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			8.30%
28 Earnings Sharing Target			9.00%
29 Excess / (Shortfall)			(0.70%)
30 Before Tax Revenue - Customers' Share at 90%/10%			\$ -
31 Before Tax Revenue - Customers' Share at 75%/25%			\$ -
32 Before Tax Revenue - Customers' Share at 50%/50%			\$ -
33 Before Tax Revenue - Customers' Share Total			\$ -

Rochester Gas and Electric Corporation
Rate Base
12 Months Ended April 30, 2021
(\$000)

	Monthly Average		
	Electric	Gas	Total
Total Rate Base			
1 Plant and Non Interest-Bearing CWIP	\$ 3,082,030	\$ 1,146,166	\$ 4,228,196
2 Depreciation Reserve	(873,209)	(446,563)	(1,319,773)
3 Materials and Supplies	9,870	3,125	12,995
4 Prepayments	37,220	12,308	49,528
5 O&M Working Capital	30,918	9,584	40,501
6 Non-Int Bearing Cust Advances	(13,452)	(459)	(13,911)
7 Deferred Debits & Credits	(361,565)	(127,903)	(489,468)
8 Deferred Income Tax	(295,945)	(80,362)	(376,307)
9 Deferred Investment Tax Credits			-
10 Subtotal - Standard Rate Base	\$ 1,615,866	\$ 515,895	\$ 2,131,761
11 Earnings Base Cap Differential	10,641	3,397	14,039
12 Capitalization Supporting Total Rate Base	\$ 1,626,507	\$ 519,292	\$ 2,145,799
13 Items Not in Rate Base			234,182
14 Total Capitalization			\$ 2,379,981
15 Capitalization Supporting Total Rate Base (Line 12)	\$ 1,626,507	\$ 519,292	\$ 2,145,799
16 Rate Base Used for ESM	\$ 1,626,507	\$ 519,292	\$ 2,145,799

Rochester Gas and Electric Corporation
Capital Structure
12 Months Ended April 30, 2021
(\$000)

	<u>Regulated Capital Structure</u>	<u>Adjust to 50% Equity Ratio</u>	<u>Earnings Sharing Capital Structure</u>
<u>Capital Structure - \$</u>			
1	Short Term Debt	\$ -	\$ -
2	Long Term Debt	1,135,622	1,135,622
3	Customer Deposits & Deferred Compensation	5,263	5,263
4	Total Debt	1,140,885	1,140,885
5	Common Equity	1,239,096	1,239,096
6	Total	<u>2,379,981</u>	<u>2,379,981</u>
<u>Capital Structure - %</u>			
7	Short Term Debt	0.00%	0.00%
8	Long Term Debt	47.72%	49.78%
9	Customer Deposits	0.22%	0.22%
10	Total Debt	47.94%	50.00%
11	Common Equity	52.06%	50.00%
12	Total	<u>100%</u>	<u>100%</u>
<u>Cost of Debt - \$</u>			
13	Debt (Actual Regulated / Calculated for ESM)	\$ 51,931	\$ 51,931
<u>Cost of Debt - %</u>			
14	Debt (Cost Rate same for Actual and ESM)	4.55%	4.55%
<u>Weighted Cost of Debt and Preferred - %</u>			
15	Debt (Actual Regulated / Calculated for ESM)	2.18%	2.18%

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

	Adj line WP REF	Electric	Gas	Total
Revenues				
1		986	814	1,800
2		(315)	(245)	(560)
3		-	618	618
4		-	(155)	(155)
5			(70)	(70)
6			-	-
7			(196)	(196)
8a		2,481	2,186	4,667
8b		(347)	-	(347)
9		(1,158)	2,126	968
10		<u>\$ 1,647</u>	<u>\$ 5,077</u>	<u>\$ 6,724</u>
Supply Costs				
11		\$ -	\$ 337	\$ 337
12		<u>\$ -</u>	<u>\$ 337</u>	<u>\$ 337</u>
O&M Expenses				
13		(1,033)	(496)	(1,529)
14a		(3,840)	(1,609)	(5,448)
14b		3,840	-	3,840
15		<u>\$ (1,033)</u>	<u>\$ (2,105)</u>	<u>\$ (3,137)</u>
Depreciation & Amortizations				
16		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Taxes Other than Income Taxes				
17		(91)	(30)	(122)
18		<u>\$ (91)</u>	<u>\$ (30)</u>	<u>\$ (122)</u>
19		\$ 2,771	\$ 6,875	\$ 9,646

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

	<u>Adj line WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>Other Income and Deductions (See RGE GAAP Income Statement footnotes)</u>				
Exclude Other Income and Deductions				
20	Equity Component of AFUDC	\$ (17,134)	\$ (1,578)	\$ (18,713)
21	Non-Cash Return Accruals	(5,596)	(154)	(5,749)
22	Penalties	(1,000)	-	(1,000)
23	Interest / Dividend Income	(23)	(15)	(37)
24	Gains and Losses on Sale of Property	(157)	58	(99)
25	Donations	683	547	1,230
26	Gas Safety NRA Cost Recovery	(49)	(30)	(79)
27	Other Misc Deductions	5,276	(8)	5,268
28	Total Adjustment to Other Income and Deductions	<u>(18,000)</u>	<u>(1,180)</u>	<u>(19,179)</u>
<u>Equity Component of Rate Base</u>				
29	Rate Base	\$ 1,626,507	\$ 519,292	\$ 2,145,799
30	Cap on Equity Component of Capitalization for Regulatory Earnings Purposes	<u>50%</u>	<u>50%</u>	<u>50%</u>
31	Adjusted Common Equity Component of Rate Base	813,254	259,646	1,072,900
32	Common Equity to be Used for Earnings Sharing	813,254	259,646	1,072,900
33	Common Equity Component of Rate Base per Books (52.06%)	<u>846,813</u>	<u>270,360</u>	<u>1,117,173</u>
34	Adjustment - Equity Component of Rate Base	<u>\$ (33,559)</u>	<u>\$ (10,714)</u>	<u>\$ (44,273)</u>

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

	<u>Adj line WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>Interest Expense</u>				
35	Amount of per Book Interest Expense Subject to Synchronization	\$ 31,596	\$ 19,320	\$ 50,915
<u>Interest Synchronization with Rate Base</u>				
36	Rate Base	\$ 1,626,507	\$ 519,292	\$ 2,145,799
37	Exclude Equity Component of Rate Base	(813,254)	(259,646)	(1,072,900)
38	Balance is Debt Supporting Rate Base - For Regulatory Purposes	813,253	259,646	1,072,899
39	Average Cost of Debt	4.55%	4.55%	4.55%
40	Interest Expense for Regulatory Purposes	37,018	11,819	48,837
41	Interest Expense per Books	31,596	19,320	50,915
42	Interest Synchronization Adjustment	\$ 5,422	\$ (7,501)	\$ (2,078)

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2021
(\$000)

		<u>Adj line</u> <u>WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>State and Federal Income Taxes</u>					
43	Regulated Operating Income Before Interest - Schedule A, Line 13		\$ 136,108	\$ 40,997	\$ 177,105
44	Interest Expense - Schedule A, Line 15		(37,018)	(11,819)	(48,837)
45	Regulated Income Before Income Taxes - Schedule A, Line 16		\$ 99,090	\$ 29,178	\$ 128,268
46	Composite Federal & State Income Tax Rate		26.135%	26.135%	26.135%
47	Total Federal & State Income Taxes @ Statutory Rates for Regulatory Purposes		\$ 25,897	\$ 7,626	\$ 33,523
48	Total Federal & State Income Taxes as Booked		\$ 25,306	\$ 2,312	\$ 27,619
49	Total Adjustment to State and Federal Income Taxes (Line 47 minus Line 48)	See Note 1	\$ 591	\$ 5,314	\$ 5,904

Note 1: The purpose of this adjustment is to reflect Income Tax Expense in accordance with provisions of the 2020 Joint Proposal and tariff rates.

NYSEG and RG&E
Rate Year 1 Annual ESM Compliance Filing
Schedule B: Incremental Maintenance

NYSEG and RG&E Electric

Incremental Maintenance Spending

Rate Year 1 May 1, 2020 - April 30, 2021

		Joint Proposal Appendix T Category	NYSEG Electric Rate Year 1 Spend (\$K)	RG&E Electric Rate Year 1 Spend (\$K)
1	Transformer LTC RMV Monitoring	Incremental Maintenance Initiatives - Electric	\$ 10	\$ -
2	Innovation Maintenance Technologies	"	-	-
3	Long Lake Distributed Generator Fuel and Maintenance	"	25	-
4	Keuka Canal & Bradford Dam Dredging	"	57	-
5	Hydro Facility Interior Structures/Buildings Maintenance	"	43	-
6	Mill C Rackraker and Rack Maintenance	"	-	-
7	Transformer Bushings	"	-	69
8	Station 70 - Wiscoy Spillway Maintenance and Dredging	"	-	45
9	Hydro Plant Structures/ Building Maintenance	"	-	164
10	Station 5 Tunnel Inspection	"	-	14
11	Station 2 Penstock Repairs	"	-	8
12	Station 2 Intake House Maintenance	"	-	5
13	Station 5 Road Repair (Powerhouse to Seth Green Drive)	"	-	46
14	Other/Project Management	"	34	16
15	Subtotal		\$ 170	\$ 367
16	Manhole Maintenance Program	"	-	-
17	Total Rate Year 1		\$ 170	\$ 367
18	Rate Year 1 Deferral Target Threshold		\$ 616	\$ 2,087
19	Rate Year 1 Deferral - Downward Only		\$ 446	\$ 1,720

NYSEG and RG&E
Rate Year 1 Annual ESM Compliance Filing
Schedule B: Incremental Maintenance

NYSEG and RG&E Gas

Incremental Maintenance Spending

Rate Year 1 May 1, 2020 - April 30, 2021

	<u>Joint Proposal Appendix T Category</u>	<u>NYSEG Gas Rate Year 1 Spend (\$K)</u>	<u>RG&E Gas Rate Year 1 Spend (\$K)</u>
1	Public Awareness	\$ 61	\$ 40
2	Public Awareness (Fire Department Outreach)	11	17
3	Damage Prevention (Enhanced DPV)	1,578	1,274
4	Exposed Piping on Bridges	374	100
5	Distribution Integrity Management (Data Automation & electronic records.	85	109
6	Distribution Integrity Management (Leak Survey)	490	182
7	Corrosion Control (Outside Residential Meter Atmospheric Corrosion inspections)	61	64
8	Corrosion Control (Meter and Regulator Station Inspections)	24	-
9	Corrosion Control (Incremental Anode Installation)	8	7
10	Corrosion Control (Inside Res. Meter Atmospheric Corrosion Inspections)	699	1,039
11	Upgrade GIS Mapping to version 10.2.1	-	-
12	RGE GIS Gas Services Conversion Project	-	-
13	RGE SAP Gas ServiceRecord Project	-	-
14	Methane Detection Program	-	-
15	Net of previous Def NRA'S Methane Detection Program	-	-
16	QA/QC Excavations and Field services	-	-
17	Total Rate Year 1	\$ 3,391	\$ 2,831
18	Rate Year 1 Deferral Target Threshold	<u>2,800</u>	<u>6,151</u>
19	Rate Year 1 Deferral - Downward Only	\$ -	\$ 3,320