

NYSEG and RG&E
Annual Financial Compliance Filing Index

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New York State Electric & Gas Corporation
Regulated Electric Earnings - 12 Months Ended April 30, 2022
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	1,480,792	\$ (2,237)	\$ 1,478,555
2 Late Payments	<u>6,101</u>	<u>(1,552)</u>	<u>4,549</u>
3 Total Retail Revenue	1,486,893	(3,789)	1,483,104
4 Other Revenue	140,468	4,326	144,794
5 Excess DIT Amortization	<u>29,183</u>	<u>-</u>	<u>29,183</u>
6 Total Revenue	1,656,544	537	1,657,082
7 Gross Revenue Taxes	12,553	-	12,553
8 Less: Supply Costs	<u>521,051</u>	<u>3,286</u>	<u>524,337</u>
9 Net Revenue	1,122,940	(2,748)	1,120,192
10 O&M Expenses	661,914	3,670	665,584
11 Depreciation & Amortizations	141,079	-	141,079
12 Taxes Other Than Income Taxes	<u>128,902</u>	<u>(144)</u>	<u>128,758</u>
13 Total Operating Expenses	931,894	3,526	935,421
14 Subtotal	<u>191,045</u>	<u>(6,274)</u>	<u>184,771</u>
15 Plus: Other Income and (Deductions)	30,068	(30,068)	-
16 Less: Interest Expense	<u>49,907</u>	<u>(417)</u>	<u>49,490</u>
17 Operating Income Before Income Taxes	171,206	(35,925)	135,281
18 Income Taxes	39,516	(4,160)	35,356
19 Balance for Common	<u>131,690</u>	<u>(31,765)</u>	<u>99,925</u>
20 Rate Base	2,911,657	-	2,911,657
21 Rate of Return	<u>5.20%</u>		<u>5.13%</u>
22 Return on Equity before Sharing	<u>8.83%</u>		<u>6.86%</u>
<u>Calculation of Return on Equity</u>			
23 Balance for Common	131,690	(31,765)	99,925
24 Rate Base	2,911,657	-	2,911,657
25 Common Equity Percentage	<u>51.20%</u>	<u>(1.20%)</u>	<u>50.00%</u>
26 Equity Component of Rate Base	1,490,757		1,455,828
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			6.86%
28 Earnings Sharing Target			9.10%
29 Excess / (Shortfall)			(2.24%)
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			<u>\$ -</u>

New York State Electric & Gas Corporation
Regulated Gas Earnings - 12 Months Ended April 30, 2022
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	371,141	\$ (315)	\$ 370,826
2 Late Payments	<u>1,806</u>	<u>(801)</u>	<u>1,006</u>
3 Total Retail Revenue	372,947	(1,116)	371,832
4 Other Revenue	261	430	691
5 Excess DIT Amortization	<u>4,976</u>	<u>-</u>	<u>4,976</u>
6 Total Revenue	<u>378,184</u>	<u>(686)</u>	<u>377,499</u>
7 Gross Revenue Taxes	4,445	-	4,445
8 Less: Supply Costs	<u>153,269</u>	<u>180</u>	<u>153,450</u>
9 Net Revenue	220,469	(866)	219,604
10 O&M Expenses	99,835	(182)	99,653
11 Depreciation & Amortizations	36,195	-	36,195
12 Taxes Other Than Income Taxes	<u>26,931</u>	<u>(29)</u>	<u>26,902</u>
13 Total Operating Expenses	<u>162,961</u>	<u>(211)</u>	<u>162,751</u>
14 Subtotal	<u>57,508</u>	<u>(655)</u>	<u>56,853</u>
15 Plus: Other Income and (Deductions)	(564)	564	0
16 Less: Interest Expense	<u>13,135</u>	<u>(842)</u>	<u>12,293</u>
17 Operating Income Before Income Taxes	43,809	751	44,560
18 Income Taxes	10,480	1,166	11,646
19 Balance for Common	<u>33,329</u>	<u>(415)</u>	<u>32,914</u>
20 Rate Base	723,242	-	723,242
21 Rate of Return	<u>6.50%</u>		<u>6.25%</u>
22 Return on Equity before Sharing	<u>9.00%</u>		<u>9.10%</u>
<u>Calculation of Return on Equity</u>			
23 Balance for Common	33,329	(415)	32,914
24 Rate Base	723,242	-	723,242
25 Common Equity Percentage	<u>51.20%</u>	(1.20%)	<u>50.00%</u>
26 Equity Component of Rate Base	370,297		361,621
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			9.10%
28 Earnings Sharing Target			9.10%
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			<u>\$ -</u>

New York State Electric & Gas Corporation
Rate Base
12 Months Ended April 30, 2022
(\$000)

		Monthly Average		
		Electric	Gas	Total
<u>Total Rate Base</u>				
1	Plant and Non Interest-Bearing CWIP	\$ 5,883,551	\$ 1,421,181	\$ 7,304,731
2	Depreciation Reserve	(2,342,731)	(498,668)	(2,841,398)
3	Materials and Supplies	18,987	5,013	24,000
4	Prepayments	32,102	9,762	41,864
5	O&M Working Capital	99,468	11,962	111,429
6	Non-Int Bearing Cust Advances	(48,670)	(12,850)	(61,520)
7	Deferred Debits & Credits	(107,618)	(74,134)	(181,752)
8	Deferred Income Tax	(560,317)	(125,769)	(686,086)
9	Deferred Investment Tax Credits	(11,554)	(447)	(12,001)
10	Subtotal - Standard Rate Base	\$ 2,963,218	\$ 736,050	\$ 3,699,268
11	Earnings Base Cap Differential	(51,562)	(12,808)	(64,369)
12	Capitalization Supporting Total Rate Base	\$ 2,911,657	\$ 723,242	\$ 3,634,899
13	Items Not in Rate Base			491,759
14	Total Capitalization			\$ 4,126,657
15	Capitalization Supporting Total Rate Base (Line 12)	\$ 2,911,657	\$ 723,242	\$ 3,634,899
16	Rate Base Used for ESM	\$ 2,911,657	\$ 723,242	\$ 3,634,899

New York State Electric & Gas Corporation
Capital Structure
12 Months Ended April 30, 2022
(\$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	\$ 49,275	\$ 49,275
2	Long Term Debt	1,944,097	1,993,601
3	Customer Deposits & Deferred Compensation	20,453	20,453
4	Total Debt	2,013,825	2,063,329
5	Common Equity	2,112,833	2,063,329
6	Total	4,126,657	4,126,657
<u>Capital Structure - %</u>			
7	Short Term Debt	1.19%	1.19%
8	Long Term Debt	47.11%	48.31%
9	Customer Deposits	0.50%	0.50%
10	Total Debt	48.80%	50.00%
11	Common Equity	51.20%	50.00%
12	Total	100%	100%
<u>Cost of Debt - \$</u>			
13	Debt (Actual Regulated / Calculated for ESM)	\$ 68,459	\$ 70,141
<u>Cost of Debt - %</u>			
14	Debt (Cost Rate same for Actual and ESM)	3.40%	3.40%
<u>Weighted Cost of Debt - %</u>			
15	Debt (Actual Regulated / Calculated for ESM)	1.66%	1.70%

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$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	(2,237)	(1,912)	(4,149)
3	3	-	(315)	(315)
4	4		2,661	2,661
5	5	7,000	-	7,000
6	6	(501)	(149)	(650)
7	14	(1,552)	(801)	(2,352)
8			(146)	(146)
9	12	-	(176)	(176)
10	13	(2,876)		(2,876)
11		<u>\$ 537</u>	<u>\$ (686)</u>	<u>\$ (148)</u>
<u>Supply Costs</u>				
12	8	-	180	180
13	9	3,286	-	3,286
14		<u>\$ 3,286</u>	<u>\$ 180</u>	<u>\$ 3,466</u>
<u>O&M Expenses</u>				
15	10	(1,858)	(453)	(2,312)
16	7	5,529	272	5,800
17		<u>\$ 3,670</u>	<u>\$ (182)</u>	<u>\$ 3,489</u>
<u>Depreciation & Amortizations</u>				
18		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Taxes Other than Income Taxes</u>				
19	11	\$ (144)	\$ (29)	\$ (173)
20		<u>\$ (144)</u>	<u>\$ (29)</u>	<u>\$ (173)</u>
21		\$ (6,274)	\$ (655)	\$ (6,929)

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$000)

	<u>Adj line</u> <u>WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>Other Income and Deductions (See NYSEG GAAP Income Statement footnotes)</u>				
Exclude Other Income and Deductions				
22	Equity Component of AFUDC	\$ (21,647)	\$ (1,707)	\$ (23,355)
23	Non-Cash Return Accruals	(9,538)	1,168	(8,369)
24	Interest / Dividend Income	(565)	(157)	(723)
25	Gains and Losses on Sale of Property	(976)	(162)	(1,138)
26				-
27	Penalties	4	1	6
28	Other Misc Deductions & Donations	2,654	1,421	4,075
29	Total Adjustment to Other Income and Deductions	<u>(30,068)</u>	<u>564</u>	<u>(29,504)</u>
<u>Equity Component of Rate Base</u>				
30	Rate Base	\$ 2,911,657	\$ 723,242	\$ 3,634,899
31	Cap on Equity Component of Capitalization for Regulatory Earnings Purposes	<u>50%</u>	<u>50%</u>	<u>50%</u>
32	Adjusted Common Equity Component of Rate Base	1,455,828	361,621	1,817,449
33	Common Equity to be Used for Earnings Sharing	1,455,828	361,621	1,817,449
34	Common Equity Component of Rate Base per Books (51.20%)	<u>1,490,757</u>	<u>370,297</u>	<u>1,861,054</u>
35	Adjustment - Equity Component of Rate Base	<u>\$ (34,929)</u>	<u>\$ (8,676)</u>	<u>\$ (43,605)</u>

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$000)

	<u>Adj line</u> <u>WP REF</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>Interest Expense</u>				
36	Amount of per Book Interest Expense Subject to Synchronization	\$ 49,907	\$ 13,135	\$ 63,042
<u>Interest Synchronization with Rate Base</u>				
37	Rate Base	\$ 2,911,657	\$ 723,242	\$ 3,634,899
38	Exclude Equity Component of Rate Base	(1,455,828)	(361,621)	(1,817,449)
39	Balance is Debt Supporting Rate Base - For Regulatory Purposes	1,455,829	361,621	1,817,450
40	Average Cost of Debt	3.40%	3.40%	3.40%
41	Interest Expense for Regulatory Purposes	49,490	12,293	61,783
42	Interest Expense per Books	49,907	13,135	63,042
43	Interest Synchronization Adjustment	\$ (417)	\$ (842)	\$ (1,259)

New York State Electric & Gas Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$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>				
44	Regulated Operating Income Before Interest - Schedule A, Line 14	\$ 184,771	\$ 56,853	\$ 241,624
45	Interest Expense - Schedule A, Line 16	(49,490)	(12,293)	(61,783)
46	Regulated Income Before Income Taxes - Schedule A, Line 17	\$ 135,281	\$ 44,560	\$ 179,841
47	Composite Federal & State Income Tax Rate	26.135%	26.135%	26.135%
48	Total Federal & State Income Taxes @ Statutory Rates for Regulatory Purposes	\$ 35,356	\$ 11,646	\$ 47,001
49	Total Federal & State Income Taxes as Booked	\$ 39,516	\$ 10,480	\$ 49,997
50	Total Adjustment to State and Federal Income Taxes (Line 48 minus Line 49)	See Note 1 \$ (4,160)	\$ 1,166	\$ (2,996)

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, 2022
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	\$ 641,938		\$ 641,938
2 Late Payments	4,828	(1,719)	3,108
3 Total Retail Revenue	646,766	(1,719)	645,047
4 Other Revenue	51,347	3,668	55,015
5 Excess DIT Amortization	11,224	-	11,224
6 Total Revenue	709,337	1,949	711,286
7 Gross Revenue Taxes	9,517	-	9,517
8 Less: Supply Costs	160,597	-	160,597
9 Net Revenue	539,223	1,949	541,172
10 O&M Expenses	222,561	(693)	221,868
11 Depreciation & Amortizations	80,453	-	80,453
12 Taxes Other Than Income Taxes	99,518	(96)	99,422
13 Total Operating Expenses	402,533	(789)	401,744
14 Subtotal	136,691	2,737	139,428
15 Plus: Other Income and (Deductions)	8,841	(8,841)	(0)
16 Less: Interest Expense	34,179	7,550	41,729
17 Operating Income Before Income Taxes	111,352	(13,653)	97,699
18 Income Taxes	24,942	592	25,534
19 Balance for Common	86,410	(14,245)	72,165
20 Rate Base	1,946,781	-	1,946,781
21 Rate of Return	5.74%		5.85%
22 Return on Equity before Sharing	8.30%		7.41%
<u>Calculation of Return on Equity</u>			
23 Balance for Common	86,410	(14,245)	72,165
24 Rate Base	1,946,781	-	1,946,781
25 Common Equity Percentage	53.47%	(3.47%)	50.00%
26 Equity Component of Rate Base	1,040,882		973,390
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			7.41%
28 Earnings Sharing Target			9.10%
29 Excess / (Shortfall)			(1.69%)
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, 2022
(\$000)

	<u>Per Book</u>	<u>Regulatory Adjustment</u>	<u>Regulated</u>
<u>Operating Revenues</u>			
1 Sales Revenue (Delivery & Commodity)	\$ 321,240		\$ 321,240
2 Late Payments	1,559	173	1,732
3 Total Retail Revenue	322,799	173	322,972
4 Other Revenue	15,277	148	15,426
5 Excess DIT Amortization	2,016		2,016
6 Total Revenue	340,092	321	340,413
7 Gross Revenue Taxes	5,634		5,634
8 Less: Supply Costs	140,980	353	141,333
9 Net Revenue	193,478	(32)	193,446
10 O&M Expenses	83,837	1,276	85,113
11 Depreciation & Amortizations	32,251	-	32,251
12 Taxes Other Than Income Taxes	32,981	(32)	32,949
13 Total Operating Expenses	149,069	1,244	150,313
14 Subtotal	44,409	(1,276)	43,134
15 Plus: Other Income and (Deductions)	1,190	(1,190)	0
16 Less: Interest Expense	10,350	1,949	12,299
17 Operating Income Before Income Taxes	35,249	(4,415)	30,835
18 Income Taxes	9,919	(1,860)	8,059
19 Balance for Common	25,330	(2,554)	22,776
20 Rate Base	573,774	-	573,774
21 Rate of Return	6.01%		6.11%
22 Return on Equity before Sharing	8.26%		7.94%
<u>Calculation of Return on Equity</u>			
23 Balance for Common	25,330	(2,554)	22,776
24 Rate Base	573,774	-	573,774
25 Common Equity Percentage	53.47%	(3.47%)	50.00%
26 Equity Component of Rate Base	306,779		286,887
<u>Calculation of Earnings Sharing</u>			
27 Return on Equity before Sharing			7.94%
28 Earnings Sharing Target			9.10%
29 Excess / (Shortfall)			(1.16%)
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, 2022
(\$000)

		Monthly Average		
		Electric	Gas	Total
<u>Total Rate Base</u>				
1	Plant and Non Interest-Bearing CWIP	\$ 3,454,965	\$ 1,233,998	\$ 4,688,963
2	Depreciation Reserve	(928,081)	(469,580)	(1,397,661)
3	Materials and Supplies	11,982	3,626	15,608
4	Prepayments	39,073	12,837	51,910
5	O&M Working Capital	33,014	10,111	43,125
6	Non-Int Bearing Cust Advances	(16,431)	(448)	(16,879)
7	Deferred Debits & Credits	(319,005)	(112,941)	(431,947)
8	Deferred Income Tax	(326,993)	(103,314)	(430,307)
9	Deferred Investment Tax Credits			-
10	Subtotal - Standard Rate Base	\$ 1,948,524	\$ 574,288	\$ 2,522,813
11	Earnings Base Cap Differential	(1,743)	(514)	(2,257)
12	Capitalization Supporting Total Rate Base	\$ 1,946,781	\$ 573,774	\$ 2,520,555
13	Items Not in Rate Base			147,747
14	Total Capitalization			\$ 2,668,302
15	Capitalization Supporting Total Rate Base (Line 12)	\$ 1,946,781	\$ 573,774	\$ 2,520,555
16	Rate Base Used for ESM	\$ 1,946,781	\$ 573,774	\$ 2,520,555

Rochester Gas and Electric Corporation
Capital Structure
12 Months Ended April 30, 2022
(\$000)

	Regulated Capital Structure	Adjust to 50% Equity Ratio	Earnings Sharing Capital Structure
<u>Capital Structure - \$</u>			
1	Short Term Debt	\$ -	\$ -
2	Long Term Debt	1,236,671	1,236,671
3	Customer Deposits & Deferred Compensation	4,975	4,975
4	Total Debt	1,241,646	1,241,646
5	Common Equity	1,426,656	1,426,656
6	Total	2,668,302	2,668,302
<u>Capital Structure - %</u>			
7	Short Term Debt	0.00%	0.00%
8	Long Term Debt	46.35%	49.81%
9	Customer Deposits	0.19%	0.19%
10	Total Debt	46.53%	50.00%
11	Common Equity	53.47%	50.00%
12	Total	100%	100%
<u>Cost of Debt - \$</u>			
13	Debt (Actual Regulated / Calculated for ESM)	\$ 53,229	\$ 53,229
<u>Cost of Debt - %</u>			
14	Debt (Cost Rate same for Actual and ESM)	4.29%	4.29%
<u>Weighted Cost of Debt and Preferred - %</u>			
15	Debt (Actual Regulated / Calculated for ESM)	1.99%	1.99%

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$000)

	Adj line WP REF	Electric	Gas	Total	
<u>Revenues</u>					
1	Exclude Customer Service Quality Metrics - Answer Speed & Meter Read	1	(493)	(407)	(900)
2	Exclude PRA - Terminations and Uncollectibles	2	315	245	560
3	Exclude Gas Safety Violation NRA	3	-	393	393
4	Exclude Gas Enhancement Performance Incentive (GEPI)				-
5	Exclude Positive Revenue Adjustment - Leak Prone Main in Excess PRA	5	-	(67)	(67)
6	Exclude Positive Revenue Adjustment - Leak Backlog Management				-
7	Exclude Storage Gas Component of MFC Revenue	6	-	(211)	(211)
8	Include COVID-19 Reg Deferral for RY2 Late Payment Revenue, recorded in RY3	13	(1,719)	173	(1,546)
9	Set Net Unbilled to Zero, consistent with RDM and JP	8	(833)	195	(638)
10	Exclude Revenue Adjustment - Electric Reliability Performance SAIFI	4	5,000	-	5,000
11	Exclude Earnings Adjustment Mechanism	12	(320)		(320)
12	Total Adjustment to Revenues		<u>\$ 1,949</u>	<u>\$ 321</u>	<u>\$ 2,270</u>
<u>Supply Costs</u>					
13	Exclude Shareholder portion of GCIM Savings	9	\$ -	\$ 353	\$ 353
14	Total Adjustment to Supply Costs		<u>\$ -</u>	<u>\$ 353</u>	<u>\$ 353</u>
<u>O&M Expenses</u>					
15	Exclude SERP Costs	10	(693)	(333)	(1,025)
16	Exclude COVID-19 Reg Deferral for RY1 Uncollectible Expense, recorded in RY2	7	-	1,609	1,609
17	Total Adjustment to O&M Expenses		<u>\$ (693)</u>	<u>\$ 1,276</u>	<u>\$ 583</u>
<u>Depreciation & Amortizations</u>					
18	Total Adjustment to Depreciation & Amortization		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Taxes Other than Income Taxes</u>					
19	Exclude Property Taxes associated with Non-Utility Property	11	(96)	(32)	(128)
20	Total Adjustment to Taxes Other than Income Taxes		<u>\$ (96)</u>	<u>\$ (32)</u>	<u>\$ (128)</u>
21	Total Adjustments to Operating Income before Interest Expense		\$ 2,737	\$ (1,276)	\$ 1,462

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$000)

	Adj line WP REF	Electric	Gas	Total
<u>Other Income and Deductions (See RGE GAAP Income Statement footnotes)</u>				
Exclude Other Income and Deductions				
22	Equity Component of AFUDC	\$ (11,135.3)	\$ (1,682)	\$ (12,818)
23	Non-Cash Return Accruals	2,798	(177)	2,621
24	Penalties	(1,349)	58	(1,291)
25	Interest / Dividend Income	(180)	(106)	(286)
26	Gains and Losses on Sale of Property	14	(157)	(143)
27				
28				
29	Other Misc Deductions & Donations	1,012	875	1,887
30	Total Adjustment to Other Income and Deductions	<u>(8,841)</u>	<u>(1,190)</u>	<u>(10,031)</u>
<u>Equity Component of Rate Base</u>				
31	Rate Base	\$ 1,946,781	\$ 573,774	\$ 2,520,555
32	Cap on Equity Component of Capitalization for Regulatory Earnings Purposes	<u>50%</u>	<u>50%</u>	<u>50%</u>
33	Adjusted Common Equity Component of Rate Base	973,390	286,887	1,260,278
34	Common Equity to be Used for Earnings Sharing	973,390	286,887	1,260,278
35	Common Equity Component of Rate Base per Books (53.47%)	<u>1,040,882</u>	<u>306,779</u>	<u>1,347,661</u>
36	Adjustment - Equity Component of Rate Base	<u>\$ (67,492)</u>	<u>\$ (19,892)</u>	<u>\$ (87,383)</u>

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$000)

	Adj line WP REF	Electric	Gas	Total
<u>Interest Expense</u>				
37	Amount of per Book Interest Expense Subject to Synchronization	\$ 34,179	\$ 10,350	\$ 44,529
<u>Interest Synchronization with Rate Base</u>				
38	Rate Base	\$ 1,946,781	\$ 573,774	\$ 2,520,555
39	Exclude Equity Component of Rate Base	(973,390)	(286,887)	(1,260,277)
40	Balance is Debt Supporting Rate Base - For Regulatory Purposes	973,391	286,887	1,260,278
41	Average Cost of Debt	4.29%	4.29%	4.29%
42	Interest Expense for Regulatory Purposes	41,729	12,299	54,028
43	Interest Expense per Books	34,179	10,350	44,529
44	Interest Synchronization Adjustment	\$ 7,550	\$ 1,949	\$ 9,499

Rochester Gas and Electric Corporation
Adjustments to Regulatory Earnings
12 Months Ended April 30, 2022
(\$000)

	Adj line WP REF	Electric	Gas	Total
<u>State and Federal Income Taxes</u>				
45	Regulated Operating Income Before Interest - Schedule A, Line 14	\$ 139,428	\$ 43,134	\$ 182,562
46	Interest Expense - Schedule A, Line 16	(41,729)	(12,299)	(54,028)
47	Regulated Income Before Income Taxes - Schedule A, Line 17	\$ 97,699	\$ 30,835	\$ 128,534
48	Composite Federal & State Income Tax Rate	26.135%	26.135%	26.135%
49	Total Federal & State Income Taxes @ Statutory Rates for Regulatory Purposes	\$ 25,534	\$ 8,059	\$ 33,592
50	Total Federal & State Income Taxes as Booked	\$ 24,942	\$ 9,919	\$ 34,861
51	Total Adjustment to State and Federal Income Taxes (Line 49 minus Line 50)	\$ 592	\$ (1,860)	\$ (1,269)

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.