

NSTAR Electric Company
2025
Calculation of Return on Equity

Net utility income available for common shareholders (A)	\$	511,055,011
Total utility common equity (B)	\$	7,154,975,339
ROE % (A/B)		7.14%
Adjusted ROE		7.12% (note 4)

(A) Net utility income available for common shareholders (note 1)		
Net utility operating income (pg. 117, line 27)		765,788,569
Plus:		
Service quality penalties		-
Less:		
Net interest charges (pg. 117, line 70)	255,294,654	
Total dividends declared (pg. 118, line 29)	1,960,000	
Subtotal	257,254,654	

Total utility plant as % of total utility plant and other property and investments

	balance @ end of year			
Utility plant (pg. 110, line 4)	19,031,531,940			
Accumulated depreciation (pg. 110, line 5)	(4,463,968,447)			
Deferred taxes: MA & Federal (pg. 113, line 63)	(1,774,200,223)			
ARO (GL account 101100)	(27,425,770)			
Customer contributions (pg. 113 line 56)	(63,926,769)			
Total utility plant, net	12,702,010,731	99.02%	99.02%	
Total other property and investments (note 3)	126,163,209	0.98%		
Total utility plant and other property and investments	12,828,173,940	100.00%	254,733,558	254,733,558

Net utility income available for common shareholders 511,055,011

(B) Total utility common equity (note 2)			
	balance @ beg. of year	balance @ end of year	
Total proprietary capital (pg. 112, line 16)	6,958,684,163	7,601,834,902	7,280,259,533
Plus:			
Discount on capital stock applicable to preferred stock (pg. 112, line 9)			-
Capital stock expense applicable to preferred stock (pg. 112, line 10)			-
Less:			
Preferred stock issued (pg. 112, line 3)	43,000,000	43,000,000	43,000,000
Unappropriated undistributed retained earnings (pg. 112, line 12)	9,611,434	13,331,506	11,471,470
Subtotal	6,906,072,729	7,545,503,396	7,225,788,063
			99.02%
Total utility common equity			7,154,975,339

Notes:

- (1) Amortization of acquisition premium included due to approval for recovery in DTE 99-19.
- (2) Unamortized acquisition premium adjustment is not applicable due to approval for recovery in DTE 99-19.
- (3) Other property and investments (pg. 110, line 32) is adjusted for unappropriated undistributed subsidiary earnings (pg. 112, line 12) and other special funds (pg. 110, line 28).
- (4) Excluding the impact of transition charge mitigation and LTRCA remuneration earnings (\$2,096,106), the transmission and distribution business ROE was 7.12%.