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%.

NSTAR ELECTRIC COMPANY
RETURN ON EQUITY (ROE) - DISTRIBUTION
FOR THE YEAR 2025

Line		2024	2025	Reference
1	Total Utility Net Income		$ 511,055,011	Total utility; Per DPU Annual Return. (Line 22)
2	(Less) Transmission Net Income		(288,910,556)	Line 24
3	Net Income - Excluding Transmission		$ 222,144,455	Sum Lines 1 through 2
4	Incentive/One-Time items		-	per Accounting records
5	Incentives/One-Time items After Tax		$ -	Line 4 * (1 - Federal and State Tax Rate)
6	Net income Excluding Transmission - Adjusted for incentives / one time items		$ 222,144,455	Line 3 - Line 5
7	**Total Capitalization**			
8	Long-Term Debt	$ 5,140,000,000	$ 5,990,000,000	FERC Form 1, Page 112, Line 21
9	Preferred Stock	43,000,000	43,000,000	FERC Form 1, Page 112, Line 3
10	Common Equity	6,915,684,163	7,558,834,902	FERC Form 1, Page 112, Line 16 less Line 3
11	Total Capital	$ 12,098,684,163	$ 13,591,834,902	Sum Lines 8 thru 10
12	(Less) Transmission Investment Base	$ (3,985,209,943)	$ (4,339,634,954)	Line 19
13	Total capital, net of transmission investment base	8,113,474,220	9,252,199,948	Line 11 + Line 12
14	% Common Equity	53.21%	53.21%	D.P.U. 22-22, Exh. ES-REVREQ-2 (Compliance), Schedule 33, Page 1, Line 21, Col. (D)
15	Distribution Equity	$ 4,317,179,632	$ 4,923,095,592	Line 13 * Line 14
16	Average Distribution Equity		$ 4,620,137,612	(Line 15 Prior Year + Line 15 Current Year) / 2
17	NSTAR Electric Distribution ROE (excluding Transmission)		**4.81%**	Line 6 / Line 16
18	Transmission Detail			
19	Total Investment Base	$ 3,985,209,943	$ 4,339,634,954	per Company records
20	Weighted Common Equity Cost of Capital		6.37%	Line 21 / Line 19
21	Total Equity Return on Investment		$ 276,361,606	Line 27
22	RNS Incentives (pre-tax)		$ 17,266,029	per Company records
23	RNS Incentives (after-tax)		$ 12,548,950	Line 22 * (1 - Federal and State Tax Rate)
24	Transmission net income Available for common shareholders		$ 288,910,556	Line 21 + Line 23

		NSTAR Electric	WMECO	Total	
25	Total Investment Base (2025)	$ 2,975,584,786	$ 1,364,050,168	$ 4,339,634,954	per Company records
26	Weighted Common Equity Cost of Capital (2025)	6.37%	6.37%		per Company records
27	Total Equity Return on Investment (2025)	$ 189,419,776	$ 86,941,830	$ 276,361,606	Line 25 * Line 26