# 36 Attachment DD – Rules to Allocate the Cost of NY Transco LLC Transmission Facilities and Formula Rates

## 36.1 Overview

### 36.1.1 Cost Allocation

The purpose of Section 36.2 is to provide for the allocation of costs to be recovered through the Transco Facilities Charge (“TFC”) described in Section 6.13 of Schedule 13 of the ISO OATT for the following NY Transco, LLC (“NY Transco”) projects: (1) the Second Ramapo-to-Rock Tavern 345-kV Line Project, the Marcy South Series Compensation and Fraser-to-Coopers Corners Reconductoring Project, and the Staten Island Unbottling Project, each of which have been approved by the New York Public Service Commission on November 4, 2013, in Case No. 12-E-0503 (the “Transmission Owner Transmission Solutions” or “TOTS” projects); (2) the Second Oakdale-to-Fraser 345-kV Line Project and the Edic-to-Pleasant Valley 345-kV Line Project (the “AC” projects) upon approval by the New York Public Service Commission in Case Number 12-T-502 and subject to inclusion by the ISO in the ISO transmission plan for purposes of cost allocation; and (3) any regulated public policy transmission project that has been approved by the ISO pursuant to Section 31.4.8 of Attachment Y of the ISO OATT and determined to be eligible to recover such costs pursuant to Sections 31.5.5.3 and 31.5.5.4 of Attachment Y of the ISO OATT. Section 36.2 shall include cost allocation tables for each NY Transco project eligible to recover costs through the TFC.

### 36.1.2 Formula Rates

Section 36.3 provides NY Transco’s formula rate and implementation rules for the formula rate to recover costs related to its projects through the TFC.

## 36.2 Attachment 1 to Attachment DD

### 36.2.1 Allocation Tables

#### 36.2.1.1. Second Ramapo-to-Rock Tavern 345-kV Line Project

|  |  |
| --- | --- |
| COST ALLOCATION TABLE  FOR THE SECOND RAMAPO-TO-ROCK TAVERN 345-KV LINE PROJECT | |
| Transmission District | Allocation of Project Costs (%)[[1]](#footnote-1) |
| Consolidated Edison Co. of NY, Inc.  Orange and Rockland Utilities, Inc. | Reserved |
| New York Power Authority | Reserved |
| Long Island Power Authority | Reserved |
| Niagara Mohawk Power Corp. | Reserved |
| New York State Gas & Electric Corp.  Rochester Gas and Electric Corp. | Reserved |
| Central Hudson Gas & Electric Corp. | Reserved |

#### 36.2.1.2 Marcy South Series Compensation and Fraser-to-Coopers Corners Reconductoring Project

|  |  |
| --- | --- |
| COST ALLOCATION TABLE  FOR THE MARCY SOUTH SERIES COMPENSATION AND FRASER-TO-COOPERS CORNERS RECONDUCTORING PROJECT | |
| Transmission District | Allocation of Project Costs (%)[[2]](#footnote-2) |
| Consolidated Edison Co. of NY, Inc.  Orange and Rockland Utilities, Inc. | Reserved |
| New York Power Authority | Reserved |
| Long Island Power Authority | Reserved |
| Niagara Mohawk Power Corp. | Reserved |
| New York State Gas & Electric Corp.  Rochester Gas and Electric Corp. | Reserved |
| Central Hudson Gas & Electric Corp. | Reserved |

#### 36.2.1.3 Staten Island Unbottling Project

|  |  |
| --- | --- |
| COST ALLOCATION TABLE  FOR THE STATEN ISLAND UNBOTTLING PROJECT | |
| Transmission District | Allocation of Project Costs (%)[[3]](#footnote-3) |
| Consolidated Edison Co. of NY, Inc.  Orange and Rockland Utilities, Inc. | Reserved |
| New York Power Authority | Reserved |
| Long Island Power Authority | Reserved |
| Niagara Mohawk Power Corp. | Reserved |
| New York State Gas & Electric Corp.  Rochester Gas and Electric Corp. | Reserved |
| Central Hudson Gas & Electric Corp. | Reserved |

## 36.3 Attachment 2 to Attachment DD

### 36.3.1 Formula Rates

#### 36.3.1.1 Rate Formula Template

Appendix A Page 1 of 5

Formula Rate - Non-Levelized Rate Formula Template

Utilizing FERC Form 1 Data Projected Annual Transmission Revenue Requirement

For the 12 months ended 12/31/

New York Transco LLC

(1) (2) (3) Line Allocated

No. Amount

1 GROSS REVENUE REQUIREMENT (line 74) 12 months $ -

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | REVENUE CREDITS |  | Total |  | Allocator |  |
| 2 | Total Revenue Credits | Attachment 1, line 6 |  | - TP |  | - - |
| 3 | Net Revenue Requirement | (line 1 minus line 2) |  |  |  | - |
| 4 | True-up Adjustment | Attachment 7 |  | - DA |  | - - |
| 5 | NET ADJUSTED REVENUE REQUIREMENT | (line 3 plus line 4) |  |  |  | $ - |

Appendix A Page 2 of 5

Formula Rate - Non-Levelized Rate Formula Template

Utilizing FERC Form 1 Data

**New York Transco LLC**

(1) (2) (3) (4) (5)

**Form No. 1 Transmission** Line **Page, Line, Col. Company Total Allocator** (Col 3 times Col 4) No. **RATE BASE:**

For the 12 months ended 12/31/

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | GROSS PLANT IN SERVICE (Note M) |  | | |
| 6 | Production | (Attach 2, line 75) | - NA | - - |
| 7 | Transmission | (Attach 2, line 15) | - TP | - - |
| 8 | Distribution | (Attach 2, line 30) | - NA | - - |
| 9 | General & Intangible | (Attach 2, lines 45 & 60) | - W/S | - - |
| 10 | TOTAL GROSS PLANT (sum lines 6-9) | (GP=1 if plant =0) | - GP= | - - |

11 ACCUMULATED DEPRECIATION & AMORTIZATION (Note M)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 12 | Production | (Attach 2, line 151) | - NA | - - |
| 13 | Transmission | (Attach 2, line 91) | - TP | - - |
| 14 | Distribution | (Attach 2, line 106) | - NA | - - |
| 15 | General & Intangible | (Attach 2, lines 121 & 136 | - W/S | - - |
| 16 TOTAL ACCUM. DEPRECIATION (sum lines 12-15) - - | | | | |
| 17 | NET PLANT IN SERVICE |  |  |  |
| 18 | Production | (line 6- line 12) | - | - |
| 19 | Transmission | (line 7- line 13) | - | - |
| 20 | Distribution | (line 8- line 14) | - | - |
| 21 | General & Intangible | (line 9- line 15) | - | - |
| 22 | TOTAL NET PLANT (sum lines 18-21) | (NP=1 if plant =0) | - NP= | - - |
| 23 | ADJUSTMENTS TO RATE BASE (Note A) |  |  |  |
| 24 | ADIT | (Attach 6a, line 9) | - TP | - - |
| 25 | Account No. 255 (enter negative) (Note F) | (Attach 3, line 153) | - NP | - - |
| 26 | CWIP | (Attach 3, line 185) (Note J) | - DA | - |
| 27 | Unfunded Reserves (enter negative) | (Attach 3, line 187) | - DA | - - |
| 28 | Unamortized Regulatory Assets | (Attach 3, line 212) (Note L) | - DA | - - |
| 29 | Unamortized Abandoned Plant | (Attach 3, line 154) (Note K) | - DA | - - |
| 30 | TOTAL ADJUSTMENTS (sum lines 24-29) |  | - | - |
| 31 | LAND HELD FOR FUTURE USE | (Attach 3, line 186) | - TP | - - |
| 32 | WORKING CAPITAL (Note C) |  |  |  |
| 33 | CWC | calculated (1/8 \* Line 44) | - | - |
| 34 | Materials & Supplies (Note B) | (Attach 3, line 206) | - TP | - - |
| 35 | Prepayments (Account 165 - Note C) | (Attach 3, line 170) | - GP | - - |
| 36 | TOTAL WORKING CAPITAL (sum lines 33-35) |  | - | - |
| 37 | RATE BASE (sum lines 22, 30, 31, & 36) |  | - | - |

Appendix A Page 3 of 5

Formula Rate - Non-Levelized Rate Formula Template

Utilizing FERC Form 1 Data

**New York Transco LLC**

(1) (2) (3) (4) (5)

**Form No. 1 Transmission**

**Page, Line, Col. Company Total Allocator** (Col 3 times Col 4)

38 O&M

39 Transmission 321.112.b - TP= - -

For the 12 months ended 12/31/

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 40 | Less Accounts 565, 561 and 561.1 to 561.8 | 321.96.b & 84.b to 92.b | - TP= |  | - - |
| 41 | A&G | 323.197.b | - W/S |  | - - |
| 42 | Less EPRI & Reg. Comm. Exp. & Other Ad. | (Note D & Attach 3, line 189) | - DA |  | - - |
| 43 | Plus Transmission Related Reg. Comm. Exp. | (Note D & Attach 3, line 189) | - TP= |  | - - |
| 44 | PBOP expense adjustment | (Attach 3, line 292) | - TP= |  | - - |
| 44a | Less Account 566 | 323.97.b | - DA |  | - - |
| 44b  44c  45 | Amortization of Regulatory Assets  Account 566 excluding amort. of Reg Assets  TOTAL O&M (sum lines 39, 41, 43, 44, 44b, 44c | (Attach 3, line 210a) (line 44a less line 44b)  less lines 40 & 42, 44a) (Note D) | - DA  - DA  - |  | - -  - -  - |
| 46 | DEPRECIATION EXPENSE (Note M) |  |  |  |  |
| 47 | Transmission | 336.7.b & c | - TP |  | - - |
| 48 | General and Intangible | 336.1.d&e + 336.10.b&c | - W/S |  | - - |
| 49 | Amortization of Abandoned Plant | (Attach 3, line 155) (Note K) | - DA |  | - - |
| 50 | TOTAL DEPRECIATION (Sum lines 47-49) |  | - |  | - |
| 51 | TAXES OTHER THAN INCOME TAXES (Note E) |  |  |  |  |
| 52 | LABOR RELATED |  |  |  |  |
| 53 | Payroll | 263.\_.i (enter FN1 line #) | - W/S |  | - - |
| 54  55 | Highway and vehicle  PLANT RELATED | 263.\_.i (enter FN1 line #) | - W/S |  | - - |
| 56 | Property | 263.\_.i (enter FN1 line #) | - GP |  | - - |
| 57 | Gross Receipts | 263.\_.i (enter FN1 line #) | - NA |  | - - |
| 58 | Other | 263.\_.i (enter FN1 line #) | - GP |  | - - |
| 59 | TOTAL OTHER TAXES (sum lines 53-58) |  | - |  | - |
| 60 | INCOME TAXES | (Note F) |  |  |  |
| 61 | T=1 - {[(1 - SIT) \* (1 - FIT)] / (1 - SIT \* FIT \* p))}\*(1-n) = | | - |  |  |
| 62 | CIT=(T/1-T) \* (1-(WCLTD/R)) = | | - |  |  |
| 63 | where WCLTD=(line 91) and R= (line 94) | |  |  |  |
| 64 | and FIT, SIT, p, & n are as given in footnote F. | |  |  |  |
| 65 | 1 / (1 - T) = (T from line 61) | | - |  |  |
| 66 | Amortized Investment Tax Credit (266.8f) (enter negative) | | - |  |  |
| 67 | Income Tax Calculation = line 62 \* line 71 \* (1-n) | | - |  | - |
| 68 | ITC adjustment (line 65 \* line 66 \* (1- n)) | | - NP |  | - - |
| 69 Total Income Taxes (line 67 plus line 68) - - | | | | | |
| 70 | RETURN | |  |  |  |
| 71 | [ Rate Base (line 37) \* Rate of Return (line 94)] | | - NA |  | - |
| 72 | Rev Requirement before Incentive Projects (sum lines 45, 50, 59, 69, 71) | | - |  | - |
| 73 | Incentive Return and Income Tax on Authorized Projects (Attach 4, line 58, col h) | | - DA | 100% | - |
| 74 | Total Revenue Requirement (sum lines 72 & 73) | | - |  | - |

Appendix A Page 4 of 5

Formula Rate - Non-Levelized Rate Formula Template

Utilizing FERC Form 1 Data

**New York Transco LLC SUPPORTING CALCULATIONS AND NOTES**

75 TRANSMISSION PLANT INCLUDED IN RTO RATES

76 Total transmission plant (line 7, column 3) -

77 Less transmission plant excluded from RTO rates (Note H) -

78 Less transmission plant included in OATT Ancillary Services (Note H) -

79 Transmission plant included in RTO rates (line 76 less lines 77 & 78) -

80 Percentage of transmission plant included in RTO Rates (line 79 divided by line 76) TP= -

For the 12 months ended 12/31/

81 WAGES & SALARY ALLOCATOR (W&S) (Note I)

82 Form 1 Reference $ TP Allocation

|  |  |  |
| --- | --- | --- |
| 354.20.b  354.21.b  354.23.b  354.24,25,26.b | - |  |
| - - | |
| -  - |  |

83 Production

84 Transmission -

85 Distribution

86 Other

W&S Allocator

($ / Allocation)

87 Total (sum lines 83-86) [WS equals 1 if there are no wages & salaries] - - = - = WS

88 RETURN (R) (Note J)

89

90 $ % Cost Weighted

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 91 | Long Term Debt | (Attachments 3 and 5) (Note G) | - - - |  | - =WCLTD |
| 92 | Preferred Stock | (Attach 3, line 235 - 237) | - - - |  | - |
| 93 | Common Stock | (Attach 3, line 227) | - - 10.60% |  | - |
| 94 | Total (sum lines 91-93) |  | - |  | - =R |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sum Of Net Plant, CWIP, Regulatory Asset and Abandoned Plant | | | (a) | (b) |  | (c) |
|  | | | Non-incentive Projects | Incenitve Projects | Total |  |
| 95 | Net Transmission Plant in Service | (Line 19) | - - - | | | |
| 96 | CWIP in Rate Base | (Line 26) | - - - | | | |
| 97 | Unamortized Abandoned Plant | (Line 29) | - - | | | |
| 98 | Regulatory Assets | (Line 28) | - - | | | |

99 Sum Of Net Plant, CWIP, Regulatory Asset and Abandoned Plant - - -

|  |  |  |  |
| --- | --- | --- | --- |
| 100 | Rev Requirement before Incentive Projects | (Line 72) | - |
| 101 | Total Revenue Credits | (Line 2) | - |
| 102 | Base Carrying Charge | (Line 100 - Line 101)/ Line 99 | - |

Note

Letter

**SUPPORTING CALCULATIONS AND NOTES**

Formula Rate - Non-Levelized Rate Formula Template

Utilizing FERC Form 1 Data

**New York Transco LLC**

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#) References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Appendix A Page 5 of 5

For the 12 months ended 12/31/

A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.

B Identified in Form 1 as being only transmission related.

C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission

Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111 line 57 in the Form 1.

D Line 41 removes EPRI Annual Membership Dues listed in Form 1 at 353.\_.f (enter FN1 line #),

any EPRI Lobbying expenses included in line 44 of the template and all Regulatory Commission Expenses itemized at 351.h

Line 41 removes all advertising included in Account 930.1, except safety, education or out-reach related advertising

Line 41 removes EEI and EPRI research, development and demonstration expenses associated with projects in which transmission customers can voluntarily participate to the extent such expenses exceed a maximum annual aggregate amount of $100,000

Line 42 reflects all Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized at 351.h

Line 38 or Line 41 and thus Line 45 shall include any NYISO charges other than penalties, including but not limited to administrative costs.

E Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.

Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.

F The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p =

"the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce

rate base.

multiplied by (1/1-T) .

Inputs Required: FIT = -

SIT= - (State Income Tax Rate or Composite SIT from Attach 3)

p = - (percent of federal income tax deductible for state purposes)

n= - (not for profit entity ownership percentage)

For each Rate Year (including both Annual Projections and True-Up Adjustments) the statutory income tax rates utilized in the Formula Rate shall reflect the weighted average rates

actually in effect during the Rate Year. For example, if the statutory tax rate is 10% from January 1 through June 30, and 5% from July 1 through December 31, such rates would be weighted

181/365 and 184/365, respectively, for a non-leap year.

G The cost of debt is determined using the internal rate of return methodology shown on Attachment 5 once project financing is obtained. Prior to obtaining project financing,

the interest rate in Table 2 of Attachment 5 will be used and will not be trued up. Attachment 5 contains an estimate of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Appendix A.

After January 1, 2019 or the completion of construction, which ever occurs earlier, the cost of debt will be calculated pursuant to Attachment 3

H Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.

I Enter dollar amounts

J ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC under FPA Section 205 or 206.

The capital structure will be 60% equity and 40% debt for the CWIP associated with the projects and Regulatory Assets in line 28, and the return on such projects will be input on line 71. The CWIP Projects will not be included in rate base (line 25). The capital structure shown on lines 89-92 will be 60% equity and 40% debt until January 1, 2019 or the completion of construction, which ever occurs earlier. After January 1, 2019 or the completion of construction, which ever occurs earlier, the capital structure on lines 89-92 will reflect the actual capital structure, and will be capped at 60% equity. If the actual equity ratio exceeds 60%, the common stock ratio will be reset to 60% and the debt ratio will be equal to 1 minus sum of the preferred stock ratio and common stock ratio.

K Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Company must submit a Section

205 filing to recover the cost of abandoned plant. Any such filing to recover the cost of an abandoned plant item shall be made no later than 180 days after the date that Company formally declares

L Unamortized Regulatory Assets, consisting of all expenses incurred but not included in CWIP prior to the date the rate is charged to customers, is included at line 28

Carrying costs equal to the weighted cost of capital on the balance of the regulatory asset will accrue until the rate is charged to customers

M Balances exclude Asset Retirement Costs

**Attachment 1 - Revenue Credit Workpaper\* New York Transco LLC**

**Account 454 - Rent from Electric Property** Notes 1 & 3

1 Rent from FERC Form No. 1 -

|  |  |  |
| --- | --- | --- |
| **Account 456 (including 456.1)** | Notes 1 & 3 |  |
| 2 Other Electric Revenues (Note 2)  3 Professional Services  4 Revenues from Directly Assigned Transmission Facility Charges (Note 2)  5 Rent or Attachment Fees associated with Transmission Facilities |  | -  -  -  - |
| 6 Total Revenue Credits | Sum lines 2-5 + line 1 | - |

Note 1

Note 2

All revenues booked to Account 454 that are derived from cost items classified as transmission-related will be included as a revenue credit. All revenues booked to Account 456 (includes 456.1) that are derived from cost items classified as transmission-related, and are not derived from rates under this transmission formula rate will be included as a revenue credit. Work papers will be included to properly classify revenues booked to these accounts to the transmission function. A breakdown of all Account 454 revenues by subaccount will be provided below, and will be used to derive the proper calculation of revenue credits. A breakdown of all Account 456 revenues by subaccount and customer will be provided and tabulated below, and will be used to develop the proper calculation of revenue credits.

If the facilities associated with the revenues are not included in the formula, the revenue is shown below, but not included in the total above and explained in the Attachment 3.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Note 3  Line No. | All Account 454 and 456 Revenues must be itemized below |  | | | |
| 1 | Account 456 | TOTAL | NY-ISO | Other 1 | Other 2 |
| 1a  …  1x | Transmission Service  Trans. Fac. Charge | -  -  - | -  - | -  - | -  - |
| 2 | Trans Studies | - | - | - | - |
| 3 | Total | - | - | - | - |
| 4 | Less: |  |  |  |  |
| 5 | Revenue for Demands in Divisor | - | - | - | - |
| 6 | **Sub Total Revenue Credit** | - - - - | | | |
| 7 | Prior Period Adjustments | - - - - | | | |
| 8 | Total |  | | | |
| 9 | Account 454 | $ | | | |
| 9a | Joint pole attachments - telephone | - | | | |
| 9b | Joint pole attachments - cable | - | | | |
| 9c | Underground rentals | - | | | |
| 9d | Transmission tower wireless rentals | - | | | |
| 9e | Misc non-transmission rentals | - | | | |
| 9f |  | - | | | |
| 9g |  | - | | | |
| … |  |  | | | |
| 9x |  | - | | | |
| 10 | Total | - | | | |

**Attachment 2 - Cost Support**

**New York Transco LLC**

**Plant in Service Worksheet**

|  |  |  |
| --- | --- | --- |
| Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | |
| 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  26  27  28  29  30 | **Calculation of Transmission Plant In Service** Source Year Balance | |
| December p206.58.b January company records February company records March company records April company records May company records June company records July company records August company records September company records October company records November company records December p207.58.g | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **Transmission Plant In Service** (sum lines 2-14) /13 -  **Calculation of Distribution Plant In Service** Source | |
| December p206.75.b January company records February company records March company records April company records May company records June company records July company records August company records September company records October company records November company records December p207.75.g | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **Distribution Plant In Service** (sum lines 17-29) /13 - | |

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|  |  |
| --- | --- |
| **Calculation of Intangible Plant In Service** Source | |
| December p204.5.b January company records February company records March company records April company records May company records June company records July company records August company records September company records October company records November company records December p205.5.g | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **Intangible Plant In Service** (sum lines 32 & 44) /2 -  **Calculation of General Plant In Service** Source | |
| December p206.99.b January company records February company records March company records April company records May company records June company records July company records August company records September company records October company records November company records December p207.99.g | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **General Plant In Service** (sum lines 47 & 59) /2 - | |

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| --- | --- | --- | --- |
| 61 | **Calculation of Production Plant In Service** | Source |  |
| 62 | December | p204.46b | - - |
| 63 | January | company records | - - |
| 64 | February | company records | - - |
| 65 | March | company records | - - |
| 66 | April | company records | - - |
| 67 | May | company records | - - |
| 68 | June | company records | - - |
| 69 | July | company records | - - |
| 70 | August | company records | - - |
| 71 | September | company records | - - |
| 72 | October | company records | - - |
| 73 | November | company records | - - |
| 74 | December | p205.46.g | - - |
| 75 | **Production Plant In Service** | (sum lines 62-74) /13 | - |
| 76 | **Total Plant In Service** | (sum lines 15, 30, 45, 60, & 75) | - |

**Accumulated Depreciation Worksheet**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 77 | **Calculation of Transmission Accumulated Depreciation** | Source | Year | Balance |
| 78 | December | Prior year p219.25.b |  | - - |
| 79 | January | company records |  | - - |
| 80 | February | company records |  | - - |
| 81 | March | company records |  | - - |
| 82 | April | company records |  | - - |
| 83 | May | company records |  | - - |
| 84 | June | company records |  | - - |
| 85 | July | company records |  | - - |
| 86 | August | company records |  | - - |
| 87 | September | company records |  | - - |
| 88 | October | company records |  | - - |
| 89 | November | company records |  | - - |
| 90 | December | p219.25.b |  | - - |
| 91 | **Transmission Accumulated Depreciation** | (sum lines 78-90) /13 |  | - |

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|  |  |
| --- | --- |
| **Calculation of Distribution Accumulated Depreciation** Source | |
| December Prior year p219.26.b January company records February company records  March company records April company records May company records June company records July company records August company records September company records October company records November company records December p219.26.b | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **Distribution Accumulated Depreciation** (sum lines 93-105) /13 -  **Calculation of Intangible Accumulated Depreciation** Source | |
| December Prior year p200.21.c January company records February company records  March company records April company records May company records June company records July company records August company records September company records October company records November company records December p200.21.c | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **Accumulated Intangible Depreciation** (sum lines 108 & 120) /2 - | |

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|  |  |  |
| --- | --- | --- |
| 122  123  124  125  126  127  128  129  130  131  132  133  134  135  136  137  138  139  140  141  142  143  144  145  146  147  148  149  150  151  152 | **Calculation of General Accumulated Depreciation** Source | |
| December Prior year p219.28.b January company records February company records  March company records April company records May company records June company records July company records August company records September company records October company records November company records December p219.28.b | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **Accumulated General Depreciation** (sum lines 123 & 135) /2 -  **Calculation of Production Accumulated Depreciation** Source | |
| December p219.20:24.b (prior year) January company records February company records  March company records April company records May company records June company records July company records August company records September company records October company records November company records  December p219.20 thru 219.24.b | - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - -  - - |
| **Production Accumulated Depreciation** (sum lines 138-150) /13 -  **Total Accumulated Depreciation** (sum lines 91, 106, 121, 136, & 151) - | |

**ADJUSTMENTS TO RATE BASE (Note A)** Attachment 3 - Cost Support

**Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions Details**

Beginning of Year End of Year Average Balance

153 Account No. 255 (enter negative) 267.8.h - - -

154 Unamortized Abandoned Plant Per FERC Order - - -

(recovery of abandoned plant requires a FERC order approving the amount and recovery period)

155 Amortization of Abandoned Plant -

156 Prepayments (Account 165)

(Prepayments exclude Prepaid Pension Assets) Year Balance

157 December 111.57.d - -

158 January company records - -

159 February company records - -

160 March company records - -

161 April company records - -

162 May company records - -

163 June company records - -

164 July company records - -

165 August company records - -

166 September company records - -

167 October company records - -

168 November company records - -

169 December 111.57.c - -

170 **Prepayments** (sum lines 157-169) /13 -

171 **Calculation of Transmission CWIP** Source Year Non-incentive projects Incentive projects Total

172 December 216.b (prior Year) - - - -

173 January company records - - - -

174 February company records - - - -

175 March company records - - - -

176 April company records - - - -

177 May company records - - - -

178 June company records - - - -

179 July company records - - - -

180 August company records - - - -

181 September company records - - - -

182 October company records - - - -

183 November company records - - - -

184 December 216.b - - - -

185 **Transmission CWIP** (sum lines 172-184) /13 - - -

**LAND HELD FOR FUTURE USE**

|  |  |  |
| --- | --- | --- |
| **Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions** | **Beg of year End of Year Average Details** | |
| 186 **LAND HELD FOR FUTURE USE** p214 Total  Non-transmission Related  Transmission Related | - -  - -  - - | **-**  **-** |

**Reserves**

187 List of all reserves: Amount

Enter 1 if Customer

Funded, O if not

Allocation (Plant or

Labor Allocator) Amount Allocated

Reserve 1 - - - Reserve 2 - - - Reserve 3

Reserve 4

…

… - - - Total - -

The Formula Rate shall include a credit to rate base for all funded and unfunded reserves (*i.e.* , those for which the funds collected have not been set aside in escrow and the earnings thereon included in the reserve fund) that are funded by customers and for which the associated accrued costs are recoverable under the Formula Rate. Company will include a spreadsheet

(to be included in the Formula Rate template) each year as part of the Annual Update that lists the reserves and indicates which ones meet the test for crediting to rate base.

**EPRI Dues Cost Support**

**Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions Details**

**Allocated General & Common Expenses**

EPRI Dues EPRI Dues

188 EPRI Dues p353.\_.f (enter FN1 line #)

**Regulatory Expense Related to Transmission Cost Support**

**Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions**

**Form 1 Amount**

**Transmission**

**Related Other**

**Details\***

**Directly Assigned A&G**

189 Regulatory Commission Exp Account 928 p323.189.b - - -

\* insert case specific detail and associated assignments here

**Multi-state Workpaper**

|  |  |  |
| --- | --- | --- |
| **Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions** | **New York State 2 State 3 State 4 State 5 Weighed Average** | |
| **Income Tax Rates**  190 SIT=State Income Tax Rate or Composite |  | |
|  | - |
| - |
| Multiple state rates are weighted based on the state apportionment factors on the state income tax returns and the number of days in the year that the rates are effective (see Note F) | | |

**Safety Related and Education and Out Reach Cost Support**

**Directly Assigned A&G**

**Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions**

**Form 1 Amount**

**Safety Related, Education, Siting**

**& Outreach**

**Related Other**

**Details**

191 General Advertising Exp Account 930.1 p323.191.b -

**Excluded Plant Cost Support**

|  |  |
| --- | --- |
| **Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions** | **Excluded**  **Transmission**  **Facilities Description of the Facilities** |
| **Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities**  192 Excluded Transmission Facilities | **- General Description of the Facilities**  **Add more lines if necessary** |

**Materials & Supplies**

**Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions**

Note: for the projection, the prior year's actual balances will be used

Stores Expense

Undistributed

Transmission Materials & Supplies

Construction

Materials & Supplies Total

Form No.1 page p227.16 p227.8 p227.5

193 December Column b - - - -

194 January - - - -

195 February - - - -

196 March - - - -

197 April - - - -

198 May - - - -

199 June - - - -

200 July - - - -

201 August - - - -

202 September - - - -

203 October - - - -

204 November - - - -

205 December Column c - - - -

206 Average -

**Regulatory Asset**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions** | | | | | |
| 207 Beginning Balance of Regulatory Asset  208 Months remaining in Amortization Period | Project Name Project Name Project Name | **Total**  Uncapitalized costs as of date the rates become effective  As approved by FERC | | | |
| - - -  - - - |
| All amortizations of the Regulatory Asset are to be booked to Account 566 over a 5 year period beginning on the first month that the revenue  209 Monthly Amortization to Account 566 (line 207 / line 208) - - - - requirement for the project is assessed  210 Months in Year to be amortized - - - Number of months rates are in effect during the calendar year  210a Annual Amortization (line 209 \* line 210) - - - -  211 Ending Balance of Regulatory Asset (line 207 - line 209 \* 210) - - - Enter docket nos. for orders authorizing recovery here:  212 Average Balance of Regulatory Asset (line 207 + line 211)/2 - - - - Docket Number Amortization period | | | | | |
|  | | |  |  |  |
|  |  |
|  |  |

**Capital Structure**

**Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions**

213 Monthly Balances for Capital Structure Year Debt Preferred Stock Common Stock Total Capitalization

|  |  |  |  |
| --- | --- | --- | --- |
|  | December (prior year) January  February March April  May June July August  September October November December | - - - - | -  -  -  -  -  -  -  -  -  -  -  -  - |
| - - - - |
| - - - - |
| - - - - |
| - - - - |
| - - - - |
| - - - - |
| - - - - |
| - - - - |
| - - - - |
| - - - - |
| - - - -  - - - - |

214

215

216

217

218

219

220

221

222

223

224

225

226

227 Average - - - -

Debt is equal to 112.18c less 112.19c plus 112.20c plus 112.21c, recognizing that 112.19c is entered into the Form 1 as a negative number and shall remain negative (i.e., it is not a double minus in the formula that mathematically would lead to adding in line 112.19c) so that Reacquired Bonds (Account 222) are subtracted from other long term debt outstanding and that Line 112.20c may contain both short term and long term indebtedness to affiliates and therefore any short term affiliate debt shall be removed from 112.20c before adding it into the above long term debt balance formula in the formula rate.

Preferred Stock is equal to 112.3c less any Preferred Treasury Stock plus any Preferred Additional Paid-in-Capital, recognizing that if there is any Preferred Treasury Stock or Preferred Additional Paid-in-Capital, then the respective amounts shall be appropriately disclosed in a footnote to the capital structure cost support in the formula rate template.

Common Equity is equal to 112.16c less 112.3c less 112.12c less 112.15c, recognizing that line 112.15c may be a positive or negative number and if it is positive, it shall be subtracted in the formula, and if it is entered as a negative in the Form 1, it shall be added (a double minus sign when subtracting a negative number) in the formula.

The cost of long-term debt for a Rate Year will be the sum of the interest expense and cost of issuances divided by the 13-month average long-term debt balance for the Rate Year. The cost of long-term debt issuances shall include long-term interest expense amounts recorded in the following FERC accounts:

228 Account 427

229 plus: Account 428

230 plus: Account 428.1

231 less: Account 429

232 less: Account 429.1

233 plus**:** Account 430

Interest on Long-Term Debt (limited solely to interest expense for long-term debt reported in Accounts 221-224) (FF1,

117/62/c)

Amortization of Debt Discount and Expense (FF1, 117/63/c) Amortization of Loss on Reacquired Debt (FF1, 117/64/c) Amortization of Premium on Debt (FF1, 117/65/c)

Amortization of Gain on ReacquiredpDebt (FF1, 117/66/c) y

the expense associated with long-term debt recorded in Account

223.

Amount

-

-

-

-

-

-

234 Total -

Interest expenses not directly related to the long-term bond issuances included in the capital structure will be excluded.

The cost of preferred stock will be preferred stock dividends (booked in FERC Account 437) divided by the average preferred stock balance for the rate year.

235 Preferred Dividends in Account 437 -

236 13 Month average balance of Preferred Stock -

237 Cost of Preferred Stock -

**PBOPs**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

Details

238 **Calculation of PBOP Expenses**

239 **ConEd**

240 Total PBOP expenses

241 Labor dollars

242 Cost per labor dollar

$ 22,000,000

$ 1,394,368,000

$ 0.0158

243 labor (labor not capitalized) current year -

244 PBOP Expense for current year -

245 PBOP Expense in Account 926 for current year -

246 PBOP Adjustment for Appendix A, Line 54 -

247 Lines 240-242 cannot change absent approval or acceptance by FERC in a separate proceeding.

247 **NiMo**

248 Total PBOP expenses

249 Labor dollars

250 Cost per labor dollar

$ 72,221,472

$ 438,541,722

$ 0.1647

251 labor (labor not capitalized) current year -

252 PBOP Expense for current year -

253 PBOP Expense in Account 926 for current year -

254 PBOP Adjustment for Appendix A, Line 54 -

255 Lines 248-250 cannot change absent approval or acceptance by FERC in a separate proceeding.

256 **NYSEG**

257 Total PBOP expenses

258 Labor dollars

259 Cost per labor dollar

$ 2,974,219

$ 171,780,082

$ 0.0173

260 labor (labor not capitalized) current year -

261 PBOP Expense for current year -

262 PBOP Expense in Account 926 for current year -

263 PBOP Adjustment for Appendix A, Line 54 -

264 Lines 257-259 cannot change absent approval or acceptance by FERC in a separate proceeding.

265 **RGE**

266 Total PBOP expenses

267 Labor dollars

268 Cost per labor dollar

$ 3,411,650

$ 66,576,513

$ 0.0512

269 labor (labor not capitalized) current year -

270 PBOP Expense for current year -

271 PBOP Expense in Account 926 for current year -

272 PBOP Adjustment for Appendix A, Line 54 -

273 Lines 266-268 cannot change absent approval or acceptance by FERC in a separate proceeding.

274 **CHG&E**

275 Total PBOP expenses $432,757

276 Labor dollars 45,945,646

277 Cost per labor dollar $0.009

278 labor (labor not capitalized) current year -

279 PBOP Expense for current year -

280 PBOP Expense in Account 926 for current year -

281 PBOP Adjustment for Appendix A, Line 54 -

282 Lines 275-277 cannot change absent approval or acceptance by FERC in a separate proceeding.

283 **New York Transco LLC**

284 Total PBOP expenses $ -

285 Labor dollars $ -

286 Cost per labor dollar $0.000

287 labor (labor not capitalized) current year -

288 PBOP Expense for current year -

289 PBOP Expense in Account 926 for current year -

290 PBOP Adjustment for Appendix A, Line 54 -

291 Lines 284-286 cannot change absent approval or acceptance by FERC in a separate proceeding.

292 PBOP expense adjustment (sum lines 246, 263, 254, 272, 281, & 290) -

Incentive ROE and 60/40 Project Worksheet Rate Formula Template For the 12 months ended 12/31/2012

Attachment 4 Utilizing Attachment O Data

**Base ROE and Income Taxes Carrying Charge**

New York Transco LLC

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1 | Rate Base |  | |  | - |
| 2 | Base Return |  | |  | $ |
|  |  | Cost  $ % (Note P) | |  | Weighted |
| 3 | Long Term Debt | - - - | |  | - |
| 4 | Preferred Stock | - - - | |  | - |
| 5 | Common Stock | - - 10.60% | |  | - |
| 6 | Total (sum lines 3-5) | - | |  | - |
| 7 | Return multiplied by Rate Base (line 1 \* line 6) |  | |  | - |
| 8 | INCOME TAXES |  | |  |  |
| 9 | T=1 - {[(1 - SIT) \* (1 - FIT)] / (1 - SIT \* FIT \* p)} = | - | |  |  |
| 10 | CIT=(T/1-T) \* (1-(WCLTD/R)) = | - | |  |  |
| 11 | where WCLTD=(line 3) and R= (line 6) |  | |  |  |
| 12 | and FIT, SIT & p are as given in footnote F on Appendix A. |  | |  |  |
| 13 | 1 / (1 - T) = (T from line 9) | - | |  |  |
| 14 | Amortized Investment Tax Credit (266.8f) (enter negative) | - |  | | |
| 15 |  |  |  | | |
| 16 | Income Tax Calculation = line 10 \* line 7 |  | - | | |
| 17 | ITC adjustment (line 13 \* line 14) and line 17 allocated on NP allocator | - NP | - - | | |
| 18 | Total Income Taxes (line 16 plus line 17) | - | - | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 19 | Base Return and Income Taxes | Sum lines 7 and 18 |  | - |
| 20 | Rate Base | Line 1 |  | - |
| 21 | Return and Income Taxes at Base ROE | Line 19 / line 20 | #DIV/0! |  |

**Incentive ROE and Income Taxes Carrying Charge** Attachment 4

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 22 | Rate Base |  |  | - |
| 23 | 100 Basis Point Incentive Return |  |  | $ |
|  |  | Cost  $ % (Note P) |  | Weighted |
| 24 | Long Term Debt | - - - |  | - |
| 25 | Preferred Stock | - - - |  | - |
| 26 | Common Stock Including 100 basis points | - - 11.60% |  | - |
| 27 | Total (sum lines 28-30) | - |  | - |
| 28 | 100 Basis Point Incentive Return multiplied by Rate Base (line 26 \* line 31) |  |  | - |
| 29 | INCOME TAXES |  |  |  |
| 30 | T=1 - {[(1 - SIT) \* (1 - FIT)] / (1 - SIT \* FIT \* p)} = | - |  |  |
| 31 | CIT=(T/1-T) \* (1-(WCLTD/R)) = | - |  |  |
| 32 | where WCLTD=(line 24) and R= (line 27) |  |  |  |
| 33 | and FIT, SIT & p are as given in footnote on Appendix A. |  |  |  |
| 34 | 1 / (1 - T) = (T from line 30) | - |  |  |
| 35 | Amortized Investment Tax Credit (266.8f) (enter negative) | - |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 36 | Income Tax Calculation = line 31 \* line 28 |  | - |
| 37 | ITC adjustment (line 34 \* line 35) and line 41 allocated on NP allocator | - NP | - - |
| 38 | Total Income Taxes (line 36 plus line 37) | - | - |

|  |  |  |  |
| --- | --- | --- | --- |
| 39 | Return and Income Taxes with 100 basis point increase in ROE | Sum lines 32and 42 | - |
| 40 | Rate Base | Line 1 | - |
| 41 | Return and Income Taxes with 100 basis point increase in ROE | Line 39 / line 40 | - |
| 42 | Difference in Return and Income Taxes between Base ROE and 100 Basis Point Incentive | Line 41 - Line 21 | - |

Attachment 4

Revenue Requirement per project including incentives

Base Carrying Charge Line 102 Appendix A 0.00%

(a) (b) (c) (d) (e) (f) (g) (h) (i) (j)

Description Amount

ROE Authorized

by FERC ROE Base

Incentive % Authorized by

FERC Line 42

Col (e) / .01 x

Col (f)

Incentive $ (Col

(b) x Col (g)

Base Revenues (Base Carrying Charge x Col (b)

Total Revenues

(Col (h) + Col (i)

|  |  |  |  |
| --- | --- | --- | --- |
|  | 43 | - - - 10.60% | - - - - - - |
| 44 | - - - 10.60% | - - - - - - |
| 45 | 10.60% |  |
| 46 | 10.60% |  |
| 47 | 10.60% |  |
| 48 | 10.60% |  |
| 49 | 10.60% |  |
| 50 | 10.60% |  |
| 51 | 10.60% |  |
| 52 | 10.60% |  |
| 53 | 10.60% |  |
| 54 | 10.60% |  |
| 55 | 10.60% |  |
| 56 | 10.60% |  |
| 57 | 10.60% |  |
| 57a |  | 10.60% |  |
| 57b |  | 10.60% |  |
| … |  | 10.60% |  |

58 Total

Check Sum Apendix A Line 3

Difference (must be zero)

$ - $

- $ -

$ -

$ -

Note:

To the extent that the stated incenitive return is limited by the top of the range of reasonableness, the returns on equity applied to the various projects and facilities shall not produce an overall company return exceeding the top of the range of reasonableness.

**Attachment 5 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology**

New York Transco LLC Estimated

Assumes financing will be a 5 year loan with Origination Fees of $2.1 million and a Commitments Fee of 0.3% on the undrawn principal. Consistent with GAAP, the Origination Fees and Commitments Fees will be amortized using the standard Internal Rate of Return formula below.

Each year, the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount will be updated on this attachment.

1 **Total Loan Amount**

**$ 200,000,000**

2 **Internal Rate of Return1 5.634%**

3 **Based on following Financial Formula2:**



4 **NPV = 0 =**

**Table 1**

5

|  |  |
| --- | --- |
| **Origination Fees** |  |
| Underwriting Discount Arrangement Fee Upfront Fee  Rating Agency Fee  Legal Fees | -  400,000  700,000  -  1,000,000 |
| Total Issuance Expense | **2,100,000** |
|  |
|  | |
| **Annual Rating Agency Fee Annual Bank Agency Fee Revolving Credit Commitment Fee** | 160,000  50,000  0.300% |

6

7

8

9

10

11

12

13

**Table 2**

14

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| LIBOR Rate | 0.6360% | 1.0340% | 1.6000% | 2.1300% | 2.1300% | 2.1300% | 2.1300% |
| Spread | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% |
| **Interest Rate** | 2.89% | 3.28% | 3.85% | 4.38% | 4.38% | 4.38% | 4.38% |

15

16

**Table 3**

(A) (B) ( C) (D) (E) (F) (G) (H) (I)

**Principal**

17 **Year**

**Capital**

**Expenditures (**

**$000's)**

**Drawn In Quarter ($000's)**

**Principal Drawn**

**To Date ($000's)**

**Interest & Principal ($000's)**

1/4 \* Interest Rate from Line 16 x

**Origination**

**Fees ($000's)**

**Commitment & Utilization Fee ($000's)**

**Net Cash Flows**

**($000's)**

Col. E prior

Input in first Qtr of Lines 11 - 12 x (Line 1

Cumulative Col. D

quarter

Loan

less Col. E prior quarter) (D-F-G-H)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18 |  | | | | | | | | |
| 19 | 3/31/2014 | Q3 | 19,350 | 7,740 | 7,740 |  | 2,100 |  | 5,640 |
| 20 | 6/30/2014 | Q4 | 19,350 | 7,740 | 15,480 | 56 |  | 354 | 7,330 |
| 21 | 9/30/2014 | Q1 | 19,350 | 7,740 | 23,220 | 113 |  | 138 | 7,489 |
| 22 | 12/31/2014 | Q2 | 19,350 | 7,740 | 30,960 | 169 |  | 133 | 7,439 |
| 23 | 3/31/2015 | Q3 | 24,775 | 9,910 | 40,870 | 220 |  | 127 | 9,563 |
| 24 | 6/30/2015 | Q4 | 24,775 | 9,910 | 50,780 | 335 |  | 329 | 9,246 |
| 25 | 9/30/2015 | Q1 | 24,775 | 9,910 | 60,690 | 420 |  | 112 | 9,378 |
| 26 | 12/31/2015 | Q2 | 24,775 | 9,910 | 70,600 | 502 |  | 104 | 9,303 |
| 27 | 3/31/2016 | Q3 | 23,950 | 9,580 | 80,180 | 578 |  | 97 | 8,905 |
| 28 | 6/30/2016 | Q4 | 23,950 | 9,580 | 89,760 | 770 |  | 300 | 8,511 |
| 29 | 9/30/2016 | Q1 | 23,950 | 9,580 | 99,340 | 871 |  | 83 | 8,626 |
| 30 | 12/31/2016 | Q2 | 23,950 | 9,580 | 108,920 | 964 |  | 75 | 8,540 |
| 31 | 3/31/2017 | Q3 | 23,575 | 9,430 | 118,350 | 1,034 |  | 68 | 8,328 |
| 32 | 6/30/2017 | Q4 | 23,575 | 9,430 | 127,780 | 1,292 |  | 271 | 7,866 |
| 33 | 9/30/2017 | Q1 | 23,575 | 9,430 | 137,210 | 1,411 |  | 54 | 7,965 |
| 34 | 12/31/2017 | Q2 | 23,575 | 9,430 | 146,640 | 1,515 |  | 47 | 7,868 |
| 35 | 3/31/2018 | Q3 | - | - | 146,640 | 148,224 |  | 40 | (148,264) |
| 36 | 6/30/2018 | Q4 | - | - | - | - |  | - | - |
| 37 | 9/30/2018 | Q1 | - | - | - | - |  | - | - |
| 38 |  |  |  |  |  |  |  |  |  |
| 39 |  |  |  |  |  |  |  |  |  |
| 40 |  |  |  |  |  |  |  |  |  |
| 41 |  |  |  |  |  |  |  |  |  |
| 42 |  |  |  |  |  |  |  |  |  |
| 43 |  |  |  |  |  |  |  |  |  |
| 44 |  |  |  |  |  |  |  |  |  |
| 45 |  |  |  |  |  |  |  |  |  |

Notes 1. During the contruction period, the IRR is the Debt Cost shown on Line 91 of Appendix A after debt is issued and the Interest Rate in Table 2 prior to debt being issued."

2. The IRR is a discount rate that makes the net present value of a series of cash flows equal to zero. The IRR equation is shown on line 4.

N is the last quarter the loan would be outstanding t is each quarter

Ct is the cash flow (Tabel 3, Col.I in each quarter)

alternatively the equation can be written as 0 = C0 + C1/(1+IRR) + C2/(1+IRR)2 + C3/(1+IRR)3 + . . . +Cn/(1+IRR)n and solved for IRR

3. Line 1 relfects the loan amount, the maximum amount that can be drawn on

4. Lines 5 throught 13 include the fees associated with the loan. They are estimated based on current bank condition and are updated with the actual fees once the actual fees are known.

5. Line 14 is the average daily Libor monthly interest rate for the prior month for the estimate and the actual daily Libor monthly interest rate for the prior year for the True-Up.

6. Table 3, Col. C reflect the capital expenditures in each quarter

7. Table 3, Col. D reflect the amount of the load that is drawn down in the quarter

8. Table 3, Col. G is the total origination fees in line 10 and is input in the first quarter that a portion of the load in drawn

9. Table 3, Col. H is calculated as follows: A x (B +C)

A. Loan amount in line 1 less the amount drawn down in the prior quarter

B. Annual dollar amount fees on lines 11 throught 13 divided by 4

C. Percentage dollar amounts divided by 1000

10. The inputs shall be estimated based on the current market conditions and is subject to true up for all inputs , e.g., fees, interest rates, spread, and Table 3 once the amounts are known

11. The interest rate in line 16 for the corresponding year is used in Appendix A line 91 until the project financing is obtained. Thereafter the interst rate in line 2 is used on Appendix A line 91

**New York Transco LLC**

**Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year) Beginning of Year**

Transmission Plant Labor Total

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Item  1 | ADIT- 282 | Related | Related  - | Related  - | Plant & Labor Related  - | From Acct. 282 total, below |
| 2 | ADIT-283 |  | - | - | - | From Acct. 283 total, below |
| 3 | ADIT-190 |  | - | - | - | From Acct. 190 total, below |
| 4 | Subtotal |  | - | - | - |  |
| 5 | Wages & Salary Allocator |  |  |  | - |  |
| 6 | NP |  |  | - |  |  |
| 7 | Beginning of Year |  | - | - | - - |  |
| 8 | End of year from Attachment 6b, line 7 |  | - | - | - - |  |
| 9 | Average of Beginning of Year and End of Year ((7 +8)/2) |  | - | - | - - | Enter as negative Appendix A, line 24. |

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed,

dissimilar items with amounts exceeding $100,000 will be listed separately. For ADIT directly related to project depreciation or CWIP, the balance must shown in a separate column for each project.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | A | B | C | D | F | G | H |
| ADIT-190 |  | Total | Gas, Prod  Or Other | Transmission | Plant | Labor |  |
|  |  |  | Related | Related | Related | Related | Justification |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |  |
| Subtotal - p234 | - | - | - | - | - |  |
| Less FASB 109 Above if not separately removed |  |  |  |  |  |  |
| Less FASB 106 Above if not separately removed |  |  |  |  |  |  |
| Total | - | - | - | - | - |  |

Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

2. ADIT items related only to Transmission are directly assigned to Column D

3. ADIT items related to Plant and not in Columns C & D are included in Column E

4. ADIT items related to labor and not in Columns C & D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**New York Transco LLC**

**Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year) Beginning of Year**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | A | B | C | D | F | G | H |
| ADIT- 282 |  | Total | Gas, Prod  Or Other | Transmission | Plant | Labor |  |
|  |  |  | Related | Related | Related | Related | Justification |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |  |
| Subtotal - p275 | - | - | - | - | - |  |
| Less FASB 109 Above if not separately removed |  |  |  | - |  |  |
| Less FASB 106 Above if not separately removed |  |  |  |  |  |  |
| Total | - | - | - | - | - |  |

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

2. ADIT items related only to Transmission are directly assigned to Column D

3. ADIT items related to Plant and not in Columns C & D are included in Column E

4. ADIT items related to labor and not in Columns C & D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**New York Transco LLC**

**Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year) Beginning of Year**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | A | B | C | D | F | G | H |
| ADIT- 283 |  | Total | Gas, Prod  Or Other | Transmission | Plant | Labor |  |
|  |  |  | Related | Related | Related | Related |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |  |
| Subtotal - p277 | - | - | - | - | - |  |
| Less FASB 109 Above if not separately removed | - |  |  | - |  |  |
| Less FASB 106 Above if not separately removed | - |  |  |  |  |  |
| Total | - | - | - | - | - |  |

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

2. ADIT items related only to Transmission are directly assigned to Column D

3. ADIT items related to Plant and not in Columns C & D are included in Column E

4. ADIT items related to labor and not in Columns C & D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**New York Transco LLC**

**Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)**

**End of Year**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Transmission | Plant | Labor | Total |
| Line | Related | Related | Related | Plant & Labor Related |

1 ADIT- 282 - - - From Acct. 282 total, below

2 ADIT-283 - - - From Acct. 283 total, below

3 ADIT-190 - - - From Acct. 190 total, below

4 Subtotal - - -

5 Wages & Salary Allocator -

6 NP -

7 End of Year ADIT - - - -

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding $100,000 will be listed separately.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | A | B | C | D | E | F | G |
| ADIT-190 |  | Total | Gas, Prod  Or Other | Transmission | Plant | Labor |  |
|  |  |  | Related | Related | Related | Related | Justification |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |  |
| Subtotal - p234 | - | - | - | - | - |  |
| Less FASB 109 Above if not separately removed |  |  |  |  |  |  |
| Less FASB 106 Above if not separately removed |  |  |  |  |  |  |
| Total | - | - | - | - | - |  |

Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

2. ADIT items related only to Transmission are directly assigned to Column D

3. ADIT items related to Plant and not in Columns C & D are included in Column E

4. ADIT items related to labor and not in Columns C & D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**New York Transco LLC**

**Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)**

**End of Year**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | A | B Total | C Gas, Prod | D | E | F | G |
| ADIT- 282 |  |  | Or Other  Related | Transmission  Related | Plant  Related | Labor  Related | Justification |

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| Subtotal - p275 | - | - | - | - | - |  |
| Less FASB 109 Above if not separately removed |  |  |  | - |  |  |
| Less FASB 106 Above if not separately removed |  |  |  |  |  |  |
| Total | - | - | - | - | - |  |

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

2. ADIT items related only to Transmission are directly assigned to Column D

3. ADIT items related to Plant and not in Columns C & D are included in Column E

4. ADIT items related to labor and not in Columns C & D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**New York Transco LLC**

**Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)**

**End of Year**

G

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | A | B  Total | C  Gas, Prod | D | E | F |
| ADIT- 283 |  |  | Or Other  Related | Transmission  Related | Plant  Related | Labor  Related |

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| --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |  |
| Subtotal - p277 | - | - | - | - | - |  |
| Less FASB 109 Above if not separately removed | - |  |  | - |  |  |
| Less FASB 106 Above if not separately removed | - |  |  |  |  |  |
| Total | - | - | - | - | - |  |

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

2. ADIT items related only to Transmission are directly assigned to Column D

3. ADIT items related to Plant and not in Columns C & D are included in Column E

4. ADIT items related to labor and not in Columns C & D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**Attachment 7 - Example of True-Up Calculation**

**New York Transco LLC**

2013 2013

Actual Revenue

Over (Under)

Revenue Requirement Billed\*

Requirement

Recovery

$2,000,000 **Less** $2,120,000 **Equals** ($120,000)

**Interest Rate on Amount of Refunds or Surcharges**

0.5500%

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Over (Under) Recovery** | **Monthly Interest Rate on** |  |  |  | **Surcharge** |
| **Plus Interest** | **Attachment 7a** | **Months** | **Calculated Interest** | **Amortization** | **(Refund) Owed** |

**An over or under collection will be recovered prorata over year collected, held for one year and returned prorata over next year. If the first year is a partial year, the true-up (over or under recovery per month and interest calculation) will reflect only the number of months for which the rate was charged.**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Calculation of Interest** |  |  |  |  | **Monthly** |  | | |
| January | Year 2013 | (10,000) | 0.5500% | 12 |  | 660 |  | 10,660 |
| February | Year 2013 | (10,000) | 0.5500% | 11 |  | 605 |  | 10,605 |
| March | Year 2013 | (10,000) | 0.5500% | 10 |  | 550 |  | 10,550 |
| April | Year 2013 | (10,000) | 0.5500% | 9 |  | 495 |  | 10,495 |
| May | Year 2013 | (10,000) | 0.5500% | 8 |  | 440 |  | 10,440 |
| June | Year 2013 | (10,000) | 0.5500% | 7 |  | 385 |  | 10,385 |
| July | Year 2013 | (10,000) | 0.5500% | 6 |  | 330 |  | 10,330 |
| August | Year 2013 | (10,000) | 0.5500% | 5 |  | 275 |  | 10,275 |
| September | Year 2013 | (10,000) | 0.5500% | 4 |  | 220 |  | 10,220 |
| October | Year 2013 | (10,000) | 0.5500% | 3 |  | 165 |  | 10,165 |
| November | Year 2013 | (10,000) | 0.5500% | 2 |  | 110 |  | 10,110 |
| December | Year 2013 | (10,000) | 0.5500% | 1 |  | 55 |  | 10,055 |
|  |  |  |  |  |  | 4,290 |  | **124,290** |
|  |  |  |  |  | **Annual** |  |  |  |
| January through December | Year 2014 | 124,290 | 0.5500% | 12 |  | 8,203 |  | **132,493** |
| **Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months Monthly** | | | | | | | | |
| January | Year 2015 | **(132,493)** | 0.5500% |  |  | 729 | (11,440) | 121,782 |
| February | Year 2015 | (121,782) | 0.5500% |  |  | 670 | (11,440) | 111,012 |
| March | Year 2015 | (111,012) | 0.5500% |  |  | 611 | (11,440) | 100,183 |
| April | Year 2015 | (100,183) | 0.5500% |  |  | 551 | (11,440) | 89,294 |
| May | Year 2015 | (89,294) | 0.5500% |  |  | 491 | (11,440) | 78,345 |
| June | Year 2015 | (78,345) | 0.5500% |  |  | 431 | (11,440) | 67,337 |
| July | Year 2015 | (67,337) | 0.5500% |  |  | 370 | (11,440) | 56,267 |
| August | Year 2015 | (56,267) | 0.5500% |  |  | 309 | (11,440) | 45,137 |
| September | Year 2015 | (45,137) | 0.5500% |  |  | 248 | (11,440) | 33,945 |
| October | Year 2015 | (33,945) | 0.5500% |  |  | 187 | (11,440) | 22,692 |
| November | Year 2015 | (22,692) | 0.5500% |  |  | 125 | (11,440) | 11,377 |
| December | Year 2015 | (11,377) | 0.5500% |  |  | 63 | (11,440) | (0) |
|  |  |  |  |  |  | 4,784 |  |  |

Total Amount of True-Up Adjustment

Less Over (Under) Recovery

Total Interest

$ 137,277

$ (120,000)

$ 17,277

\* excluding any true up for prior period

Attachment 7a

**True-Up Interest Calculation** Page 2

**FERC Quarterly Interest Rate**

**Purusant to**

**35.19 (a)**

1 Qtr 3 (Previous Year) -

2 Qtr 4 (Previous Year) -

3 Qtr 1 (Current Year) -

4 Qtr 2 (Current Year) -

5 Average of the last 4 quarters (Lines 1-4 / 4) -

6 Interest Rate Used for True-up adjustment (Note B) -

7 Monthly Interest Rate for Attachment 7 (Line 6 / 12) -

**Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan**

**New York Transco LLC**

**YEAR**

**Estimated Effective cost of debt used in true up**

**Final Effective cost of debt for the construction loan:**

**SUMMARY**

**Based on Estimated Effective cost of debt**

**Revenue Requirement**

**Based on Actual Effective cost of debt**

**Over (Under) Recovery**

**Monthly FERC Refund Interest Rate applicable over the ATRR period**

**Total Amount of Construction Loan Related True-Up to be included in rates (Refund)/Owed**

2014 7.18% 6.50%

$ 2,500,000.00

$ 2,400,000.00

$ 100,000.00

0.550% $

(148,288.33)

2015 6.8% 6.50% $5,000,000.00 $5,150,000.00

2016 7.2% 6.50% $8,300,000.00 $8,200,000.00

2017 7.3% 6.50% $12,300,000.00 $12,000,000.00

2018 \* 7.1% 6.50% $18,000,000.00 $17,900,000.00

2018 \*\* 6.50% 6.50% $25,000,000.00 $25,000,000.00

***The Hypothetical Example:***

***\* Assumes that the construction loan is retired on December 31, 2018***

***\*\* Assumes that the contruction loan IRR on Attachment 5 has an effective rate of 6.5%***

$ (150,000.00)

$ 100,000.00

$ 300,000.00

$ 100,000.00

$ -

0.560% $

0.540% $

0.580% $

0.570% $

$

209,670.43 (131,109.09) (368,656.73) (114,946.28)

(553,329.99)

**Calculation of Applicable Interest Expense for each ATRR period**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | **Hypothetical Monthly** |  |  |  | **Surcharge (Refund)** |
| **Interest Rate on Amount of Refunds or Surcharges from 35.19a** | **Over (Under) Recovery Plus Interest** | **Interest Rate** | **Months** | **Calculated Interest** | **Amortization** | **Owed** |

**Calculation of Interest for 2014 True-Up Period**

**An over or under collection will be recovered prorata over 2014, held for 2015, 2016, 2017, 2018, and 2019 and returned prorate over 2020 Monthly**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January | Year 2014 | - | 0.5500% | 12.00 | - | - |
| February | Year 2014 | - | 0.5500% | 11.00 | - | - |
| March | Year 2014 | 10,000 | 0.5500% | 10.00 | (550) | (10,550) |
| April | Year 2014 | 10,000 | 0.5500% | 9.00 | (495) | (10,495) |
| May | Year 2014 | 10,000 | 0.5500% | 8.00 | (440) | (10,440) |
| June | Year 2014 | 10,000 | 0.5500% | 7.00 | (385) | (10,385) |
| July | Year 2014 | 10,000 | 0.5500% | 6.00 | (330) | (10,330) |
| August | Year 2014 | 10,000 | 0.5500% | 5.00 | (275) | (10,275) |
| September | Year 2014 | 10,000 | 0.5500% | 4.00 | (220) | (10,220) |
| October | Year 2014 | 10,000 | 0.5500% | 3.00 | (165) | (10,165) |
| November | Year 2014 | 10,000 | 0.5500% | 2.00 | (110) | (10,110) |
| December | Year 2014 | 10,000 | 0.5500% | 1.00 | (55) | (10,055) |
|  |  |  |  |  | (3,025) | **(103,025)** |

**Annual**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January through December | Year 2015 | (103,025) | 0.5600% | 12.00 | (6,923) | **(109,948)** |
| January through December | Year 2016 | (109,948) | 0.5400% | 12.00 | (7,125) | **(117,073)** |
| January through December | Year 2017 | (117,073) | 0.5800% | 12.00 | (8,148) | **(125,221)** |
| January through December | Year 2018 | (125,221) | 0.5700% | 12.00 | (8,565) | **(133,786)** |
| January through December | Year 2019 | (133,786) | 0.5700% | 12.00 | (9,151) | **(142,937)** |

**Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months Monthly**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January | Year 2020 | **142,937** | 0.5700% | (815) | (12,357) | (131,395) |
| February | Year 2020 | 131,395 | 0.5700% | (749) | (12,357) | (119,786) |
| March | Year 2020 | 119,786 | 0.5700% | (683) | (12,357) | (108,112) |
| April | Year 2020 | 108,112 | 0.5700% | (616) | (12,357) | (96,371) |
| May | Year 2020 | 96,371 | 0.5700% | (549) | (12,357) | (84,563) |
| June | Year 2020 | 84,563 | 0.5700% | (482) | (12,357) | (72,687) |
| July | Year 2020 | 72,687 | 0.5700% | (414) | (12,357) | (60,744) |
| August | Year 2020 | 60,744 | 0.5700% | (346) | (12,357) | (48,733) |
| September | Year 2020 | 48,733 | 0.5700% | (278) | (12,357) | (36,653) |
| October | Year 2020 | 36,653 | 0.5700% | (209) | (12,357) | (24,505) |
| November | Year 2020 | 24,505 | 0.5700% | (140) | (12,357) | (12,287) |
| December | Year 2020 | 12,287 | 0.5700% | (70) | (12,357) | 0 |
|  |  |  |  | (5,351) |  |  |
| Total Amount of True-Up Adjustment for 2014 ATRR | |  |  |  | $ (148,288) |  |
| Less Over (Under) Recovery | |  |  |  | $ 100,000 |  |
| Total Interest | |  |  |  | $ (48,288) |  |

**Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan**

**New York Transco LLC**

**Calculation of Interest for 2015 True-Up Period**

**An over or under collection will be recovered prorata over 2015, held for 2016, 2017, 2018, amd 2019 and returned prorate over 2020 Monthly**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| January | Year 2015 | (12,500) | 0.5600% | 12.00 |  | 840 | 13,340 |
| February | Year 2015 | (12,500) | 0.5600% | 11.00 |  | 770 | 13,270 |
| March | Year 2015 | (12,500) | 0.5600% | 10.00 |  | 700 | 13,200 |
| April | Year 2015 | (12,500) | 0.5600% | 9.00 |  | 630 | 13,130 |
| May | Year 2015 | (12,500) | 0.5600% | 8.00 |  | 560 | 13,060 |
| June | Year 2015 | (12,500) | 0.5600% | 7.00 |  | 490 | 12,990 |
| July | Year 2015 | (12,500) | 0.5600% | 6.00 |  | 420 | 12,920 |
| August | Year 2015 | (12,500) | 0.5600% | 5.00 |  | 350 | 12,850 |
| September | Year 2015 | (12,500) | 0.5600% | 4.00 |  | 280 | 12,780 |
| October | Year 2015 | (12,500) | 0.5600% | 3.00 |  | 210 | 12,710 |
| November | Year 2015 | (12,500) | 0.5600% | 2.00 |  | 140 | 12,640 |
| December | Year 2015 | (12,500) | 0.5600% | 1.00 |  | 70 | 12,570 |
|  |  |  |  |  |  | 5,460 | **155,460** |
|  |  |  |  |  | **Annual** |  |  |
| January through December | Year 2016 | 155,460 | 0.5400% | 12.00 | 10,074 | | **165,534** |
| January through December | Year 2017 | 165,534 | 0.5800% | 12.00 | 11,521 | | **177,055** |
| January through December | Year 2018 | 177,055 | 0.5700% | 12.00 | 12,111 | | **189,166** |
| January through December | Year 2019 | 189,166 | 0.5700% | 12.00 | 12,939 | | **202,104** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months** | |  |  | **Monthly** | | |
| January | Year 2020 | **(202,104)** | 0.5700% | 1,152 | 17,473 | 185,784 |
| February | Year 2020 | (185,784) | 0.5700% | 1,059 | 17,473 | 169,370 |
| March | Year 2020 | (169,370) | 0.5700% | 965 | 17,473 | 152,863 |
| April | Year 2020 | (152,863) | 0.5700% | 871 | 17,473 | 136,262 |
| May | Year 2020 | (136,262) | 0.5700% | 777 | 17,473 | 119,566 |
| June | Year 2020 | (119,566) | 0.5700% | 682 | 17,473 | 102,775 |
| July | Year 2020 | (102,775) | 0.5700% | 586 | 17,473 | 85,888 |
| August | Year 2020 | (85,888) | 0.5700% | 490 | 17,473 | 68,905 |
| September | Year 2020 | (68,905) | 0.5700% | 393 | 17,473 | 51,826 |
| October | Year 2020 | (51,826) | 0.5700% | 295 | 17,473 | 34,649 |
| November | Year 2020 | (34,649) | 0.5700% | 197 | 17,473 | 17,374 |
| December | Year 2020 | (17,374) | 0.5700% | 99 | 17,473 | (0) |
|  |  |  |  | 7,566 |  |  |
| Total Amount of True-Up Adjustment for 2015 ATRR | |  |  |  | $ 209,670 |  |
| Less Over (Under) Recovery | |  |  |  | $ (150,000) |  |
| Total Interest | |  |  |  | $ 59,670 |  |

**Calculation of Interest for 2016 True-Up Period**

**An over or under collection will be recovered prorata over 2016, held for 2017, 2018 and 2019 and returned prorate over 2020 Monthly**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January | Year 2016 | 8,333 | 0.5400% | 12.00 | (540) | (8,873) |
| February | Year 2016 | 8,333 | 0.5400% | 11.00 | (495) | (8,828) |
| March | Year 2016 | 8,333 | 0.5400% | 10.00 | (450) | (8,783) |
| April | Year 2016 | 8,333 | 0.5400% | 9.00 | (405) | (8,738) |
| May | Year 2016 | 8,333 | 0.5400% | 8.00 | (360) | (8,693) |
| June | Year 2016 | 8,333 | 0.5400% | 7.00 | (315) | (8,648) |
| July | Year 2016 | 8,333 | 0.5400% | 6.00 | (270) | (8,603) |
| August | Year 2016 | 8,333 | 0.5400% | 5.00 | (225) | (8,558) |
| September | Year 2016 | 8,333 | 0.5400% | 4.00 | (180) | (8,513) |
| October | Year 2016 | 8,333 | 0.5400% | 3.00 | (135) | (8,468) |
| November | Year 2016 | 8,333 | 0.5400% | 2.00 | (90) | (8,423) |
| December | Year 2016 | 8,333 | 0.5400% | 1.00 | (45) | (8,378) |
|  |  |  |  |  | (3,510) | **(103,510)** |

**Annual**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January through December | Year 2017 | (103,510) | 0.5800% | 12.00 | (7,204) | **(110,714)** |
| January through December | Year 2018 | (110,714) | 0.5700% | 12.00 | (7,573) | **(118,287)** |
| January through December | Year 2019 | (118,287) | 0.5700% | 12.00 | (8,091) | **(126,378)** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months** | |  |  | **Monthly** | | |
| January | Year 2020 | **126,378** | 0.5700% | (720) | (10,926) | (116,173) |
| February | Year 2020 | 116,173 | 0.5700% | (662) | (10,926) | (105,909) |
| March | Year 2020 | 105,909 | 0.5700% | (604) | (10,926) | (95,587) |
| April | Year 2020 | 95,587 | 0.5700% | (545) | (10,926) | (85,206) |
| May | Year 2020 | 85,206 | 0.5700% | (486) | (10,926) | (74,766) |
| June | Year 2020 | 74,766 | 0.5700% | (426) | (10,926) | (64,266) |
| July | Year 2020 | 64,266 | 0.5700% | (366) | (10,926) | (53,707) |
| August | Year 2020 | 53,707 | 0.5700% | (306) | (10,926) | (43,087) |
| September | Year 2020 | 43,087 | 0.5700% | (246) | (10,926) | (32,407) |
| October | Year 2020 | 32,407 | 0.5700% | (185) | (10,926) | (21,666) |
| November | Year 2020 | 21,666 | 0.5700% | (123) | (10,926) | (10,864) |
| December | Year 2020 | 10,864 | 0.5700% | (62) | (10,926) | 0 |
|  |  |  |  | (4,731) |  |  |

Total Amount of True-Up Adjustment for 2016 ATRR Less Over (Under) Recovery

$ (131,109)

$ 100,000

Total Interest

$ (31,109)

**Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan**

**New York Transco LLC**

**Calculation of Interest for 2017 True-Up Period**

**An over or under collection will be recovered prorata over 2017, held for 2018 and 2019, and returned prorate over 2020 Monthly**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January | Year 2017 | 25,000 | 0.5800% | 12.00 | (1,740) | (26,740) |
| February | Year 2017 | 25,000 | 0.5800% | 11.00 | (1,595) | (26,595) |
| March | Year 2017 | 25,000 | 0.5800% | 10.00 | (1,450) | (26,450) |
| April | Year 2017 | 25,000 | 0.5800% | 9.00 | (1,305) | (26,305) |
| May | Year 2017 | 25,000 | 0.5800% | 8.00 | (1,160) | (26,160) |
| June | Year 2017 | 25,000 | 0.5800% | 7.00 | (1,015) | (26,015) |
| July | Year 2017 | 25,000 | 0.5800% | 6.00 | (870) | (25,870) |
| August | Year 2017 | 25,000 | 0.5800% | 5.00 | (725) | (25,725) |
| September | Year 2017 | 25,000 | 0.5800% | 4.00 | (580) | (25,580) |
| October | Year 2017 | 25,000 | 0.5800% | 3.00 | (435) | (25,435) |
| November | Year 2017 | 25,000 | 0.5800% | 2.00 | (290) | (25,290) |
| December | Year 2017 | 25,000 | 0.5800% | 1.00 | (145) | (25,145) |
|  |  |  |  |  | (11,310) | **(311,310)** |

**Annual**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January through December | Year 2018 | (311,310) | 0.5700% | 12.00 | (21,294) | **(332,604)** |
| January through December | Year 2019 | (332,604) | 0.5700% | 12.00 | (22,750) | **(355,354)** |

**Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months Monthly**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January | Year 2020 | **355,354** | 0.5700% | (2,026) | (30,721) | (326,658) |
| February | Year 2020 | 326,658 | 0.5700% | (1,862) | (30,721) | (297,798) |
| March | Year 2020 | 297,798 | 0.5700% | (1,697) | (30,721) | (268,774) |
| April | Year 2020 | 268,774 | 0.5700% | (1,532) | (30,721) | (239,585) |
| May | Year 2020 | 239,585 | 0.5700% | (1,366) | (30,721) | (210,229) |
| June | Year 2020 | 210,229 | 0.5700% | (1,198) | (30,721) | (180,706) |
| July | Year 2020 | 180,706 | 0.5700% | (1,030) | (30,721) | (151,015) |
| August | Year 2020 | 151,015 | 0.5700% | (861) | (30,721) | (121,154) |
| September | Year 2020 | 121,154 | 0.5700% | (691) | (30,721) | (91,123) |
| October | Year 2020 | 91,123 | 0.5700% | (519) | (30,721) | (60,921) |
| November | Year 2020 | 60,921 | 0.5700% | (347) | (30,721) | (30,547) |
| December | Year 2020 | 30,547 | 0.5700% | (174) | (30,721) | 0 |
|  |  |  |  | (13,303) |  |  |
| Total Amount of True-Up Adjustment for 2017 ATRR | |  |  |  | $ (368,657) |  |
| Less Over (Under) Recovery | |  |  |  | $ 300,000 |  |
| Total Interest | |  |  |  | $ (68,657) |  |

**Calculation of Interest for 2018 True-Up Period**

**An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorate over 2020 Monthly**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January | Year 2018 | 8,333 | 0.5700% | 12.00 | (570) | (8,903) |
| February | Year 2018 | 8,333 | 0.5700% | 11.00 | (523) | (8,856) |
| March | Year 2018 | 8,333 | 0.5700% | 10.00 | (475) | (8,808) |
| April | Year 2018 | 8,333 | 0.5700% | 9.00 | (428) | (8,761) |
| May | Year 2018 | 8,333 | 0.5700% | 8.00 | (380) | (8,713) |
| June | Year 2018 | 8,333 | 0.5700% | 7.00 | (333) | (8,666) |
| July | Year 2018 | 8,333 | 0.5700% | 6.00 | (285) | (8,618) |
| August | Year 2018 | 8,333 | 0.5700% | 5.00 | (238) | (8,571) |
| September | Year 2018 | 8,333 | 0.5700% | 4.00 | (190) | (8,523) |
| October | Year 2018 | 8,333 | 0.5700% | 3.00 | (143) | (8,476) |
| November | Year 2018 | 8,333 | 0.5700% | 2.00 | (95) | (8,428) |
| December | Year 2018 | 8,333 | 0.5700% | 1.00 | (48) | (8,381) |
|  |  |  |  |  | (3,705) | **(103,705)** |

**Annual**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January through December | Year 2019 | (103,705) | 0.5700% | 12.00 | (7,093) | **(110,798)** |

**Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months Monthly**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| January | Year 2020 | **110,798** | 0.5700% | (632) | (9,579) | (101,851) |
| February | Year 2020 | 101,851 | 0.5700% | (581) | (9,579) | (92,853) |
| March | Year 2020 | 92,853 | 0.5700% | (529) | (9,579) | (83,803) |
| April | Year 2020 | 83,803 | 0.5700% | (478) | (9,579) | (74,702) |
| May | Year 2020 | 74,702 | 0.5700% | (426) | (9,579) | (65,549) |
| June | Year 2020 | 65,549 | 0.5700% | (374) | (9,579) | (56,344) |
| July | Year 2020 | 56,344 | 0.5700% | (321) | (9,579) | (47,086) |
| August | Year 2020 | 47,086 | 0.5700% | (268) | (9,579) | (37,776) |
| September | Year 2020 | 37,776 | 0.5700% | (215) | (9,579) | (28,412) |
| October | Year 2020 | 28,412 | 0.5700% | (162) | (9,579) | (18,995) |
| November | Year 2020 | 18,995 | 0.5700% | (108) | (9,579) | (9,525) |
| December | Year 2020 | 9,525 | 0.5700% | (54) | (9,579) | 0 |
|  |  |  |  | (4,148) |  |  |
| Total Amount of True-Up Adjustment for 2018 ATRR | |  |  |  | $ (114,946) |  |
| Less Over (Under) Recovery | |  |  |  | $ 100,000 |  |
| Total Interest | |  |  |  | $ (14,946) |  |

**Attachment 9 - Depreciation and Amortization Rates**

**New York Transco LLC**

Account Number FERC Account

Rate (Annual) Percent

**TRANSMISSION PLANT**

|  |  |  |
| --- | --- | --- |
| 1 350.1 | Land Rights | 1.02 |
| 2 352 | Structures and Improvements | 2.05 |
| 3 353 | Station Equipment | 2.26 |
| 4 354 | Towers and Fixtures | 2.04 |
| 5 355 | Poles and Fixtures | 2.24 |
| 6 356 | Overhead Conductor and Devices | 2.22 |
| 7 357 | Underground Conduit | 2.05 |
| 8 358 | Underground Conductor and Devices | 2.39 |
| 9 359 | Roads & Trails | 1.17 |
| **GENERAL PLANT** | | |
| 10 390 | Structures & Improvements | 3.36 |
| 11 391 | Office Furniture & Equipment | 5.24 |
| 12 392 | Transportation Equipment | 9.78 |
| 13 393 | Stores Equipment | 3.91 |
| 14 394 | Tools, Shop & Garage Equipment | 4.68 |
| 15 395 | Laboratory Equipment | 3.75 |
| 16 396 | Power Operated Equipment | 7.62 |
| 17 397 | Communication Equipment | 3.82 |
| 18 398 | Miscellaneous Equipment | 4.55 |
| **INTANGIBLE PLANT** | | |
| 19 303 | Miscellaneous Intangible Plant  5 Yr Software | 20.00 |
|  | 7 Yr Software | 14.29 |
|  | 10 Year Software | 10.00 |
|  | 15 year Software  Transmission facility Contributions in Aid of Construction | 6.67  Note 1 |

These depreciation rates will not change absent the appropriate filing at FERC.

Note 1: In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying plant booked to the accounts shown in lines 1-7 above and the weighted average depreciation rate will be used to amortize the CIAC.

#### 36.3.1.2 Formula Rate Implementation Protocols

The formula rate template (“Template”) and these Formula Rate Implementation Protocols (“Protocols”) together comprise the filed rate (“Formula Rate”) of NY Transco for transmission revenue requirement determinations under the ISO OATT. NY Transco shall follow the instructions specified in the Formula Rate to calculate annually its Net Adjusted Revenue Requirement, as set forth at page 1, line 5 of the Template (“Net Adjusted Revenue Requirement”). The Net Adjusted Revenue Requirement shall be determined for January 1 to December 31 of a given calendar year (the “Rate Year”). The Formula Rate shall become effective for recovery of NY Transco’s Net Adjusted Revenue Requirement upon the effective date for incorporation into the ISO OATT through an appropriate filing with the Federal Energy Regulatory Commission (“FERC” or “Commission”) under Section 205 of the Federal Power Act (“FPA”).

### Section 1. Annual Projection

a. No later than September 30 preceding the first Rate Year, and each subsequent Rate Year, NY Transco shall determine its projected Net Adjusted Revenue Requirement for the upcoming Rate Year in accordance with NY Transco’s Formula Rate (“Annual Projection”). The Annual Projection shall include the True-up Adjustment described and defined in Section 2 below, if applicable. NY Transco shall cause an electronic version of the Annual Projection to be posted in both a Portable Document Format and fully-functioning Excel file at a publicly accessible location on ISO’s internet website. Such posting shall include (i) all inputs in sufficient detail to identify the components of NY Transco’s projected Net Adjusted Revenue Requirement, and (ii) explanations of the bases for the projections and input data.  If the date for making such posting of the Annual Projection should fall on a weekend or a holiday recognized by FERC, then the posting shall be made no later than the next business day. NY Transco shall electronically serve each Annual Projection upon the Service List.[[4]](#footnote-4)

b. If NY Transco makes changes in the Annual Projection for a given Rate Year, NY Transco shall cause such revised Annual Projection to be promptly posted at a publicly accessible location on the ISO internet website and shall electronically serve a link to the website upon the Service List. Changes posted prior to November 30 of the preceding Rate Year, or the next business day if November 30 is not a business day (or such later date as can be accommodated under the ISO’s billing practices), shall be reflected in the Annual Projection for the Rate Year; changes posted after that date will be reflected, as appropriate, in the True-up Adjustment for the Rate Year.

c. The Annual Projection, including the True-Up Adjustment, for each Rate Year shall be subject to review, challenge, true-up and refunds or surcharges with interest, to the extent and in the manner provided in these Protocols.

### Section 2. True-up Adjustment

NY Transco will calculate the amount of under- or over-collection of its actual Net Revenue Requirement, as set forth at page 1, line 3 of the Template during the preceding Rate Year (“True-up Adjustment”) after the FERC Form No. 1 data for that Rate Year has been filed with the Commission. The True-up Adjustment shall be the sum of components a and b, determined in the following manner:

a. NY Transco’s projected Net Revenue Requirement collected during the previous Rate Year[[5]](#footnote-5) will be compared to NY Transco’s actual Net Revenue Requirement for the previous Rate Year calculated in accordance with NY Transco’s Formula Rate and based upon (i) NY Transco’s FERC Form No. 1 for that same Rate Year, (ii) any FERC orders specifically applicable to NY Transco’s calculation of its annual revenue requirement, (iii) the books and records of NY Transco (which shall be maintained consistent with the FERC Uniform System of Accounts (“USofA”)), (iv) FERC accounting policies and practices applicable to the calculation of annual revenue requirements under formula rates, and (v) any aspects of the ISO OATT and other governing documents that apply to the calculation of annual revenue requirements under individual transmission owner formula rates, to determine any over- or under-recovery (“True-up Adjustment Over/Under Recovery”). NY Transco will include a variance analysis of, at minimum, actual revenue requirement components of rate base, operating and maintenance expenses, depreciation expense, taxes, return on rate base, and revenue credits as compared to the corresponding components in the projected revenue requirement that was calculated for the prior Rate Year with an explanation of material changes.

b. Interest on any True-up Adjustment Over/Under Recovery of the actual Net Revenue Requirement shall be calculated in accordance with the Formula Rate true-up worksheet.

### Section 3. Annual Update

a. On or before June 30 following each Rate Year, NY Transco shall calculate its actual Net Adjusted Revenue Requirement, including the True-up Adjustment as described in Section 2 (“Annual Update”) for such Rate Year, and shall cause such Annual Update to be posted, in both a Portable Document Format and fully-functioning Excel format containing the populated template for that year’s update, at a publicly accessible location on the ISO internet website, and electronically serve a link to the website upon the Service List.  In addition, the Annual Update shall be contemporaneously submitted as an informational filing with the FERC.

b. If the date for making the Annual Update posting should fall on a weekend or a holiday recognized by the FERC, then the posting shall be due on the next business day.

c. The date on which the last of the events listed in Section 3.a or 3.b occurs shall be that year’s “Publication Date.”

d. Together with the posting of the Annual Update, NY Transco shall cause to be posted on the ISO website the time, date and location for a stakeholder meeting with (i) any Eligible Customer under the ISO OATT; (ii) any regulatory agency with rate jurisdiction over a public utility located within the ISO footprint; (iii) any consumer advocate authorized by state law to review and contest the rates for any such public utility, or (iv) any party with standing under FPA Section 205 or 206 (collectively, "Interested Persons") in order for NY Transco to explain its Annual Update and to provide Interested Persons an opportunity to seek information and clarifications regarding the Annual Update (“Stakeholder Meeting”). The Stakeholder Meeting shall be held no less than twenty (20) business days and no more than thirty (30) business days after June 30.

e. The Annual Update for the Rate Year:

(i) Shall provide, via the Formula Rate worksheets, sufficiently detailed supporting documentation for data (and all adjustments thereto or allocations thereof) used in the Formula Rate that are not stated in the FERC Form No. 1;[[6]](#footnote-6)

(ii) Shall provide notice of changes in NY Transco’s accounting policies and practices from those in effect for the calendar year upon which the immediately preceding Annual Update was based that affect the Formula Rate or calculation of the Annual Update (“Accounting Change(s)”). Accounting Changes may include: (1) the initial implementation of an accounting standard or policy, (2) the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction, (3) corrections of errors and prior period adjustments, (4) the implementation of new estimation methods or policies that change prior estimates, and (5) changes to income tax elections. Such notice shall also include (1) those changes that, in NY Transco’s reasonable judgment, could impact the Formula Rate or the calculations under the Formula Rate within the next three years; and (2) any changes in the ISO OATT from the provisions of the ISO OATT in effect during the calendar year upon which the most recent Net Revenue Requirement was based and that, in NY Transco’s reasonable judgment, could impact the Formula Rate or the calculations under the Formula Rate within the next three years.

(iii) Shall be subject to review and challenge in accordance with the procedures set forth in Sections 4, 5, and 6 of these Protocols.

(iv) Shall be subject to review and challenge in accordance with the procedures set forth in these Protocols with respect to the prudence of any costs and expenditures included for recovery in the Annual Update; provided, however, that nothing in these Protocols is intended to modify the Commission’s applicable precedent with respect to the burden of going forward or burden of proof under formula rates in such prudence challenges; and

(v) Shall not seek to modify the Formula Rate and shall not be subject to challenge by any Interested Person seeking to modify the Formula Rate. *(i.e.,* any modifications to the Formula Rate will require, as applicable, an FPA Section 205 or Section 206 filing or initiation of a Section 206 investigation).

(vi) Shall identify the specific amounts included in the Annual Update related to each transmission incentive project, a citation to the proceeding in which FERC granted the incentive, and provide a derivation of the value for each such project.

f. The following Formula Rate inputs shall be stated values to be used in the Formula Rate until changed pursuant to an FPA Section 205 or 206 proceeding: (i) rate of return on common equity (“ROE”); (ii) “Post-Employment Benefits other than Pensions” pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for Postretirement Benefits Other Than Pensions (“PBOP”) charges; and (iii) the depreciation and/or amortization rates as set forth in Attachment 9 to the Formula Rate template.

**g. Example – Timeline for 2015 Annual Update**:

On or before September 30, 2013, NY Transco will determine the projected Net Adjusted Revenue Requirement for the 2014 Rate Year, which is expected to be the first year that costs are recovered from ISO customers under the Formula Rate. NY Transco will post the Annual Projection for the 2014 Rate Year in accordance with Section 1 above. NY Transco will not determine a True-up Adjustment or post an Annual Update on August 1, 2014 if no costs have been recovered under the Formula Rate during 2013. On or before September 30, 2014, NY Transco will post the Annual Projection for the 2015 Rate Year. On or before August 1, 2015, NY Transco will post its first Annual Update, consisting of the True-up Adjustment for the 2014 Rate Year determined pursuant to Section 2 above. Such True-up Adjustment will be reflected in the Annual Projection of the Net Adjusted Revenue Requirement for the 2016 Rate Year posted on or before September 30, 2015. The Annual Update posted August 1, 2015 will be subject to the customer review and challenge procedures described in Sections 4, 5, and 6 of these Protocols.

### Section 4. Annual Review Procedures

Each Annual Update shall be subject to the following review procedures (“Annual Review Procedures”):

a. Interested Persons shall have up to the latest of one hundred fifty (150) calendar days after the Publication Date, thirty (30) calendar days after the receipt of all responses to timely submitted information requests (unless such period is extended with the written consent of NY Transco), or thirty (30) calendar days after resolution of a dispute that does not result in the production of additional information (“Review Period”), to review the calculations and to notify NY Transco in writing of any specific challenges, including challenges related to Accounting Changes, to the Annual Update (“Preliminary Challenge”). NY Transco shall promptly cause to be posted all Preliminary Challenges at a publicly accessible location on the ISO internet website and a link to the website will be electronically served upon the Service List.

NY Transco shall respond in writing to a Preliminary Challenge within twenty (20) business days of receipt, and its response shall notify the challenging party of the extent to which NY Transco agrees or disagrees with the challenge. If NY Transco disagrees with the Preliminary Challenge, its response shall include supporting documentation. NY Transco shall promptly cause to be posted responses to allPreliminary Challenges at a publicly accessible location on the ISO internet website and a link to the website will be electronically served upon the Service List.

b. Interested Persons shall have up to one hundred twenty (120) calendar days after each annual Publication Date (unless such period is extended with the written consent of NY Transco) to serve reasonable information requests on NY Transco. Information requests shall be limited to what is necessary to determine if: (i) NY Transco has properly calculated the Annual Update under review (including any corrections pursuant to Section 6); (ii) the costs included in the Annual Update are properly recordable and recorded, prudently incurred, and otherwise consistent with NY Transco’s accounting policies, practices and procedures consistent with the USofA; (iii) the input data used in the Annual Update are accurate and correctly used in the Formula Rate; and (iv) the Formula Rate has been applied according to its terms, including the procedures in these Protocols. NY Transco shall cause any information requests received to be posted at a publicly accessible location on the ISO internet website and shall electronically serve a link to the website upon the Service List.

c. NY Transco shall make a good faith effort to respond to information requests pertaining to the Annual Update within ten (10) business days of receipt of such requests.

To the extent NY Transco and any Interested Person(s) are unable to resolve disputes related to information requests submitted in accordance with these Annual Review Procedures, NY Transco or any Interested Person may petition the FERC to appoint an Administrative Law Judge as a discovery master to resolve the discovery dispute(s) in accordance with these Protocols and consistent with the FERC’s discovery rules.

d. Preliminary Challenges, or Formal Challenges as described in Section 5 below, related to Accounting Changes shall be treated in the same manner under these Protocols as other challenges to the Annual Update. Failure to make a Preliminary Challenge with respect to an Accounting Change in an Annual Update shall not act as a bar with respect to a Formal Challenge with respect to that Annual Update, nor shall such failure bar a subsequent Preliminary Challenge related to a subsequent Annual Update to the extent such Accounting Change affects the subsequent Annual Update.

e. If a change made by NY Transco to its accounting policies, practices or procedures, or their application to the Formula Rate, pursuant to Section 3(e)(ii) of these Protocols is found by the FERC to be unjust, unreasonable, and/or unduly discriminatory or preferential, then the calculation of the charges to be assessed during the Rate Year then under review, and the charges to be assessed during any subsequent Rate Years, including any True-up Adjustments, shall not include such change, but shall include any lawful remedy that may be prescribed by FERC to ensure that the Formula Rate continues to operate in a manner that is just, reasonable, and not unduly discriminatory or preferential.

### Section 5. Resolution of Challenges

a. NY Transco shall appoint a senior representative to attempt to resolve any Preliminary Challenge. If NY Transco and any Interested Person have not resolved any Preliminary Challenge to the Annual Update within sixty (60) calendar days after the end of the Review Period (unless such period is extended with the written consent of NY Transco to continue efforts to resolve the Preliminary Challenge), such Interested Person may, within thirty (30) calendar days thereafter, file a challenge with the FERC, pursuant to 18 C.F.R. § 385.206 (“Formal Challenge”), which shall be served on NY Transco by electronic service on the date of such filing. Subject to any applicable confidentiality and Critical Energy Infrastructure Information restrictions, all information and correspondence produced by NY Transco pursuant to these Protocols may be included in any Formal Challenge or other FERC proceeding relating to the Formula Rate.

b. Any response by NY Transco to a Formal Challenge must be submitted to the FERC within thirty (30) calendar days of the date of the filing of the Formal Challenge, and NY Transco shall serve on the filing party(ies) and the Service List by electronic service on the date of such filing.

c. In any proceeding concerning a given year’s Annual Update (including corrections) or Accounting Change(s), NY Transco shall demonstrate the justness and reasonableness of the rate resulting from its application of the Formula Rate by demonstrating that it has reasonably and accurately calculated the Annual Update and/or reasonably adopted and applied the Accounting Change.

d. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of NY Transco to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, an application seeking changes to the Formula Rate or to any of the stated value inputs requiring a Section 205 filing under these Protocols (including, but not limited to, ROE, depreciation and amortization rates, and PBOPs), or the right of any other party or the Commission to seek such changes pursuant to Section 206 of the FPA and the regulations thereunder.

e. NY Transco may, at its discretion and at a time of its choosing, make a limited filing pursuant to Section 205 to modify stated values in the Formula Rate for amortization and depreciation rates, or PBOP rates. The sole issue in any such limited Section 205 proceeding shall be whether such proposed change(s) is just and reasonable, and it shall not address other aspects of the Formula Rate.

### Section 6. Changes to Annual Updates

If NY Transco determines or concedes that corrections to the Annual Update are required, whether under Sections 4 or 5 of these Protocols, including but not limited to those requiring corrections to its FERC Form No. 1, or input data used for a Rate Year that would have affected the Annual Update for that Rate Year, NY Transco shall promptly notify the Service List, file a correction to the Annual Update with the FERC as an amended informational filing, and cause such information to be posted at a publicly accessible location on the ISO internet website. Such corrections shall be subject to review at the time they are made and shall be reflected in the next Annual Update, with interest. A corrected posting shall reset the deadlines under Section 4 and 5 of the Protocols for Interested Person review and the revised dates shall run from the posting date(s) for each of the corrections. The scope of review shall be limited to the aspects of the Formula Rate affected by the corrections. Interest on any over- or under-recovery due to corrections for preceding True-up Adjustments shall be calculated monthly on such over- or under-recovery from January 1 of the corrected Rate Year through December 31 of the Rate Year in which such over- or under-recovery is reflected (“Correction Period”). The applicable monthly interest rates for the Correction Period for an over-recovery shall be determined in accordance with the Formula Rate true-up worksheet divided by twelve (12) for each month from the beginning of the Correction Period through December 31 of the Rate Year immediately preceding the Rate Year in which such over-recovery is reflected.  The applicable monthly interest rates for the Correction Period for an under-recovery shall be the annual interest rate determined in accordance 18 C.F.R § 35.19a divided by twelve (12) for each month from the beginning of the Correction Period through December 31 of the Rate Year immediately preceding the Rate Year in which such under-recovery is reflected.

### Section 7. Construction Work in Progress

a. *Accounting.* For each transmission project for which NY Transco has been authorized by a Commission order to include Construction Work in Progress (“CWIP”) in transmission rate base (“CWIP Project”), NY Transco shall use the following accounting procedures to ensure that it does not recover an Allowance for Funds Used During Construction (“AFUDC”) for such project.

(i) NY Transco shall assign each CWIP Project a unique Funding Project Number (“FPN”) for internal cost tracking purposes. For a CWIP Project for which the NY Transco is recovering 50% of CWIP in rate base, two FPNs will be assigned, one reflecting the CWIP balance in rate base and the other reflecting the balancing accruing AFUDC.

(ii) NY Transco shall record actual construction costs to each FPN through work orders that are coded to correspond to the FPN for each CWIP Project. Such work orders shall be segregated from work orders for transmission projects for which the Commission has not authorized NY Transco to include CWIP in rate base.

(iii) For each CWIP Project, NY Transco shall ensure that no AFUDC will be accrued under the associated FPN.

(iv) For transmission projects for which the Commission has not authorized NY Transco to include CWIP in rate base, NY Transco shall record AFUDC to be applied to CWIP and capitalized when the project is placed into service.

b. *Annual Reporting.* For each CWIP Project, NY Transco shall file a report with the Commission at the time of NY Transco’s Annual Update that shall include the following information concerning each such project:

(i) the actual amount of CWIP recorded for each project;

(ii) any amounts recorded in related FERC accounts or subaccounts, such as AFUDC and regulatory liability;

(iii) the resulting effect of CWIP on the revenue requirement;

(iv) a statement of the current status of each project; and the estimated in-service date for each project.

1. The indicated percentages will be allocated between the transmission districts of Consolidated Edison Co. of New York, Inc., and Orange and Rockland Utilities, Inc., and between the transmission districts of New York State Gas & Electric Corp. and Rochester Gas and Electric Corp. based on a load ratio share. [↑](#footnote-ref-1)
2. The indicated percentages will be allocated between the transmission districts of Consolidated Edison Co. of New York, Inc., and Orange and Rockland Utilities, Inc., and between the transmission districts of New York State Gas & Electric Corp. and Rochester Gas and Electric Corp. based on a load ratio share. [↑](#footnote-ref-2)
3. The indicated percentages will be allocated between the transmission districts of Consolidated Edison Co. of New York, Inc., and Orange and Rockland Utilities, Inc., and between the transmission districts of New York State Gas & Electric Corp. and Rochester Gas and Electric Corp. based on a load ratio share. [↑](#footnote-ref-3)
4. As used in these protocols, “Service List” shall mean (i) the email list of ISO OATT Transmission Customers maintained by the ISO; (ii) any state regulatory agency with rate jurisdiction over a public utility located within the ISO footprint; and (iii) any consumer advocate agency authorized by state law to review and contest the rates for any such public utility, provided such consumer advocate agency requests to be placed on the Service List and provides an e-mail address to NY Transco. [↑](#footnote-ref-4)
5. If the initial year of this rate schedule is a partial year, the initial projected Net Revenue Requirement will be divided by the number of months the Formula Rate is in effect to calculate the monthly projected cost of service to be collected each month of the first year. Similarly, the actual Net Revenue Requirement will be divided by the number of months the rate is in effect to calculate the actual cost of service to be collected each month of the first year. The first True-up Adjustment will compare the projected Net Revenue Requirement billed and the actual Net Revenue Requirement for that initial Rate Year. [↑](#footnote-ref-5)
6. It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate for purposes of determining the actual Net Adjusted Revenue Requirement for a given Rate Year will be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. If the referenced form is superseded, the successor form(s) shall be utilized and supplemented as necessary to provide equivalent information as that provided in the superseded form. If the referenced form is discontinued, equivalent information as that provided in the discontinued form shall be utilized. [↑](#footnote-ref-6)