

APPENDIX A

Clean Version of NYISO OATT

14.2 Attachment 1 to Attachment H

14.2.1 Schedules

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Niagara Mohawk Power Corporation

Calculation of RR Pursuant to Attachment H, Section 14.1.9.2

	Year
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Calculation of RR

14.1.9.2 The RR component shall equal the (a) Historical Transmission Revenue Requirement plus (b) the Forecasted Transmission Revenue Requirement plus (c) the Annual True-Up, determined in accordance with the formula below.

Historical Transmission Revenue Requirement (Historical TRR)

Line No.

1	<u>Historical Transmission Revenue Requirement (Historical TRR)</u>			
2				
3	14.1.9.2 (a)	Historical TRR shall equal the sum of NMPC's (A) Return and Associated Income Taxes, (B) Transmission Related Depreciation Expense, (C)		
4		Transmission Related Real Estate Tax Expense, (D) Transmission Related Amortization of Investment Tax Credits,		
5		(E) Transmission Operation and Maintenance Expense, (F) Transmission Related Administrative and General Expenses, (G) Transmission		
6		Related Payroll Tax Expense, (H) Billing Adjustments, and (I) Transmission Related Bad Debt Expense less		
7		(J) Revenue Credits, and (K) Transmission Rents, all determined for the most recently ended calendar year as of the beginning of the update year.		
8			<u>Reference</u>	
9			<u>Section:</u>	0
10		Return and Associated Income Taxes	(A)	#DIV/0! Schedule 8, line 64
11		Transmission-Related Depreciation Expense	(B)	#DIV/0! Schedule 9, Line 6, column 5
12		Transmission-Related Real Estate Taxes	(C)	#DIV/0! Schedule 9, Line 12, column 5
13		Transmission - Related Investment Tax Credit	(D)	#DIV/0! Schedule 9, Line 16, column 5 times minus 1
14		Transmission Operation & Maintenance Expense	(E)	\$0 Schedule 9, Line 23, column 5
15		Transmission Related Administrative & General Expense	(F)	#DIV/0! Schedule 9, Line 38, column 5
16		Transmission Related Payroll Tax Expense	(G)	\$0 Schedule 9, Line 44, column 5
17		Sub-Total (sum of Lines 10 - Line 16)		<u>#DIV/0!</u>
18				
19		Billing Adjustments	(H)	\$0 Schedule 10, Line 1
20		Bad Debt Expenses	(I)	\$0 Schedule 10, Line 4
21		Revenue Credits	(J)	\$0 Schedule 10, Line 7
22		Transmission Rents	(K)	\$0 Schedule 10, Line 14
23				
24		Total Historical Transmission Revenue Requirement (Sum of Line 17 -		
25		Line 22)		#DIV/0!

Niagara Mohawk Power Corporation
Forecasted Transmission Revenue Requirement
Attachment H, Section 14.1.9.2

0

Shading denotes an input

Line No.

1 14.1.9.2 **FORECASTED TRANSMISSION REVENUE REQUIREMENTS**
(b)

2 Forecasted TRR shall equal (1) the Forecasted Transmission Plant Additions (FTPA) multiplied by the Annual FTRRF, plus (2) the Mid-Year Trend
3 Adjustment (MYTA), plus (3) the Tax Rate Adjustment (TRA), as shown in the following formula:

4
5
$$\text{Forecasted TRR} = (\text{FTPA} * \text{FTRRF}) + \text{MYTA} + \text{TRA}$$

6
7 Period Reference Source

10	(1) Forecasted Transmission Plant Additions (FTPA)		\$0	Workpaper 8, Section I, Line 16
11	Annual Transmission Revenue Requirement Factor (FTRRF)		#DIV/0!	Line 35
12	Sub-Total (Lines 10*11)		#DIV/0!	
13	Plus Mid-Year Trend Adjustment (2) (MYTA)		\$0	Workpaper 9, line 31, variance column
14	Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement		\$0	Worpaper 9A
15	Forecasted Transmission Revenue Requirement (Line 12 + Line 13- Line 14)		#DIV/0!	

16 (2) **MID YEAR TREND ADJUSTMENT (MYTA)**

17 The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between

18
19 (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, and (ii) the Historical TRR Component (E) excluding Transmission Support Payments, based on data for the first three months of the year prior to the Forecast Period.

20

21 (3) **The Tax Rate Adjustment (TRA)**

22 The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.

23
24

25 14.1.9.2(c) **ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR**

26 The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C),
27 divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).

28

29				
30	Investment Return and Income Taxes	(A)	#DIV/0!	Schedule 1, Line 10
31	Depreciation Expense	(B)	#DIV/0!	Schedule 1, Line 11
32	Property Tax Expense	(C)	#DIV/0!	Schedule 1, Line 12
33	Total Expenses (Lines 30 thru 32)		#DIV/0!	
34	Transmission Plant	(a)	#DIV/0!	Schedule 6, Page 1, Line 12
35	Annual Forecast Transmission Revenue Requirement Factor (Lines 33/ Line 34)		#DIV/0!	

Niagara Mohawk Power Corporation

Annual True-up (ATU)

Attachment H Section 14.1.9.2 (c)

Line No.			0	Year	<u>Source:</u>
1					
2	14.1.9.2(d)	The Annual True-Up (ATU) shall equal (1) the difference between the Actual Transmission Revenue Requirement and the Prior Year			
3		Transmission Revenue Requirement, plus (2) the difference between the Actual Scheduling, System Control and Dispatch costs			
4		and Prior Year Scheduling, System Control and Dispatch costs, plus (3) the difference between the Prior Year Billing Units and the Actual Year			
5		Billing Units multiplied by the Prior Year Unit Rate, plus (4) Interest on the net differences.			
6					
7	(1)	Revenue Requirement (RR) of rate effective July 1 of prior year	\$0		Schedule 4, Line 1, Col (d)
8		Less: Annual True-up (ATU) from rate effective July 1 of prior year	\$0		Schedule 4, Line 1, Col (c)
9		Prior Year Transmission Revenue Requirement	\$0		Line 7 - Line 8
10					
11		Actual Transmission Revenue Requirement	#DIV/0!		Schedule 4, Line 2, Col (a)
12		Difference	#DIV/0!		Line 11 - Line 9
13					
14	(2)	Prior Year Scheduling, System Control and Dispatch costs (CCC)	\$0		Schedule 4, Line 1, Col (e)
15		Actual Scheduling, System Control and Dispatch costs (CCC)	\$0		Schedule 4, Line 2, Col (e)
16		Difference	\$0		Line 15 - Line 14
17					
18	(3)	Prior Year Billing Units (MWH)	\$0		Schedule 4, Line 1, Col (f)
19		Actual Billing Units	-		Schedule 4, Line 2, Col (f)
20		Difference	-		Line 18 - Line 19
21		Prior Year Indicative Rate	#DIV/0!		Schedule 4, Line 1, Col (g)
22		Billing Unit True-Up	#DIV/0!		Line 20 * Line 21
23					
24		Total Annual True-Up before Interest	#DIV/0!		(Line 12 + Line 16 + Line 22)
25					
26	(4)	Interest	#DIV/0!		Line 57
27					
28		Annual True-up RR Component	#DIV/0!		(Line 24 + Line 26)
29					

Interest Calculation per 18 CFR § 35.19a

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Quarters	Annual	Accrued Prin	Monthly	Days	Period		Accrued Prin	Accrued
		Interest	& Int. @ Beg	(Over)/Under	in	Days	Multiplier	& Int. @ End	Int. @ End
		Rate (a)	Of Period	Recovery	Period	Days		Of Period	Of Period
36	3rd QTR '07		0		92	92	1.0000	\$0	\$0

37	July	0.00%		#DIV/0!	31	92	1.0000	#DIV/0!	#DIV/0!
38	August	0.00%		#DIV/0!	31	61	1.0000	#DIV/0!	#DIV/0!
39	September	0.00%		#DIV/0!	30	30	1.0000	#DIV/0!	#DIV/0!
40									
41	4th QTR '07		#DIV/0!		92	92	1.0000	#DIV/0!	#DIV/0!
42	October	0.00%		#DIV/0!	31	92	1.0000	#DIV/0!	#DIV/0!
43	November	0.00%		#DIV/0!	30	61	1.0000	#DIV/0!	#DIV/0!
44	December	0.00%		#DIV/0!	31	31	1.0000	#DIV/0!	#DIV/0!
45									
46	1st QTR '08		#DIV/0!		91	91	1.0000	#DIV/0!	#DIV/0!
47	January	0.00%		#DIV/0!	31	91	1.0000	#DIV/0!	#DIV/0!
48	February	0.00%		#DIV/0!	29	60	1.0000	#DIV/0!	#DIV/0!
49	March	0.00%		#DIV/0!	31	31	1.0000	#DIV/0!	#DIV/0!
50									
51	2nd QTR '08		#DIV/0!		91	91	1.0000	#DIV/0!	#DIV/0!
52	April	0.00%		#DIV/0!	30	91	1.0000	#DIV/0!	#DIV/0!
53	May	0.00%		#DIV/0!	31	61	1.0000	#DIV/0!	#DIV/0!
54	June	0.00%		#DIV/0!	30	30	1.0000	#DIV/0!	#DIV/0!
55									
56									
57	Total (over)/under Recovery			#DIV/0!	(line 24)	#DIV/0!			#DIV/0!

(a) Interest rates shall be the interest rates as reported on the FERC Website <http://www.ferc.gov/legal/acct-matts/interest-rates.asp>

Niagara Mohawk Power Corporation Wholesale TSC Calculation Information

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Historical Transmission Revenue Requirement (Historical TRR)	Forecasted Transmission Revenue Requirement	Annual True Up (**)	Revenue Requirement (RR)	Scheduling System Control and Dispatch Costs (CCC)	Annual Billing Units (BU) MWh	Rate \$/MWh (*)
1 Prior Year Rates Effective _____	-	-	-	-	-	-	#DIV/0!
Current Year Rates Effective July 1, 2 _____	#DIV/0!	#DIV/0!		#DIV/0!	-	-	#DIV/0!
3 Increase/(Decrease)							#DIV/0!
4 Percentage Increase/(Decrease)							#DIV/0!
1.) Information directly from Niagara Mohawk Prior Year Informational Filing							
2.)							
(a) Schedule 1, Line 24							
(b) Schedule 2, Line 14							
(c) Schedule 3, Line 28							
(d) Attachment H, Section 14.1.9.2 The RR Component shall equal Col (a) Historical Transmission Revenue Requirement plus Col (b) the Forecasted Transmission Revenue Requirement which shall exclude Transmission Support Payments, plus Col (c) the Annual True-Up plus Col (c) the Annual True-Up							
(e) Schedule 11 - Annual Scheduling, System Control and Dispatch Costs. (i.e. the Transmission Component of control center costs) as recorded in FERC Account 561 and its associated sub-accounts from the prior calendar year excluding any NY Independent System Operating (NYISO) system control and load dispatch expenses already recovered under Schedule 1 of the NYISO Tariff.							
(f) Schedule 12 - Billing Units shall be the total Niagara Mohawk load as reported to the NYISO for the calendar year prior to the Forecast Period, including the load for customers taking service under Niagara Mohawk's TSC rate. The total Niagara Mohawk load will be adjusted to exclude (i) load associated with wholesale transactions being revenue credited through the WR, CRR, SR, ECR, and Reserved components of Attachment H of the NYISO TSC rate including Niagara Mohawk's external sales, load associated with grandfathered OATT agreements, and any load related to pre-OATT grandfathered agreements; (ii) load associated with transactions being revenue credited under Historical TRR Component J; and (iii) load associated with netted station service.							
(g) (Col (d) + Col (e)) / Col (f)							

(*)

The rate column represents the unit rate prior to adjustments; the actual rate will be determined pursuant to the applicable TSC formula rate.

(**)

Niagara Mohawk Power Corporation
Allocation Factors - As calculated pursuant to Section 14.1.9.1

Attachment 1
Schedule 5

0

Shading denotes an input

Line
No.

Line No.	Description	Allocation Factor	Source	Definition
1	14.1.9.1.1. <u>Electric Wages and Salaries Factor</u>	83.5000%		Fixed per settlement
2				
3	14.1.9.1.3. <u>Transmission Wages and Salaries Allocation Factor</u>	13.0000%		Fixed per settlement
4				
5				
6				
7				
8	14.1.9.1.2. <u>Gross Transmission Plant Allocation Factor</u>			
9	Transmission Plant in Service	#DIV/0!	Schedule 6, Page 2, Line 3, Col 5	Gross Transmission Plant Allocation Factor shall equal the total investment in Transmission Plant in Service, Transmission Related Electric General Plant, Transmission Related Common Plant and Transmission Related Intangible Plant divided by Gross Electric Plant.
10	Plus: Transmission Related General	\$0	Schedule 6, Page 2, Line 5, Col 5	
11	Plus: Transmission Related Common	\$0	Schedule 6, Page 2, Line 10, Col 5	
12	Plus: Transmission Related Intangible Plant	\$0	Schedule 6, Page 2, Line 15, Col 5	
13	Gross Transmission Investment	#DIV/0!	Sum of Lines 9 - 13	
14				
15	Total Electric Plant		FF1 207.104	
16	Plus: Electric Common	\$0	Schedule 6, Page 2, Line 10, Col 3	
17	Gross Electric Plant in Service	\$0	Line 15 + Line 16	
18				
19	Percent Allocation	#DIV/0!	Line 13 / Line 17	
20				
21	14.1.9.1.4. <u>Gross Electric Plant Allocation Factor</u>			
22				
23	Total Electric Plant in Service	\$0	Line 15	Gross Electric Plant Allocation Factor shall equal Gross Electric Plant divided by the sum of Total Gas Plant, Total Electric Plant, and Total Common Plant
24	Plus: Electric Common Plant	\$0	Schedule 6, Page 2, Line 10, Col 3	
25	Gross Electric Plant in Service	\$0	Line 23 + Line 24	

26			
27	Total Gas Plant in Service		FF1 201.8d
28	Total Electric Plant in Service	\$0	Line 15
29	Total Common Plant in Service	\$0	Schedule 6, Page 2, Line 10, Col 1
30	Gross Plant in Service (Gas & Electric)	-	Sum of Lines 27-Lines 29
31			
32	Percent Allocation	<u><u>#DIV/0!</u></u>	Line 25 / Line 30

Niagara Mohawk Power Corporation
Annual Revenue Requirements of Transmission Facilities
Transmission Investment Base (Part 1 of 2)
Attachment H, section 14.1.9.2

Line No.

1 14.1.9.2 (a) Transmission Investment Base

2

3 A.1. Transmission Investment Base shall be defined as (a) Transmission Plant in Service, plus (b) Transmission Related Electric General Plant, plus
4 (c) Transmission Related Common Plant, plus (d) Transmission Related Intangible Plant, plus (e) Transmission Related Plant Held for Future Use, less
5 (f) Transmission Related Depreciation Reserve, less (g) Transmission Related Accumulated Deferred Taxes, plus (h) Transmission Related
6 Regulatory Assets net of Regulatory Liabilities, plus (i) Transmission Related Prepayments, plus (j) Transmission Related Materials and Supplies,
7 plus (k) Transmission Related Cash Working Capital.
8
9

10		Reference	2007	Reference
11		<i>Section:</i>		
12	Transmission Plant in Service	(a)	#DIV/0!	Schedule 6, page 2, line 3, column 5
13	General Plant	(b)	\$0	Schedule 6, page 2, line 5, column 5
14	Common Plant	(c)	\$0	Schedule 6, page 2, line 10, column 5
15	Intangible Plant	(d)	\$0	Schedule 6, page 2, line 15, column 5
16	Plant Held For Future Use	(e)	\$0	Schedule 6, page 2, line 19, column 5
17	Total Plant (Sum of Line 12 - Line 16)		#DIV/0!	
18				
19	Accumulated Depreciation	(f)	#DIV/0!	Schedule 6, page 2, line 29, column 5
20	Accumulated Deferred Income Taxes	(g)	#DIV/0!	Schedule 7, line 6, column 5
21	Other Regulatory Assets	(h)	#DIV/0!	Schedule 7, line 11, column 5
22	Net Investment (Sum of Line 17 -Line 21)		#DIV/0!	
23				
24	Prepayments	(i)	#DIV/0!	Schedule 7, line 15, column 5
25	Materials & Supplies	(j)	#DIV/0!	Schedule 7, line 21, column 5
26	Cash Working Capital	(k)	\$0	Schedule 7, line 28, column 5
27				
28	Total Investment Base (Sum of Line 22 - Line 26)		#DIV/0!	

Niagara Mohawk Power Corporation
Annual Revenue Requirements of Transmission Facilities
Transmission Investment Base (Part 1 of 2)

Attachment H Section 14.1. 9.2 (a) A. 1.

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Shading denotes an input

Line No.	(1) Total	(2) Allocation Factor	(3) = (1)*(2) Electric Allocated	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1/PSC Report Reference for col (1)	Definition
1						FF1 207.58g	14.1.9.2(a)A.1.(a) Transmission Plant in Service shall equal the balance of total investment in Transmission Plant plus Wholesale Metering Investment
2					#DIV/0!	Workpaper 1	
3					#DIV/0!		
4							
5		100.00%	\$0	13.00%	(c) \$0	FF1 207.99g	14.1.9.2(a)A.1.(b) Transmission Related Electric General Plant shall equal the balance of investment in Electric General Plant multiplied by the Transmission Wages and Salaries Allocation Factor
6							
7							
8							
9							
10		83.50%	(a) \$0	13.00%	(c) \$0	FF1 201. 8h	14.1.9.2(a)A.1.(c) Transmission Related Common Plant shall equal Common Plant multiplied by the
11							

12									Electric Wages and Salaries Allocation Factor and further multiplied by the Transmission Wages and Salaries Allocation Factor.	
13										
14										
15	<u>Intangible Plant</u>		100.00%	-	13.00%	(c)	<u>\$0</u>	FF1 205.5g	14.1.9.2(a)A.1.(d)	Transmission Related Intangible Plant shall equal Intangible Electric Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
16										
17										
18										
19	<u>Transmission Plant Held for Future Use</u>	\$0					<u>\$0</u>	Workpaper 10	14.1.9.2(a)A.1.(e)	Transmission Related Plant Held for Future Use shall equal the balance in Plant Held for Future Use associated with property planned to be used for transmission service within five years
20										
21										
22	<u>Transmission Accumulated</u>									
23	<u>Depreciation</u>									
24	Transmission Accum. Depreciation						\$0	FF1 219.25b	14.1.9.2(a)A.1.(f)	Transmission Related Depreciation Reserve shall equal the balance of: (i) Transmission Depreciation Reserve, plus (ii) the product of Electric General Plant Depreciation Reserve multiplied by the Transmission Wages and Salaries
25	General Plant Accum. Depreciation		100.00%	\$0	13.00%	(c)	\$0	FF1 219.28b		
26	Common Plant Accum Depreciation		83.50%	(a)	\$0	13.00%	(c)	\$0	FF1 356.1 end of year balance	
27	Amortization of Other Utility Plant		100.00%	\$0	13.00%	(c)	\$0	FF1 200.21c		

28	Wholesale Meters	#DIV/0!		<u>#DIV/0!</u>	Workpaper 1	Allocation Factor, plus (iii) the product of Common Plant Depreciation Reserve multiplied by the Electric Wages and Salaries Allocation Factor and further multiplied by the Transmission Wages and Salaries Allocation Factor plus (iv) the product of Intangible Electric Plant Depreciation Reserve multiplied by the Transmission Wages and Salaries Allocation Factor plus (v) depreciation reserve associated with the Wholesale Metering Investment
29	Total Depreciation (Sum of line 24 - Line 28)			<u>#DIV/0!</u>		
30						
31						
32						
33						
34						
35						
36	Allocation Factor Reference					
	(a) Schedule 5, line 1					
	(b) Schedule 5, line 32 - not used on this Schedule					
	(c) Schedule 5, line 3					
	(d) Schedule 5, line 19 - not used on this Schedule					

**Niagara Mohawk Power Corporation
Annual Revenue Requirements of Transmission Facilities
Transmission Investment Base (Part 2 of 2)**

**Attachment 1
Schedule 7**

Attachment H Section 14.1.9.2 (a) A. 1.

Shading denotes an input

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Line No.	(1) <u>Total</u>	(2) Allocation <u>Factor</u>	(3) = (1)*(2) Electric <u>Allocated</u>	(4) Allocation <u>Factor</u>	(5) = (3)*(4) Transmission <u>Allocated</u>	FERC Form 1/PSC Report <u>Reference for</u> <u>col (1)</u>	<u>Definition</u>
----------	---------------------	------------------------------------	--	------------------------------------	---	---	-------------------

1	<u>Transmission Accumulated Deferred Taxes</u>									
2	Accumulated Deferred Taxes (281-282)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 275.2k	14.1.9.2(a)A.1.(g)	Transmission Related Accumulated Deferred Income Taxes
3	Accumulated Deferred Taxes (283)	\$0	100.00%	\$0	#DIV/0!	(d)	#DIV/0!	Workpaper 2, Line 5		shall equal the electric balance of Total Accumulated Deferred
4	Accumulated Deferred Taxes (190)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 234.8c		Income Taxes (FERC Accounts 190, 55,281, 282, and 283 net of
5	Accumulated Deferred Inv. Tax Cr (255)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 267.8h		stranded costs), multiplied by the Gross Transmission Plant
6	Total (Sum of line 2 - Line 5)			\$0			#DIV/0!			Allocation Factor.
7										
8	<u>Other Regulatory Assets</u>									
9	FAS 109 (Asset Account 182.3)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 232 lines 2,4,9,17	14.1.9.2(a)A.1.(h)	Transmission Related Regulatory Assets shall be Regulatory
10	FAS 109 (Liability Account 254)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 278.1 lines 4&21(f)		Assets net of Regulatory Liabilities multiplied by the Gross
11	Total (line 9 + Line 10)	\$0		\$0			#DIV/0!			Transmission Plant Allocation Factor.
12										
13	<u>Transmission Prepayments</u>									
14	Less: Prepaid State and Federal Income Tax							FF1 111.57c	14.1.9.2(a)A.1.(i)	Transmission Related Prepayments shall be the product of
15	Total Prepayments	\$0	#DIV/0! (b)	#DIV/0!	#DIV/0!	(d)	#DIV/0!	FF1 263 lines 2 & 9 (h)		Prepayments excluding Federal and State taxes multiplied by
16										the Gross Electric Plant Allocation Factor and further
17										multiplied by the Gross Transmission Plant Allocation
18	<u>Transmission Material and Supplies</u>									
19	Trans. Specific O&M Materials and Supplies							\$0	FF1 227.8	Transmission Related Materials and Supplies shall equal: (i)
20	Construction Materials and Supplies		#DIV/0! (b)	#DIV/0!	#DIV/0!	(d)	#DIV/0!	FF1 227.5		the balance of Materials and Supplies assigned to
21	Total (Line 19 + Line 20)						#DIV/0!			Transmission plus (ii) the product of Material and Supplies
22										assigned to Construction multiplied by the Gross
23										Electric
24										Plant Allocation Factor and further multiplied by Gross
25	<u>Cash Working Capital</u>									
26	Operation & Maintenance Expense							\$0	Schedule 9, Line 23	14.1.9.2(a)A.1.(k) Transmission Related Cash Working Capital shall be an allowance equal to the product of: (i) 12.5% (45 days/360 days = 12.5%)

27

0.1250 x 45 / 360

multiplied by (ii) Transmission Operation and Maintenance Expense.

28 Total (line 26 * line 27)

\$0

29

30

Allocation Factor Reference

(a) Schedule 5, line 1 - not used on this Schedule

(b) Schedule 5, line 32

(c) Schedule 5, line 3 - not used on this Schedule

(d) Schedule 5, line 19

Niagara Mohawk Power Corporation
 Annual Revenue Requirements of Transmission Facilities
 Cost of Capital Rate

Attachment 1
 Schedule 8

Shading denotes an input 0

Line No.
 1
 2
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 23

The Cost of Capital Rate shall equal the proposed Weighted Costs of Capital plus Federal Income Taxes and State Income Taxes.

The Weighted Costs of Capital will be calculated for the Transmission Investment Base using NMPC's actual capital structure and will equal the sum of (i), (ii), and (iii) below:

(i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of NMPC's long-term debt outstanding during the year and the sum of (a) the ratio of actual long-term debt to total capital at year-end; and (b) the extent, if any, by which the ratio of NMPC's actual common equity to total capital at year-end exceeds fifty percent (50%). Long term debt shall be defined as the average of the beginning of the year and end of year balances of the following: long term debt less the unamortized Discounts on Long-Term Debt less the unamortized Loss on Reacquired Debt plus unamortized Gain on Reacquired Debt. Cost to maturity of NMPC's long-term debt shall be defined as the cost of long term debt included in the debt discount expense and any loss or gain on reacquired debt.

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of NMPC's preferred stock then outstanding and the ratio of actual preferred stock to total capital at year-end;

(iii) the return on equity component shall be the product of the allowed return on equity of 10.3% and the ratio of NMPC's actual common equity to total capital at year-end, provided that such ratio shall not exceed fifty percent (50%).

	CAPITALIZATION	Source:	CAPITALIZATION RATIOS	COST OF CAPITAL	Source:	WEIGHTED COST OF CAPITAL	EQUITY PORTION
(i) Long-Term Debt	\$0	Workpaper. 6, Line 16b	#DIV/0!	#DIV/0!	Workpaper 6, Line 17c	#DIV/0!	
(ii) Preferred Stock		FF1 112.3c FF1 112.16c - FF1 112.3,12,15c	#DIV/0!	#DIV/0!	Workpaper 6, Line 24d	#DIV/0!	#DIV/0!
(iii) Common Equity			#DIV/0!	10.30%		#DIV/0!	#DIV/0!
Total Investment Return	\$0		#DIV/0!			#DIV/0!	#DIV/0!

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$$\begin{aligned}
 & \text{Federal Income} \\
 14.1.9.2.2.(b) \text{ Tax shall equal} &= \left(\frac{A. + [B / C] \times \text{Federal Income Tax Rate}}{1 - \text{Federal Income Tax Rate}} \right)
 \end{aligned}$$

where A is the sum of the preferred stock component and the return on equity component, each as determined in Sections (a)(ii) and for the ROE set forth in (a)(iii) above, B is the Equity AFUDC component of Depreciation Expense for Transmission Plant in Service as defined at Section 14.1.9.1.16 (FF1 117.38c), and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line 28.

$$\begin{aligned}
 &= \left(\frac{\#DIV/0! + (\$0)}{1} \right) / \left(\frac{\#DIV/0!}{-0} \right) \times \#DIV/0! \\
 &= \underline{\underline{\#DIV/0!}}
 \end{aligned}$$

$$\begin{aligned}
 14.1.9.2.2.(c) \text{ Tax shall equal} &= \left(\frac{A. + [B / C] + \left(\frac{\text{Federal Income Tax Rate}}{\text{State Income Tax Rate}} \right) \times \text{State Income Tax Rate}}{1 - \text{State Income Tax Rate}} \right)
 \end{aligned}$$

where A is the sum of the preferred stock component and the return on equity component as determined in (a)(ii) and (a)(iii) above , B is the Equity AFUDC component of Depreciation Expense for Transmission Plant in Service as defined at Section 14.1.9.1.16 above, and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line 28.

$$\begin{aligned}
 &= \left(\frac{\#DIV/0! + (\$0)}{1} \right) / \left(\frac{\#DIV/0!}{-0} \right) + \left(\frac{\#DIV/0!}{0} \right) \times \#DIV/0! \\
 &= \underline{\underline{\#DIV/0!}}
 \end{aligned}$$

$$\begin{aligned}
 (a)+(b)+(c) \text{ Cost of Capital Rate} &= \#DIV/0!
 \end{aligned}$$

54

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**14.1.9.2(a) A. Return and Associated Income Taxes shall equal the product of the
Transmission Investment Base and the Cost of Capital Rate**

56

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58

59

Transmission
Investment

60 Base

#DIV/0!

Schedule 6, page 1 of 2, Line 28

61

Cost of Capital

62 Rate

#DIV/0!

Line 53

63

= Investment Return
and Income Taxes

64

#DIV/0!

Line 60 X Line 62

Niagara Mohawk Power Corporation
Annual Revenue Requirements of Transmission Facilities
Transmission Expenses

Attachment 1
Schedule 9

Attachment H Section 14.1.9.2

0

Shading denotes an input

Line No.	(1) Total	(2) Allocation Factor	(3) = (1)*(2) <u>Electric Allocated</u>	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1/ PSC Report Reference for col (1)	Definition
<u>Depreciation Expense</u>							
1					\$0	FF1 336.7f	14.1.9.2.B. Transmission Related Depreciation Expense shall equal the sum of: (i) Depreciation Expense for Transmission Plant in Service, plus (ii) the product of Electric General Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Allocation Factor plus (iii) Common Plant Depreciation Expense multiplied by the Electric Wages and Salaries Allocation Factor, further multiplied by the Transmission Wages and Salaries Allocation Factor plus (iv) Intangible Electric Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Factor plus (v) depreciation expense associated with the Wholesale Metering Investment.
2		100.0000%	\$0	13.0000% (c)	\$0	FF1 336.10f	
3		83.5000% (a)	\$0	13.0000% (c)	\$0	FF1 356.1	
4		100.0000%	\$0	13.0000% (c)	\$0	FF1 336.1f	
5					#DIV/0!	Workpaper 1	
6					#DIV/0!		
7							
8							
9							
10							
11							
12		100.0000%	\$0	#DIV/0! (d)	#DIV/0!	FF1 263.25i	14.1.9.2.C. Transmission Related Real Estate Tax Expense shall equal the electric Real Estate Tax Expenses multiplied by the Gross Transmission Plant Allocation Factor.
13							
14							
15							
16		#DIV/0! (b)	#DIV/0!	#DIV/0! (d)	#DIV/0!	FF1 117.58c	14.1.9.2.D. Transmission Related Amortization of Investment Tax Credits shall
17							equal the product of Amortization of Investment Tax Credits multiplied
18							by the Gross Electric Plant Allocation Factor and further multiplied by
19							the Gross Transmission Plant Allocation Factor.
20							
21					\$0	FF1 321.112b	14.1.9.2.E. Transmission Operation and Maintenance Expense shall equal the sum of electric expenses as recorded in FERC Account Nos. 560, 562-574.
22					\$0	FF1 321.84-92b	
23					\$0		
24							
25							14.1.9.2.F. Transmission Related Administrative and General Expenses shall equal the product of electric Administrative and General
26						FF1 323.197b	

27	less Property Insurance (#924)						FF1 323.185b
28	less Pensions and Benefits (#926)						FF1 323.187b
29	less: Research and Development Expenses (#930)	\$0					Workpaper 12
30	Less: 50% of NY PSC Regulatory Expense						50% of Workpaper 15
31	Less: 18a Charges (Temporary Assessment)						Workpaper 15
32	less: Environmental Remediation Expense	\$0					Workpaper 11
33	Subtotal (Line 26-27-28-29-30-31-32)	\$0	100.0000 %	\$0	13.0000% (c)	\$0	
34	PLUS Property Insurance alloc. using Plant Allocation	\$0	100.0000 %	\$0	#DIV/0! (d)	#DIV/0!	Line 27
35	PLUS Pensions and Benefits	\$88,644,000	100.0000 %	\$88,644,000	13.0000% (c)	\$11,523,720	Workpaper 3
36	PLUS Transmission-related research and development	\$0				\$0	Workpaper 12
37	PLUS Transmission-related Environmental Expense	\$0				\$0	Workpaper 11
38	Total A&G (Line 33+34+35+36+37)	\$88,644,000		\$88,644,000		#DIV/0!	
39							
40	<u>Payroll Tax Expense</u>						
41	Federal Unemployment						FF1 263.4i
42	FICA						FF1 263.3i
43	State Unemployment						FF1 263.17i
44	Total (Line 41+42+43)	\$0	100.0000 %	\$0	13.0000% (b)	\$0	

Expenses, excluding the sum of Electric Property Insurance, Electric Research and Development Expense and Electric Environmental Remediation Expense, and 50% of the NYPSC Regulatory Expense multiplied by the Transmission Wages and Salaries Allocation Factor, plus the sum of Electric Property Insurance multiplied by the Gross Transmission Plant Allocation Factor, plus transmission-specific Electric Research and Development Expense, and transmission-specific Electric Environmental Remediation Expense. In addition, Administrative and General Expenses shall exclude the actual Post-Employment Benefits Other than Pensions ("PBOP") included in FERC Account 926, and shall add back in the amounts shown on Workpaper 3, page 1, or other amount subsequently approved by FERC under Section 205 or 206.

14.1.9.2.G. Transmission Related Payroll Tax Expense shall equal the product of electric Payroll Taxes multiplied by the Transmission Wages and Salaries Allocation Factor.

Allocation Factor Reference
(a) Schedule 5, line 1
(b) Schedule 5, line 32
(c) Schedule 5, line 3
(d) Schedule 5, line 19

Niagara Mohawk Power Corporation
 Annual Revenue Requirements of Transmission Facilities
 Billing Adjustments, Revenue Credits, Rental Income

Attachment 1
 Schedule 10

0

Attachment H Section
 14.1.9.2 (a)

Shading denotes an input

Line No.	(1) Total	Source	Definition
1			14.1.9.2.H. Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4 below.
2			() indicates a refund or a reduction to the revenue requirement on Schedule 1.
3			
4	\$0	Workpaper 4	14.1.9.2.I. Transmission Related Bad Debt Expense shall equal
5			Bad Debt Expense as reported in Account 904 related to NMPC's wholesale transmission billing.
6			
7	\$0	Workpaper 5	14.1.9.2.J. Revenue Credits shall equal all Transmission revenue recorded in FERC account 456
8			excluding (a) any NMPC revenues already reflected in the WR, CRR, SR, ECR and Reserved
9			components in Attachment H of the NYISO TSC rate; (b) any revenues associated
10			with expenses that have been excluded from NMPC's revenue requirement; and (c) any
11			revenues associated with transmission service provided under this TSC rate, for which the
12			load is reflected in the calculation of BU.
13			
14	\$0	Workpaper 7	14.1.9.2.K. Transmission Rents shall equal all Transmission-related rental income recorded in FERC
15			account 454.615
16			
17			14.1.9.4(d)
18			1 Any changes to the Data Inputs for an Annual Update, including but not limited to
19			revisions resulting from any FERC proceeding to consider the Annual Update, or
20			as a result of the procedures set forth herein, shall take effect as of the beginning
21			of the Update Year and the impact of such changes shall be incorporated into the
22			charges produced by the Formula Rate (with interest determined in accordance
23			with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update
24			Year. This mechanism shall apply in lieu of mid-Update Year adjustments and
25			any refunds or surcharges, except that, if an error in a Data Input is discovered
26			and agreed upon within the Review Period, the impact of such change shall be
27			incorporated prospectively into the charges produced by the Formula Rate during
28			the remainder of the year preceding the next effective Update Year, in which case

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the impact reflected in subsequent charges shall be reduced accordingly.
2 The impact of an error affecting a Data Input on charges collected during the Formula Rate during the five (5) years prior to the Update Year in which the error was first discovered shall be corrected by incorporating the impact of the error on the charges produced by the Formula Rate during the five-year period into the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update Year. Charges collected before the five-year period shall not be subject to correction.

(b) List of Items excluded from the Revenue Requirement Reason

Niagara Mohawk Power Corporation
 System, Control, and Load Dispatch Expenses (CCC)
 Attachment H, Section
 14.1.9.5

The CCC shall equal the annual Scheduling, System Control and Dispatch Costs (i.e., the transmission component of control center costs) as recorded in FERC Account 561 and its associated sub-accounts using information from the prior calendar year, excluding NYISO system control and load dispatch expense already recovered under Schedule 1 of the NYISO Tariff.

1	<u>Scheduling and Dispatch Expenses</u>			<u>0</u>	<u>Source</u>
2					
3	Accounts	561	Load Dispatching		FF1 321.84b
4	Accounts	561.1	Reliability		FF1 321.85b
5	Accounts	561.2	Monitor and Operate Transmission System		FF1 321.86b
6	Accounts	561.3	Transmission Service and Schedule		FF1 321.87b
7	Accounts	561.4	Scheduling System Control and Dispatch		FF1 321.88b
8	Accounts	561.5	Reliability, Planning and Standards Development		FF1 321.89b
9	Accounts	561.6	Transmission Service Studies		FF1 321.90b
10	Accounts	561.7	Generation Interconnection Studies		FF1 321.91b
11	Accounts	561.8	Reliability, Planning and Standards Dev. Services		FF1 321.92b
12					
13			Total Load Dispatch Expenses (sum of Lines 3 - 11)		sum lines 3 - 11
14					
15	Less Account 561 directly recovered under Schedule 1 of the NY ISO Tariff				
16					
17	Accounts	561.4	Scheduling System Control and Dispatch		line 7
18	Accounts	561.8	Reliability, Planning and Standards Dev. Services		line 11
19			Total NYISO Schedule 1		line 17 + line 18
20					
21			Total CCC Component		line 13 - line 19

Niagara Mohawk Power Corporation

Billing Units - MWH

Attachment H, Section 14.1.9.6

BU shall be the total Niagara Mohawk load as reported to the NYISO for the calendar billing year prior to the Forecast Period, including the load for customers taking service under Niagara Mohawk's TSC Rate. The total Niagara Mohawk load will be adjusted to exclude (i) load associated with wholesale transactions being revenue credited through the WR, CRR, SR, ECR and Reserved components of Workpaper H of the NYISO TSC rate including Niagara Mohawk's external sales, load associated with grandfathered OATT agreements, and any load related to pre-OATT grandfathered agreements; (ii) load associated with transactions being revenue credited under Historical TRR Component J; and (iii) load associated with netted station service.

Line No.			<u>SOURCE</u>
1	Subzone 1		NIMO TOL (transmission owner load)
2	Subzone 2		NIMO TOL (transmission owner load)
3	Subzone 3		NIMO TOL (transmission owner load)
4	Subzone 4		NIMO TOL (transmission owner load)
5	Subzone 29		NIMO TOL (transmission owner load)
6	Subzone 31		NIMO TOL (transmission owner load)
7	Total NIMO Load report to NYISO	0.000	sum lines 1-6
8	LESS: All non-retail transactions		
9	Watertown		FF1 page 329.11.j
10	Disputed Station Service		NIMO TOL (transmission owner load)
11	Other non-retail transactions		All other non-retail transactions (Sum of 300,000 series PTID's from TOL)
12	Total Deductions	0.000	sum lines 9 - 11
13	PLUS: TSC Load		
14	NYMPA Muni's, Misc. Villages, Jamestown (X1)		FF1 page 329.19.j
15	NYPA Niagara Muni's (X2)		FF1 page 329.1.j
16	Total additions	0.000	sum lines 15 -17
17	Total Billing Units	0.000	line 7 - line 12 + line 16

14.2.2 NYPA Transmission Adjustment Charge (“NTAC”)

14.2.2.1 Applicability of the NYPA Transmission Adjustment Charge

Each Billing Period, the ISO shall charge, and each Transmission Customer shall pay, the applicable NYPA Transmission Adjustment Charge (“NTAC”) calculated in accordance with Section 14.2.2.2.2 of this Attachment for the first two (2) months of LBMP and in accordance with Section 14.2.2.2.1 of this Attachment thereafter. The NTAC shall apply to Transmission Service:

14.2.2.1.1 from one or more Interconnection Points between the NYCA and another Control Area to one or more Interconnection Points between the NYCA and another Control Area (“Wheels Through”);¹ or

14.2.2.1.2 from the NYCA to one or more Interconnection Points between the NYCA and another Control Area, including transmission to deliver Energy purchased from the LBMP Market and delivered to such a Control Area Interconnection (“Exports”);¹ or

14.2.2.1.3 to serve Load within the NYCA.

In summary the NTAC will be applied to all Energy Transactions, including internal New York State Loads and Wheels Through and Exports out of the NYCA at a uniform, non-discountable rate.

¹ The NTAC shall not apply to Wheels Through or Exports scheduled with the ISO to destinations within the New England Control Area provided that the conditions listed in Section 2.7.2.1.4 of this Tariff are satisfied.

14.2.2.2 NTAC Calculation

14.2.2.2.1 NTAC Formula

Beginning with January 2001, NYPA shall calculate the NTAC applicable to Transmission Service to serve New York State Load, Wheels Through and Exports as follows:

$$\text{NTAC} = \{(\text{ATRR} \div 12) - (\text{EA}) - (\text{IR} \div 12) - \text{SR} - \text{CRN} - \text{WR} - \text{ECR} - \text{NR} - \text{NT}\} / (\text{BU} \div 12)$$

Where:

ATRR = NYPA's Annual Transmission Revenue Requirement, which includes the Scheduling, System Control and Dispatch Costs of NYPA's control center, as determined in accordance with the Formula Rate Template provided in Section 14.2.2.4.1 of this Attachment, and as reflected on SCDL-Summary, line 12;

EA = Monthly Net Revenues from Modified Wheeling Agreements, Facility Agreements and Third Party TWAs, and Deliveries to directly connected Transmission Customers;

$$\text{SR} = \text{SR}_1 + \text{SR}_2$$

SR₁ will equal the revenues from the Direct Sale by NYPA of Original Residual TCCs, and Grandfathered TCCs associated with ETAs, the expenses for which are included in NYPA's Revenue Requirement where NYPA is the Primary Owner of said TCCs.

SR₂ will equal NYPA's revenues from the Centralized TCC Auction allocated pursuant to Attachment M; this includes revenues from: (a) TCCs associated with Residual Transmission Capacity that are sold in the Centralized TCC Auction; and (b) the sale of Grandfathered TCCs associated with ETAs, if the expenses for these ETAs are included in NYPA's Revenue Requirement.

Revenue from TCCs associated with Residual Transmission Capacity includes payments for Original Residual TCCs that the Transmission Providers sell through the Centralized TCC Auction and the allocation of revenue for other TCCs sold through the Centralized TCC Auction (per the Facility Flow-Based Methodology described in Attachment N).

SR₁ shall be updated prior to the start of each month based on actual data for the calendar month prior to the month in which the adjustment is made (i.e., January actual data will be used in February to calculate the NTAC effective in March). SR₁ for a month in which a Direct Sale is applicable shall equal the total nominal revenue that NYPA will receive under each applicable TCC sold in a Direct Sale divided by the duration of the TCC (in months).

SR₂ shall equal the Transmission Owner's share of Net Auction Revenue for all rounds of a Centralized TCC Auction, as calculated pursuant to Attachment N, divided equally among the months covered by the Centralized TCC Auction. SR₂ shall be adjusted after each Centralized TCC Auction, and the revised SR₂ shall be effective at the start of each Capability Period;

ECR = NYPA's share of Net Congestion Rents in a month, calculated pursuant to Attachment N. The computation of ECR is exclusive of any Congestion payments or Rents included in the CRN term;

CRN = Monthly Day-Ahead Congestion Rents in excess of those required to offset Congestion paid by NYPA's SENY governmental customers associated with the NYPA OATT Niagara/St. Lawrence Service reservations, net of the Initial Cost.

IR = A. The amount that NYPA will credit to its ATRR assessed to the SENY Load on account of the foregoing NYPA Niagara/St. Lawrence OATT reservations for SENY governmental customers. Such annual

revenues will be computed as the product (“Initial Cost”) of NYPA’s current OATT system rate of \$2.23 per kilowatt per month and the 600 MW of TCCs (or the amount of TCCs reduced by Paragraph C below). In the event NYPA sells these TCCs (or any part thereof), all revenues from these sales will offset the NTAC and the Initial Cost will be concomitantly reduced to reflect the net amount of Niagara/St. Lawrence OATT Reservations, if any, retained by NYPA for the SENY Load. The parties hereby agree that the revenue offset to NTAC will be the greater of the actual sale price obtained by NYPA for the TCCs sold or that computed at the applicable system rate in accordance with Paragraph B below;

- B. The system rate of \$2.23 per kilowatt per month will be benchmarked to the ATRR for NYPA transmission initially accepted by FERC (“Base Period ATRR”) for the purposes of computing the Initial Cost. Whenever an amendment to the ATRR is accepted by FERC or the ATRR is updated pursuant to the procedures set forth in Section 14.2.2.4.2 of this Attachment (“Amended ATRR”), the system rate for the purpose of computing the Initial Cost will be increased (or decreased) by the ratio of the Amended ATRR to the Base Period ATRR and the effect of Paragraph A on NTAC will be amended accordingly.
- C. If prior to the Centralized TCC Auction all Grandfathered Transmission Service including NYPA's 600 MW Niagara/St. Lawrence OATT reservations held on behalf of its SENY governmental customers are found not to be feasible, then such OATT reservations will be reduced

until feasibility is assured. A reduction, subject to a 200 MW cap on the total reduction as described in Attachment M, will be applied to the NYPA Niagara/St. Lawrence OATT reservations held on behalf of its SENY governmental customers.

WR = NYPA's revenues from external sales (Wheels Through and Exports) not associated with Existing Transmission Agreements in Attachment L, Tables 1 and 2 and Wheeling revenues from OATT reservations extending beyond the start-up of the ISO;

NR = NYPA Reserved1 + NYPA Reserved2

NYPA Reserved1 will equal NYPA's Congestion payments for a month received pursuant to Section 20.2.3 of Attachment N of this Tariff for NYPA's RCRR TCCs. NYPA Reserved2 will equal the value that NYPA receives for the sale of RCRR TCCs in a month, with the value for each RCRR TCC sold divided equally over the months remaining until the expiration of that RCRR TCC.

NT = The amount of actual NYPA transmission revenues minus NYPA's monthly revenue requirement.

BU = Annual Billing Units are New York State Loads and Loads associated with Wheels Through and Exports in megawatt-hours ("MWh").

The ATRR and SR will not include expenses for NYPA's purchase of TCCs or revenues from the sale of such purchased TCCs or from the collection of Congestion Rents for such TCCs.

The ECR, EA, CRN, WR, NR, and NT shall be updated prior to the start of each month based on actual data for the calendar month prior to the month in which the adjustment is made (i.e., January actual data will be used in February to calculate the NTAC effective in March).

The NTAC shall be calculated as a \$/MWh charge and shall be applied to Actual Energy Withdrawals, except for Wheels Through and Exports in which case the NTAC shall be applied to scheduled Energy quantities. The NTAC shall not apply to scheduled quantities that are Curtailed by the ISO.

14.2.2.2.2 Implementation of NTAC

At the start of LBMP implementation certain variables of the NTAC equation will not be available. For the first and second months of LBMP implementation, the only terms in the NTAC equation that will be known by NYPA are its historical Annual Transmission Revenue Requirement (ATRR) and the historical Billing Units (BU), which have been approved by or filed with FERC. For these two months NYPA shall calculate the NTAC using the following equation:

$$NTAC = \{(ATRR \div 12) - (EA) - (IR \div 12)\} / (BU \div 12)$$

SR₂ shall not be available until after the first Centralized TCC Auction. For the third month of LBMP implementation until the second month of the Capability Period corresponding to the first Centralized TCC Auction, NYPA shall recalculate the NTAC using the following equation:

$$NTAC = \{(ATRR \div 12) - (EA) - (IR \div 12) - WR - CRN - SR_1 - ECR\} / (BU \div 12)$$

Prior to and during implementation of LBMP those current NYPA transmission customers wishing to terminate their Third Party TWAs shall notify the ISO. The ISO shall duly inform NYPA of such conversion so that NYPA can calculate revenues (EA) to be derived from Existing Transmission Wheeling Agreements.

14.2.2.3 Filing and Posting of NTAC

NYPA shall coordinate with the ISO to update certain components of the NTAC formula on a monthly or Capability Period basis. NYPA may update the NTAC calculation to change the ATRR, initially approved by FERC, and such updates shall be submitted to FERC each year as part of NYPA's informational filing pursuant to Section 14.2.2.4.2.6 of this Attachment. An integral part of the agreement between the other Transmission Owners and NYPA is NYPA's consent to the submission of its ATRR for FERC review and approval on the same basis and subject to the same standards as the Revenue Requirements of the Investor-Owned Transmission Owners. Each January, beginning with January 2001, the ISO shall inform NYPA of the prior year's actual New York internal Load requirements and the actual Wheels Through and Exports and shall post this information on the OASIS. NYPA shall change the BU component of the NTAC formula to reflect the prior calendar year's information, with such change to take effect beginning with the March NTAC of the current year. NYPA will calculate the monthly NTAC and provide this information to the ISO by no later than the fourteenth day of each month, for posting on the OASIS to become effective on the first day of the next calendar month. Beginning with LBMP implementation, the monthly NTAC shall be posted on the OASIS by the ISO no later than the fifteenth day of each month or as soon thereafter as is reasonably possible but in no event later than the 20th of the month to become effective on the first day of the next calendar month.

14.2.2.4 NTAC Calculation Information

NYPA's Annual Transmission Revenue Requirement (ATRR), for facilities owned as of January 31, 1997, and Annual Billing Units (BU) of the NTAC are:

$$\text{ATRR} = \$165,449,297$$

BU = 133,386,541MWh

NYPA's Annual Transmission Revenue Requirement is subject to FERC review because it is collected through the ISO's jurisdictional rates, and will be filed with the Commission each year for informational purposes pursuant to Section 14.2.2.4.2.6 of this Attachment.

14.2.2.4.1 Formula Rate Template

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NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT

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Schedule C	ANNUAL DEPRECIATION AND AMORTIZATION EXPENSES
Schedule D	TRANSMISSION - RATE BASE CALCULATION
Schedule E	CAPITAL STRUCTURE AND COST OF CAPITAL AS OF DECEMBER 31, 2014
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Work Paper-17	MARCY-SOUTH CAPITALIZED LEASE AMORTIZATION AND UNAMORTIZED BALANCE
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SCDL-Summary

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

TRANSMISSION REVENUE REQUIREMENT SUMMARY		
Line No. A. OPERATING EXPENSES	TOTAL \$	SOURCE/COMMENTS
	(1)	(2)
1	-	Schedule A, Col 5, Ln 17
2	-	Schedule B, Col 5, Ln 22
3	-	Schedule C, Col 6, Ln 25
4	-	Sum lines 1, 2, & 3
5	-	Schedule D, Col 5, Ln 10
6	-	Schedule D, Col 7, Ln 10
7	-	Line 4 + Line 6
8	-	Schedule J, line 3, col. (j)
9	-	
10	-	Line 7 + line 8 + line 9
11	-	
12	-	Schedule H
12a	-	Schedule H
12b	-	Schedule H
12c	-	
...	-	
13	-	Sum lines 11

Note 1 The revenue requirements shown on lines 11 and 11a et seq. and annual revenue requirements. If the first year is a partial year, 1/12 of the amounts should be recovered for every month of the Rate Year.

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**SCHEDULE A
OPERATION & MAINTENANCE EXPENSE SUMMARY (\$)**

Line No.	FERC Account (1)	FERC Account Description (2)	Source (3)	Total (4)	Grand Total (5)
Transmission:					
OPERATION:					
1	560	Supervision & Engineering	WP-6a, Col (f)	-	
2	561	Load Dispatching	WP-6a, Col (f)	-	
3	562	Station Expenses	WP-6a, Col (f)	-	
4	566	Misc. Trans. Expenses	WP-6a, Col (f)	-	
5		Total Operation	(sum lines 1-4)	-	
MAINTENANCE:					
6	568	Supervision & Engineering	WP-6a, Col (f)	-	
7	569	Structures	WP-6a, Col (f)	-	
8	570	Station Equipment	WP-6a, Col (f)	-	
9	571	Overhead Lines	WP-6a, Col (f)	-	
10	572	Underground Lines	WP-6a, Col (f)	-	
11	573	Misc. Transm. Plant	WP-6a, Col (f)	-	
12		Total Maintenance	(sum lines 6-11)	-	
13		TOTAL O&M TRANSMISSION	(sum lines 5 & 12)		-
Adjustments (Note 2)					
14		Step-up Transformers	WP-19, line 5		-
15		FACTS (Note 1)	WP-20, line 5		-
16		Microwave Tower Rental Income	WP-27, line 14		-
17		TOTAL ADJUSTED O&M TRANSMISSION	(sum lines 13-16)		-

Note 1 Flexible Alternating Current Transmission System device

Note 2 Revenues that are credited in the the NTAC are not revenue credited here.

SCH-B

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**SCHEDULE B
ADMINISTRATIVE AND GENERAL EXPENSES**

FERC		Source	Unallocated A&G (\$)	Transmission Labor Ratio	Allocated to Transmission (\$)	Source/Comments
Line No.	Account					
(1)	(2)	(2)	(3)	(4)	(4)	(6)
Administrative & General Expenses						
1	920	A&G Salaries	WP-6a, Col (f)	-		
2	921	Office Supplies & Expenses	WP-6a, Col (f)	-		
3	922	Admin. Exp. Transferred-Cr	WP-6a, Col (f)	-		
4	923	Outside Services Employed	WP-6a, Col (f)	-		
5	924	Property Insurance	WP-6a, Col (f)	-	-	See WP-22; Ln 9
6	925	Injuries & Damages Insurance	WP-6a, Col (f)	-	-	See WP-23; Ln 7
7	926	Employee Pensions & Benefits	WP-6a, Col (f)	-		
8	928	Reg. Commission Expenses	WP-6a, Col (f)	-	-	See WP-26; Ln 1
9	930	Obsolete/Excess Inv	WP-6a, Col (f)	-		
10	930.1	General Advertising Expense	WP-6a, Col (f)	-		
11	930.2	Misc. General Expenses	WP-6a, Col (f)	-		
12	930.5	Research & Development	WP-6a, Col (f)	-		
13	931	Rents	WP-6a, Col (f)	-		
14	935	Maint of General Plant A/C 932	WP-6a, Col (f)	-		
15	TOTAL		(sum lines 1-14)	-		
16	Less A/C 924		Less line 5	-		
17	Less A/C 925		Less line 6	-		
18	Less EPRI Dues		Contained in line 12	-		
19	Less A/C 928		Less line 8	-		
20	PBOP Adjustment		WP-25	-		
21	TOTAL A&G Expense		(sum lines 15 to 20)	-	-	Allocated based on
22	NET A&G TRANSMISSION		(sum lines 1 to 21)		-	Allocator (Schedule F)

SCH-C

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**SCHEDULE C
ANNUAL DEPRECIATION AND AMORTIZATION EXPENSES (\$)**

Line No.	FERC Code	Equipment Type	Source	Transmission	General Plant	Transmission Labor Ratio (%)	General Plant Allocated to Transm. Col (3)*(4)	Total Annual Depreciation Col (2)+(5)
			(1)		(2)		(4)	(5)
1	352	Structures & Improvements	WP-10	-				
2	353	Station Equipment	WP-10	-				
3	354	Towers & Fixtures	WP-10	-				
4	355	Poles & Fixtures	WP-10	-				
5	356	Overhead Conductors & Devices	WP-10	-				
6	357	Underground Conduit	WP-10	-				
7	358	Underground Conductors & Devices	WP-10	-				
8	359	Roads & Trails	WP-10	-				
9	Unadjusted Transmission Depreciation			-				
10	390	Structures & Improvements	WP-10		-			
11	391	Office Furniture & Equipment	WP-10		-			
12	392	Transportation Equipment	WP-10		-			
13	393	Stores Equipment	WP-10		-			
14	394	Tools, Shop & Garage Equipment	WP-10		-			
15	395	Laboratory Equipment	WP-10		-			
16	396	Power Operated Equipment	WP-10		-			
17	397	Communication Equipment	WP-10		-			
18	398	Miscellaneous Equipment	WP-10		-			
19	399	Other Tangible Property	WP-10		-			
20	Unadjusted General Plant Depreciation				-			
Adjustments								
21		Capitalized Lease Amortization	WP-17, Col 4	-				
22		FACTS	WP-14, line 25	-				
23		Step-up Transformers	WP-12, Col D	-				
24		NIA/STL Relicensing Reclass	WP-13, Col A		-			
25		TOTAL	(Sum lines 1-24)	-	-	-	1/	-

1/ See Schedule F, Column (3), Line 2

SCH-D

NEW YORK POWER AUTHORITY
 TRANSMISSION REVENUE REQUIREMENT
 YEAR ENDING DECEMBER 31, _____

SCHEDULE D
 TRANSMISSION - RATE BASE CALCULATION

RATE BASE	TRANSMISSION	TOTAL	TRANSM.	GENER. PLANT	TOTAL	RATE OF	RETURN ON
	PLANT (\$)	GENERAL PLANT (\$)	LABOR RATIO [SCDL G]	ALLOCATED TO TRANSMISSION (\$)	TRANSMISSION (\$)	RETURN [SCHED. E]	RATE BASE (5)*(6)
	(1)	(2)	(3)	(2) * (3)	(1)+(4)	(6)	(7)
				(4)	(5)		
1 A) Net Electric Plant in Service	-	1/	- 2/	-	-	-	-
2 B) Rate Base Adjustments							
3 * Cash Working Capital (1/8 O&M)	-	3/					
4 * Marcy South Capitalized Lease	-	4/					
5 * Materials & Supplies	-	5/					
6 * Prepayments		-					
7 * CWIP	-	6/					
8 * Regulatory Asset	-	6/					
9 * Abandoned Plant	-	6/					
10 TOTAL (sum lines 1-9)	-	-	-	-	-	-	-

- 1/ Schedule G; Net Electric Plant in Service; Ln 15
- 2/ Schedule G; Net Electric Plant in Service; Ln 23
- 3/ 1/8 of (Schedule A; Col 5, Ln 17 + Schedule B; Col 5, Ln 22)
- 4/ WP-17; Average of Year-end Unamortized Balances, Col 5
- 5/ As per average of year-end inventory Materials & Supplies (WP-16).
- 6/ CWIP, Regulatory Asset and Abandoned Plant are zero until an amount is authorized by the Commission.

Docket Number Authorized Amount

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

SCHEDULE E
CAPITAL STRUCTURE AND COST OF CAPITAL

<u>Line No.</u>	<u>TITLE</u>	<u>CAPITALIZATION RATIO</u> from WP-9	<u>COST RATE</u> from WP-9	<u>WEIGHTED</u> <u>AVERAGE</u>	<u>SOURCE/COMMENTS</u>
		(1)	(2)	(3)	(4)
1	LONG TERM DEBT	-	-	-	Col (1) * Col (2)
2	<u>COMMON EQUITY</u>	-	8.85%	=	Col (1) * Col (2)
3	TOTAL CAPITALIZATION			-	Col (3); Ln (1) + Ln (2)

SCH-F

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**SCHEDULE F
LABOR RATIO**

Line No.	DESCRIPTION	LABOR AMOUNT (\$)	RATIO	ALLOCATED TO	COMMENTS
		From WP-7 (1)		TRANSMISSION (3)	
1	PRODUCTION	-	-		
2	TRANSMISSION	-	-	-	Col (1); Ln (2) / Ln (3)
3	TOTAL LABOR	-	-	-	

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____
SCHEDULE G
ADJUSTED PLANT IN SERVICE**

		20__	20__		20__ - 20__ Average			
Line No.	Acct	Plant in Service (\$) (1)	Accumulated Depreciation (\$) (2)	Plant in Service (\$) (3)	Accumulated Depreciation (\$) (4)	Plant in Service (\$) (5)	Accumulated Depreciation (\$) (6)	Net Plant in Service (\$) (7)
PRODUCTION								
1	Production - Land	-	-	-	-	-	-	-
2	Production - Hydro	-	-	-	-	-	-	-
3	Production - Gas Turbine / Combined Cycle	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-
TRANSMISSION								
5	Transmission - Land	-	-	-	-	-	-	-
6	Transmission	-	-	-	-	-	-	-
7	<u>Adjustments to Rate Base</u>	-	-	-	-	-	-	-
8	Transmission - Asset Impairment	-	-	-	-	-	-	-
9	Transmission - Cost of Removal	-	-	-	-	-	-	-
10	Windfarm	-	-	-	-	-	-	-
11	Generator Step-ups	-	-	-	-	-	-	-
12	FACTS	-	-	-	-	-	-	-
13	Excluded Transmission 1/	-	-	-	-	-	-	-
14	Total Adjustments	-	-	-	-	-	-	-
15	Net Adjusted Transmission	-	-	-	-	-	-	-
GENERAL								
16	General - Land	-	-	-	-	-	-	-
17	General	-	-	-	-	-	-	-
18	<u>Adjustments to Rate Base</u>	-	-	-	-	-	-	-
19	General - Asset Impairment	-	-	-	-	-	-	-
20	General - Cost of Removal	-	-	-	-	-	-	-
21	Relicensing	-	-	-	-	-	-	-
22	Excluded General 2/	-	-	-	-	-	-	-
22	Total Adjustments	-	-	-	-	-	-	-
23	Net Adjusted General Plant	-	-	-	-	-	-	-

Notes

- 1/ Excluded Transmission: Transmission FERC Accounts 350 and 352-359 for 500 MW, AEII, Poletti, SCPPs, Small Hydro, and Flynn.
 - 2/ Excluded General: Transmission FERC Accounts 389-399 for 500 MW, AEII, Poletti, SCPPs, Small Hydro, and Flynn.
- SCPPs include Brentwood, Gowanus, Harlem River, Hell Gate, Kent, Pouch and Vernon
Small Hydro includes Crescent, Jarvis and Vischer Ferry

Schedule H
Project Revenue Requirement Worksheet
NEW YORK POWER AUTHORITY
YEAR ENDING DECEMBER 31,

Line		Attachment O		
No.	Item	Page, Line, Col.	Transmission (\$)	Allocator
	(1)	(2)	(3)	(4)
1	Gross Transmission Plant-Total	Schedule G, line 15, col 5 (Note A)	-	
1a	Transmission Accumulated Depreciation	Schedule G, line 15, col 6	-	
1b	Transmission CWIP, Regulatory Asset and Abandoned Plant	Schedule D, lines 7, 8, & 9 (Note B)	-	
2	Net Transmission Plant - Total	Line 1 minus Line 1a plus Line 1b	-	
O&M TRANSMISSION EXPENSE				
3	Total O&M Allocated to Transmission	Schedule A, line 17, col 5 and Schedule B, line 22, Col 5		
GENERAL DEPRECIATION EXPENSE				
5	Total General Depreciation Expense	Schedule C line 25, col 5		
6	Annual Allocation Factor for Expenses	((line 3 + line 5) divided by line 1, col 3)	-	-
RETURN				
7	Return on Rate Base	Schedule D line 10, col 7		
8	Annual Allocation Factor for Return on Rate Base	(line 7 divided by line 2 col 3)	-	-

SCH-H

Schedule H
Project Revenue Requirement Worksheet
NEW YORK POWER AUTHORITY

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16)

Line No.	Project Name and #	Project Gross Plant	Annual Allocation Factor for Expenses	Annual Allocation for Expenses (\$)	Project Net Plant (\$)	Annual Allocation Factor for Return	Annual Return Charge (\$)	Project Depreciation/Amortization Expense (\$)	Annual Revenue Requirement (\$)	Incentive Return in Basis Points	Incentive Return (\$)	Total Annual Revenue Requirement (\$)	True-Up Adjustment (\$)	Net Revenue Requirement (\$)
		(Note C)	Page 1 line 4	Col. 3 * Col. 5	(Note D)	(Page 1, line 8)	(Col. 7 * Col. 8)	(Note E)	(Sum Col. 6, 9 & 10)	Per FERC order (Note H)	(Schedule I, Line 10 * (Col. 12/100) * Col. 7)	(Sum Col. 11 + 13)	(Note F)	Sum Col. 14 + 15
1s										40				
1	b													
1	d													
1	m													
	NTAC Facilities													
1t														
1k														
2	Total													

note
Letter

A Gross Transmission Plant that is included on Schedule G, line 15, col 5.
 B Inclusive of any CWIP, Unamortized Regulatory Asset or Unamortized Abandoned Plant balances included in rate base when authorized by FERC order.
 C Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in page 1, line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities. Gross plant does not include CWIP, Unamortized Regulatory Asset or Unamortized Abandoned Plant.
 D Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation in page 2, column 4. Net Plant includes any FERC approved CWIP, Unamortized Abandoned Plant and Regulatory Asset.
 E Project Depreciation Expense is the amount in Schedule C, line 25, col. 2 that is associated with the specified project. Project Depreciation Expense includes the amortization of Abandoned Plant and any FERC approved Regulatory Asset. However, if FERC grants accelerated depreciation for a project the depreciation rate authorized by FERC will be used instead of the rates shown on Schedule K for all other projects.
 F Reserved
 G The Total General and Common Depreciation Expense excludes any depreciation xpense directly associated with a project and thereby included in page 2 column 8.
 H Requires approval by FERC of incentive return applicable to the specified project(s)

SCH-I

Schedule I
Incentives
NEW YORK POWER AUTHORITY

YEAR ENDING DECEMBER 31, _____						\$
Line No.	Item	Reference				
1	Rate Base	Schedule D, line 10, Col. 5				
2	100 Basis Point Incentive Return					\$
						Weighted
				%	Cost	Cost
3	Long Term Debt	(Schedule E, line 1)		0.00%	-	-
			Cost = Schedule E, line 2, Cost plus			
4	Common Stock	(Schedule E, line 2)	.01	-	0.0985	-
5	Total (sum lines 3-4)					-
6	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 5)					-
7	Return	(Schedule D, line 10, Col. 7)				-
8	Incremental Return for 100 basis point increase in ROE				(Line 6 less line 7)	
9	Net Transmission Plant				(Schedule D, line 1, col. (1))	
10	Incremental Return for 100 basis point increase in ROE divided by Rate Base				(Line 8 / line 9)	

Notes:

A Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes as associated with a 100 basis point increase in ROE. Any actual incentive is calculated on Schedule H and must be approved by the Commission.

For example, if the Commission were to grant a 137 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 137 on Schedule H, col. 13.

SCH-J

Schedule J
Project True-Up
Incentives
YEAR ENDING DECEMBER 31, _____
(\$)

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Line No.	Project Name	NTAC ATRR or Project Number	Actual Revenues Received (Note 1)	Actual Net Revenue Requirement (Note 2)	True-Up Adjustment Principal Under/(Over)	Prior Period Adjustment	Applicable Interest Rate on Under/(Over)	True-Up Adjustment Interest Under/(Over)	Total True-Up Adjustment	
1a	NTAC Facilities	-	-	-	-	-	-	-	-	
1b		-	-	-	-	-	-	-	-	
1	c	-	-	-	-	-	-	-	-	
1d		-	-	-	-	-	-	-	-	
1	e	-	-	-	-	-	-	-	-	
...										
						(Note A)			(Col. (f) + Col. (g)) x	Col. (f) + Col. (g)
			Amount Actually Received	Schedule H Using Actual Cost						
			for Transmission Service	Data	Col. (e) - Col. (d)	Line 25, Col. (e)	Line 24	Col. (h) x 24 months	+ Col. (i)	
2 Subtotal										
-										
3 Under/(Over) Recovery										
-										

Notes:

- 1) For all projects and NTAC ATRR, the Actual Revenues Received are the actual revenues NYPA receives from the NYISO in that calendar year. If NYISO does not break out the revenues per project, the Actual Revenues Received will be allocated pro rata to each project based on their Actual Net Revenue Requirement in col (e).
- 2) Schedule H, Page 3 of 3, col (14).

FERC Refund Interest Rate

		Interest Rates under Section 35.19(a)	
Interest Rate (Note A):		Year	
4	January	-	-
5	February	-	-
6	March	-	-
7	April	-	-
8	May	-	-
9	June	-	-
10	July	-	-
11	August	-	-
12	September	-	-
13	October	-	-
14	November	-	-
15	December	-	-
16	January	-	-
17	February	-	-
18	March	-	-
19	April	-	-
20	May	-	-
21	June	-	-
22	July	-	-
23		-	-
24	Avg. Monthly FERC Rate	-	-

Prior Period Adjustments

	(a)	(b)	(c)	(d)	(e)
	Project or Schedule 1	Adjustment A Description of the Adjustment	Amount In Dollars	Interest (Note A)	Total Adjustment Col. (c) + Col. (d)
25	-	-	-	-	-
25a	-	-	-	-	-
25b	-	-	-	-	-
25c	-	-	-	-	-
...					-
..					-
26	Total	-	-	-	-

Notes: A Prior Period Adjustments are when an error is discovered relating to a prior true-up or refunds/surcharges ordered by FERC. The interest on the Prior Period Adjustment excludes interest for the current true up period, because the interest is included in Row 25 column (d)

SCH-K

Schedule K - Depreciation and Amortization Rates
NEW YORK POWER AUTHORITY

YEAR ENDING DECEMBER 31, _____

Line No.	Account Number	FERC Account	Rate (Annual) Percent							
			St. Lawrence/FDR	Niagara	Blenheim-Gilboa	J. A. FitzPatrick	Massena-Marcy	Marcy-South	Long Island Sound Cable	New Projects
	TRANSMISSION PLANT									
1	350	Land Rights								
2	352	Structures and Improvements	1.86%	1.73%	1.66%	4.17%	1.65%		3.33%	2.21%
3	353	Station Equipment	2.35%	2.34%	2.24%	3.87%	2.26%	2.27%	3.33%	2.56%
4	354	Towers and Fixtures	2.31%	2.20%	2.14%	4.67%	2.13%	2.15%		2.60%
5	355	Poles and Fixtures	2.64%	2.59%	2.59%		2.57%	2.62%		2.60%
6	356	Overhead Conductor and Devices	2.23%	2.23%	2.14%	4.02%	2.13%	2.16%		2.49%
7	357	Underground Conduit	1.44%					1.40%	3.33%	1.42%
8	358	Underground Conductor and Devices	2.34%					2.27%	3.33%	2.31%
9	359	Roads and Trails	1.57%	1.19%	1.21%	3.41%	0.98%	0.99%		1.56%
10	GENERAL PLANT									
11	390	Structures & Improvements	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%
12	391	Office Furniture & Equipment	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
13	392	Transportation Equipment	13.04%	13.04%	13.04%	13.04%	13.04%	13.04%	13.04%	13.04%
14	393	Stores Equipment	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%
15	394	Tools, Shop & Garage Equipment	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%
16	395	Laboratory Equipment	4.43%	4.43%	4.43%	4.43%	4.43%	4.43%	4.43%	4.43%
17	396	Power Operated Equipment	9.33%	9.33%	9.33%	9.33%	9.33%	9.33%	9.33%	9.33%
18	397	Communication Equipment	6.63%	6.63%	6.63%	6.63%	6.63%	6.63%	6.63%	6.63%
19	398	Miscellaneous Equipment	5.94%	5.94%	5.94%	5.94%	5.94%	5.94%	5.94%	5.94%
20		5 Year Property	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
21		10 Year Property	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
22		20 Year Property	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
23	INTANGIBLE PLANT									
24	303	Miscellaneous Intangible Plant								
25		5 Year Property	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
26		7 Year Property	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%
27		10 Year Property	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
28		Transmission facility Contributions in Aid of Construction	Note 1							

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 1-9 above and the weighted average depreciation rate will be used to amortize the CIAC. The life of a facility subject to a CIAC will be estimated life of the facility or rights associated with the facility and will not change over the life of a CIAC without subsequent FERC approval.

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

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____
WORK PAPER 1b
PLANT IN SERVICE DETAIL**

20__	20__
------	------

Depreciation Expense (\$)	Electric Plant InService (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	Depreciation Expense (\$)	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)
------------------------------	----------------------------------	----------------------------------	---------------------------------------	------------------------------	-----------------------------------	----------------------------------	---------------------------------------

P/T/G	Plant Name	A/C	Description
-------	------------	-----	-------------

Capital assets, not being depreciated:

Land

Transmission	BLENHEIM - GILBOA	350	Land & Land Rights
Transmission	J. A. FITZPATRICK	350	Land & Land Rights
Transmission	LONG ISLAND SOUND CABLE	350	Land & Land Rights
Transmission	MARCY-SOUTH	350	Land & Land Rights
Transmission	MASSENA - MARCY (Clark)	350	Land & Land Rights
Transmission	NIAGARA	350	Land & Land Rights
Transmission	St. LAWRENCE / FDR	350	Land & Land Rights
General	BLENHEIM - GILBOA	389	Land & Land Rights
General	HEADQUARTERS	389	Land & Land Rights
General	MASSENA - MARCY (Clark)	389	Land & Land Rights
General	NIAGARA	389	Land & Land Rights
General	St. LAWRENCE / FDR	389	Land & Land Rights
General	Jarvis	389	Land & Land Rights
General	POLETTI (Astoria)	389	Land & Land Rights
Transmission	Astoria 2 (AE-II) Substation	350	Land & Land Rights
Transmission	POLETTI (Astoria)	350	Land & Land Rights
Production	500mW C - C at Astoria	340	Land & Land Rights
Production	ASHOKAN / KENSICO	330	Land & Land Rights
Production	BLENHEIM - GILBOA	330	Land & Land Rights
Production	BRENTWOOD (Long Island)	340	Land & Land Rights
Production	Crescent	330	Land & Land Rights
Production	FLYNN (Holtsville)	340	Land & Land Rights
Production	GOWANUS (Brooklyn)	340	Land & Land Rights
Production	HARLEM RIVER YARDS (Bronx)	340	Land & Land Rights
Production	HELLGATE (Bronx)	340	Land & Land Rights
Production	Jarvis	330	Land & Land Rights
Production	Kensico	330	Land & Land Rights
Production	KENT (Brooklyn)	340	Land & Land Rights
Production	NIAGARA	330	Land & Land Rights
Production	POLETTI (Astoria)	310	Land & Land Rights
Production	POUCH TERMINAL (Richmond)	340	Land & Land Rights
Production	St. LAWRENCE / FDR	330	Land & Land Rights
Production	VERNON BOULEVARD (Queens)	340	Land & Land Rights
Production	Vischer Ferry	330	Land & Land Rights
Land Total			-

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____
WORK PAPER 1b
PLANT IN SERVICE DETAIL**

20__	20__
------	------

P/T/G	Plant Name	A/C	Description	Depreciation Expense (\$)	Electric Plant In Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	Depreciation Expense (\$)	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)
Transmission	KENT (Brooklyn)		353 Station Equip - Transmission								
Transmission	POLETTI (Astoria)		352 Structures & Improvements								
Transmission	POLETTI (Astoria)		353 Station Equipment								
Transmission	POLETTI (Astoria)		357 Underground Conduit								
Transmission	POLETTI (Astoria)		358 Underground Conductors & Devices								
Transmission	POUCH TERMINAL (Richmond)		353 Station Equip - Transmission								
Transmission	VERNON BOULEVARD (Queens)		353 Station Equip - Transmission								
Transmission	Vischer Ferry		353 Station Equip - Transmission								
	Adjustments		Impairment (Trans)								
	Adjustments		Cost of Removal Deprec to Reg Assets (Trans)								

Transmission Total

General		
General	BLLENHEIM - GILBOA	390 Structures & Improvements
General	BLLENHEIM - GILBOA	391 Office Furniture & Equipment
General	BLLENHEIM - GILBOA	392 Transportation Equipment
General	BLLENHEIM - GILBOA	393 Stores Equipment
General	BLLENHEIM - GILBOA	394 Tools, Shop & Garage Equipment
General	BLLENHEIM - GILBOA	395 Laboratory Equipment
General	BLLENHEIM - GILBOA	396 Power Operated Equipment
General	BLLENHEIM - GILBOA	397 Communication Equipment
General	BLLENHEIM - GILBOA	398 Miscellaneous Equipment
General	BLLENHEIM - GILBOA	399 Other Tangible Property
General	HEADQUARTERS	390 Structures & Improvements
General	HEADQUARTERS	391 Office Furniture & Equipment
General	HEADQUARTERS	392 Transportation Equipment
General	HEADQUARTERS	394 Tools, Shop & Garage Equipment
General	HEADQUARTERS	395 Laboratory Equipment
General	HEADQUARTERS	397 Communication Equipment
General	HEADQUARTERS	398 Miscellaneous Equipment
General	LONG ISLAND SOUND CABLE	397 Communication Equipment
General	MARCY-SOUTH	390 Structures & Improvements
General	MARCY-SOUTH	396 Power Operated Equipment
General	MARCY-SOUTH	397 Communication Equipment
General	MASSENA - MARCY (Clark)	390 Structures & Improvements
General	MASSENA - MARCY (Clark)	391 Office Furniture & Equipment
General	MASSENA - MARCY (Clark)	392 Transportation Equipment
General	MASSENA - MARCY (Clark)	393 Stores Equipment
General	MASSENA - MARCY (Clark)	394 Tools, Shop & Garage Equipment
General	MASSENA - MARCY (Clark)	395 Laboratory Equipment

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT

YEAR ENDING DECEMBER 31, _____

WORK PAPER 2
2013-2014 EXCLUDED PLANT IN SERVICE

	20__			20__			
	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	Depreciation Expense (\$)	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)
EXCLUDED TRANSMISSION							
353 Station Equip - Transmission (500MW)	-	-	-	-	-	-	-
350 Land & Land Rights	-	-	-	-	-	-	-
352 Structures & Improvements	-	-	-	-	-	-	-
353 Station Equipment	-	-	-	-	-	-	-
354 Towers & Fixtures	-	-	-	-	-	-	-
355 Poles & Fixtures	-	-	-	-	-	-	-
356 Overhead Conductors & Devices	-	-	-	-	-	-	-
357 Underground Conduit	-	-	-	-	-	-	-
358 Underground Conductors & Devices	-	-	-	-	-	-	-
359 Roads & Trails	-	-	-	-	-	-	-
SUBTOTAL Astoria 2 (AE-II) Substation	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
SUBTOTAL Small Hydro	-	-	-	-	-	-	-
353 Station Equip - Transmission (Flynn)	-	-	-	-	-	-	-
350 Land & Land Rights	-	-	-	-	-	-	-
352 Structures & Improvements	-	-	-	-	-	-	-
353 Station Equipment	-	-	-	-	-	-	-
357 Underground Conduit	-	-	-	-	-	-	-
358 Underground Conductors & Devices	-	-	-	-	-	-	-
SUBTOTAL Poletti	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
353 Station Equip - Transmission	-	-	-	-	-	-	-
SUBTOTAL SCPP	-	-	-	-	-	-	-
TOTAL EXCLUDED TRANSMISSION	-	-	-	-	-	-	-

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

WORK PAPER 2
2013-2014 EXCLUDED PLANT IN SERVICE

	20__			20__			
	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	Depreciation Expense (\$)	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)
398 Miscellaneous Equipment	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-
398 Miscellaneous Equipment	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-
398 Miscellaneous Equipment	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-
398 Miscellaneous Equipment	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-
398 Miscellaneous Equipment	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-
398 Miscellaneous Equipment	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-
398 Miscellaneous Equipment	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-
398 Miscellaneous Equipment	-	-	-	-	-	-	-
SUBTOTAL SCPP	-	-	-	-	-	-	-
TOTAL EXCLUDED GENERAL	-	-	-	-	-	-	-

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31,**

**WORK PAPER 3
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(\$ Thousands)**

Description	Actual 20 (b)	Actual 20 (c)
(a)		
Operating Revenues		
Power Sales		
Transmission Charges		
Wheeling Charges		
Total Operating Revenues	-	-
Operating Expenses		
Purchased Power		
Fuel Oil and Gas		
Wheeling Operations		
Maintenance		
Depreciation		
Total Operating Expenses	-	-
Operating Income	-	-
Nonoperating Revenues		
Investment Income		
Other		
Investments and Other Income	-	-
Nonoperating Expenses		
Contribution to New York State		
Interest on Long-Term Debt		
Interest - Other		
Interest Capitalized		
Amortization of Debt Premium		
Investments and Other Income	-	-
Net Income Before Contributed Capital	-	-
Contributed Capital - Wind Farm Transmission Assets	-	-
Change in net position	-	-
Net position at January 1		
Net position at December 31	-	-

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT**

YEAR ENDING DECEMBER 31, _____

**WORK PAPER 4
STATEMENT OF NET POSITION (\$ Thousands)**

DESCRIPTION	20__	20__
Assets and Deferred Outflows		
Current Assets:		
Cash and cash equivalents		
Investment in securities		
Receivables - customers		
Materials and supplies, at average Cost:		
Plant and general		
Fuel		
Miscellaneous receivables and other		
Total current assets	-	-
Noncurrent Assets:		
Restricted funds:		
Cash and cash equivalents		
Investment in securities		
Total restricted assets	-	-
Capital funds:		
Cash and cash equivalents		
Investment in securities		
Total capital funds	-	-
Capital Assets:		
Capital assets not being depreciated		
Capital assets, net of accumulated depreciation		
Total capital assets	-	-
Other noncurrent assets:		
Receivable - New York State		
Notes receivable - nuclear plant sale		
Other long-term assets		
Total other noncurrent assets	-	-
Total noncurrent assets	-	-
Total assets	-	-
Deferred outflows:		
Accumulated decrease in fair value of hedging derivatives		
Total assets and deferred outflows		

1/ Source: Annual Financial Statements

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT**

YEAR ENDING DECEMBER 31, _____

**WORK PAPER 4
STATEMENT OF NET POSITION (\$ Thousands)**

DESCRIPTION	20__	20__
Liabilities, Deferred Inflows and Net Position		
Current Liabilities:		
Accounts payable and accrued liabilities Short-term debt		
Long-term debt due within one year		
Capital lease obligation due within one year		
Risk management activities - derivatives		
Total current liabilities	-	-
Noncurrent liabilities: Long-term debt:		
Senior:		
Revenue bonds		
Adjustable rate tender notes		
Subordinated:		
Subordinated Notes, Series 2012		
Commercial paper		
Total long-term debt	-	-
Other noncurrent liabilities:		
Capital lease obligation		
Liability to decommission divested nuclear facilities		
Disposal of spent nuclear fuel		
Relicensing		
Risk management activities – derivatives		
Other long-term liabilities		
Total other noncurrent liabilities	-	-
Total noncurrent liabilities	-	-
Total liabilities	-	-
Deferred inflows:		
Cost of removal obligation		
Net position:		
Net investment in capital assets		
Restricted		
Unrestricted		
Total net position	-	-
Total liabilities, deferred inflows and net position	-	-

1/ Source: Actual Financial Statements-

WP-5

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**WORK PAPER 5
CAPITAL ASSETS - Note 5 (\$ Millions)**

New York Power Authority
Capital Assets - Note 5
2014 Annual Report

	12/31/20__			12/31/20__
	Ending Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land				-
Construction in progress				-
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Production – Hydro				-
Production – Gas turbine/combined cycle				-
Transmission General				-
Total capital				-
		Assets being depreciated		-
Less accumulated depreciation for:				
Production – Hydro				-
Production – Gas turbine/combined cycle				-
Transmission General				-
Total accumulated depreciation	-	-	-	-
Net value of capital assets, being depreciated	-	-	-	-
Net value of all capital assets	-	-	-	-

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT

YEAR ENDING DECEMBER 31,

WORK PAPER 6a
Operation and Maintenance Summary

(a) (b) (c) (d) (e) (f) (g)

Amount (\$)	PRODUCTION	TRANSMISSION	ADMIN & GENERAL	OVERALL RESULT	Major Category
1 555 - OPSE-Purchased Power	-	-	-	-	-
2 501 - Steam Product-Fuel	-	-	-	-	-
3 565 Trans-Xmsn Elect Oth	-	-	-	-	-
4 506 - SP-Misc Steam Power	-	-	-	-	-
5 535 - HP-Oper Supvr&Engrg	-	-	-	-	-
6 537 - HP-Hydraulic Expense	-	-	-	-	-
7 538 - HP-Electric Expenses	-	-	-	-	-
8 539 - HP-Misc Hyd Pwr Gen	-	-	-	-	-
9 546 - OP-Oper Supvr&Engrg	-	-	-	-	-
10 548 - OP-Generation Expens	-	-	-	-	-
11 549 - OP-Misc Oth Pwr Gen	-	-	-	-	-
12 560 - Trans-Oper Supvr&Eng	-	-	-	-	-
13 561 - Trans-Load Dispatcng	-	-	-	-	-
14 562 - Trans-Station Expens	-	-	-	-	-
15 566 Trans-Misc Xmsn Exp	-	-	-	-	-
16 905 Misc. Customer Accts. Exps	-	-	-	-	-
17 916 Misc. Sales Expense	-	-	-	-	-
18 920 Misc. Admin & Gen'l Salaries	-	-	-	-	-
19 921 Misc. Office Supp & Exps	-	-	-	-	-
20 922 Administrative Expenses Transferred	-	-	-	-	-
21 923 Outside Services Employed	-	-	-	-	-
22 924 A&G-Property Insurance	-	-	-	-	-
23 925 A&G-Injuries & Damages Insurance	-	-	-	-	-
24 926 A&G-Employee Pension & Benefits	-	-	-	-	-
25 926 A&G-Employee Pension & Benefits(PBOP)	-	-	-	-	-
26 928 A&G-Regulatory Commission Expense	-	-	-	-	-
27 930 Obsolete/Excess Inv	-	-	-	-	-
28 930.1- A&G-General Advertising Expense	-	-	-	-	-
29 930.2- A&G-Miscellaneous & General Expense	-	-	-	-	-
30 930.5- R & D Expense	-	-	-	-	-
31 931 - Rents	-	-	-	-	Operations
32 935 - A&G-Maintenance of General Plant	-	-	-	-	-
33 545 - HP-Maint Misc Hyd Pl	-	-	-	-	-
34 512 SP-Maint Boiler Plt	-	-	-	-	-
35 552 - OP-Maint of Struct	-	-	-	-	-
36 553 OP-Maint Gen & Elect	-	-	-	-	-
37 554 OP-Maint Oth Pwr Prd	-	-	-	-	-
38 568 - Trans-Maint Sup & En	-	-	-	-	-
39 569 - Trans-Maint Struct	-	-	-	-	-
40 570 - Trans-Maint St Equip	-	-	-	-	-
41 571 - Trans-Maint Ovhd Lns	-	-	-	-	-
42 572 - Trans-Maint Ungrd Ln	-	-	-	-	-
43 573 - Trans-Maint Misc Xmn	-	-	-	-	-
44 403 - Depreciation Expense	-	-	-	-	-
45 Contribution to New York State	-	-	-	-	-
46	-	-	-	-	-
47	-	-	-	-	-
48	-	-	-	-	-
49	-	-	-	-	-
50	-	-	-	-	-
51	-	-	-	-	-
52 TOTALS	-	-	-	-	-

FERC by accounts and profit center

FERC G/L Accounts	0100/210	0100/215	0100/220	0100/225	0100/230	0100/235	0100/240	0100/245	0100/255	0100/305	0100/310	0100/320	0100/321	0100/410	0100/600	Overall Result	
	JAF Trans	IP3/Pol Trans	Marcy/Clark Trans	Marcy South Trans	Niagara Trans	Sound Cable	ST Law Trans	765 KV Trans	HTP Trans	DSM	Headquarters	Power for Jobs	Recharge NY	JAF	SENY		
NYP49030401	- Depreciation Expense																-
NYP49030501	- Steam Product/Fuel																-
NYP49030502	- SP-Misc Steam Power																-
NYP49030510	- SP-Maint Boiler Ppl																-
NYP49030514	- SP-Maint Misc Sm Pl																-
NYP49030530	- HP-Oper Supv&Engrg																-
NYP49030531	- HP-Hydraulic Expenses																-
NYP49030532	- HP-Electric Expenses																-
NYP49030533	- HP-Misc Hyd Pwr Gen																-
NYP49030541	- HP-Maint Supv&Engrg																-
NYP49030542	- HP-Maint of Struct																-
NYP49030543	- HP-Maint Res Dam&Wtr																-
NYP49030544	- HP-Maint Elect Plant																-
NYP49030545	- HP-Maint Misc Hyd Pl																-
NYP49030546	- OP-Oper Supv&Engrg																-
NYP49030548	- OP-Generation Expens																-
NYP49030549	- OP-Misc Oth Pwr Gen																-
NYP49030551	- OP-Maint Supv & Eng																-
NYP49030552	- OP-Maint of Struct																-
NYP49030553	- OP-Maint Gen & Elect																-
NYP49030554	- OP-Maint Oth Pwr Prd																-
NYP49030555	- OPSE-Purchased Power																-
NYP49030560	- Trans-Oper Supv&Eng																-
NYP49030561	- Trans-Load Dispatcng																-
NYP49030562	- Trans-Station Expens																-
NYP49030565	- Trans-Xmsn Elect Oth																-
NYP49030566	- Trans-Misc Xmsn Exp																-
NYP49030568	- Trans-Maint Sup & En																-
NYP49030569	- Trans-Maint Struct																-
NYP49030570	- Trans-Maint St Equip																-
NYP49030571	- Trans-Maint Ovhd Lns																-
NYP49030572	- Trans-Maint Ungrd Ln																-
NYP49030573	- Trans-Maint Misc Xmn																-
	905 - Misc. Customer Accis. Exps																-
	916 - Misc. Sales Expense																-
	920 - Misc. Admin & Gen'l Salaries																-
	921 - Misc. Office Supp & Exps																-
NYP490300922	- Administrative Expenses Transferred																-
	923 - Outside Services Employed																-
NYP490300924	- A&G-Property Insurance																-
	925 - A&G-Injuries & Damages Insurance																-
NYP490300926	- A&G-Employee Pension & Benefits(PBG																-
	926 - A&G-Employee Pension & Benefits																-
NYP490300928	- A&G-Regulatory Commission Expense																-
NYP490300930	- Obsolete/Excess Inv																-
	931 - Rents																-
NYP490300935	& D Expense																-
	930.1-A&G-General Advertising Expense																-
	NYP4993020930.2-A&G-Miscellaneous																-
NYP490300936	- A&G-Maintenance of General Plant																-
NYP49 56900																	-
	Contribution to New York State										(90,000,000)						(90,000,000)

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**WORK PAPER 7
CALCULATION OF LABOR RATIO**

Cost Center	Site	Labor Actual Postings \$	Implied Ratio
105	Blenheim-Gilboa		-
110	St. Lawrence		-
115	Niagara		-
120	Poletti		-
125	Flynn		-
122	AE II		-
130-1 50	Total Small Hydro		-
155-1 61	Total Small Clean Power Plants		-
165	500MW Combined Cycle		-
205-245	Total Included Transmission		-
321	Recharge New York		-
600	SENY		-
	Total - Production + Transmission	-	-
	Total - Production Only	-	-

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31,**

**WORK PAPER 8
CAPITAL STRUCTURE
LONG-TERM DEBT AND RELATED INTEREST**

	2014 Amount (\$)	2013 Amount (\$)
Income Statement Interest		
Interest LTD (including Swaps, Deferred Refinancing) Debt Discount/Premium	-	-
Total LTD Interest	-	-
Balance Sheet Capital Structure		
Long Term Debt	-	-
Long Term Debt due within 1 year	-	-
Total Debt	-	-
Net Asset Value	-	-

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT**

YEAR ENDING DECEMBER 31, _____

**WORK PAPER 9
WEIGHTED COST OF CAPITAL**

	Component	Amount (\$)	Share	Capped Share	Cost Rate	Weighted Cost
1	Long-Term Debt		-	40%	- 2/	-
2	Preferred Stock		-	-	- 3/	-
3	Common Equity	1/	-	60% 4/	8.85%	0.05
4	Total	-	-	100.0%		0.05

Notes

- 1/:
- | | | | |
|---|---------------------------|---|-------------|
| 5 | Total Proprietary Capital | | Workpaper 8 |
| 6 | less Preferred | | Workpaper 8 |
| 7 | less Acct. 216.1 | | Workpaper 8 |
| 8 | Common Equity | - | |
- 2/:
- | | | | |
|----|-------------------------|---|-------------|
| 9 | Long Term Interest Paid | | Workpaper 8 |
| 10 | Long Term Debt | | Workpaper 8 |
| 11 | LTD Cost Rate | - | |
- 3/:
- | | | | |
|----|----------------------------|---|-------------|
| 12 | Preferred Dividends | - | Workpaper 8 |
| 13 | Preferred Stock | - | Workpaper 8 |
| 14 | Preferred Cost Rate | - | |
- 15 4/ Common equity is only capped at 60% when actual common equity share exceeds 60%.

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**WORK PAPER 10
DEPRECIATION AND AMORTIZATION EXPENSES (BY FERC ACCOUNT)
Included General & Transmission Plant – Depreciation 2014**

Site	FERC Acct #	Item	Depreciation (\$)
Included General Plant			
BLENHEIM - GILBOA	390	Structures & Improvements	
HEADQUARTERS	390	Structures & Improvements	
MARCY-SOUTH	390	Structures & Improvements	
MASSENA - MARCY (Clark)	390	Structures & Improvements	
NIAGARA	390	Structures & Improvements	
St. LAWRENCE / FDR	390	Structures & Improvements	
	390	Subtotal General - Structures & Improvements	-
BLENHEIM - GILBOA	391	Office Furniture & Equipment	
HEADQUARTERS	391	Office Furniture & Equipment	
MASSENA - MARCY (Clark)	391	Office Furniture & Equipment	
NIAGARA	391	Office Furniture & Equipment	
St. LAWRENCE / FDR	391	Office Furniture & Equipment	
	391	Subtotal General - Office Furniture & Equipment	-
BLENHEIM - GILBOA	392	Transportation Equipment	
HEADQUARTERS	392	Transportation Equipment	
MASSENA - MARCY (Clark)	392	Transportation Equipment	
NIAGARA	392	Transportation Equipment	
St. LAWRENCE / FDR	392	Transportation Equipment	
	392	Subtotal General - Transportation Equipment	-
BLENHEIM - GILBOA	393	Stores Equipment	
MASSENA - MARCY (Clark)	393	Stores Equipment	
NIAGARA	393	Stores Equipment	
St. LAWRENCE / FDR	393	Stores Equipment	
	393	Subtotal General - Stores Equipment	-
BLENHEIM - GILBOA	394	Tools, Shop & Garage Equipment	
HEADQUARTERS	394	Tools, Shop & Garage Equipment	
MASSENA - MARCY (Clark)	394	Tools, Shop & Garage Equipment	
NIAGARA	394	Tools, Shop & Garage Equipment	
St. LAWRENCE / FDR	394	Tools, Shop & Garage Equipment	
	394	Subtotal General - Tools, Shop & Garage Equipment	-
BLENHEIM - GILBOA	395	Laboratory Equipment	
HEADQUARTERS	395	Laboratory Equipment	
MASSENA - MARCY (Clark)	395	Laboratory Equipment	
NIAGARA	395	Laboratory Equipment	
St. LAWRENCE / FDR	395	Laboratory Equipment	
	395	Subtotal General - Laboratory Equipment	-
BLENHEIM - GILBOA	396	Power Operated Equipment	
MARCY-SOUTH	396	Power Operated Equipment	
MASSENA - MARCY (Clark)	396	Power Operated Equipment	
NIAGARA	396	Power Operated Equipment	
St. LAWRENCE / FDR	396	Power Operated Equipment	
	396	Subtotal General - Power Operated Equipment	-
BLENHEIM - GILBOA	397	Communication Equipment	
HEADQUARTERS	397	Communication Equipment	
LONG ISLAND SOUND CABLE	397	Communication Equipment	
MARCY-SOUTH	397	Communication Equipment	
MASSENA - MARCY (Clark)	397	Communication Equipment	
NIAGARA	397	Communication Equipment	
St. LAWRENCE / FDR	397	Communication Equipment	
	397	Subtotal General - Communication Equipment	-
BLENHEIM - GILBOA	398	Miscellaneous Equipment	
HEADQUARTERS	398	Miscellaneous Equipment	
MASSENA - MARCY (Clark)	398	Miscellaneous Equipment	
NIAGARA	398	Miscellaneous Equipment	
St. LAWRENCE / FDR	398	Miscellaneous Equipment	
	398	Subtotal General - Miscellaneous Equipment	-
BLENHEIM - GILBOA	399	Other Tangible Property	
NIAGARA	399	Other Tangible Property	
St. LAWRENCE / FDR	399	Other Tangible Property	
	399	Subtotal General - Other Tangible Property	-
Total Included General Plant			-

Site	FERC Acct #	Item	Depreciation (\$)
Included Transmission Plant			
BLENHEIM - GILBOA	352	Structures & Improvements	
J. A. FITZPATRICK	352	Structures & Improvements	
LONG ISLAND SOUND CABLE	352	Structures & Improvements	
MARCY-SOUTH	352	Structures & Improvements	
MASSENA - MARCY (Clark)	352	Structures & Improvements	
NIAGARA	352	Structures & Improvements	
St. LAWRENCE / FDR	352	Structures & Improvements	
	352	Subtotal Transmission - Structures & Improvements	-
BLENHEIM - GILBOA	353	Station Equipment	
J. A. FITZPATRICK	353	Station Equipment	
LONG ISLAND SOUND CABLE	353	Station Equipment	
MARCY-SOUTH	353	Station Equipment	
MASSENA - MARCY (Clark)	353	Station Equipment	
MASSENA - MARCY (Clark)	353	Station Equipment - Windfarm Assets acq. 12-1-11	
NIAGARA	353	Station Equipment	
St. LAWRENCE / FDR	353	Station Equipment	
	353	Subtotal Transmission - Station Equipment	-
BLENHEIM - GILBOA	354	Towers & Fixtures	
J. A. FITZPATRICK	354	Towers & Fixtures	
MARCY-SOUTH	354	Towers & Fixtures	
MASSENA - MARCY (Clark)	354	Towers & Fixtures	
NIAGARA	354	Towers & Fixtures	
St. LAWRENCE / FDR	354	Towers & Fixtures	
	354	Subtotal Transmission - Towers & Fixtures	-
BLENHEIM - GILBOA	355	Poles & Fixtures	
MARCY-SOUTH	355	Poles & Fixtures	
MASSENA - MARCY (Clark)	355	Poles & Fixtures	
NIAGARA	355	Poles & Fixtures	
St. LAWRENCE / FDR	355	Poles & Fixtures	
	355	Subtotal Transmission - Poles & Fixtures	-
BLENHEIM - GILBOA	356	Overhead Conductors & Devices	
J. A. FITZPATRICK	356	Overhead Conductors & Devices	
MARCY-SOUTH	356	Overhead Conductors & Devices	
MASSENA - MARCY (Clark)	356	Overhead Conductors & Devices	
NIAGARA	356	Overhead Conductors & Devices	
St. LAWRENCE / FDR	356	Overhead Conductors & Devices	
	356	Subtotal Transmission - Overhead Conductors & Devices	-
LONG ISLAND SOUND CABLE	357	Underground Conduit	
MARCY-SOUTH	357	Underground Conduit	
St. LAWRENCE / FDR	357	Underground Conduit	
	357	Subtotal Transmission - Underground Conduit	-
LONG ISLAND SOUND CABLE	358	Underground Conductors & Devices	
MARCY-SOUTH	358	Underground Conductors & Devices	
St. LAWRENCE / FDR	358	Underground Conductors & Devices	
	358	Subtotal Transmission - Underground Conductors & Devices	-
BLENHEIM - GILBOA	359	Roads & Trails	
J. A. FITZPATRICK	359	Roads & Trails	
MARCY-SOUTH	359	Roads & Trails	
MASSENA - MARCY (Clark)	359	Roads & Trails	
NIAGARA	359	Roads & Trails	
St. LAWRENCE / FDR	359	Roads & Trails	
	359	Subtotal Transmission - Roads & Trails	-
Total Included Transmission Plant			-

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

WORK PAPER 11

ASSET IMPAIRMENT DEPRECIATION RECONCILIATION

Posting Date	Cost Center	Account	Impairment Amount (\$)	Facility

-

Total Impairment - Production -
Total Impairment - Transmission -
Total Impairment - General Plant -

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

WORK PAPER 14
FACTS PROJECT PLANT IN SERVICE AND ACCUMULATED DEPRECIATION

LN	Cap.Date	Asset Description	20__		20__				
			Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24		Total Plant	=====	=====	=====	=====	=====	=====	=====
25		Year-Over-Year Accumulated Depreciation							

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT**

YEAR ENDING DECEMBER 31,

**WORK PAPER 16
MATERIALS AND SUPPLIES**

NYPA Acct #	Facility	Total M&S Inventory (\$) 12/31/20__	Total M&S Inventory (\$) 12/31/20__	Avg. M&S Inventory	Allocator	Allocated M&S (\$) 12/31/20__
Total	-	-	-	-	-	-

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

WORK PAPER 17
MARCY-SOUTH CAPITALIZED LEASE AMORTIZATION
AND UNAMORTIZED BALANCE

Year (1)	Beginning Unamortized Lease Asset/ Obligation (\$) (2)	Ending Unamortized Lease/Asset (\$) (3)	Capitalized Lease Amortization (\$) (4)	Average Unamortized Balance (5)
1988				
1989				
1990				
1991				
1992				
1993				
1994				
1995				
1996				
1997				
1998				
1999				
2000				
2001				
2002				
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				-
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
Total		-	-	

WP-18

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31,

WORK PAPER 18
ESTIMATED PREPAYMENTS AND INSURANCE

<u>Date</u>	<u>Property Insurance (\$)</u>	<u>Other Prepayments (\$)</u>
	-	
	-	
	-	-
Beg/End of Year Average		

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31,**

**WORK PAPER 19
STEP-UP TRANSFORMERS O&M ALLOCATOR**

<u>Line No.</u>	<u>Amount (\$)</u>	<u>Ratio</u>	<u>Notes</u>
	(1)	(2)	
1	Avg. Transmission Plant in Service		Sch G; Col 5, Sum Ln 5,6,8 and 9
	Generator Step-Up Transformer Plant-in-		
2	Service		
3	Ratio	-	Col 1, Ln 2 / Col 1, Ln 1
4	Transmission Maintenance		Sch A; Col 4, Ln 12
5	Removed Step-up Transmission O&M	-	

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT

YEAR ENDING DECEMBER 31, _____

WORK PAPER 20
FACTS O&M ALLOCATOR

Line No.		Amount (\$)		Ratio	Notes
		(1)	(2)		
1	Avg. Transmission Plant in Service				Sch G; Col 5, Sum Ln 5,6,8 and 9
2	FACTS Plant-in-Service				
3	Ratio			-	Col 1, Ln 2 / Col 1,
4	Transmission Maintenance				Sch A: Col 4, Ln 12
5	Reclassified FACTS Transmission Plant		-		Subtract Col 1, Ln 4 * Col 2, Ln 3

NEW YORK POWER AUTHORITY
 TRANSMISSION REVENUE REQUIREMENT
 YEAR ENDING DECEMBER 31, _____

WORK PAPER 21
 PROPERTY INSURANCE ALLOCATOR

	<u>20</u>	<u>Amount (\$)</u>	<u>20</u>	<u>Amount (\$)</u>	<u>Average</u>	<u>Gross Plant in</u> <u>Service Ratio</u>
	(1)		(2)		(3)	(4)
A) PRODUCTION					-	-
B) TRANSMISSION (353 Station Equip.)					-	-
TOTAL		-		-	-	-

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**WORK PAPER 22
PROPERTY INSURANCE ALLOCATION**

Line No.	Site	Amount (\$) (1)	Ratio (2)	Allocated Insurance Expense - Transmission (\$) (3)	Notes (4)
-					
1					
2					
3					
4					
5	Subtotal (Gross Trans. Plant Ratio)	-	-	-	
6					
7					
8	Subtotal (Full Transmission)	-	-	-	
9	Grand Total			-	

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____**

**WORK PAPER 23
INJURIES & DAMAGES INSURANCE EXPENSE ALLOCATION**

Line No.	Site	Amount (\$) (1)	Ratio (%) (2)	Allocated Injury/Damage Insurance Expense - <u>Transmission (\$)</u> (3)	Notes (4)
-					
1					
2					
3					
4					
5	Subtotal	-	-	-	
6			-	-	
7	Grand Total			-	

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

WORK PAPER 24
COST OF REMOVAL

Cost of Removal to Regulatory Assets - Depreciation:

	20____ Amount (\$)	20____ Amount (\$)
Production		
Transmission		
General		
Total	-	-

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

WORK PAPER 25
POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PBOP)

<u>Line No.</u>	<u>Item</u>	<u>Amount (\$)</u>
-	-	
1	Total NYPA PBOPs	
2	PBOP Capitalized	
3	PBOP contained in Cost of Service Line 1 less line 2	
4	Base PBOP Amount	<u>35,919,072</u>
5	PBOP Adjustment Line 4 less line 3	-

NEW YORK POWER AUTHORITY
 TRANSMISSION REVENUE REQUIREMENT
 YEAR ENDING DECEMBER 31, _____

**WORK PAPER 26
 REGULATORY COMMISSION EXPENSE**

Regulatory
 Commission
 Expense -

Line No.	Item	Amount (\$)	Notes
-			
-			
1	Transmission	-	
2	Other		
3	Grand Total	-	

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, _____

WORK PAPER 27
MICROWAVE TOWER RENTAL INCOME

Line No.	Posting Date	Account	Income Amount (\$)
1			
2	-		
3	-		
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			-

14.2.2.4.2 NYPA Formula Rate Implementation Protocols

14.2.2.4.2.1 General

(a) NYPA employs the Formula Rate (contained in Section 14.2.2.4.1 (“Formula Rate Template”) of this Attachment) to calculate its NTAC and any project-specific transmission revenue requirements annually, in accordance with the Protocols set forth herein. NYPA employs an Annual Update Process, which refreshes the calculation of these revenue requirements by populating the Formula in Section 14.2.2.4.1 of this Attachment with prior-year information from the Financial Report contained in the NYPA annual report and other historical data from additional accounting and financial statements. The Annual Update Process does not effect any changes to the Formula Rate itself. NYPA will hold an Open Meeting each year to provide an additional opportunity for Interested Parties to obtain information about the Annual Update.

(b) Protocols Definitions:

(i) “Accounting Change” means any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate, including any change in (A) NYPA’s accounting policies, practices and procedures, including changes resulting from revisions to the U.S. generally accepted accounting principles, from those in effect during the Calendar Year upon which the most recent Actual ATRR was based and that, in NYPA’s exercise of reasonable judgment, could impact the Formula Rate or calculations under the Formula; (B) NYPA’s cost allocation policies, from those policies or methodologies in effect for the Initial Rate Period or Calendar Year upon which the immediately preceding True-Up Adjustment was based and that, in NYPA’s exercise of reasonable judgment, could impact the Formula Rate or calculations under the Formula;

(C) the initial implementation of an accounting standard or policy; and (D) any items included in the True-Up Adjustment at an amount other than on a historic cost basis (e.g., fair value adjustments).

(ii) “Actual Annual Transmission Revenue Requirement” (“Actual ATRR”) means the actual net annual transmission revenue requirement calculated in accordance with the Formula Rate, using as inputs only those costs and credits properly recorded in NYPA’s most recent Financial Report (to the extent the Formula Rate specifies Financial Report data as the input source) or data reconcilable to the Financial Report by the application of clearly identified and supported information that is properly recorded in NYPA’s books and records, which books and records are maintained in accordance with (A) NYPA’s internal accounting policies and practices; (B) U.S. generally accepted accounting principles; and (C) NYPA’s cost allocation policies. Where the reconciliation to the Financial Report is provided through a worksheet, the inputs to the worksheet shall be either taken directly from the Financial Report or reconcilable to the Financial Report by the application of clearly identified and supported information.

(iii) “Annual Review Procedures” means the procedures for review of each Annual Update, as described in these Protocols.

(iv) “Annual Update” means the calculation and publication of the Actual ATRR for the prior Calendar Year, and the Projected ATRR (including the True-Up Adjustment and any Prior Period Adjustment, if applicable) to be applicable for the upcoming Rate Year, beginning in 2016.

(v) “Annual Update Process” means the annual process by which the NTAC and any project-specific revenue requirements under this Tariff are calculated by populating the Formula with information reflecting the Projected ATRR.

(vi) “Calendar Year” means January 1st through December 31st of a given year.

(vii) “Discovery Period” means the period for serving Information Requests pursuant to Section 14.2.2.4.2.3 of this Attachment, commencing as of the calendar day immediately following the Publication Date and ending one hundred fifty (150) days after the Publication Date. The Discovery Period may be extended only as provided in Sections 14.2.2.4.2.3(a)(ii) and 14.2.2.4.2.3 (a)(iii) of this Attachment.

(viii) “Financial Report” means the independently audited financial statements contained in the NYPA annual report which is issued in April of each year for the prior Calendar Year.

(ix) “Formal Challenge” means a dispute regarding an aspect of the Annual Update that is raised with FERC by an Interested Party pursuant to these Protocols, and served on NYPA by electronic service on the date of such filing.

(x) “Formula” means the cost-of-service template and associated schedules shown in Section 14.2.2.4.1 of this Attachment.

(xi) “Formula Rate” means the Formula together with the Protocols.

(xii) “Information Request” means a request served upon NYPA by an Interested Party within the Discovery Period for information or documents relating to an Annual Update as provided for in these Protocols.

(xiii) “Initial Rate Period” means the initial period, from the date the rates are first made effective by the Commission through June 30, 2016.

(xiv) “Interested Party” includes, but is not limited to, customers under the Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.

(xv) “NYPA Exploder List” means an e-mail list maintained by NYPA that includes all Interested Parties who have notified NYPA of their intent to be included. Interested Parties can subscribe to the NYPA Exploder List on the NYPA website.

(xvi) “Open Meeting” means an open meeting or conference call (in webinar format) that shall permit NYPA to explain and clarify, and shall provide Interested Parties an opportunity to seek information and clarification concerning the Annual Update. The Open Meeting shall be held no earlier than fifteen (15) days and no later than sixty (60) days after the Publication Date. NYPA shall provide notice of the Open Meeting no less than seven (7) days prior to such meeting.

(xvii) “Preliminary Challenge” means a written notification by an Interested Party to NYPA, during the Review Period, of any specific challenge to the Annual Update.

(xviii) “Prior Period Adjustment” means any change to the True-Up Adjustment agreed upon or determined through the review and challenge procedures outlined in these Protocols that is carried forward with interest to the subsequent True-Up Adjustment.

(xix) “Projected Annual Transmission Revenue Requirement” (“Projected ATRR”) means the Actual ATRR for the prior Calendar Year as adjusted to reflect the True-Up Adjustment and any Prior Period Adjustments.

(xx) “Protocols” means the Formula Rate Implementation Protocols set forth in Section 14.2.2.4.2 of this Attachment.

(xxi) “Publication Date” means the date of the posting on the ISO website (in a workable Excel format with cell formulas intact) of the Annual Update. The Publication Date shall be no later than July 1st, provided, however, that if July 1st should fall on a weekend or a holiday recognized by FERC, then the posting or filing shall be due no later

than the next business day, and the Publication Date shall correspond to the actual posting or filing date.

(xxii) “Rate Year” means July 1st of a given Calendar Year through June 30th of the succeeding Calendar Year.

(xxiii) “Review Period” means the period of one hundred eighty (180) days following the Publication Date during which an Interested Party may review the Annual Update calculations and make a Preliminary Challenge. The Review Period may be extended only as provided in Section 14.2.2.4.2.3(a)(ii) or Section 14.2.2.4.2.3(a)(iii) of this Attachment.

(xxiv) “True-Up Adjustment” means the amount of under- or over-collection of NYPA’s Actual ATRR during the preceding Calendar Year, measured by the difference between the Actual ATRR and the transmission revenues received by NYPA during the preceding Calendar Year, plus interest, as calculated on Schedule J of the Formula using the interest rates specified in 18 CFR § 35.19a.

Section 14.2.2.4.2.2 Annual Update Process

(a) The Projected ATRR derived pursuant to the Formula Rate each year shall be applicable to services during the upcoming Rate Year.

(b) On or before the Publication Date of each year, as part of the Annual Update Process, NYPA shall:

- (i) Calculate the Actual ATRR for the preceding Calendar Year;
- (ii) Calculate the Projected ATRR, reflecting the True-Up Adjustment and any Prior Period Adjustments, for the upcoming Rate Year;
- (iii) Post on the ISO website:
 - (A) the Annual Update (in a “workable” Excel file);

(B) sufficiently detailed supporting documentation, including underlying data and calculations, that explains the source and derivation of any data affecting the Formula that is not drawn directly from NYPA's Financial Report, such that Interested Parties can verify that each input is consistent with the requirements of the Formula Rate;

(C) the date, time, or call-in information for the Open Meeting;

(iv) Within ten days of such posting, notify Interested Parties via the NYPA Exploder List of the posting of the Annual Update.

(c) The Annual Update for the Rate Year:

(i) Shall provide notice and a detailed explanation of Accounting Changes and their impacts on inputs to the Formula Rate or resulting charges billed under the Formula Rate;

(ii) Shall be subject to challenge and review in accordance with the procedures set forth in these Protocols;

(iii) Shall not seek to modify the Formula Rate and shall not be subject to challenge by anyone seeking to modify the Formula Rate (i.e., all such modifications/amendments to the Formula Rate shall require, as applicable, a Section 205 or Section 206 filing with FERC); and

(iv) Shall reflect any corrections or modifications to NYPA's Financial Report if said corrections or modifications are made prior to the Publication Date and would affect the True-Up Adjustment for a prior Rate Year. The True-Up Adjustment for each Rate Year(s) affected by the corrections or modifications shall be updated to reflect the corrected or modified Financial Report and the Annual Update and shall incorporate the changes in such True-Up Adjustment for the next effective Rate Year(s), with interest.

Corrections or modifications to a Financial Report filed after the Publication Date of an Annual Update and not included in a revised Annual Update shall be incorporated in the next True-Up Adjustment or Annual Update, as applicable. NYPA shall report in a timely manner to the ISO and to Interested Parties, via the NYPA Exploder List, any corrections or modifications to its Financial Report, that affect the past or present implementation of the Formula Rate, whether such corrections or modifications have the effect of increasing or decreasing the resulting transmission rates.

Section 14.2.2.4.2.3 Annual Review Procedures

Each Annual Update shall be subject to the following Annual Review Procedures:

(a) Review Period

(i) Interested Parties shall have up to one hundred fifty (150) days after the Publication Date (unless such period is extended pursuant to these Protocols) to serve reasonable Information Requests on NYPA. If the deadline for Interested Parties should fall on a weekend or a holiday recognized by FERC, then Information Requests shall be due no later than the next business day. Such Information Requests shall be limited to what is or may reasonably be necessary to determine:

(A) That input data under the Formula Rate are accurate and properly recorded consistent with NYPA's internal accounting policies, practices, and procedures and with U.S. generally accepted accounting principles as applicable;

(B) That NYPA has properly applied the Formula Rate;

(C) The accuracy and the consistency with the Formula Rate of the data included in the Actual ATRR (including the True-Up Adjustment and any Prior Period Adjustment) under review;

(D) The extent, effect(s), and reasonableness of Accounting Changes;

(E) The prudence of the costs and expenditures included in the Actual ATRR under review, including information on procurement methods and cost control methodologies;

(F) The effect of any change to the underlying Uniform System of Accounts or the Financial Report; and

(G) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate.

Such Information Requests shall not solicit information that relates solely to inputs that are stated values or cost allocation methods that have been approved or accepted by any final order by FERC pursuant to Sections 205, 206, or 306 of the FPA with respect to NYPA (including an order approving a settlement), except that such Information Requests shall be permitted if they seek to determine if there have been materially changed circumstances and to confirm consistency with the applicable order (and associated settlement, if any).

(ii) NYPA shall make a good faith effort to respond to Information Requests pertaining to the Annual Update within fifteen (15) business days of receipt of such requests. NYPA shall be precluded from claiming settlement privilege with respect to responses to Information Requests pursuant to these Protocols. Notwithstanding anything to the contrary contained in these Protocols, with respect to any Information Requests received by NYPA within the Discovery Period and for which NYPA is unable to provide a response within fifteen (15) business days after the end of the Discovery Period, the Discovery Period shall be extended fifteen (15) business days beyond the date NYPA has provided its response. If the Discovery Period is extended, the Review Period shall be

extended so that it ends thirty (30) business days after completion of the Discovery Period. NYPA shall provide copies of its responses to Information Requests to all Interested Parties that have subscribed to the NYPA Exploder List.

(iii) To the extent NYPA and any Interested Party are unable to resolve disputes related to Information Requests submitted in accordance with these Protocols, NYPA or the Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master. The discovery master shall have the power to issue binding orders to resolve discovery disputes, and compel the production of discovery, as appropriate, in accordance with these Protocols, and, if deemed appropriate, to extend the Discovery Period and Review Period to permit completion of the discovery process.

(iv) All information produced pursuant to these Protocols may be included in any Preliminary or Formal Challenge, in any other proceeding concerning the Formula Rate initiated at FERC pursuant to the FPA, or in any proceeding before the U.S. Court of Appeals to review a FERC decision involving the Formula Rate. NYPA may, however, designate any response to an Information Request as confidential if the information conveyed is not publicly available and if NYPA in good faith believes the information should be treated as privileged and confidential. Interested Parties' representatives shall treat such response as confidential in connection with any of the proceedings discussed in this Section 14.2.2.4.2 of this Attachment; provided, however, that when so used, such response shall initially be filed under seal (unless the claim of confidentiality is waived by NYPA), subject to a later determination by the presiding authority that the material is, in whole or part, not entitled to confidential treatment.

(b) Challenges and Resolution of Challenges

(i) Any Interested Party shall have the duration of the Review Period (as such Review Period may be extended pursuant to these Protocols), to review the calculations and to submit a Preliminary Challenge. If the deadline for Interested Parties should fall on a weekend or a holiday recognized by FERC, then Preliminary Challenges shall be due no later than the next business day.

(ii) NYPA shall provide copies of all Preliminary Challenges, and any written response by NYPA to a Preliminary Challenge, to all Interested Parties that have subscribed to the NYPA Exploder List. NYPA and any Interested Party raising a Preliminary Challenge shall attempt in good faith to resolve the Preliminary Challenge in a timely manner. Where applicable, NYPA shall appoint senior representatives to work with Interested Parties to resolve Preliminary Challenges.

(iii) An Interested Party shall make a good faith effort to raise all issues in a Preliminary Challenge; however, the failure to raise an issue in a Preliminary Challenge shall not act as a bar to raising the issue in a Formal Challenge provided the Interested Party raised one or more other issues in a Preliminary Challenge.

(iv) An Interested Party that submitted a Preliminary Challenge shall have up to sixty (60) days after the close of the Review Period or thirty (30) days after NYPA makes its informational filing, whichever is later, to make a Formal Challenge with FERC, which shall be served on NYPA by electronic service on the date of such filing. If the deadline for Interested Parties should fall on a weekend or a holiday recognized by FERC, then Formal Challenges shall be due no later than the next business day. An Interested Party shall file a Formal Challenge in the docket assigned to NYPA's informational filing. Nothing in this paragraph shall alter the rights of any party to file a complaint under Section 206 of the FPA regarding NYPA's Formula Rate.

(v) Any response by NYPA to a Formal Challenge must be submitted to FERC within thirty (30) days following the date of the filing of the Formal Challenge and shall be served on the filing party(ies) by electronic service on the date of such filing.

(vi) In any proceeding on a Formal Challenge, or proceeding initiated sua sponte by FERC challenging an Annual Update or an Accounting Change, NYPA shall bear the burden of proof with respect to the correctness of its Annual Update and/or the Accounting Change. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.

(vii) Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to the same issue in any subsequent Annual Update.

(c) Challenges to Accounting Changes

Preliminary Challenges or Formal Challenges related to Accounting Changes are not intended to serve as a means of pursuing changes to the Formula Rate.

Failure to make a Preliminary Challenge with respect to an Accounting Change to an Annual Update shall not act as a bar with respect to making a Formal Challenge regarding the Accounting Change to that Annual Update, provided the Interested Party submitted a Preliminary Challenge with respect to one or more other issues. Nor shall failure to make a Preliminary Challenge or Formal Challenge with respect to an Accounting Change as to any Annual Update act as a bar to a Preliminary Challenge or Formal Challenge related to that Accounting Change in any subsequent Annual Update to the extent such Accounting Change affects the subsequent Annual Update.

Preliminary Challenges or Formal Challenges related to Accounting Changes shall be subject to the procedures and limitations in Section 14.2.2.4.2.3(b) of this Attachment. It

is recognized that resolution of Formal Challenges concerning Accounting Changes may necessitate adjustments to the Formula input data for the applicable Annual Update or changes to the Formula to achieve a just and reasonable end result consistent with the intent of the Formula.

Section 14.2.2.4.2.4 Changes Pursuant to Annual Update Process

Any changes to the data inputs, including but not limited to revisions to NYPA's Financial Report, or as the result of any FERC proceeding to consider the Annual Update, or as a result of the Annual Review Procedures set forth herein, shall be incorporated into the Formula and into the charges produced by the Formula (with interest determined in accordance with 18 CFR § 35.19a) in the Annual Update for the next effective Rate Year as a Prior Period Adjustment. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any associated refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 CFR § 35.19a) shall be made, as appropriate, in the event that the Formula Rate is replaced by a stated rate for NYPA.

Section 14.2.2.4.2.5 Changes to the Formula Rate

(a) The following Formula inputs shall be stated values to be used in the Formula until changed pursuant to an FPA Section 205 or Section 206 proceeding: (i) rate of return on common equity; (ii) Post-Retirement Benefits other than Pensions ("PBOPs") expense; and (iii) the depreciation and/or amortization rates as set forth in Schedule K to the Formula.

(b) Except as specifically provided herein, nothing in these Protocols shall be deemed to limit in any way (i) the right of NYPA to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, to change the Formula Rate or any of its stated

inputs or to replace the Formula Rate with a stated rate, or (ii) the right of any other party to challenge inputs to, or the implementation of, or to request changes to, the Formula Rate pursuant to Section 206, or any other applicable provision, of the FPA and the regulations thereunder.

(c) NYPA may, at its discretion and at a time of its choosing, make a limited filing pursuant to Section 205 to change its FERC-approved amortization/depreciation rates, add new amortization/depreciation rates, or file changes to PBOPs expense. The sole issue in any such limited Section 205 filing shall be whether such proposed changes or recovery are just and reasonable, and shall not include other aspects of the Formula Rate.

Section 14.2.2.4.2.6 Informational Filing

By February 15 of each year, following the close of the Review Period, NYPA shall submit to FERC an informational filing of its Projected ATRR for the Rate Year, including its True-Up Adjustment. Within five (5) days, NYPA shall notify Interested Parties via the NYPA Exploder List that it has made its informational filing, and shall post the docket number assigned to the informational filing on the ISO website. This informational filing must include the information that is reasonably necessary to determine: (1) that input data under the formula rate are properly recorded in any underlying schedules and workpapers; (2) that NYPA has properly applied the Formula and these Protocols; (3) the accuracy of data and the consistency with the formula rate of the True-Up Adjustment and rates under review; (4) the extent of accounting changes that affect Formula inputs; and (5) the reasonableness of projected costs. The informational filing must also describe any corrections or adjustments made during the Review Period, and must describe all aspects of the Annual Update or its inputs that are the subject of an ongoing dispute under the Preliminary Challenge or Formal Challenge procedures. Any challenges to the implementation of the Formula must be made

through the annual review and challenge procedures described in these Protocols or in a separate complaint proceeding, and not in response to the informational filing.

14.2.2.5 Billing

The New York State Loads, Wheels Through, and Exports will be billed based on the product of: (i) the NTAC; and (ii) the Customer's billing units for the Billing Period. The billing units will be based on the metered energy for all Transactions to supply Load in the NYCA during the Billing Period, and hourly Energy schedules for the Billing Period for all Wheels Through and Exports.