

Attachment D – Supporting Workpapers

Niagara Mohawk Power Corporation Wholesale TSC Calculation Information
Impact to the TSC Rate as a result of changes for the ADIT Proration

Line No.	Description	(a) Transmission Revenue Requirement (Historical TRR)	(b) Forecasted Transmission Revenue Requirement	(c) Annual True Up	(d) Revenue Requirement (RR)	(e) Scheduling System Control and Dispatch Costs (CCC)	(f) Annual Billing Units (BU) MWh	(g) Rate \$/MWh (*)
1	Current Year Rates Effective July 1, 2016 without ADIT Proration	377,231,912	17,925,784	19,258,982	414,416,678	5,456,380	37,660,207	11.14898
2	Estimated Year Rates Effective July 1, 2016 with ADIT Proration	377,231,912	18,127,761	19,258,982	414,618,655	5,456,380	37,660,207	11.15435
3	Increase/(Decrease)	-	201,977	-	201,977	-	-	0.00537
4	Percentage Increase/(Decrease)							0.05%

Niagara Mohawk Power Corporation
Calculation of RR Pursuant to Attachment H, Section 14.1.9.2

Attachment 1
Schedule 1

Shading denotes an input

2015

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.		Reference Section:	2015	
1	Historical Transmission Revenue Requirement (Historical TRR)			
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			
4	Expense, (C) 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,			
6	(G) Transmission Related Payroll Tax Expense, (H) Billing Adjustments, and (I) Transmission Related Bad Debt Expense less (J) Revenue			
7	Credits, and (K) Transmission Rents, all determined for the most recently ended calendar year as of the beginning of the update year.			
8				
9				
10	Return and Associated Income Taxes	(A)	\$179,423,930	Schedule 8, Line 64
11	Transmission-Related Depreciation Expense	(B)	\$53,884,010	Schedule 9, Line 6, column 5
12	Transmission-Related Real Estate Taxes	(C)	\$46,701,774	Schedule 9, Line 12, column 5
13	Transmission - Related Investment Tax Credit	(D)	(\$586,332)	Schedule 9, Line 16, column 5 times minus 1
14	Transmission Operation & Maintenance Expense	(E)	\$94,289,960	Schedule 9, Line 23, column 5
15	Transmission Related Administrative & General Expense	(F)	\$52,539,415	Schedule 9, Line 39, column 5
16	Transmission Related Payroll Tax Expense	(G)	\$2,203,217	Schedule 9, Line 45, column 5
17	Sub-Total (sum of Lines 10 - Line 16)		\$428,455,974	
18				
19	Billing Adjustments	(H)	(\$30,738,916)	Schedule 10, Lines 1
20	Bad Debt Expenses	(I)	\$0	Schedule 10, Lines 4
21	Revenue Credits	(J)	(\$18,903,321)	Schedule 10, Line 7
22	Transmission Rents	(K)	(\$1,581,826)	Schedule 10, Line 14
23				
24	Total Historical Transmission Revenue Requirement (Sum of Line 17 - Line 22)		\$377,231,912	

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

Shading denotes an input

2016

Line No.	Period	Reference	Source
1	14.1.9.2 (b)	FORECASTED TRANSMISSION REVENUE REQUIREMENTS	
2		Forecasted TRR shall equal (1) the Forecasted Transmission Plant Additions (FTPAs) multiplied by the Adjusted Annual FTRRF (AFTRRF), plus (2) Forecasted ADIT Adjustment (FADITA), plus (3) the Mid-Year Trend Adjustment (MYTA), less (4) Transmission Support Payments (TSP), plus (5) the Tax Rate Adjustment (TRA), less (6) Other Billing Adjustments (OBA) as shown in the following:	
3			
4			
5		Forecasted TRR = (FTPAs * AFTRRF) + FADITA + MYTA - TSP + TRA - OBA	
6			
7			
8			
9			
10	(1)	FORECASTED TRANSMISSION PLANT ADDITIONS (FTPAs)	\$142,888,625 Workpaper 8, Section I, Line 16
11		Adjusted Annual Transmission Revenue Requirement Factor (AFTRRF)	12.65% Line 78
12		Sub-Total (Lines 10*11)	\$18,080,956
13			
14	(2)	FORECASTED ADIT ADJUSTMENT (FADITA)	
15		The Forecasted ADIT Adjustment (FADITA) shall equal the Forecasted ADIT (FADIT) multiplied by the Cost of Capital Rate, where:	
16			
17		Forecasted ADIT(FADIT) shall equal the projected change in Accumulated Deferred Income Taxes from the most recently concluded calendar year related to accelerated depreciation and associated with Transmission Plant for the Forecasted Period calculated in accordance with Treasury regulation Section 1.167(1)-1(h)(6)	
18			
19			
20			
21			
22		Forecasted ADIT (FADIT)	(24,093,691) Schedule 13, Line 24
23		Cost of Capital Rate	10.7918% Schedule 8, Line 62
24		Forecasted ADIT Adjustment (FADITA)	(2,600,148) Line 22 * Line 23
25			
26	(3)	MID YEAR TREND ADJUSTMENT (MYTA)	
27		The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between	
28		i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period,	
29		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.	
30			
31		Plus Mid-Year Trend Adjustment (MYTA)	(4,002,748) Workpaper 9, line 32, variance col
32			
33	(4)	TRANSMISSION SUPPORT PAYMENTS (TSP)	
34		Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement	24,089,215 Workpaper 9A
35		Less: Other Billing Adjustments - Dunkirk Settlement ER14-543-000	(35,000,000) Schedule 10
36			
37	(5)	TAX RATE ADJUSTMENT (TRA)	
38		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.	
39			
40			
41		Tax Rate Adjustment (TRA)	0
42			
43	(6)	OTHER BILLING ADJUSTMENTS (OBA)	
44		Other Billing Adjustment shall equal any amounts related to the HTRR calculation that are required to be adjusted in the current year's FTRR to remove the impact on the Update Year	
45			
46			
47		Other Billing Adjustments (OBA)	\$4,261,084 Schedule 10
48			
49		Forecasted Transmission Revenue Requirement (Line 12 + Line 24 + Line 31 - Line 34 - Line 35 + Line 41 - Line 47)	18,127,761
50			
51	14.1.9.2 (c)	ADJUSTED ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR	
52			
53		Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF) shall equal the difference between the Annual Forecast Transmission Revenue Requirement Factor (FTRRF) and the quotient of (1) Cost of Capital Rate multiplied by the Transmission Related Accumulated Deferred Taxes less Accumulated Deferred Inv. Tax Cr (255) for the most recently concluded calendar year, and (ii) the year-end Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).	
54			
55			
56			
57			
58		The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C), 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).	
59			
60			
61		Derivation of Annual Forecast Transmission Revenue Requirement Factor (FTRRF)	
62		Investment Return and Income Taxes	(A) \$179,423,930 Schedule 1, Line 10
63		Depreciation Expense	(B) \$53,884,010 Schedule 1, Line 11
64		Property Tax Expense	(C) \$46,701,774 Schedule 1, Line 12
65		Total Expenses (Lines 62 thru 64)	\$280,009,714
66		Transmission Plant	(a) \$2,618,669,084 Schedule 6, Page 1, Line 12
67		Annual Forecast Transmission Revenue Requirement Factor (Lines 65 / Line 66)	10.69%
68			
69		Adjustment to FTRRF to reflect removal of ADIT that is subject to normalization	
70		Transmission Related ADIT Balance at year-end	(\$480,321,676) Schedule 7, Line 6, Column L
71		Less: Accumulated Deferred Inv. Tax Cr (255)	(\$4,465,494) Schedule 7, Line 5, Column L
72		Net Transmission ADIT Balance at year-end	(\$475,856,182) Line 70 - Line 71
73		Cost of Capital Rate	10.7918% Schedule 8, Line 62
74		Total Return and Income Taxes Associated with ADIT Balance at year-end	(\$51,353,543) Line 72 * Line 73
75			
76		Annual Forecast Transmission Revenue Requirement Factor (FTRRF)	10.69% Line 67
77		Less: Incremental Annual Forecast Transmission Revenue Requirement Factor Adjustment for ADIT	-1.96% Line 74 / Line 67
78		Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF)	12.65% Line 76 - Line 77

Niagara Mohawk Power Corporation
Annual True-up (ATU)
Attachment H Section 14.1.9.2 (c)

Attachment 1
Schedule 3

Shading denotes an input

2015

Line No.	Source:
1	
2	14.1.9.2 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, less (3) the difference between the Actual Billing Units and the Prior 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 \$435,182,375 Schedule 4, Line 1, Col (d)
8	Less: Annual True-up (ATU) from rate effective July 1 of prior year \$80,185,978 Schedule 4, Line 1, Col (c)
9	Prior Year Transmission Revenue Requirement \$354,996,397 Line 7 - Line 8
10	
11	Actual Transmission Revenue Requirement \$377,231,912 Schedule 4, Line 2, Col (a)
12	Difference \$22,235,515 Line 11 - Line 9
13	
14	(2) Prior Year Scheduling, System Control and Dispatch costs (CCC) \$5,935,417 Schedule 4, Line 1, Col (e)
15	Actual Scheduling, System Control and Dispatch costs (CCC) \$5,456,380 Schedule 4, Line 2, Col (e)
16	Difference (\$479,037) Line 15 - Line 14
17	
18	(3) Prior Year Billing Units (MWH) 37,418,465 Schedule 4, Line 1, Col (f)
19	Actual Billing Units 37,660,207 Schedule 4, Line 2, Col (f)
20	Difference (241,742) Line 18 - Line 19
21	Prior Year Indicative Rate 11.79 Schedule 4, Line 1, Col (g)
22	Billing Unit True-Up (\$2,849,838) Line 20 * Line 21
23	
24	Total Annual True-Up before Interest \$18,906,640 (Line 12 + Line 16 + Line 22)
25	
26	(4) Interest \$352,343 Line 57
27	
28	Annual True-up RR Component \$19,258,982 (Line 24 + Line 26)
29	
30	Interest Calculation per 18 CFR Section 35.19a
31	
32	Quarters (1) (2) Annual Interest Rate (3) Accrued Prin & Int. @ Beg Of Period (4) Monthly (Over)/Under Recovery (5) Days in Period (6) Period Days (7) Multiplier (8) Accrued Prin & Int. @ End Of Period (9) Accrued Int. @ End Of Period
33	
34	
35	
36	3rd QTR '15 3.25% 0 92 92 1.0082 \$0 \$0
37	July 3.25% 1,575,553 31 92 1.0082 \$1,588,473 \$12,920
38	August 3.25% 1,575,553 31 61 1.0054 \$1,584,061 \$8,508
39	September 3.25% 1,575,553 30 30 1.0027 \$1,579,807 \$4,254
40	
41	4th QTR '15 3.25% 4,752,341 92 92 1.0082 \$4,791,311 \$38,969
42	October 3.25% 1,575,553 31 92 1.0082 \$1,588,473 \$12,920
43	November 3.25% 1,575,553 30 61 1.0054 \$1,584,061 \$8,508
44	December 3.25% 1,575,553 31 31 1.0028 \$1,579,965 \$4,412
45	
46	1st QTR '16 3.50% 9,543,810 90 90 1.0086 \$9,625,886 \$82,077
47	January 3.50% 1,575,553 31 90 1.0086 \$1,589,103 \$13,550
48	February 3.50% 1,575,553 28 59 1.0057 \$1,584,534 \$8,981
49	March 3.50% 1,575,553 31 31 1.0030 \$1,580,280 \$4,727
50	
51	2nd QTR '16 3.50% 14,379,803 91 91 1.0087 \$14,504,908 \$125,104
52	April 3.50% 1,575,553 30 91 1.0087 \$1,589,261 \$13,707
53	May 3.50% 1,575,553 31 61 1.0058 \$1,584,692 \$9,138
54	June 3.50% 1,575,553 30 30 1.0029 \$1,580,122 \$4,569
55	
56	
57	Total (Over)/Under Recovery \$18,906,640 (line 26) \$352,343

1.) Information directly from Niagara Mohawk Prior Year Informational Filing.

2.)

(a) Schedule 1, Line 24

(b) Schedule 2, Line 49

(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

(b) the Forecasted Transmission Revenue Requirement which shall exclude Transmission Support Payments, 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) $(\text{Col (d)} + \text{Col (e)}) / \text{Col (f)}$

(*) 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

Shading denotes an input		2015		
Line No.	Description	Amount	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	\$2,618,669,084	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 Total Electric Plant plus Electric Common Plant.
10	Plus: Transmission Related General	\$43,932,222	Schedule 6, Page 2, Line 5, Col 5	
11	Plus: Transmission Related Common	\$37,384,124	Schedule 6, Page 2, Line 10, Col 5	
12	Plus: Transmission Related Intangible Plant	\$826,511	Schedule 6, Page 2, Line 15, Col 5	
13	Gross Transmission Investment	\$2,700,811,942	Sum of Lines 9 - 13	
14				
15	Total Electric Plant	\$8,556,258,224	FF1 207.104	
16	Plus: Electric Common	\$287,570,187	Schedule 6, Page 2, Line 10, Col 3	
17	Gross Electric Plant in Service	\$8,843,828,411	Line 15 + Line 16	
18				
19	Percent Allocation	30.54%	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	\$8,556,258,224	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	\$287,570,187	Schedule 6, Page 2, Line 10, Col 3	
25	Gross Electric Plant in Service	\$8,843,828,411	Line 23 + Line 24	
26				
27	Total Gas Plant in Service	\$2,187,924,282	FF1 201.8d	
28	Total Electric Plant in Service	\$8,556,258,224	Line 15	
29	Total Common Plant in Service	\$344,395,433	Schedule 6, Page 2, Line 10, Col 1	
30	Gross Plant in Service (Gas & Electric)	\$11,088,577,939	Sum of Lines 27-Lines 29	
31				
32	Percent Allocation	79.76%	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

Attachment 1
Schedule 6
Page 1 of 2

Line No.	Description	Reference Section:	2015	Reference
1	14.1.9.2 (a) <u>Transmission Investment Base</u>			
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				
11				
12	Transmission Plant in Service	(a)	\$2,618,669,084	Schedule 6, page 2, line 3, column 5
13	General Plant	(b)	\$43,932,222	Schedule 6, page 2, line 5, column 5
14	Common Plant	(c)	\$37,384,124	Schedule 6, page 2, line 10, column 5
15	Intangible Plant	(d)	\$826,511	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)		\$2,700,811,942	
18				
19	Accumulated Depreciation	(f)	(\$615,337,528)	Schedule 6, page 2, line 29, column 5
20	Accumulated Deferred Income Taxes	(g)	(\$480,321,676)	Schedule 7, line 6, column 5
21	Other Regulatory Assets	(h)	\$26,025,935	Schedule 7, line 11, column 5
22	Net Investment (Sum of Line 17 -Line 21)		\$1,631,178,672	
23				
24	Prepayments	(i)	\$5,931,675	Schedule 7, line 15, column 5
25	Materials & Supplies	(j)	\$13,695,352	Schedule 7, line 21, column 5
26	Cash Working Capital	(k)	\$11,786,245	Schedule 7, line 28, column 5
27				
28	Total Investment Base (Sum of Line 22 - Line 26)		\$1,662,591,945	

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.

Attachment 1
Schedule 6
Page 2 of 2

		2015						Definition
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)	
1	<u>Transmission Plant</u>					\$2,618,569,350	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	Wholesale Meter Plant					\$99,734	Workpaper 1	
3	Total Transmission Plant in Service (Line 1+ Line 2)					\$2,618,669,084		
5	<u>General Plant</u>	\$337,940,170	100.00%	\$337,940,170	13.00% (c)	\$43,932,222	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								
10	<u>Common Plant</u>	\$344,395,433	83.50% (a)	\$287,570,187	13.00% (c)	\$37,384,124	FF1 201. 8h	14.1.9.2(a)A.1.(c) Transmission Related Common Plant shall equal Common Plant multiplied by the Electric Wages and Salaries Allocation Factor and further multiplied by the Transmission Wages and Salaries Allocation Factor.
11								
12								
15	<u>Intangible Plant</u>	\$6,357,778	100.00%	6,357,778	13.00% (c)	\$826,511	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								
19	<u>Transmission Plant Held for Future Use</u>	\$0				\$0	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								
24	<u>Transmission Accumulated Depreciation</u>							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 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.
25	Transmission Accumulated Depreciation	(\$568,591,501)				(\$568,591,501)	FF1 219.25b	
26	General Plant Accumulated Depreciation	(\$227,191,318)	100.00%	(\$227,191,318)	13.00% (c)	(\$29,534,871)	FF1 219.28b	
27	Common Plant Accumulated Depreciation	(\$154,202,548)	83.50% (a)	(\$128,759,128)	13.00% (c)	(\$16,738,687)	FF1 356.1 End of Year Balance	
28	Amortization of Other Utility Plant	(\$3,402,733)	100.00%	(\$3,402,733)	13.00% (c)	(\$442,355)	FF1 200.21c	
29	Wholesale Meters	(\$30,115)				(\$30,115)	Workpaper 1	
	Total Depreciation (Sum of Line 24 - Line 28)					(\$615,337,528)		

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 H Section 14.1.9.2 (a) A. 1.

Attachment 1
Schedule 7

Shading denotes an input

		2015						
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	Transmission Accumulated Deferred Taxes							
2	Accumulated Deferred Taxes (281-282)	(\$1,790,553,241)	100.00%	(\$1,790,553,241)	30.54% (d)	(\$546,816,079)	FF1 275.2k	14.1.9.2(a)A.1.(g) Transmission Related Accumulated Deferred Income Taxes shall equal the electric balance of Total Accumulated Deferred
3	Accumulated Deferred Taxes (283)	(\$396,177,200)	100.00%	(\$396,177,200)	30.54% (d)	(\$120,988,339)	Workpaper 2, Line 5	Income Taxes (FERC Accounts 190, 255,281, 282, and 283 net of
4	Accumulated Deferred Taxes (190)	\$628,535,900	100.00%	\$628,535,900	30.54% (d)	\$191,948,236	FF1 234.8c	stranded costs), multiplied by the Gross Transmission Plant
5	Accumulated Deferred Inv. Tax Cr (255)	(\$14,622,292)	100.00%	(\$14,622,292)	30.54% (d)	(\$4,465,494)	FF1 267.8(h)	Allocation Factor.
6	Total (Sum of Line 2 - Line 5)			(\$1,572,816,833)		(\$480,321,676)		
7								
8	Other Regulatory Assets							
9	FAS 109 (Asset Account 182.3)	\$184,815,552	100.00%	\$184,815,552	30.54% (d)	\$56,440,721	FF1 232 Lines 2, 20, 25, 31	14.1.9.2(a)A.1.(h) Transmission Related Regulatory Assets shall be Regulatory
10	FAS 109 (Liability Account 254)	(\$99,593,439)	100.00%	(\$99,593,439)	30.54% (d)	(\$30,414,786)	FF1 278 Lines 1 & 29(f)	Assets net of Regulatory Liabilities multiplied by the Gross
11	Total (Line 9 + Line 10)	\$85,222,113		\$85,222,113		\$26,025,935		Transmission Plant Allocation Factor.
12								
13	Transmission Prepayments	\$31,805,734					FF1 111.57c	14.1.9.2(a)A.1.(i) Transmission Related Prepayments shall be the product of
14	Less: Prepaid State and Federal Income Tax	(\$7,452,374)					FF1 263 Lines 2 & 7h	Prepayments excluding Federal and State taxes multiplied by
15	Total Prepayments	\$24,353,360	79.76% (b)	\$19,423,315	30.54% (d)	\$5,931,675		the Gross Electric Plant Allocation Factor and further multiplied by the Gross Transmission Plant Allocation Factor.
16								
17								
18	Transmission Material and Supplies							14.1.9.2(a)A.1.(j) Transmission Related Materials and Supplies shall equal: (i)
19	Transmission Specific O&M Materials and Supplies	\$4,946,069				\$4,946,069	FF1 227.8c	the balance of Materials and Supplies assigned to
20	Contruction Materials and Supplies	\$35,921,461	79.76% (b)	\$28,649,592	30.54% (d)	\$8,749,283	FF1 227.5c	Transmission plus (ii) the product of Material and Supplies
21	Total (Line 19 + Line 20)					\$13,695,352		assigned to Construction multiplied by the Gross Electric
22								Plant Allocation Factor and further multiplied by Gross
23								Transmission Plant Allocation Factor
24								
25	Cash Working Capital							14.1.9.2(a)A.1.(k) Transmission Related Cash Working Capital shall be an
26	Operation & Maintenance Expense					\$94,289,960	Schedule 9, Line 23	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)					\$11,786,245		

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

2015

Line
No

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

2 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:

- 3
- 4 (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
- 5 (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
- 6 of the year balances of the following: long term debt less the unamortized Discounts on Long-Term Debt less the unamortized
- 7 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.

				CAPITALIZATION	Source:	CAPITALIZATION RATIOS	COST OF CAPITAL	WEIGHTED COST OF CAPITAL	EQUITY PORTION
9	(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;							
11	(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%).							
17	(i)	LONG-TERM DEBT	\$2,766,238,615	Workpaper 6, Line 16b		49.60%	3.70%	Workpaper 6, Line 17c	1.84%
18	(ii)	PREFERRED STOCK	\$28,984,701	FF1 112.3c		0.40%	3.66%	Workpaper 6, Line 24d	0.01%
19	(iii)	COMMON EQUITY	\$4,501,876,013	FF1 112.16c - FF1 112.3,12,15c		50.00%	10.30%	Per Tariff	5.15%
20									
21		TOTAL INVESTMENT RETURN	\$7,297,099,329			100.00%		7.00%	5.16%

26 9.2.2.(b) Federal Income Tax shall e= ($\frac{A + \frac{B}{1}}{C}$) X Federal Income Tax Rate)

27 ($\frac{0.0516 + \frac{\$10,305,589}{1}}{\$1,662,591,945}$) X Federal Income Tax Rate)

28 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.

32 = ($\frac{0.0516 + \frac{\$10,305,589}{1}}{\$1,662,591,945}$) X 35%)

33 ($\frac{0.0516 + \frac{\$10,305,589}{1}}{\$1,662,591,945}$) X 35%)

34 = 0.0311223

38 9.2.2.(c) State Income Tax shall equ= ($\frac{A + \frac{B}{1}}{C}$) + Federal Income Tax State Income Tax Rate) X State Income Tax Rate

39 ($\frac{0.0516 + \frac{\$10,305,589}{1}}{\$1,662,591,945}$) + 0.0311223) X 7.10%)

41 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.

46 = ($\frac{0.0516 + \frac{\$10,305,589}{1}}{\$1,662,591,945}$) + 0.0311223) X 7.10%)

47 ($\frac{0.0516 + \frac{\$10,305,589}{1}}{\$1,662,591,945}$) + 0.0311223) X 7.10%)

48 = 0.0067959

53 (a)+(b)+(c) Cost of Capital Rate = 10.79%

56 9.2(a) A. Return and Associated Income Taxes shall equal the product of the Transmission Investment Base and the Cost of Capital Rate

60	Transmission Investment Base	\$1,662,591,945	Schedule 6, page 1 of 2, Line 28
61			
62	Cost of Capital Rate	10.7918%	Line 53
63			
64	= Investment Return and Income Taxes	\$179,423,930	Line 60 * Line 62

Niagara Mohawk Power Corporation
Annual Revenue Requirements of Transmission Facilities
Transmission Expenses
Attachment H Section 14.1.9.2

Shading denotes an input

		2015						
Line No.		(1) Total	(2) Allocation Factor	(3) = (1)*(2) Electric Allocated	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1 Reference for col (1)	Definition
1	Depreciation Expense							
2	Transmission Depreciation	\$50,542,395				\$50,542,395	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.
3	General Depreciation	\$12,717,356	100.0000%	\$12,717,356	13.0000% (c)	\$1,653,256	FF1 336.10f	
4	Common Depreciation	\$15,322,117	83.5000% (a)	\$12,793,968	13.0000% (c)	\$1,663,216	FF1 356.1	
5	Intangible Depreciation	\$154,662	100.0000%	\$154,662	13.0000% (c)	\$20,106	FF1 336.1f	
6	Wholesale Meters					\$5,037	Workpaper 1	
6	Total (Line 1+2+3+4+5)					\$53,884,010		
7								
8								
9								
10								
11								
12	Real Estate Taxes	\$152,925,299	100.0000%	\$152,925,299	30.5389% (d)	\$46,701,774	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	Amortization of Investment Tax Credits	\$2,407,272	79.7562% (b)	\$1,919,949	30.5389% (d)	\$586,332	FF1 117.58c	14.1.9.2.D. Transmission Related Amortization of Investment Tax Credits shall equal the product of Amortization of Investment Tax Credits multiplied by the Gross Electric Plant Allocation Factor and further multiplied by the Gross Transmission Plant Allocation Factor
17								
18								
19								
20	Transmission Operation and Maintenance							
21	Operation and Maintenance	\$103,642,693				\$103,642,693	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	LESS: Load Dispatching - #561	\$9,352,733				\$9,352,733	FF1 321.84-92b	
23	O&M (Line 21 - Line 22)	\$94,289,960				\$94,289,960		
24								
25	Transmission Administrative and General							
26	Total Administrative and General	\$365,358,981						14.1.9.2.F. Transmission Related Administrative and General Expenses shall equal the product of electric Administrative and General 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.
27	LESS: Property Insurance (#924)	\$4,275,125					FF1 323.197b	
28	LESS: Pensions and Benefits (#926)	\$83,778,232					FF1 323.185b	
29	LESS: Research and Development Expenses (#930)	\$2,177,403					FF1 323.187b	
30	LESS: 50% of NY PSC Regulatory Expense	\$4,225,196					Workpaper 12	
31	LESS: 18a Charges (Temporary Assessment)	\$6,853,248					50% of Workpaper 15	
32	LESS: Environmental Remediation Expense	\$31,499,861					Workpaper 15	
33	Subtotal (Line 27-28-29-30-31-32-33)	\$232,549,915	100.0000%	\$232,549,915	13.0000% (c)	\$30,231,489	Workpaper 11	
34	PLUS Property Insurance alloc. using Plant Allocation	\$4,275,125	100.0000%	\$4,275,125	30.5389% (d)	\$1,305,578	Line 28	
35	PLUS Pensions and Benefits	\$157,676,498	100.0000%	\$157,676,498	13.0000% (c)	\$20,497,945	Workpaper 3	
36	PLUS Transmission-Related Research and Development	\$504,403				\$504,403	Workpaper 12	
37	PLUS Transmission-Related Environmental Expense	\$0				\$0	Workpaper 11,	
38	Total A&G (Line 34+35+36+37+38)	\$395,005,941		\$394,501,538		\$52,539,415		
39								
40	Payroll Tax Expense							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.
41	Federal Unemployment	\$520,230					FF1 263.4i	
42	FICA	\$15,536,788					FF1 263.3i	
43	State Unemployment	\$890,807					FF1 263.9i	
44	Total (Line 40+41+42)	\$16,947,825	100.0000%	\$16,947,825	13.0000% (b)	\$2,203,217		

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 H Section 14.1.9.2 (a)

Attachment 1
Schedule 10

Shading denotes an input

		2015		
Line No.	Description	(1) Total	Source	Definition
1	Billing Adjustments	(\$35,000,000)	Dunkirk Settlement ER14-543-000	14.1.9.2.H. Billing Adjustments shall be any adjustments made in accordance with Section 9.4(d) below. () indicates a refund or a reduction to the revenue requirement on Schedule 1
2				
3	Billing Adjustments	\$402,126	Workpaper 16 page 1	14.1.9.2.I. Transmission Related Bad Debt Expense shall equal
4	Billing Adjustments	\$7,107	Workpaper 16 page 8	Bad Debt Expense as reported in Account 904 related to NMPC's wholesale transmission billing.
5	Billing Adjustments	\$3,664,405	Workpaper 17 page 1	Positive value indicates Transmission Uncollectible Expense was recorded and therefore the
6	Billing Adjustments	\$187,446	Workpaper 17 page 2	Revenue Credits shall equal all Transmission revenue recorded in FERC account 456
7	Revenue Credits	(\$18,903,321)	Workpaper 5	14.1.9.2.J. excluding (a) any NMPC revenues already reflected in the WR, CRR, SR, ECR and Reserved components in Attachment H of the NYISO TSC rate; (b) excluding any revenues associated with expenses that have been excluded from NMPC's revenue requirement; and (c) any revenues associated with transmission service provided under this TSC rate, for which the load is reflected in the calculation of BU.
8				
9				
10				
11				
12				
13				
14	Transmission Rents	(\$1,581,826)	Workpaper 7	14.1.9.2.K. Transmission Rents shall equal all Transmission-related rental income recorded in FERC account 454.615
15				
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Niagara Mohawk Power Corporation
System, Control, and Load Dispatch Expenses (CCC)
Attachment H, Section 14.1.9.5

Attachment 1
Schedule 11
Page 1 of 1

Shading denotes an input

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.

Line No.	Scheduling and Dispatch Expenses			2015	Source
1					
2					
3	Accounts	561	Load Dispatching	\$0	FF1 321.84b
4	Accounts	561.1	Reliability	298,757	FF1 321.85b
5	Accounts	561.2	Monitor and Operate Transm. System	4,510,770	FF1 321.86b
6	Accounts	561.3	Transmission Service and Schedule	-	FF1 321.87b
7	Accounts	561.4	Scheduling System Control and Dispatch	3,171,266	FF1 321.88b
8	Accounts	561.5	Reliability, Planning and Standards Development	646,853	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	725,087	FF1 321.92b
12					
13	Total Load Dispatch Expenses (sum of Lines 3 - 11)			\$9,352,733	Sum of 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	3,171,266	Line 7
18	Accounts	561.8	Reliability, Planning and Standards Dev. Services	\$725,087	Line 11
19	Total NYISO Schedule 1			3,896,353	Line 17 + Line 18
20					
21	Total CCC Component			\$5,456,380	Line 13 - Line 19

Niagara Mohawk Power Corporation
Billing Units - MWH
Attachment H, Section 14.1.9.6

Attachment 1
Schedule 12
Page 1 of 1

Shading denotes an input

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.			SOURCE	
1	Subzone 1	12,022,230.306	NIMO TOL (transmission owner load)	Workpaper 13
2	Subzone 2	7,212,366.703	NIMO TOL (transmission owner load)	Workpaper 13
3	Subzone 3	4,385,640.417	NIMO TOL (transmission owner load)	Workpaper 13
4	Subzone 4	11,494,180.949	NIMO TOL (transmission owner load)	Workpaper 13
5	Subzone 29	2,159,329.903	NIMO TOL (transmission owner load)	Workpaper 13
6	Subzone 31	672,436.443	NIMO TOL (transmission owner load)	Workpaper 13
7	Total NIMO Load report to NYISO	37,946,184.721	Sum of Lines 1-6	
8	LESS: All non-retail transactions			
9	Watertown	10,927.000	FF1 page 329.10.j	
10	Disputed Station Service	210,866.479	NIMO TOL (transmission owner load)	
11	Other non-retail transactions	2,846,572.309	All other non-retail transactions (Sum of 300,000 series PTID's from TOL)	
12	Total Deductions	3,068,365.788	Sum of Lines 9 - 11	
13	PLUS: TSC Load			
14	NYMPA Muni's, Misc. Villages, Jamestown (X1)	2,131,976.000	FF1 page 329.17.j	
15	NYPA Niagara Muni's (X2)	650,412.000	FF1 page 329.1.j	
16	Total additions	2,782,388.000	Sum of Lines 13 -15	
17	Total Billing Units	37,660,206.933	Line 7 - Line 12 + Line 16	

Niagara Mohawk Power Corporation
Forecasted Accumulated Deferred Income Taxes (FADIT)

Schedule 13
Page 1 of 1

Shading denotes an input

Line No.	Description	Amount			
1	Total Transmission ADIT Balance at year-end	(480,321,676)	Schedule 7, Line 6, Column L		
2	Less: Accumulated Deferred Inv. Tax Cr (255)	(4,465,494)	Schedule 7, Line 5, Column L		
3	Net Transmission ADIT Balance at year-end (a)	(475,856,182)	Line 2 - Line 1		
4					
5	Forecasted Transmission Related ADIT Balance	(509,892,567)	Internal Records		
6					
7	Change in ADIT	(34,036,385)	Line 5 - Line 3		
8					
9	Monthly Change in ADIT	(2,836,365)	Line 7 / 12 Months		
10					
			(B)		
	(A)		Remaining Days	(C) = (B) / Line 17 (B)	(D) = Line 9 *(C)
	Month		in the Year	IRS Proration %	Prorated ADIT
11	Month 1	334		100.00%	(2,836,365)
12	Month 2	306		100.00%	(2,836,365)
13	Month 3	275		100.00%	(2,836,365)
14	Month 4	245		100.00%	(2,836,365)
15	Month 5	214		100.00%	(2,836,365)
16	Month 6	184		100.00%	(2,836,365)
17	Month 7	153		83.15%	(2,358,500)
18	Month 8	122		66.30%	(1,880,634)
19	Month 9	92		50.00%	(1,418,183)
20	Month 10	61		33.15%	(940,317)
21	Month 11	31		16.85%	(477,866)
22	Month 12	-		0.00%	-
23					
24	Forecasted ADIT (FADIT) = Sum of 12 through 23				\$ (24,093,691)

to Schedule 2, Line 22

(a) The balance in Line 1, Total Transmission ADIT Balance at year-end, shall equal such ADIT that is subject to the normalization rules prescribed by the IRS and the net of the amounts recorded in FERC Account Nos. 281-283 and 190.