

Attachment B
Redline Version

INDEX
NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT

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

TRANSMISSION REVENUE REQUIREMENT SUMMARY

<u>Line No.</u>	<u>A. OPERATING EXPENSES</u>	<u>TOTAL \$</u> (1)	<u>SOURCE/COMMENTS</u> (2)
1	Operation & Maintenance Expense	-	Schedule A1, Col 5, Ln 17 7
2	Administration Administrative & General Expenses	-	Schedule A2, Col 5, Ln 22 5
3	Depreciation & Amortization Expense	-	Schedule B1, Col 6, Ln 26 6
4	TOTAL OPERATING EXPENSE	<u>-</u>	Sum lines 1, 2, & 3
5	<u>B. RATE BASE</u>	<u>-</u>	Schedule C1, Col 5, Ln 10
6	Return on Rate Base	-	Schedule C1, Col 7, Ln 10
6a	Total Project Specific Return Adjustment Adjustment	-	Schedule D2, Col 3, Ln A
7	TOTAL REVENUE REQUIREMENT	-	Line 4 + Line 6 + Line 6a
8	Incentive Return	-	Schedule F1, page 2, line 2, col. 13
9	True-up Adjustment	-	Schedule F3, page 1, line 3, col. 10
10	NET ADJUSTED REVENUE REQUIREMENT	-	Line 7 + line 8 + line 9
Breakout by Project			
11	NTAC Facilities	-	Schedule F1, page 2, line 1a + line 1d, col. 17
11a	Project 1 - Marcy South Series Compensation	-	Schedule F1, page 2, line 1b, col. 17
11b	Project 2 - AC Project Segment A (Central East Energy Connect)	-	Schedule F1, page 2, line 1c, col. 17
11c		-	
11d		-	
...	...	-	
12	Total Break out	<u>-</u>	Sum lines 11

Note 1 The revenue requirements shown on lines 11 and 11a et seq. are 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 A1
OPERATION & MAINTENANCE EXPENSE SUMMARY (\$)**

<u>Line No</u>	<u>FERC Account</u> (1)	<u>FERC Account Description</u> (2)	<u>Source</u> (3)	<u>Total</u> (4)	<u>Grand Total</u> (5)	<u>NYP Form 1 Equivalent</u> (6)
Transmission:						
OPERATION:						
1- a	560	Supervision & Engineering	WP-AA, Col (5)	-		Page 321 line 83
2- 1b	561	Load Dispatching	WP-AA, Col (5)	-		Page 321 lines 85-92
3- 1c	562	Station Expenses	WP-AA, Col (5)	-		Page 321 line 93
4- 1d	566	Misc. Trans. Expenses	WP-AA, Col (5)	-		Page 321 line 97
...
5 2		Total Operation	(sum lines 1-4)	-		
MAINTENANCE:						
6- 3a	568	Supervision & Engineering	WP-AA, Col (5)	-		Page 321 line 101
7- 3b	569	Structures	WP-AA, Col (5)	-		Page 321 line 102-106
8- 3c	570	Station Equipment	WP-AA, Col (5)	-		Page 321 line 107
9- 3d	571	Overhead Lines	WP-AA, Col (5)	-		Page 321 line 108
10- 3e	572	Underground Lines	WP-AA, Col (5)	-		Page 321 line 109
11- 3f	573	Misc. Transm. Plant	WP-AA, Col (5)	-		Page 321 line 110
12-	Total Maintenance...	(sum lines 6-11) ...	-		...
4		Total Maintenance	(sum lines 3)	-		
13 5		TOTAL O&M TRANSMISSION	(sum lines 5 2 & 12 4)		-	
Adjustments (Note 2)						
14- 6a		Step-up Transformers	WP-AC, Col (1) line 5		-	
15- 6b		FACTS (Note 1)	WP-AD, Col (1) line 5		-	
16- 6c		Microwave Tower Rental Income	WP-AE, Col (3) line 2		-	
...
17 7		TOTAL ADJUSTED O&M TRANSMISSION	(sum lines 13-16 5-6)		-	

Note 1 Flexible Alternating Current Transmission System device

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

**NEW YORK POWER AUTHORITY
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YEAR ENDING DECEMBER 31, ____**

**SCHEDULE A2
ADMINISTRATIVE AND GENERAL EXPENSES**

FERC Line No./Account (1)	FERC Account Description (2)	Source	Unallocated A&G (\$) (3)	Transmission Labor-Ratio Allocator (%) (4)	Allocated to Transmission (\$) (5)	Source/Comments (6)	NYPA Form 1 Equivalent (7)
Adminis							
1- a	920	A&G Salaries	WP-AA, Col (5)	-			Page 323 line 181
2- 1b	921	Office Supplies & Expenses	WP-AA, Col (5)	-			Page 323 line 182
3- 1c	922	Admin. Exp. Transferred-Cr	WP-AA, Col (5)	-			Page 323 line 183
4- 1d	923	Outside Services Employed	WP-AA, Col (5)	-			Page 323 line 184
5- 1e	924	Property Insurance	WP-AA, Col (5)	-	-	See WP-AG; Col (3) ,Ln 4 5	Page 323 line 185
6- 1f	925	Injuries & Damages Insurance	WP-AA, Col (5)	-	-	See WP-AH; Col (3) ,Ln 4	Page 323 line 186
7- 1g	926	Employee Pensions & Benefits	WP-AA, Col (5)	-			Page 323 line 187
8- 1h	928	Reg. Commission Expenses	WP-AA, Col (5)	-	-	See WP-AA; Col (3), Ln 2x	Page 323 line 189
9- 1i	930	Obsolete/Excess Inv	WP-AA, Col (5)	-			Page 323 line 190.5
10- 1j	930.1	General Advertising Expense	WP-AA, Col (5)	-			Page 323 line 191
11- 1k	930.2	Misc. General Expenses	WP-AA, Col (5)	-			Page 323 line 192
12- 1l	930.5	Research & Development	2/	-	-	2/	Page 323 line 192.5
13- 1m	931	Rents	WP-AA, Col (5)	-			Page 323 line 193
14- 1n	935	Maint of General Plant A/C 932	WP-AA, Col (5)	-			Page 323 line 196
15- ...	TOTAL ...	(sum lines 1-14) ...	-				
2	TOTAL	(sum lines 1)	-				
16- 3a	Less A/C 924	Less line 5 1e	-				Page 323 line 185
17- 3b	Less A/C 925	Less line 6 1f	-				Page 323 line 186
18- 3c	Less EPRI Dues	1/	-				
19- 3d	Less A/C 928	Less line 8 1h	-				Page 323 line 189
20- 3e	Less A/C 930.5	Less line 12 1l	-			3/	
21- 3f	PBOP Adjustment	WP-AF	-				
22 4	TOTAL A&G Expense	(sum lines 16 2 to 21 4)	-	-	-	- Allocated based on transmission labor- allocator	
23 5	NET A&G TRANSMISSION EXPENSE	(sum lines 1 to 22 4)			-	-allocator (Schedule E1)	

1/ NYPA does not pay EPRI dues

2/ Column 5 is populated as 0 (zero) for data pertaining to calendar years ____ and 2015. It is populated as a sum of Transmission R&D Expense [Workpaper WP-AA Col (3) In(2ab)] plus the portion of Admin & General allocated to transmission [Workpaper WP-AA Col (4) In (2ab) multiplied by Workpaper E1 Allocator-Labor-Ratio Col (3) In (2)] for data pertaining to calendar years 2016 and later.

3/ Populated as 0 (zero) for data pertaining to calendar years ____ and 2015. Populated as WP-AA Col (3) for data pertaining to calendar years 2016 and later.

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

**SCHEDULE B1
ANNUAL DEPRECIATION AND AMORTIZATION EXPENSES (\$)**

Line No.	FERC Account	FERC Account Description	Source (1)	Transmission (2)	General Plant (3)	Transmission Labor-Ratio Allocator (%) (4)	General Plant Allocated to Transm. Col (3)*1/ (5)	Total Annual Depreciation Col (2)+(5) (6)
1- a	352	Structures & Improvements	WP-BA, Col (4)	-				
2- 1b	353	Station Equipment	WP-BA, Col (4)	-				
3- 1c	354	Towers & Fixtures	WP-BA, Col (4)	-				
4- 1d	355	Poles & Fixtures	WP-BA, Col (4)	-				
5- 1e	356	Overhead Conductors & Devices	WP-BA, Col (4)	-				
6- 1f	357	Underground Conduit	WP-BA, Col (4)	-				
7- 1g	358	Underground Conductors & Devices	WP-BA, Col (4)	-				
8- 1h	359	Roads & Trails	WP-BA, Col (4)	-				
9 2. Unadjusted Depreciation								
10- 3a	390	Structures & Improvements	WP-BA, Col (4)		-			
11- 3b	391	Office Furniture & Equipment	WP-BA, Col (4)		-			
12- 3c	392	Transportation Equipment	WP-BA, Col (4)		-			
13- 3d	393	Stores Equipment	WP-BA, Col (4)		-			
14- 3e	394	Tools, Shop & Garage Equipment	WP-BA, Col (4)		-			
15- 3f	395	Laboratory Equipment	WP-BA, Col (4)		-			
16- 3g	396	Power Operated Equipment	WP-BA, Col (4)		-			
17- 3h	397	Communication Equipment	WP-BA, Col (4)		-			
18- 3i	398	Miscellaneous Equipment	WP-BA, Col (4)		-			
19- 3j	399	Other Tangible Property	WP-BA, Col (4)		-			
20 4. Unadjusted General Plant Depreciation								
Adjustments								
21- 5a		Capitalized Lease Amortization	Schedule B2, Col 4, line 14	-				
22- 5b		FACTS	Schedule B2, Col 4, line 13	-				
23- 5c		Windfarm	Schedule B2, Col 4, line 11	-				
24- 5d		Step-up Transformers	Schedule B2, Col 4, line 12	-				
25- 5e		Relicensing Reclassification	WP-BG, Col 4		-			
26 6.		TOTAL	(Sum lines 1-25 2-5)	-	-	-	1/	-

1/ See Schedule-E1, Col (3), Ln 2

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

**SCHEDULE B2
ADJUSTED PLANT IN SERVICE**

								Average				
Line No.		Plant in Service (\$)	Accumulated Depreciation (\$)	Plant in Service - Net (\$)	Depreciation Expense (\$)	Plant in Service (\$)	Accumulated Depreciation (\$)	Plant in Service - Net (\$)	Depreciation Expense (\$)	Plant in Service (\$)	Accumulated Depreciation (\$)	Net Plant in Service (\$)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
NYPA Form 1 Equivalent												
PRODUCTION												
	Source	Plant in Service (p. 204-207 column (g))	Depreciation (p.219)									
1	Production - Land	WP-BC In. 8 + In. 27 + In. 37			-	-	-	-	-	-	-	-
2	Production - Hydro	WP-BC In. 35 - In. 27	In. 22 - Cost of Removal 5/		-	-	-	-	-	-	-	-
3	Production - Gas Turbine / Combined Cyc	WP-BC In. 16 + In. 45 + In. 100.5 - In. 8 - In. 37	In. 20 + In. 23		-	-	-	-	-	-	-	-
4					-	-	-	-	-	-	-	-
TRANSMISSION												
5	Transmission - Land	WP-BC In. 48			-	-	-	-	-	-	-	-
6	Transmission	WP-BC In. 58 + In. 100.6 - In. 48	In. 24 - Cost of Removal 5/		-	-	-	-	-	-	-	-
7					-	-	-	-	-	-	-	-
8	Transmission - Cost of Removal 1/	WP-BC			-	-	-	-	-	-	-	-
9	Excluded Transmission 2/	WP-BB			-	-	-	-	-	-	-	-
Adjustments to Rate Base												
10	Transmission - Asset Impairment	WP-BC			-	-	-	-	-	-	-	-
11	Windfarm	WP-BC			-	-	-	-	-	-	-	-
12	Generator Step-ups	WP-BF			-	-	-	-	-	-	-	-
13	FACTS	WP-BE			-	-	-	-	-	-	-	-
14	Marcy South Capitalized Lease 3/				-	-	-	-	-	-	-	-
15	=				-	-	-	-	-	-	-	-
16	Total Adjustments				-	-	-	-	-	-	-	-
17					-	-	-	-	-	-	-	-
18	Net Adjusted Transmission				-	-	-	-	-	-	-	-
-												
GENERAL												
19	General - Land	WP-BC In. 86			-	-	-	-	-	-	-	-
20	General	WP-BC In. 99 - In. 86	In. 27 - Cost of Removal 5/		-	-	-	-	-	-	-	-
21		In. 99			-	-	-	-	-	-	-	-
Adjustments to Rate Base												
22	General - Asset Impairment				-	-	-	-	-	-	-	-
23	General - Cost of Removal	WP-BC			-	-	-	-	-	-	-	-
24	Relicensing	WP-BG			-	-	-	-	-	-	-	-
25	Excluded General 4/	WP-BC			-	-	-	-	-	-	-	-
26	=				-	-	-	-	-	-	-	-
27	Total Adjustments				-	-	-	-	-	-	-	-
28	Net Adjusted General Plant				-	-	-	-	-	-	-	-

Notes

- 1/ Cost of Removal: Bringing back to accumulated depreciation cost of removal which was reclassified to regulatory liabilities in annual report.
- 2/ Excluded Transmission: Assets not recoverable under ATRR, FERC Accounts 350 and 352-359 for 500 MW, AEII, Poletti, SCPPs, Small Hydro, and Flynn.
- 3/ Marcy South Capitalized Lease amount is added separately to the Rate Base.
- 4/ Excluded General: Assets not recoverable under ATRR, FERC Accounts 389-399 for 500 MW, AEII, Poletti, SCPPs, Small Hydro, and Flynn.
- 5/ SCPPs include Brentwood, Gowanus, Harlem River, Hell Gate, Kent, Pouch and Vernon. Small Hydro includes Ashokan, Crescent, Jarvis and Vischer Ferry.
- 5/ The difference between the Accumulated Depreciation contained in the NYPA Form 1 Equivalent and the amount contained here is equal to the Cost of Removal.

**Schedule B3 - Depreciation and Amortization Rates
NEW YORK POWER AUTHORITY**

Based on Plant Data Year Ending December 31, 2019 for General and Intangible Plant and December 31, 2020 for Transmission Plant (as filed with FERC in 2022 [in Docket ER22-2581](#))

Line No.	FERC Account	FERC Account Description	Rate (Annual) Percent 1/							Long Island Sound Cable	New Project 2/
			Headquarters	St. Lawrence/Ft Niagara	Blenheim-Gilboa	J. A. FitzPatrick	Massena-Marcy	Marcy-South			
	TRANSMISSION PLANT										
1	350	Land Rights									
2	352	Structures and Improvements		1.87%	1.78%	1.60%		1.83%		0.89%	1.92%
3	353	Station Equipment		2.73%	2.80%	2.79%		2.83%	2.90%	1.67%	2.67%
4	354	Towers and Fixtures		1.63%	1.65%	1.65%	0.87%	1.84%	2.12%		2.27%
5	355	Poles and Fixtures		2.26%	2.30%	1.71%		1.75%	2.28%		2.65%
6	356	Overhead Conductor and Devices		2.32%	2.25%	1.95%	1.37%	2.83%	2.43%		2.45%
7	357	Underground Conduit		1.03%					1.76%	0.32%	1.69%
8	358	Underground Conductor and Devices		2.47%					2.91%	0.74%	2.44%
9	359	Roads and Trails		0.77%	0.53%	1.02%	0.11%	1.23%	1.42%		1.33%
	GENERAL PLANT										
10	390	Structures & Improvements	1.37%	1.69%	1.53%	1.61%		1.70%			1.75%
11	391	Office Furniture & Equipment	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
12	391.2	Computer Equipment 5 yr	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
13	391.3	Computer Equipment 10 yr	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
14	392	Transportation Equipment	10.00% 4/	5.58%	4.30%	6.30%		5.53%			10.00%
15	393	Stores Equipment		2.84%		3.08%		2.11%			3.33%
16	394	Tools, Shop & Garage Equipment	4.64%	3.92%	2.55%	5.11%		3.71%			5.00%
17	395	Laboratory Equipment	5.00% 4/	5.17%	4.26%	5.11%		4.78%			5.00%
18	396	Power Operated Equipment		6.19%	5.68%	2.28%		3.55%	8.33% 4/		8.33%
19	397	Communication Equipment	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
20	398	Miscellaneous Equipment 4/	4.00%	1.09%	4.42%	5.02%		5.00% 4/			5.00%
21	399	Other Tangible Property	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
	INTANGIBLE PLANT										
22	303	Miscellaneous Intangible Plant									
23		5 Year Property	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
24		7 Year Property	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%
25		10 Year Property	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
26		Transmission facility Contributions in Aid of Construction	3/								

Notes:

- 1/ Where no depreciation rate is listed for a transmission or general plant account for a particular project, NYPA lacks depreciable plant as of 12/31/2019 or 2020 (or all plant has been fully depreciated). If new plant corresponding to these accounts is subsequently added for the relevant projects, the "New Project" depreciation rate for the relevant account will apply.
- 2/ New Project transmission and general depreciation rates are equal to the life of the asset adjusted for salvage.
- 3/ 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 equivalent to the depreciation rate calculated above, i.e., 100% depreciation rate = life in years. The estimated life of the facility or rights associated with the facility will not change over the life of a CIAC without prior FERC approval.
- 4/ NYPA has replaced the anomalous rates for these assets with New Project rates.

[These depreciation rates will not change absent the appropriate filing at FERC.](#)

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

SCHEDULE C1
TRANSMISSION - RATE BASE CALCULATION

<u>RATE BASE</u>	<u>TRANSMISSION PLANT (\$)</u> (1)	<u>TOTAL GENERAL PLANT (\$)</u> (2)	<u>TRANSM. LABOR TRANSM. RATIO ALLOCATOR</u> [Schedule E1] (3)	<u>GENERAL PLANT ALLOCATED TO TRANSMISSION (\$)</u> (2) * (3) (4)	<u>TOTAL TRANSMISSION (\$)</u> (1) + (4) (5)	<u>RATE OF RETURN</u> Schedule D1 (6)	<u>RETURN ON RATE BASE</u> (5) * (6) (7)
1 A) Net Electric Plant in Service	-	-	-	-	-		
2 B) Rate Base Adjustments							
3 * Cash Working Capital (1/8 O&M)	-	-			-		
4 * Marcy South Capitalized Lease	-	-			-		
5 * Materials & Supplies	-	-	-	-	-		
6 * Prepayments	-	-	-	-	-		
7 * CWIP	-	-			-		
8 * Regulatory Asset	-	-			-		
9 * Abandoned Plant	-	-			-		
10 TOTAL (sum lines 1-9)	-	-	-	-	-	-	-

1/ Schedule B2; Net Electric Plant in Service; Ln 17

2/ Schedule B2; Net Electric Plant in Service; Ln 25

3/ 1/8 of (Schedule A1; Col 5, Ln 17 + Schedule A2; Col 5, Ln 22) [45 days]

4/ WP-BD; Average of Year-end Unamortized Balances, Col 5

5/ Average of year-end inventory Materials & Supplies (WP-CA). NYPA Form 1 Equivalent, page 227, Ln 12, average of columns b and c.

6/ WP-CB; Col 3, Ln 3

7/ CWIP, Regulatory Asset and Abandoned Plant are zero until an amount is authorized by FERC as shown below. CWIP amount is shown in the NYPA Form 1 Equivalent, page 216, line 1

Docket Number	Authorized Amount

NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
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SCHEDULE D1
CAPITAL STRUCTURE AND COST OF CAPITAL

<u>Line No.</u>	<u>TITLE</u>	<u>CAPITALIZATION RATIO</u> <u>from WP-DA 1/</u> <u>(1)</u>	<u>COST RATE</u> <u>from WP-DA 2</u> <u>(2)</u>	<u>WEIGHTED</u> <u>AVERAGE</u> <u>(3)</u>	<u>SOURCE/COMMENTS</u> <u>(4)</u>
1	LONG-TERM DEBT	0.00%	-	-	Col (1) * Col (2)
2	<u>COMMON EQUITY</u>	<u>0.00%</u>	9.45%	-	Col (1) * Col (2)
3	TOTAL CAPITALIZATION	0.00%		-	Col (3); Ln (1) + Ln (2)

- Notes
- 1/ The Common Equity share listed in Col (1) is capped at 50%. The cap may only be changed pursuant to an FPA Section 205 or 206 filing to FERC.
The Long-Term Debt share is calculated as 1 minus the Common Equity share.
- 2/ The ROE listed in Col (2) Ln (2) is the base ROE plus 50 basis-point incentive for RTO participation. ROE may only be changed pursuant to an FPA

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

**SCHEDULE D2
PROJECT SPECIFIC CAPITAL STRUCTURE AND COST OF CAPITAL 3/**

<u>Line No.</u>	<u>TITLE</u>	<u>CAPITALIZATION RATIO</u> <u>from WP-DA</u> <u>(1)</u>	<u>COST RATE</u> <u>from WP-DA</u> <u>(2)</u>	<u>WEIGHTED</u> <u>AVERAGE</u> <u>(3)</u>	<u>SOURCE/COMMENTS</u> <u>(4)</u>
Project 1 - Marcy South Series Compensation - Capital Structure					
1	LONG-TERM DEBT	-	1/	-	Col (1) * Col (2)
2	COMMON EQUITY	-	1/	9.45% 2/	Col (1) * Col (2)
3	TOTAL CAPITALIZATION	-		-	Col (3); Ln (1) + Ln (2)
4	PROJECT NET PLANT			-	F1-Proj RR, Col (7), Ln (1b)
5	PROJECT BASE RETURN			-	Col (3) Ln (4) * WP-DA Col (7) Ln (4)
6	PROJECT ALLOWED RETURN			-	Col (3); Ln (3) * Ln (4)
1A	PROJECT SPECIFIC RETURN ADJUSTMENT			-	Col (3); Ln (6) - Ln (5)
Project 2 - AC Project Segment A (Central East Energy Connect) - Capital Structure 4/					
1	LONG-TERM DEBT	-		-	Col (1) * Col (2)
2	COMMON EQUITY	-	9.95%	-	Col (1) * Col (2)
3	TOTAL CAPITALIZATION	-		-	Col (3); Ln (1) + Ln (2)
4	PROJECT NET PLANT			-	F1-Proj RR, Col (7), Ln (1c)
5	PROJECT BASE RETURN			-	Col (3) Ln (4) * WP-DA Col (7) Ln (4)
6	PROJECT ALLOWED RETURN			-	Col (3); Ln (3) * Ln (4)
2B	PROJECT SPECIFIC RETURN ADJUSTMENT			-	Col (3); Ln (6) - Ln (5)
Project 3 - SPC Project - Capital Structure 5/					
1	LONG-TERM DEBT	-		-	Col (1) * Col (2)
2	COMMON EQUITY	-	9.95%	-	Col (1) * Col (2)
3	TOTAL CAPITALIZATION	-		-	Col (3); Ln (1) + Ln (2)
4	PROJECT NET PLANT			-	F1-Proj RR, Col (7), Ln (1d)
5	PROJECT BASE RETURN			-	Col (3) Ln (4) * WP-DA Col (7) Ln (4)
6	PROJECT ALLOWED RETURN			-	Col (3); Ln (3) * Ln (4)
3C	PROJECT SPECIFIC RETURN ADJUSTMENT			-	Col (3); Ln (6) - Ln (5)

Project X

A Total Project Adjustments

-

Notes

- 1/ The MSSC Common Equity share listed in Col (1) is capped at 53%. The cap may only be changed pursuant to an FPA Section 205 or 206 filing to FERC. The MSSC Long-Term Debt share is calculated as 1 minus the Common Equity share.
- 2/ The MSSC ROE listed in Col (2) Ln (2) is the base ROE plus 50 basis-point incentive Congestion Relief Adder. ROE may only be changed pursuant to an FPA Section 205 or 206 filing to FERC.
- 3/ Additional project-specific capital structures added to this Schedule D2 must be approved by FERC. The cost of long-term debt and common equity for any such project shall reflect the cost rates in Col (2), Lns (1) and (2) unless a different cost rate is approved by FERC.
- 4/ The AC Project Segment A cost containment impacts, if any, will be computed on a workpaper and provided as supporting documentation for each applicable Annual Update consistent with the NYPA Protocols. The ROE listed in Col (2) for AC Project Segment A consists of a 50 basis point ROE Risk Adder per the Commission's approval in Docket No. EL19-88, added to the 9.45% ROE applicable to NYPA's other transmission assets. See Schedule D1 and Project 1, above.
- 5/ The Smart Path Connect Project cost containment impacts, if any, will be computed on a workpaper and provided as supporting documentation for each applicable Annual Update, consistent with the Commission's Order dated 07/05/22 in Docket No. ER22-1014. The ROE listed in Col (2) for the Smart Path Connect Project consists of a 50 basis point ROE Risk Adder per the Commission's approval in Docket No. ER 22-1014 added to the 9.45% ROE applicable to NYPA's other transmission assets. See Schedule D1 and Project 1, above.

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

SCHEDULE E1

LABOR RATIO A&G AND GENERAL PLANT ALLOCATOR

Line No.	DESCRIPTION	LABOR AMOUNT (\$) RATIO From WP-EA (1) (2)	ALLOCATED TO RATIO TRANSMISSION (3) (4)	SOURCE/ COMMENTS (5)	ALLOCATED TO TRANSMISSION (6)	SOURCE/ COMMENTS (7)	NYPA Form 1 Equivalent (8)
1	PRODUCTION	— 0.00%	-				Page 354 lines 17, 20, 24
2	INCLUDED TRANSMISSION	— 0.00%	— 0.00%	Col (2); Ln (2)	—	Col (1); Ln (2) / Ln (3)	Page 354 line 24
3	TOTAL LABOR	— 0.00%	-				

Schedule F1
 Project Revenue Requirement Worksheet
 NEW YORK POWER AUTHORITY
 YEAR ENDING DECEMBER 31, ____

<u>Line No.</u>	<u>Item</u>	<u>Page, Line, Col.</u> (1)	<u>Transmission (\$)</u> (2)	<u>Allocator</u> (3)
1	Gross Transmission Plant - Total	Schedule B2, line 17, col 9 (Note A)	-	
1a	Transmission Accumulated Depreciation	Schedule B2, line 17, col 10	-	
1b	Transmission CWIP, Regulatory Asset and Abandoned Plant	Schedule C1, 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 A1, line 17, col 5 and Schedule A2, line 22, Col 5	-	
GENERAL DEPRECIATION EXPENSE				
5	Total General Depreciation Expense	(Note G) Schedule B1 line 26, col 5	-	
6	Annual Allocation Factor for Expenses	((line 3 + line 5) divided by line 1, col 2)	-	-
RETURN				
7	Return on Rate Base	Schedule C1 line 10, col 7	-	
8	Annual Allocation Factor for Return on Rate Base	(line 7 divided by line 2 col 2)	-	-

**Schedule F1
Project Revenue Requirement Worksheet
NEW YORK POWER AUTHORITY**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(14a)	(15)	(16)	(17)		
Line No.	Project Name and #	Type	Project Gross Plant (\$)	Project Accumulated Depreciation (\$)	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 (\$)	Discount	PROJECT SPECIFIC CAPITAL STRUCTURE AND COST OF CAPITAL	Total Annual Revenue Requirement (\$)	True-Up Adjustment (\$)	Net Revenue Requirement (\$)	
			(Note C)		Page 1 line 6	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 F2, Line 10 * (Col. 12/100)* Col. 7)	(Note I)	Schedule D2	(Sum Col. 11 + 13 + 14 + 14a)	(Note F)	Sum Col. 15 + 16	
1a	NTAC Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1b	MSSC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1c	AC Transmission Project Segment A (Central E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1d	Smart Path Connect - NTAC - ROE Risk Adder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1e		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1f		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1g		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1h		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1i		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1j		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1k		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1l		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1m		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1n		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1o		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note Letter

A Gross Transmission Plant that is included on Schedule B2, Ln 17, 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 B1, Ln 26, 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 B3 for all other projects.

F Reserved

G The Total General and Common Depreciation Expense excludes any depreciation expense 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). A negative number of basis points may be entered to reduce the ROE applicable to a project if a FERC order specifies a lower return for that project.

I The discount is the reduction in revenue, if any, that NYPA agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate

**Schedule F2
Incentives
NEW YORK POWER AUTHORITY
YEAR ENDING DECEMBER 31, _____**

<u>Line No.</u>	<u>Item</u>	<u>Reference</u>	<u>%</u>	<u>Cost</u>	<u>\$ Weighted Cost</u>	<u>\$</u>
1	Rate Base	Schedule C1, line 10, Col. 5				-
2	100 Basis Point Incentive Return					-
3	Long Term Debt	(Schedule D1, line 1)	-	-	-	-
4	Common Stock	(Schedule D1, line 2)	-	0.1045	-	-
5	Total (sum lines 3-4)				-	-
6	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 5)					-
7	Return (Schedule C1, line 10, Col. 7)					-
8	Incremental Return for 100 basis point increase in ROE					-
9	Net Transmission Plant					-
10	Incremental Return for 100 basis point increase in ROE divided by Rate Base					-

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 associated with a 100 basis point increase in ROE. Any actual incentive is calculated on Schedule F1 and must be approved by FERC. For example, if FERC 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 F1, Col. 13.

**Schedule F3
Project True-Up
Incentives**

YEAR ENDING DECEMBER 31, ____
(S)

(1) Line No.	(2) Project Name	(3) NTAC ATRR of Project Number	(4) Actual Revenues Received (Note 1)	(5) Actual Net Revenue Requirement (Note 2)	(6) True-Up Adjustment Principal Under/(Over)	(7) Prior Period Adjustment	(8) Applicable Interest Rate on Under/(Over)	(9) True-Up Adjustment Interest Under/(Over)	(10) Total True-Up Adjustment
			Received for Transmission Service	Schedule F2 Using Actual Cost Data	Col. (5) - Col. (4)	(Note A) Line 25, Col. (e)	Line 24	(Col. (6) + Col. (7)) x Col. (8) x 24 months	Col. (6) + Col. (7) + Col. (9)
1a	NTAC Facilities	-	-	-	-	-	-	-	-
1b	MSSC	-	-	-	-	-	-	-	-
1c	AC Transmission Project Segment A (Central East En	-	-	-	-	-	-	-	-
1d		-	-	-	-	-	-	-	-
1e		-	-	-	-	-	-	-	-
...									
...									
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 (5).
- 2) Schedule F1, Page 2 of 2, col (15).

**Schedule F3
Project True-Up
Incentives**

FERC Refund Interest Rate

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

Prior P

	(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 Ln 25 Col (d).

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

**WORK PAPER AA
Operation and Maintenance Summary**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)
	Amount (\$)	PRODUCTION	TRANSMISSION	ADMIN & GENERAL	OVERALL RESULT	Major Category
1a	555 - OPSE-Purchased Power	-	-	-	-	-
1b	501 - Steam Product-Fuel	-	-	-	-	-
1c	565 - Trans-Xmsn Elect Oth	-	-	-	-	-
...	- ...	-	-	-	-	-
2a	506 - SP-Misc Steam Power	-	-	-	-	Operations
2b	535 - HP-Oper Supvr&Engrg	-	-	-	-	
2c	537 - HP-Hydraulic Expense	-	-	-	-	
2d	538 - HP-Electric Expenses	-	-	-	-	
2e	539 - HP-Misc Hyd Pwr Gen	-	-	-	-	
2f	546 - OP-Oper Supvr&Engrg	-	-	-	-	
2g	548 - OP-Generation Expens	-	-	-	-	
2h	549 - OP-Misc Oth Pwr Gen	-	-	-	-	
2i	560 - Trans-Oper Supvr&Eng	-	-	-	-	
2j	561 - Trans-Load Dispatcng	-	-	-	-	
2k	562 - Trans-Station Expens	-	-	-	-	
2l	566 - Trans-Misc Xmsn Exp	-	-	-	-	
2m	905 - Misc. Customer Accts. Exps	-	-	-	-	
2n	Contribution to New York State	-	-	-	-	
2o	916 - Misc. Sales Expense	-	-	-	-	
2p	920 - Misc. Admin & Gen'l Salaries	-	-	-	-	
2q	921 - Misc. Office Supp & Exps	-	-	-	-	
2r	922 - Administrative Expenses Transferred	-	-	-	-	
2s	923 - Outside Services Employed	-	-	-	-	
2t	924 - A&G-Property Insurance	-	-	-	-	
2u	925 - A&G-Injuries & Damages Insurance	-	-	-	-	
2v	926 - A&G-Employee Pension & Benefits	-	-	-	-	
2w	926 - A&G-Employee Pension & Benefits(PBOP)	-	-	-	-	
2x	928 - A&G-Regulatory Commission Expense	-	-	-	-	
2y	930 - Obsolete/Excess Inv	-	-	-	-	
2z	930.1-A&G-General Advertising Expense	-	-	-	-	
2aa	930.2-A&G-Miscellaneous & General Expense	-	-	-	-	
2ab	930.5-R & D Expense	-	-	-	-	
2ac	931 - Rents	-	-	-	-	
2ad	935 - A&G-Maintenance of General Plant	-	-	-	-	
...	- ...	-	-	-	-	
3a	545 - HP-Maint Misc Hyd Pl	-	-	-	-	Maintenance
3b	512 - SP-Maint Boiler Plt	-	-	-	-	
3c	514 - SP-Maint Misc Stm Pl	-	-	-	-	
3d	541 - HP-Maint Supvn&Engrg	-	-	-	-	
3e	542 - HP-Maint of Struct	-	-	-	-	
3f	543 - HP-Maint Res Dam&Wtr	-	-	-	-	
3g	544 - HP-Maint Elect Plant	-	-	-	-	
3h	551 - OP-Maint Supvn & Eng	-	-	-	-	
3i	552 - OP-Maint of Struct	-	-	-	-	
3j	553 - OP-Maint Gen & Elect	-	-	-	-	
3k	554 - OP-Maint Oth Pwr Prd	-	-	-	-	
3l	568 - Trans-Maint Sup & En	-	-	-	-	
3m	569 - Trans-Maint Struct	-	-	-	-	
3n	570 - Trans-Maint St Equip	-	-	-	-	
3o	571 - Trans-Maint Ovhd Lns	-	-	-	-	
3p	572 - Trans-Maint Ungrd Ln	-	-	-	-	
3q	573 - Trans-Maint Misc Xmn	-	-	-	-	
...	- ...	-	-	-	-	-
4a	403 - Depreciation Expense	-	-	-	-	-
...	- ...	-	-	-	-	-
5	TOTALS	-	-	-	-	-

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

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

<u>Line No.</u>	<u>Amount (\$)</u> (1)	<u>Ratio</u> (2)	<u>Notes</u>
1	-		Sch B2; Col 9, Sum Ln 5, 6 and 10
2	-		Sch B2, Line 12, Col 9
3		-	Col 1, Ln 2 / Col 1, Ln 1
4	-		Sch A1; Col 4, Ln 12 4
5	-		Col 1, Ln 4 x Col 2, Ln 3

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

**WORK PAPER AD
FACTS O&M ALLOCATOR**

<u>Line No</u>	<u>Amount (\$)</u> (1)	<u>Ratio</u> (2)	<u>Notes</u>
1	-		Sch B2; Col 5, Sum Ln 5, 6 and 10
2	-		Sch B2, Line 13, Col 9
3		-	Col 1, Ln 2 / Col 1, Ln 1
4	-		Sch A1: Col 4, Ln 4 4
5	-		Subtract Col 1, Ln 4 * Col 2, Ln 3

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

**WORK PAPER AE
MICROWAVE TOWER RENTAL INCOME**

	(1)	(2)	(3)
<u>Line No.</u>	<u>Posting Date</u>	<u>Account</u>	<u>Income Amount (\$)</u>
1a			
1b			
1c			
1d			
1e			
1f			
1g			
1h			
1i			
1j			
1k			
1l			
1n			
...			
2			-

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

**WORK PAPER AF
POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PBOP)**

<u>Line No.</u>	<u>Item</u>	(1)	(2)
			<u>Amount (\$)</u>
1	Total NYPA PBOP		
2	PBOP Capitalized		
3	PBOP contained in Cost of Service	Line 1 less line 2	-
4	Base PBOP Amount		<u>35,797,785</u>
5	PBOP Adjustment	Line 4 less line 3	-

This work paper includes total NYPA PBOP which is allocated to transmission by [the allocator](#) ~~labor-ratio~~ as shown on Schedule A2.

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

**WORK PAPER AG
PROPERTY INSURANCE ALLOCATION**

<u>Line No.</u>	<u>Site</u>	<u>Amount (\$)</u> (1)	<u>Ratio</u> (2)	<u>Allocated Insurance Expense - Transmission (\$)</u> (3)	<u>Notes</u> (4)
1a					Allocated based on transmission gross plant ratio from Work Paper AI
1b					
1c					
1d					
...					
2	Subtotal (Gross Transmission Plant Ratio)	-	-	-	
3a					
3b					
...					
4	Subtotal (Full Transmission)	-	100.00%	-	
5	Grand Total			-	

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

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

<u>Line No.</u>	<u>Site</u>	<u>Amount (\$)</u> (1)	<u>Ratio (%)</u> (2)	<u>Allocated Injury/Damage Insurance Expense - Transmission (\$)</u> (3)	<u>Notes</u> (4)
1a					
1b					
1c					
1d					
...					
2	Subtotal	-	-	-	Allocated based on transmission allocator labor ratio from Schedule E1
3a					
...					
		-	100.00	-	
4	Grand Total			-	

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

**WORK PAPER AI
PROPERTY INSURANCE ALLOCATOR**

	<u>12/31/</u> (1)	<u>(\$)</u>	<u>12/31/</u> (2)	<u>(\$)</u>	<u>Average</u> (3)	<u>Gross Plant in Service Ratio</u> (4)	<u>Source</u> (5)
1	-		-		-	-	WP-BC
2	-		-		-	-	WP-BC
3							
TOTAL	-		-		-	-	

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

**WORK PAPER BA
DEPRECIATION AND AMORTIZATION EXPENSES (BY FERC ACCOUNT)**

Included General & Transmission Plant - Depreciation ____

Line No.	Source/Comments	(1) Site	(2) FERC Acct #	(3) Item	(4) Depreciation (\$)
1a			390		-
1b			390		-
1c			390		-
1d			390		-
1e			390		-
1f			390		-
...			390		-
...			390		-
2			390	Subtotal General - Structures & Improvements	-
3a			391		-
3b			391		-
3c			391		-
3d			391		-
3e			391		-
...			391		-
...			391		-
4			391	Subtotal General - Office Furniture & Equipment	-
5a			392		-
5b			392		-
5c			392		-
5d			392		-
5e			392		-
...			392		-
...			392		-
6			392	Subtotal General - Transportation Equipment	-
7a			393		-
7b			393		-
7c			393		-
7d			393		-
...			393		-
...			393		-
8			393	Subtotal General - Stores Equipment	-
9a			394		-
9b			394		-
9c			394		-
9d			394		-
9e			394		-
...			394		-
...			394		-
10			394	Subtotal General - Tools, Shop & Garage Equipment	-
11a			395		-
11b			395		-
11c			395		-
11d			395		-
11e			395		-
...			395		-
...			395		-
12			395	Subtotal General - Laboratory Equipment	-
13a			396		-
13b			396		-
13c			396		-
13d			396		-
13e			396		-
...			396		-
...			396		-
14			396	Subtotal General - Power Operated Equipment	-
15a			397		-
15b			397		-
15c			397		-
15d			397		-
15e			397		-
15f			397		-
15g			397		-
...			397		-
...			397		-
16			397	Subtotal General - Communication Equipment	-
17a			398		-
17b			398		-
17c			398		-

17d		398		-
17e		398		-
...		398		-
...		398		-
18		398	Subtotal General - Miscellaneous Equipment	-
19a		399		-
19b		399		-
19c		399		-
...		399		-
...		399		-
20		399	Subtotal General - Other Tangible Property	-

21	Total Included General Plant			-
----	-------------------------------------	--	--	---

Included Transmission Plant				
22a		352		-
22b		352		-
22c		352		-
22d		352		-
22e		352		-
22f		352		-
22g		352		-
...		352		-
...		352		-
23		352	Subtotal Transmission - Structures & Improvements	-

24a		353		-
24b		353		-
24c		353		-
24d		353		-
24e		353		-
24f		353		-
24g		353		-
24h		353		-
...		353		-
...		353		-
25		353	Subtotal Transmission - Station Equipment	-

26a		354		-
26b		354		-
26c		354		-
26d		354		-
26e		354		-
26f		354		-
...		354		-
...		354		-
27		354	Subtotal Transmission - Towers & Fixtures	-

28a		355		-
28b		355		-
28c		355		-
28d		355		-
28e		355		-
...		355		-
...		355		-
29		355	Subtotal Transmission - Poles & Fixtures	-

30a		356		-
30b		356		-
30c		356		-
30d		356		-
30e		356		-
30f		356		-
...		356		-
...		356		-
31		356	Subtotal Transmission - Overhead Conductors & Devices	-

32a		357		-
32b		357		-
32c		357		-
...		357		-
...		357		-
33		357	Subtotal Transmission - Underground Conduit	-

34a		358		-
34b		358		-
34c		358		-
...		358		-
...		358		-
35		358	Subtotal Transmission - Underground Conductors & Devices	-
36a		359		-
36b		359		-
36c		359		-
36d		359		-
36e		359		-
36f		359		-
...		359		-
...		359		-
37		359	Subtotal Transmission - Roads & Trails	-

38	Total Included Transmission Plant			-
----	--	--	--	---

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

**WORK PAPER BD
MARCY-SOUTH CAPITALIZED LEASE AMORTIZATION
AND UNAMORTIZED BALANCE**

<u>Line No.</u>	<u>Year</u>	<u>Beginning Unamortized Lease Asset/ Obligation (\$)</u>	<u>Ending Unamortized Lease/Asset (\$)</u>	<u>Capitalized Lease Amortization (\$)</u>	<u>Current Year Average Unamortized Balance</u>
(1)	(2)	(3)	(4)	(5)	
1	1988	-	-	-	
2	1989	-	-	-	
3	1990	-	-	-	
4	1991	-	-	-	
5	1992	-	-	-	
6	1993	-	-	-	
7	1994	-	-	-	
8	1995	-	-	-	
9	1996	-	-	-	
10	1997	-	-	-	
11	1998	-	-	-	
12	1999	-	-	-	
13	2000	-	-	-	
14	2001	-	-	-	
15	2002	-	-	-	
16	2003	-	-	-	
17	2004	-	-	-	
18	2005	-	-	-	
19	2006	-	-	-	
20	2007	-	-	-	
21	2008	-	-	-	
22	2009	-	-	-	
23	2010	-	-	-	
24	2011	-	-	-	
25	2012	-	-	-	
26	2013	-	-	-	
27	2014	-	-	-	-
28	2015	-	-	-	
29	2016	-	-	-	
30	2017	-	-	-	
31	2018	-	-	-	
32	2019	-	-	-	
33	2020	-	-	-	
34	2021	-	-	-	-
35	2022	-	-	-	
36	2023	-	-	-	
37	2024	-	-	-	
38	2025	-	-	-	
39	2026	-	-	-	
40	2027	-	-	-	
41	2028	-	-	-	
42	2029	-	-	-	
43	2030	-	-	-	
44	2031	-	-	-	
45	2032	-	-	-	
46	2033	-	-	-	
47	2034	-	-	-	
48	2035	-	-	-	
49	2036	-	-	-	
50	2037	-	-	-	
51	Total	-	-	-	-

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

**WORK PAPER BE
FACTS PROJECT PLANT IN SERVICE, ACCUMULATED DEPRECIATION AND DEPRECIATION EXPENSE**

LN	Cap.Date	Asset Description	(1) Electric Plant in Service (\$)	(2) Accumulated Depreciation (\$)	(3) Electric Plant in Service (Net \$)	(4) Depreciation Expense (\$)	(5) Electric Plant in Service (\$)	(6) Accumulated Depreciation (\$)	(7) Electric Plant in Service (Net \$)	(8) Depreciation Expense (\$)
1a										
1b										
1c										
2		Total Plant	-	-	-	-	-	-	-	-
3		Year-Over-Year Accumulated Depreciation		-						

Note: The FACTS project data is based on NYPA's financial records with adherence to FERC's Uniform System of Accounts and U.S. generally accepted accounting principles.

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

**WORK PAPER BG
RELICENSING/RECLASSIFICATION EXPENSES**

NIAGARA	Plant in Service (\$)	Accumulated Depreciation (\$)	Plant in Service (Net \$)	Depreciation Expense (\$)	Plant in Service (\$)	Accumulated Depreciation (\$)	Plant in Service (Net \$)	Depreciation Expense (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1a								
1b								
1c								
...								
1	-	-	-	-	-	-	-	-
ST. LAWRENCE								
2a								
2b								
2c								
2d								
2e								
2f								
2g								
...								
2	-	-	-	-	-	-	-	-
- BLENHEIM GILBOA								
3a								
...								
...								
3	-	-	-	-	-	-	-	-
4a								
4 ... Total Expenses	-	-	-	-	-	-	-	-
...								
4	-	-	-	-	-	-	-	-
5								
	-	-	-	-	-	-	-	-

Total Expenses

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

**WORK PAPER BH
ASSET IMPAIRMENT**

	(1)	(2)	(3)	(4)	(5)
	Posting Date	Cost Profit Center	Account	Impairment Amount (\$)	Facility
1a					
1b					
1c					
1d					
1e					
1f					
1g					
...					
2				-	
3				-	Total Impairment - Production
4				-	Total Impairment - Transmission
5				-	Total Impairment - General Plant

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

**WORK PAPER BI
COST OF REMOVAL**

Cost of Removal to Regulatory Assets - Depreciation:

(1)	(2)	(3)
	Amount (\$)	Amount (\$)
1 Production		
2 Transmission		
3 General		
4 Total	-	-

Note: The Cost of Removal data is based on NYPA's accounting records under the provisions of FASB Accounting Standards Codification Topic 980.

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

**WORK PAPER CA
MATERIALS AND SUPPLIES**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
NYPA Acct #	Facility	Total M&S Inventory (\$) 12/31/____	Total M&S Inventory (\$) 12/31/____	Avg. M&S Inventory ____-14	Transmission Allocator	Allocated M&S (\$)
1a 1100	NIA					
1b 1200	STL					
1c 3100	POL					
1d 3200	Flynn					
1e 1300	B/G					
1f 3300	500MW					
1g 2100	CEC					
...	-					
2	Facility Subtotal	-	-			
3a	Reserv					
3b	Reserv					
...	-					
4	Reserves Subtotal	-	-			
5	Total	-	-	-	-	-

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

**WORK PAPER CB
ESTIMATED PREPAYMENTS AND INSURANCE**

	(1)	(2)	(3)
	<u>Date</u>	<u>Property Insurance (\$)</u>	<u>Other Prepayments (\$)</u>
1	12/31/____	-	
2	12/31/____	-	
3	Beginning/End of Year Average	-	-

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

**WORK PAPER DA
WEIGHTED COST OF CAPITAL**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Component	Amount (\$)	Actual Share	Equity Cap	Applied Share	Cost Rate	Weighted Cost
1 Long-Term Debt	- 6/	-	50.00%	-	-	2/
2 Preferred Stock	-	-	-	-	-	3/
3 Common Equity	- 1/	-	50.00%	-	9.45%	5/
4 Total	-	-	100%	-		-

Notes

1/:

5 Total Proprietary Capital	-	Workpaper WP-DB Ln (5), average of Col (2) and (3)				
6 less Preferred						
7 less Acct. 216.1						
8 Common Equity	-					

2/:

9 Total Long Term Debt Interest	-	Workpaper WP-DB Col (2) Ln (2)				
10 Net Proceeds Long Term Debt	-	Workpaper WP-DB Ln (4), average of Col (2) and (3)				
11 LTD Cost Rate	- 7/					

3/:

12 Preferred Dividends	-					
13 Preferred Stock	-					
14 Preferred Cost Rate	-					

15 4/: The capital structure listed in Col (3) is calculated based on the total capitalization amount listed in column (2). The Equity Cap in Col (4) is fixed and cannot be modified or deleted absent an FPA Section 205 or 206 filing to FERC. The Applied Equity Share in Col (5) Ln (3) is actual common equity share, not to exceed the Equity Cap in Col (4) Ln (3). The debt share is calculated as 1 minus the equity share.

16 5/: The ROE listed in Col (6), Ln (3) is the base ROE plus 50 basis-point incentive for RTO participation. ROE may only be changed pursuant to FPA Section 205 or 206 filing to FERC.

17 6/: The Long-Term Debt Amount (\$) in Col (2) Ln (1) is the Gross Proceeds Outstanding Long Term Debt, the average of WP-DB Ln (3e), Col (2) and (3).

18 7/: The Long-Term Debt Cost Rate is calculated as the Total Long Term Debt Interest [Workpaper WP-DB Col (2) Ln (2)] divided by the Net Long Term Debt [Workpaper WP-DB row (4), average of Col (2) and (3)].

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

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

(1)	(2)	(3)	(4)
	Amount (\$)	Amount (\$)	NYP A Form 1 Equivalent
1 Long Term Debt Cost			
1a Interest on Long-Term Debt			p. 117 ln. 62 c,d
1b Amort. of Debt Disc. and Expense			p. 117 ln. 63 c,d
1c Amortization of Loss on Reacquired Debt			p. 117 ln. 64 c,d
1d (Less) Amort. of Premium on Debt			p. 117 ln. 65 c,d
1e (Less) Amortization of Gain on Reacquired Debt			p. 117 ln. 66 c,d
2 Total Long Term Debt Interest	-	-	
3 Long Term Debt			
3a Bonds			p. 112 ln. 18 c,d
3b (Less) Reacquired Bonds			p. 112 ln. 19 c,d
3d Other Long Term Debt			p. 112 ln. 21 c,d
3e Gross Proceeds Outstanding LT Debt	-	-	
3f (Less) Unamortized Discount on Long-Term Debt			p. 112 ln. 23 c,d
3g (Less) Unamortized Debt Expenses			p. 111 ln. 69 c,d
3h (Less) Unamortized Loss on Reacquired Debt			p. 111 ln. 81 c,d
3i Unamortized Premium on Long-Term Debt			p. 112 ln. 22 c,d
3k Unamortized Gain on Reacquired Debt			p. 113 ln. 61 c,d
4 Net Proceeds Long Term Debt	-	-	
5 Net Position	-	-	

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

WORK PAPER EA
CALCULATION OF LABOR RATIO A&G AND GENERAL PLANT ALLOCATOR

	(1)	(2)	(3)	(4)	(5)	(6)
	<u>Cost</u>	<u>Profit</u>	<u>Labor-Actual</u>	<u>Labor</u>	<u>Net Revenue</u>	<u>Allocator</u>
	<u>Center(s)</u>	<u>Site</u>	<u>Postings-\$</u>	<u>Ratio %</u>	<u>%</u>	<u>Ratio</u>
1a	105	Blenheim-Gilboa				0.00%
1b	110	St. Lawrence				0.00%
1c	115	Niagara				0.00%
1d	120	Poletti				0.00%
1e	125	Flynn				0.00%
1f						
1g	122	AE II				0.00%
1h						
1i	130-150	Total Small Hydro				0.00%
1j						
1k	155-161	Total Small Clean Power Plants				0.00%
1l						
1n	165	500MW Combined Cycle				0.00%
1m						
1o	205-245	Total Included Transmission				0.00%
1p						
1q	321	Recharge New York				0.00%
1r						
1s	600	SENY				0.00%
...	-	-				0.00%
		Total - Production + Transmission		0.00%	0.00%	0.00%
		Total - Production Only		0.00%	0.00%	0.00%

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

**WORK PAPER AR- IS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(\$ Millions)**

Description	Actual	Actual
(1)	(2)	(3)
1 Operating Revenues		
1a Power Sales		
1b Transmission Charges		
1c Wheeling Charges		
1d Other		
...		
2 Total Operating Revenues	-	-
3 Operating Expenses		
3a Purchased Power		
3b Fuel Oil and Gas		
3c Wheeling		
3d Operations		
3e Maintenance		
3f Depreciation		
3g Impairment Cost		
...		
4 Total Operating Expenses	-	-
5 Operating Income	-	-
6 Nonoperating Revenues		
6a Investment Income		
6b Other		
...		
7 Investments and Other Income	-	-
8 Nonoperating Expenses		
8a Contribution to New York State		
8b Interest on Long-Term Debt		
8c Interest - Other		
8d Interest Capitalized		
8e Amortization of Debt Premium		
8f Canal Reimbursement Agreement		
...		
9 Investments and Other Income	-	-
10 Net Income Before Contributed Capita	-	-
11 Contributed Capital - Wind Farm Transmission Assets		
...		
13 Change in net position	-	-
14 Net position at January 1		
15 Net position at December 31	-	-

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

**WORK PAPER AR-BS
STATEMENT OF NET POSITION
(\$ Millions)**

DESCRIPTION		DECEMBER _____	DECEMBER _____
(1)		(2)	(3)
1	Assets and Deferred Outflows		
1a	Current Assets:		
1b	Cash and cash equivalents		
1c	Investment in securities		
1d	Investments in securities- restricted		
1e e	Receivables - customers		
1e f	Materials and supplies, at average Cost:		
1f g	Plant and general		
1g h	Fuel		
1h i	Miscellaneous receivables and other		
...	-		
2	Total current assets	-	-
3	Noncurrent Assets:		
3a	Restricted funds:		
3b	Cash and cash equivalents		
3c	Investment in securities		
...	-		
4	Total restricted assets	-	-
5	Capital funds:		
5a	Cash and cash equivalents		
5b	Investment in securities		
...	-		
6	Total capital funds	-	-
7	Capital Assets		
7a	Capital assets not being depreciated		
7b	Capital assets, net of accumulated depreciation		

...	-		
8	Total capital assets	-	-
9	Other noncurrent assets:		
9a	Receivable - New York State		
9b	Notes receivable - nuclear plant sale		
9c	Other long-term assets		
...	-		
10	Total other noncurrent assets	-	-
11	Total noncurrent assets	-	-
12	Total assets	-	-
13	Deferred outflows:		
13a	Accumulated decrease in fair value of hedging derivatives		
...	-		
14	Total Deferred outflows	-	-
15	Total assets and deferred outflows	-	-

1/ Source: Annual Financial Statements

DESCRIPTION		DECEMBER ____	DECEMBER ____
16	Liabilities, Deferred Inflows and Net Position		
16a	Current Liabilities:		
16b	Accounts payable and accrued liabilities		
16c	Short-term debt		
16d	Long-term debt due within one year		
16e	Capital lease obligation due within one year		
16f	Risk management activities - derivatives		
...	-		
17	Total current liabilities	-	-
18	Noncurrent liabilities:		
18a	Long-term debt:		
18b	Senior:		
18c	Revenue bonds		
18d	Adjustable rate tender notes		
18e	Subordinated:		
18f	Subordinated Notes, Series 2012		
18g	Commercial paper		

...	-			
19	Total long-term debt		-	-
20	Other noncurrent liabilities:			
20a	Capital lease obligation			
20b	Liability to decommission divested nuclear facilities			
20c	Disposal of spent nuclear fuel			
20d	Relicensing			
20e	Risk management activities - derivatives			
20f	Other long-term liabilities			
...	-			
21	Total other noncurrent liabilities		-	-
22	Total noncurrent liabilities		-	-
23	Total liabilities		-	-
24	Deferred inflows:			
24a	Cost of removal obligation			
24b	Accumulated increase in fair value of hedging			
24c	Pensions (Note 10)			
24d	Postemployment benefits other than pensions (Note 11)			
...	-			
			-	-
25	Net position:			
25a	Net investment in capital assets			
25b	Restricted			
25c	Unrestricted			
25d	Postemployment benefits other than pensions (Note 11)			
...	-			
26	Total net position		-	-
27	Total liabilities, deferred inflows and net position		-	-

1/ Source: Annual Financial Statements

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

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

**New York Power Authority
Capital Assets - Note 5
____ Annual Report**

(1)	12/31/ ____ Ending balance (2)	Additions (3)	Deletions (4)	12/31/ ____ Ending balance (5)
1	Capital assets, not being depreciated:			
1a	Land			-
1b	Construction in progress			-
1c	Land-Canal System			-
1d	CIP- Canal System			-
...	-			-
2	Total capital assets not being depreciated			
	-	-	-	-
3	Capital assets, being depreciated:			
3a	Production – Hydro			-
3b	Production – Gas			-
3c	turbine/combined cycle			-
3d	Transmission			-
3e	General			-
3f	Canal System			-
...	-			-
4	Total capital assets being depreciated			
	-	-	-	-
5	Less accumulated depreciation for:			
5a	Production – Hydro			-
5b	Production – Gas			-
5c	turbine/combined cycle			-
5d	Transmission			-
5e	General			-
5f	Canal System			-
...	-			-
6	Total accumulated depreciation			
	-	-	-	-
7	Net value of capital assets being depreciated			
	-	-	-	-
8	Net value of all capital assets			
	-	-	-	-

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

**WORK PAPER Reconciliations
RECONCILIATIONS BETWEEN ANNUAL REPORT & ATRR**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1 OPERATION & MAINTANANCE EXPENSES									
		Operations	Maintenance	Total O&M					
1a	Operations & Maintenance	-	-	-					
1b	Excluded Expenses								
1e b	Production	-	-	-					
1c	A&G in FERC Acct 549 - OP-Misc Oth Pwr Gen	-	-	-					
1d	A&G in FERC Acct 549 - OP-Misc Oth Pwr Gen acct 905 (less contribution to N	-	-	-					
1e	FERC acct 905 (less contribution to New York State) 916 - Misc Sales Expense	-	-	-					
1f	FERC acct 916 - Misc Sales Expense	-	-	-					
1h	A&G not allocated to Transmission	-	-	-					
1g	A&G allocated to Production and General	-	-	-					
4h	Adjustments								
1i	Less A/C 924 - Property Insurance	-	-	-					
1j	Less A/C 925 - Injuries & Damages Insurance	-	-	-					
1k	Less EPRI Dues	-	-	-					
1l	Less A/C 928 - Regulatory Commission Expense	-	-	-					
1m	Less A/C 930.5 - R&D Expense	-	-	-					
1n	PBOP Adjustment	-	-	-					
1m o	924 -Property Insurance as allocated	-	-	-					
1e p	925 - Injuries & Damages Insurance as allocated	-	-	-					
1q	930.5 - R&D Expense	-	-	-					
1p r	Step-up Transformers	-	-	-					
1q s	FACTS	-	-	-					
1f t	Microwave Tower Rental Income	-	-	-					
1s w	Reclassifications (post Annual Report)	-	-	-					
1x	Operations & Maintenance Expenses - as per ATRR check	-	-	-					

2 ELECTRIC PLANT IN SERVICE & DEPRECIATION

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service - Net (\$)	Depreciation Expense (\$)	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service - Net (\$)	Depreciation Expense (\$)

2a	Electric Plant in Service & Depreciation As per Annual Report								
2b	Capital Assets not being depreciated	-	-	-	-	-	-	0 -	0 -

2c	Capital Assets being depreciated	-	-	-	-	-	-	0 -	0 -
2d	Total Capital Assets	-	-	-	-	-	-	0 -	0 -
2e	Less CWIP	-	-	-	-	-	-	0 -	0 -
2e	Less Canal CIP	-	-	-	-	-	-	-	-
2f	Total Less Canal Assets in Service	-	-	-	-	-	-	0 -	0 -
2g	Total Assets in Service	-	-	-	-	-	-	-	-
2g h	Adjustments for ATRR								
2h i	Cost of Removal (note 1)								
2i j	Transmission	-	-	-	-	-	-	0 -	0 -
2j k	General	-	-	-	-	-	-	0 -	0 -
2k l	Total	-	-	-	-	-	-	0 -	0 -
2l n	Excluded (note 2)								
2m o	Transmission	-	-	-	-	-	-	0 -	0 -
2n p	General	-	-	-	-	-	-	0 -	0 -
2o q	Total	-	-	-	-	-	-	0 -	0 -
2p q	Adjustments to Rate Base (note 3)								
2r r	Transmission	-	-	-	-	-	-	0 -	0 -
2s s	General	-	-	-	-	-	-	0 -	0 -
2t t	Total	-	-	-	-	-	-	0 -	0 -
2u u									
2v v	Total Assets in Service - As per ATRR	-	-	-	-	-	-	0 -	0 -
2w w	Comprising:								
2x x	Production	-	-	-	-	-	-	0 -	0 -
2y y	Transmission	-	-	-	-	-	-	0 -	0 -
2z z	General	-	-	-	-	-	-	0 -	0 -
2z aa	Total	-	-	-	-	-	-	0 -	0 -
2aa	check							0 -	0 -
	differences due to rounding	-	-	-	-	-	-	0 -	0 -

Notes

2ab	1	Cost of Re
2ac	2	Excluded:
2ad	3	Adjustmen

3 MATERIALS & SUPPLIES

3a	As per Annual Report		
3b	Plant and General	-	-
3c	As per ATRR	-	-
3d	check	-	-

4 CAPITAL STRUCTURE

4a	As per Annual Report				
4b	Long-Term	-	-	-	-
4c	Short-Term	-	-	-	-
4d	Total Unamortized Premium/Discount	-	-	-	-
4e	Total	-	-	-	-
4e f	As per ATRR (Note 4)	-	-	-	-
4f g	check	-	-	-	-
4h	Notes				
	4	Actual.com			

5 INTEREST ON LONG-TEF

5a	As per Annual Report		
5b	Interest LTD (including Swaps, Deferred Refinancing)	-	-

5c	Debt Discount/Premium	-	-
5d	Total Debt Discount/Premium	-	-
5e	As per ATRR Total	-	-
5f	Interest LTD (including Swaps, Deferred Refinancing) As per ATRR	-	-
5g	Debt Discount/Premium Interest LTD (including Swaps, Deferred Refinancing)	-	-
5h	Total Debt Discount/Premium	-	-
5i	check Total	-	-

5j	check	-	-
	Notes		
...	...		

6 REVENUE REQUIREMEN

6a	As per Annual Report	-
6b	SENY load (note 4 5)	-
6c	FACTS revenue (note 5 6)	-
6d	Timing differences	-

...																			
-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

7a	Total (sum lines 64-66) Subtotal	-
7b	ERC approved ATRR (line 63 - 6a + line 67 7a)	-
7c	check	-

7d Notes
 4 5 Amount that NYPA will credit to its ATRR assessed to the SENY customer load. These revenues are included in the Annual Report within Production Revenues.
 7e 5 6 Compensation for FACTS through the NYISO's issuance of Transmission Congestion Contract ("TCC") payments

8 OTHER POSTEMPLOYMENT BENEFIT PLANS

8a	As per Annual Report	-
8b	Annual OPEB Cost	-

8c	...	-
8d	Subtotal	-

8e e	As per ATRR	-
8e f	Total NYPA PBOP	-
8e g	check	-

14.2.3.2 NYPA Formula Rate Implementation Protocols

14.2.3.2.1 General

- (a) NYPA employs the Formula Rate (contained in Section 14.2.3.1 (“Formula Rate Template” or “Formula”) of this Attachment) to calculate its Annual Transmission Revenue Requirement (“ATRR”) in accordance with the Protocols set forth herein. NYPA employs an Annual Update Process, which refreshes the calculation of the ATRR by populating the Formula in Section 14.2.3.1 of this Attachment with prior-year information from the Financial Report contained in the NYPA annual report and other historical data from NYPA’s books and records, which are maintained using the FERC Uniform System of Accounts. 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, and will make the Open Meeting remotely accessible to Interested Parties.

(b) Protocols Definitions:

“**Accounting Change**” means any change in accounting that affects inputs to the Formula Rate or the resulting charges billed under the Formula Rate, including (A) any change in 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 that affects the Formula Rate or calculations under the Formula; (B) any change in NYPA’s cost allocation policies from those policies or methodologies in effect for the Initial Rate Year or Calendar Year upon which the immediately preceding True-Up Adjustment was based that affects the Formula Rate or calculations under the Formula; (C) the initial implementation of an accounting standard or policy; (D) the initial implementation of accounting practices for unusual or unconventional items where the Commission has not provided specific accounting direction; (E) the implementation of new estimation methods or policies that change prior estimates; and (F) the correction of errors and prior-period adjustments.

“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) the FERC Uniform System of Accounts; (B) NYPA’s internal accounting policies and practices; (C) U.S. generally accepted accounting principles; and (D) NYPA’s cost allocation policies. Where the reconciliation to the Financial Report is provided through a workpaper, the inputs to the workpaper shall be either taken directly from the Financial Report or reconcilable to the Financial Report by the application of clearly identified and supported information.

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

“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.

“Annual Update Process” means the annual process by which NYPA calculates the Annual Update and makes it available to Interested Parties.

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

“Discovery Period” means the period for serving Information Requests pursuant to Section 14.2.3.2.3 of this Attachment, commencing as of the calendar day immediately following the Publication Date and ending one hundred twenty (120) calendar days after the Publication Date. The Discovery Period may be extended only as provided in Sections 14.2.3.2.3(a)(i) and 14.2.3.2.3(a)(v) of this Attachment.

“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.

“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.

“Formula” means the cost-of-service template and associated schedules shown in Section 14.2.3.1 of this Attachment.

“Formula Rate” means the Formula together with the Protocols.

“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.

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

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

“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.

“NYPA Form 1 Equivalent” means a form developed by the parties to the settlement in Docket No. ER16-835-000 that presents NYPA’s financial information in substantially the same format as selected pages of the FERC Form No. 1.

“Open Meeting” means an open meeting and 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 twenty (20) calendar days and no later than forty (40) calendar days after the Publication Date. NYPA shall provide notice of the Open Meeting no less than fifteen (15) calendar days prior to such meeting via the NYPA Exploder List and by posting on the ISO website.

“Other Developers” is defined as that term is defined in Section 31.1.1 of Attachment Y of the ISO OATT.

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

“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.

“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.

“Protocols” means the Formula Rate implementation protocols set forth in Section 14.2.3.2 of this Attachment.

“Publication Date” means the date of the posting on the ISO website (in a workable Excel format with cell formulas and links 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.

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

“Review Period” means the period during which an Interested Party may review the Annual Update calculations and make a Preliminary Challenge. The Review Period commences as of the calendar day immediately following the Publication Date and ends on the later of (1) January 15 following the Publication Date; (2) sixty (60) calendar days after the close of the Discovery Period; or (3) thirty (30) calendar days after NYPA has responded to all timely submitted information requests.

“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 F3 of the Formula using the interest rates specified in 18 C.F.R. § 35.19a.

14.2.3.2.2 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 (and on the NYPA website via a link to the ISO website):
 - (A) the Annual Update, including a data-populated Formula Rate Template and underlying workpapers in native “workable” Excel file format with all formulas and links intact;
 - (B) sufficiently detailed supporting documentation, including underlying data and calculations and a populated version of the NYPA Form 1 Equivalent, 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 replicate the calculation of the Formula results using the Financial Report and can verify that each input is consistent with the requirements of the Formula Rate;

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

(c) Within one (1) business day of the Publication Date, NYPA shall notify Interested Parties via the NYPA Exploder List of the posting of the Annual Update and the date, time, location, and call-in information for the Open Meeting.

(d) The Annual Update for the Rate Year:

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

(ii) Shall identify and provide a narrative explanation of any items included in the Formula at an amount other than on a historic cost basis (e.g., fair value adjustments), and their impacts on inputs to the Formula Rate or resulting charges billed under the Formula Rate;

(iii) Shall be based on NYPA's Financial Report;

(iv) Shall provide the Formula Rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the Formula Rate that are not otherwise available in the Financial Report;¹

¹ It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate will be either taken directly from NYPA's Financial Report or reconcilable to the Financial Report by the application of clearly identified and supported information.

- (v) Shall provide underlying data for Formula Rate inputs that provide greater granularity than is required for the Financial Report;
- (vi) Shall be subject to challenge and review in accordance with the procedures set forth in these Protocols;
- (vii) 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);
- (viii) Shall identify any changes in the Formula references to NYPA's Financial Report;
- (ix) Shall identify all material adjustments made to NYPA's Financial Report data in determining Formula inputs, including relevant footnotes to the Financial Report and any adjustments not shown in the Financial Report; and
- (x) 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.

(e) Joint Informational Meeting

NYPA shall endeavor to coordinate with other Transmission Owners and Other Developers using formula rates to recover the costs of transmission projects under the ISO OATT that utilize the same regional cost sharing mechanism and to hold annual joint informational meetings to enable all Interested Parties to understand how those Transmission Owners and Other Developers are implementing their formula rates for recovering the costs of such projects. No less than fifteen (15) calendar days prior to such meeting, NYPA shall provide notice of the joint informational meeting, including the date, time, location, and call-in information, via the NYPA Exploder List and by posting this information on the ISO website (and on the NYPA website via a link to the ISO website). NYPA shall make the joint informational meeting remotely accessible to Interested Parties.

14.2.3.2.3 Annual Review Procedures

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

(a) Discovery Period

(i) Interested Parties shall have up to one hundred twenty (120) calendar days after the Publication Date (unless such period is extended with the written consent of NYPA or by FERC order) to serve 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) The extent or effect of an Accounting Change;
- (B) Whether the Annual Update fails to include data properly recorded in accordance with these Protocols;
- (C) The proper application of the Formula Rate and the procedures in these Protocols;
- (D) The accuracy of data and consistency with the Formula Rate of the calculations included in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review;
- (E) The prudence of the costs and expenditures included in the Annual Update 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 or aid in the understanding or derivation of such charge.

The Information Requests shall not otherwise be directed to ascertaining whether the Formula Rate is just and reasonable under the FPA.

(ii) NYPA shall make a good faith effort to respond to Information Requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. NYPA shall respond to all Information Requests submitted during the Discovery Period by no later than November 30 following the Publication Date, or thirty (30) calendar days after the close of the Discovery Period, whichever is later. If the deadline should fall on a weekend or a holiday recognized by FERC, then NYPA's responses to Information Requests shall be due no later than the next business day.

(iii) NYPA shall post all Information Requests, and NYPA's responses to Information Requests, on the ISO website and will distribute a link to the website to Interested Parties via the NYPA Exploder List; except, however, if responses to Information Requests include material deemed by NYPA to be confidential, such information will not be publicly posted, but confidential information will be made available to requesting parties provided that a confidentiality agreement is executed by NYPA and the requesting party.

(iv) NYPA shall be precluded from claiming settlement privilege with respect to responses to Information Requests pursuant to these Protocols in any subsequent FERC proceeding addressing NYPA's Annual Update.

(v) 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.

(vi) 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 confidential. Interested Parties' representatives shall treat such response as confidential in connection with any of the proceedings discussed in this Section 14.2.3.2 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 to review the inputs, supporting explanations, allocations, and calculations, and to submit a Preliminary Challenge. The Review Period ends on the later of (1) January 15 following the Publication Date; (2) sixty (60) calendar days after the close of the Discovery Period; or (3) thirty (30) calendar days after NYPA has responded to all timely submitted information requests. If the deadline for

Interested Parties to submit Preliminary Challenges should fall on a weekend or a holiday recognized by FERC, then Preliminary Challenges shall be due no later than the next business day. An Interested Party submitting a Preliminary Challenge must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge.

(ii) NYPA shall promptly post all Preliminary Challenges, and written responses by NYPA to Preliminary Challenges, on the ISO website and will distribute a link to the website to Interested Parties via the NYPA Exploder List; except, however, if Preliminary Challenges or responses to Preliminary Challenges include material deemed by NYPA to be confidential, such information will not be publicly posted, but confidential information will be made available to requesting parties provided that a confidentiality agreement is executed by NYPA and the requesting party.

(iii) NYPA shall make a good faith effort to respond to a Preliminary Challenge within twenty (20) business days, and 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. If NYPA disagrees with such challenge, NYPA will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. NYPA shall respond to all Preliminary Challenges submitted during the Review Period

by no later than February 15 following the Publication Date or thirty (30) calendar days after the close of the Review Period, whichever is later. If the deadline should fall on a weekend or a holiday recognized by FERC, then NYPA's response to Preliminary Challenges shall be due no later than the next business day.

(iv) 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.

(v) An Interested Party that submitted a Preliminary Challenge shall have until April 15 following the Publication Date or thirty (30) calendar 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 new 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.

- (vi) Formal Challenges shall satisfy all of the following requirements²:
- (A) Clearly identify the action or inaction which is alleged to violate the Formula Rate or Protocols;
 - (B) Explain how the action or inaction violates the Formula Rate or Protocols;
 - (C) Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
 - (1) The extent or effect of an Accounting Change;
 - (2) Whether the Annual Update fails to include data properly recorded in accordance with these Protocols;
 - (3) The proper application of the Formula Rate and procedures in these Protocols;
 - (4) The accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review;
 - (5) The prudence of actual costs and expenditures;
 - (6) The effect of any change to the underlying Uniform System of Accounts or the Financial Report; or

² Requiring interested parties to satisfy filing requirements for formal challenges “does not improperly shift the burden of persuasion to interested parties.” See *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,025 at P 51 (2015) (internal quotations omitted).

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

(D) State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;

(E) State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;

(F) Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and

(G) State whether the filing party utilized the Preliminary Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.

(vii) Any response by NYPA to a Formal Challenge must be submitted to FERC within thirty (30) calendar days following the date of the filing of the Formal Challenge and shall be served by NYPA on the filing party(ies) by electronic service on the date of such filing and shall also be sent to the NYPA Exploder List on the date of such filing. If the deadline should fall on a weekend or a holiday recognized by FERC, then NYPA's response to the Formal Challenge shall be due no later than the next business day.

(viii) Preliminary and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2)

whether the Annual Update fails to include data properly recorded in accordance with these Protocols; (3) the proper application of the Formula Rate and procedures in these Protocols; (4) the accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review; (5) the prudence of actual costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or the Financial Report; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula.

(ix) 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, consistent with Section 205 of the FPA, with respect to the correctness of its Annual Update and/or the Accounting Change, and with respect to proving that it has correctly applied the terms of the Formula Rate consistent with these Protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.³

(x) 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 to the extent such issue affects the subsequent Annual Update.

³ See *Midwest Indep. Transmission Sys. Operator, Inc.*, 143 FERC ¶ 61,149 at P 121 (2013) (“[P]arties seeking to challenge the prudence of a transmission owner’s expenditures must first create a serious doubt as to the prudence of those expenditures before the burden of proof shifts to the transmission owner.”).

(c) Challenges to Accounting Changes

(i) Preliminary Challenges or Formal Challenges related to Accounting

Changes are not intended to serve as a means of pursuing changes to the Formula Rate.

(ii) 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.

(iii) Preliminary Challenges or Formal Challenges related to Accounting

Changes shall be subject to the procedures and limitations in Section 14.2.3.2.3(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.

14.2.3.2.4 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 C.F.R. § 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 C.F.R. § 35.19a) shall be made, as appropriate, in the event that the Formula Rate is replaced by a stated rate for NYPA.

14.2.3.2.5 Changes to the Formula Rate

- (a) Any modification to the Formula or to these Protocols requires a filing under FPA Section 205 or Section 206. 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; (iii) the depreciation and/or amortization rates as set forth in Schedule B3 to the Formula; and (iv) the caps on the equity percentage component of NYPA’s capital structure for the Marcy-South Series Compensation Project (53% equity) and the assets recovered through the NTAC (50% equity).
- (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 stated values in the Formula Rate for amortization/depreciation rates and 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.

14.2.3.2.6 Informational Filing

By March 15 following the Publication Date or by sixty (60) calendar days following the close of the Review Period, whichever is later, NYPA shall submit to FERC an informational filing of its Annual Update for the Rate Year. If the deadline should fall on a weekend or a holiday recognized by FERC, then the informational filing shall be due no later than the next business day. Within one (1) business day of submitting the informational filing, 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 Actual ATRR, Projected ATRR (including any True-Up Adjustment and Prior Period Adjustments), and rates under review; (4) the extent and effects 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 or as a result of the Preliminary Challenge process, and must describe all aspects of the Annual Update or its inputs that are the subject of an ongoing dispute under the Preliminary 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.

14.2.3.2.7 Bounds on NTAC Recovery of Capital Expenditures

The following terms, for the purposes of this Section 14.2.3.2.7, shall be defined as follows:

“Annual Incremental Capital Expenditures” means incremental capital expenditures incurred during a calendar year irrespective of whether the plant that is the product of these capital expenditures has been placed in service during the calendar year, except that (i) capital expenditures for Repairs or Replacements, (ii) capital expenditures for projects meeting the requirements of Section 14.2.3.2.7(a)(ii)(b), and (iii) capital expenditures for projects meeting the requirements of Section 14.2.3.2.7(a)(iv), shall not be included as “Annual Incremental Capital Expenditures” and shall not be counted against the \$40 million annual cap described in Section 14.2.3.2.7(a)(iii).

“Substantive Cost Allocation Order” means an order from which rehearing may be sought on the issue of cost recovery for the purposes of Section 14.2.3.2.7(b)(x) (i.e., an order accepting a cost allocation without setting the matter for hearing, an order approving a settlement agreement stipulating a cost allocation for the contested project, or an order on exceptions to an initial decision following an evidentiary hearing; but not a tolling order or some other procedural order that refers the issue of cost allocation for a hearing or settlement judge procedures).

“Gross ATRR for the Major Y-49 Reconstruction or Replacement” means the ATRR attributable to the Major Y-49 Reconstruction or Replacement, including but not limited to return on rate base, depreciation expense, operation and maintenance expense, and allocated administrative and general costs.

“Major Y-49 Reconstruction or Replacement” means a major reconstruction or replacement of the Y-49 Facility with a projected capital cost of greater than \$150 million in 2016 dollars (as adjusted annually by the Consumer Price Index).

“Moses to Adirondack Line” means the Moses-Adirondack 1 and 2 transmission lines that originate at the Moses Switchyard at the St. Lawrence-FDR project in Massena, New York and continue south to the NYPA Adirondack switching station in Croghan, New York for a distance of approximately 85 miles. The lines consist of eight miles of double circuit steel lattice structures and seventy-seven miles of single circuit wooden H-frame structures.

“NYPA Backbone System” means the facilities that are listed and defined in Exhibit C to the settlement approved by the Commission in Docket No. ER16-835-000. This list of facilities that comprise the NYPA Backbone System is not anticipated to be static, and will be updated

periodically to include, for example, projects NYPA is required to construct as contemplated by Section 14.2.3.2.7(a)(iv) below.

“NYPA-LIPA Y-49 Contract” means the existing 1987 contract for the sale of transmission service on the Y-49 Facility by NYPA to LIPA.

“Remaining Y-49 ATRR” has the meaning set forth in Section 14.2.3.2.7(a)(ii)(a)(i) of this Attachment.

“Repair or Replacement” means any capitalized repair or replacement of an existing NYPA transmission facility that comprises a part of the NYPA Backbone System provided that the repair or replacement, to the extent it involves installation of new equipment, utilizes items with substantially the same capacity rating as the existing equipment (or that any increase in facility rating is limited to the smallest change possible with commercially available replacements, or is no more costly than the price of a like-for-like replacement plus 10%).

“Voting Member Systems” means: (1) Central Hudson Gas and Electric Corporation; (2) Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (as a single Voting Member System); (3) Niagara Mohawk Power Corporation d/b/a National Grid; (4) New York State Electric and Gas Corporation and Rochester Gas and Electric Corporation (as a single Voting Member System); and (5) Long Island Power Authority.

“Y-49 Facility” means the Y-49 transmission facility interconnecting Westchester County, New York and Long Island that is included as part of the NYPA Backbone System as reflected in Exhibit C to the settlement approved by the Commission in Docket No. ER16-835-000.

“Y-49 TCC Revenue” means revenue related to Transmission Congestion Contracts (“TCCs”) associated with the Y-49 Facility.

(a) Cap on New NTAC Capital Expenditures

(i) As provided in Section 14.2.2.2 of this Attachment, the NTAC allows NYPA to recover the portion of NYPA’s ATRR that is not recovered via existing customer transmission service agreements or from other revenue streams identified in the NTAC Formula described in Section 14.2.2.2.1 of this Attachment. The following provisions in this Section 14.2.3.2.7 shall apply only to the NYPA Backbone System. No other NYPA capital expenditures, other than those contemplated by this Section 14.2.3.2.7, may be recovered via the NTAC absent express approval by FERC, subject to Section 14.2.3.2.7(b)(x) below.

(ii) Capitalized expenditures incurred by NYPA that may be recovered through the NTAC without Voting Member System review and approval, as described in Section 14.2.3.2.7(b) below, are:

(a) Any Repair or Replacement provided that the estimated project cost of any such Repair or Replacement is less than \$90 million in 2016 dollars (as adjusted annually using the Consumer Price Index), except that the Y-49 Facility and the Moses to Adirondack Line will be treated as follows:

(i) With respect to the Y-49 Facility, after the date that the NYPA-LIPA Y-49 Contract is terminated, the cost of normal repairs and maintenance of the Y-49 Facility will be included in the NTAC, subject to the otherwise applicable provisions of this Section 14.2.3.2.7(a), along with revenue credits related to Y-49 TCC Revenue. However a major reconstruction or replacement shall be treated as follows: whether or not the NYPA-LIPA Y-49 Contract has been terminated, the first year a Major Y-49 Reconstruction or Replacement appears in NYPA's five-year capital expenditure plan (described in Section 14.2.3.2.7(b) below), NYPA will initiate an FPA section 205 proceeding to determine whether the Major Y-49 Reconstruction or Replacement, as proposed or as NYPA may modify it on its own or in response to issues raised by other parties, is a prudent investment and, if so, the appropriate allocation of project costs that are not otherwise recoverable through the NTAC. After the date that the NYPA-LIPA Y-49 Contract is terminated, and if the Major Y-49 Reconstruction or Replacement is found prudent by FERC in that section 205 proceeding, the parties agree that (a) unless reduced by the formula below, \$20

million in 2016 dollars (as adjusted annually by the Consumer Price Index) of ATRR attributable to the Major Y-49 Reconstruction or Replacement cost shall be automatically recovered in the NTAC but only after the later of the NYPA-LIPA Y-49 Contract's expiration or the in-service date of the Major Y-49 Reconstruction or Replacement; and (b) the allocation of the Remaining Y-49 ATRR shall be in accord with the result of the section 205 proceeding. For purposes of this provision, the Remaining Y-49 ATRR shall be calculated annually after the later of the NYPA-LIPA Y-49 Contract's expiration or the in-service date of the Major Y-49 Reconstruction or Replacement as:

Remaining Y-49 ATRR = (Gross ATRR for the Major Y-49 Reconstruction or Replacement) – (Y-49 TCC Revenue) – (\$20 million + Consumer Price Index adjustment)

To the extent the Remaining Y-49 ATRR is negative it shall be applied to the NTAC ATRR. For the avoidance of doubt, there shall be no double-crediting of the same Y-49 TCC Revenue between (i) the above "Remaining Y-49 ATRR" formula, and (ii) the first sentence of this Section 14.2.3.2.7(a)(ii)(a)(i), which requires NYPA to include revenue credits related to Y-49 TCC Revenue in the NTAC after the date that the NYPA-LIPA Y-49 Contract is terminated. If the Remaining Y-49 ATRR is positive, it will be recovered pursuant to the project-specific cost allocation determined in the section 205 proceeding described above and included in this Tariff.

(ii) With respect to the Moses to Adirondack Line, reconstruction or complete replacement of that line will be subject to a Voting Member System vote as described in Section 14.2.3.2.7(b). Repairs and

maintenance-type replacement of the Moses to Adirondack Line will be subject to the otherwise applicable limitations of this Section 14.2.3.2.7(a).

(b) Emergency projects undertaken in response to damage caused by storms, vandalism, or terrorism, or in response to any force majeure events.

Where appropriate, NYPA will apply for Federal Emergency Management Agency (“FEMA”) reimbursement for such projects, and any FEMA or insurance reimbursements shall be applied to the NTAC as a credit against the cost of such projects.

(iii) For capital expenditures related to the NYPA Backbone System that do not meet the requirements of Section 14.2.3.2.7(a)(ii) above or Section 14.2.3.2.7(a)(iv) below, NYPA’s Annual Incremental Capital Expenditures that may be recovered through the NTAC, absent Voting Member System review and approval, are capped at \$40 million in 2016 dollars (as adjusted annually using the Consumer Price Index).

(iv) Any capital expenditures related to the NYPA Backbone System incurred (i) as a result of directives issued by NERC, FERC, the New York State Reliability Council, or in compliance with the ISO OATT or manuals to build, maintain, or operate required interconnections of a generation or transmission facility, except for the costs that have been otherwise recovered from third parties such as generator or transmission developers or insurance companies or, (ii) as a result of directives issued by some other regulatory agency in the event that, due to changes in the New York Public Authorities Law or other legislative action, such regulatory agency obtains legal authority to order NYPA to undertake capital

projects, shall be excluded from Voting Member System review and approval and excluded from the \$40 million annual cap described in Section 14.2.3.2.7(a)(iii) above. For the avoidance of doubt, future capital expenditures in such facilities will be subject to this Section 14.2.3.2.7(a).

(b) Voting Member System Review of Expenditures that Exceed Applicable Caps Described in Section 14.2.3.2.7(a)

(i) NYPA will conduct an annual meeting, on no less than three weeks' advance notice to the Voting Member Systems and other Interested Parties that have subscribed to the NYPA Exploder List, at which it will present to the Voting Member Systems and other Interested Parties a five-year capital expenditure plan. This meeting will occur prior to the commencement of the Annual Update Process described in these Protocols. NYPA may conduct additional meetings on no less than three weeks' advance notice to the Voting Member Systems and other Interested Parties that have subscribed to the NYPA Exploder List.

(ii) NYPA's presentation of the capital expenditure plan will identify for each project under construction or anticipated to begin construction within the five-year planning horizon:

- (a) Description of the project;
- (b) Total project cost;
- (c) Anticipated start and end date of construction;
- (d) Whether the project is a Repair or Replacement of a NYPA

Backbone System facility; and

(e) Whether the project is subject to any of the exclusions identified in Section 14.2.3.2.7(a) above.

(iii) The Voting Member Systems and other Interested Parties may issue data requests concerning NYPA's capital expenditure plan for forty (40) calendar days following the annual capital expenditure plan meeting, and NYPA will make commercially reasonable efforts to respond within fourteen (14) calendar days of receipt of a data request.

(iv) (a) If the capital expenditure plan as presented by NYPA, or in the opinion of the Voting Member Systems, includes (i) a Repair or Replacement that exceeds \$90 million (as adjusted annually using the Consumer Price Index); (ii) a suite of projects subject to Section 14.2.3.2.7(a)(iii) above for which NYPA plans to spend more than \$40 million (as adjusted annually using the Consumer Price Index) in a single calendar year; or (iii) a project that NYPA proposes to recover through the NTAC which the Voting Member Systems believe is not related to the NYPA Backbone System, the Voting Member Systems must notify NYPA of their intent to vote on whether to allow NYPA to recover in the NTAC any project or suite of projects meeting the criteria above within sixty (60) calendar days of the publication of the capital expenditure plan that first identifies the project or annual suite of projects, with a vote to occur within thirty (30) calendar days after such notification. The Voting Member Systems must notify NYPA of the outcome of the vote by the end of the next business day after such vote is made.

(b) Subject to Section 14.2.3.2.7(b)(ix) below, and with regard to a project or suite of projects for which the Voting Member Systems have provided timely notice to NYPA under Section 14.2.3.2.7(b)(iv)(a), a 3/5 majority vote in favor is required for NYPA to recover the costs of such project or suite of projects contained in the capital expenditure plan through the NTAC. The five Voting Member Systems shall have one vote each.

(v) If the Voting Member Systems elect not to vote on a Repair or Replacement that exceeds \$90 million (as adjusted annually using the Consumer Price Index), or an annual suite of projects under Section 14.2.3.2.7(a)(iii) that exceeds \$40 million (as adjusted annually using the Consumer Price Index), or 3/5 of the Voting Member Systems vote to approve the Repair or Replacement or annual suite of projects, then no further voting shall be permitted with respect to such Repair or Replacement or annual suite of projects and NYPA shall recover the cost of such Repair or Replacement or suite of projects through the NTAC subject to the Annual Update Process set forth in these Protocols. This provision shall not apply to Repairs or Replacements or annual suites of projects that are modified in a subsequent five-year capital expenditure plan where such modification would either (i) change the categorization of a project or suite of projects under Section 14.2.3.2.7(a); or (ii) would result in a 10% increase in the original project costs the Voting Member Systems previously had a right to vote on, and either approved or elected not to vote on.

(vi) If 3/5 of the Voting Member Systems vote against allowing NTAC recovery of a NYPA project or suite of projects meeting the criteria set forth in

14.2.3.2.7(b)(iv)(a), the Voting Member Systems that voted against NTAC recovery must provide a written statement explaining their rationale for their negative votes within sixty (60) calendar days of notifying NYPA of the outcome of the vote. Such rationale may include, but is not limited to, whether those Voting Member Systems voting against the project believed the project or suite of projects in question: (i) was segmented; (ii) is inconsistent with good utility practice; (iii) should be expanded beyond Repair or Replacement and submitted as a project fitting the definition of one of the categories of projects identified in the ISO's Comprehensive System Planning Process; (iv) has costs that have been improperly estimated or are too high; and/or (v) has been inaccurately categorized by NYPA as a Repair or Replacement (for projects subject to the \$90 million cap). The Voting Member Systems will not assert that a project is not a Repair or Replacement where the New York Public Service Commission has determined that a project is a Repair or Replacement in response to a petition for a declaratory ruling from NYPA with prior notice to the Voting Member Systems. The explanation of any "no" vote with respect to a suite of projects exceeding the limit prescribed in Section 14.2.3.2.7(a)(iii) could include a description of one or more specific objectionable projects.

(vii) NYPA shall have the opportunity to submit a revised package of capital expenditures in response to a "no" vote by the Voting Member Systems. If a revised package is submitted, the Voting Member System voting process described above shall be repeated starting with Section 14.2.3.2.7(b)(iii) above.

(viii) In the event of a “no” vote, the Voting Member Systems and NYPA agree to convene a meeting that includes senior management within sixty (60) calendar days of the Voting Member Systems providing NYPA with a written explanation of the vote.

(ix) NYPA may make a filing at FERC to include capital expenditures rejected by 3/5 of the Voting Member Systems in the NTAC ATRR. In any such proceeding, NYPA would bear the burden of demonstrating (i) that its proposed rate treatment and cost allocation is just and reasonable, (ii) that the reasons offered by the Voting Member Systems for voting against the project or suite of projects are arbitrary, unduly discriminatory, or otherwise not supported by substantial evidence, and (iii) that the proposed costs are eligible to be recovered using the NTAC. The settlement in Docket No. ER16-835-000 shall not preclude or inhibit the ability of a party to that settlement to submit comments or protests on any such filing by NYPA.

(x) If NYPA makes a filing as contemplated in Section 14.2.3.2.7(b)(ix) above, NYPA shall not be entitled to recover the costs of any such project or suite of projects through the NTAC until FERC issues a Substantive Cost Allocation Order and subject to any adjustments directed by FERC in such Substantive Cost Allocation Order; provided, however, if a Substantive Cost Allocation Order has not been issued as of a contested project’s in-service date, NYPA shall record the expenses and return related to any such project or projects in a regulatory asset, with carrying costs accruing at NYPA’s weighted average cost of capital as determined by the Formula Rate Template. Such costs may be amortized and

recovered over the useful life of the project once FERC issues a Substantive Cost Allocation Order approving NTAC recovery for the project or directing NYPA to recover the costs of the project according to some other allocation, subject to any adjustments directed by FERC.

14.2.3.2.8 Costs Excluded from Formula Rate

Costs allocated to NYPA as a part of PJM Interconnection, L.L.C.'s Regional Transmission Expansion Plan, and costs and expenses related to the New York State Canal Corporation, shall be excluded from recovery under the Formula Rate.

14.2.3.2.9 AC Project Segment A Cost Containment

A. Definitions

1. "Segment A Project" shall mean the various components of the double-circuit Marcy to New Scotland project proposed jointly by LSPGNY and NYPA that was selected by the ISO Board of Directors as the more efficient or cost-effective transmission solution from the competing projects to address the public policy-based transmission need to increase Central East transfer capability by at least 350 MW and identified in a decision and Public Policy Transmission Planning Report issued April 8, 2019 (i.e., the project was identified therein as "Project T027").
2. "LSPGNY" shall mean LS Power Grid New York Corporation I, the joint developer with NYPA of the Segment A Project.
3. "NYPA Segment A Project" shall mean the portion of the Segment A Project owned by NYPA.

4. “Other Project Capitalized Costs” are capitalized costs incurred other than to develop, construct, and place the Segment A Project in service, such as capitalized spare parts, and are recoverable in the Formula Rate.

5. “Third Party Costs” are costs that result from: (i) ISO modifications or further ISO requirements, including interconnection costs and upgrades resulting from the ISO interconnection process; (ii) payments to an incumbent transmission owner, including real estate-related costs incurred in any lease arrangements, purchases related to the acquisition of rights-of-way or access to rights-of-way, purchases of rights to access utility facilities and payments for assets to be retired; (iii) increased costs, such as costs incurred related to the rescheduling of outages or the relocation of utility assets, due to an action or inaction by the incumbent transmission owner and that are beyond the ability of NYPA to control or mitigate; or (iv) all sales and property taxes. Third Party Costs are recoverable in the Formula Rate and includable in FERC Account 107 during construction and the appropriate account after being placed in service.

6. “Project Costs” are all capital costs incurred to develop, construct, and place the Segment A Project in service, excluding Third Party Costs, Project Development Costs, Other Project Capitalized Costs, and Unforeseeable Costs in excess of 5% of the Cost Cap (as defined below).

7. “Project Development Costs” are costs incurred for the Segment A Project prior to its selection by the ISO Board of Directors, were not included in the Capital Cost Bid submitted to the ISO, are not subject to the Cost Cap (as defined below), and are recoverable in the Formula Rate.

8. “Unforeseeable Costs” shall mean costs and savings that, with the exercise of commercially reasonable due diligence, could not have been anticipated at the time the Capital Cost Bid for the Segment A Project was submitted to the ISO on April 29, 2016. Unforeseeable Costs in excess of 5% of the Cost Cap are recoverable in the Formula Rate. Unforeseeable Costs are costs:

(a) Associated with material modifications to the routing or scope of work of the Segment A Project that results from a PSC order, negotiation, or settlement agreements within the siting process, or are imposed or required by any other governmental agency. For the avoidance of doubt, foreseeable obligations as included in the New York State Article VII certificate application, or non-material obligations imposed upon LSPGNY and NYPA as a normal part of the siting process, shall not be deemed to be Unforeseeable Costs;

(b) Associated with changes in applicable laws and regulations, or interpretations thereof by governmental agencies;

(c) As a result of orders of courts or action or inaction by governmental agencies;
or

(d) related to destruction, damage, interruption, suspension, or interference of or with the Segment A Project caused by landslides, lightning, earthquakes, hurricanes, tornadoes, severe weather, fires, explosions, floods, epidemics, acts of public enemy, acts of terrorism, wars, blockades, riots, rebellions, sabotage, insurrections, environmental contamination or damage, or strike, provided that (i) the cause was not reasonably within the control of LSPGNY or NYPA, (ii) LSPGNY and NYPA made reasonable efforts to avoid or minimize the adverse

impacts of any of the above-listed events, and (iii) LSPGNY and NYPA took reasonable steps to expeditiously resolve the event after it occurred.

9. “Capital Cost Bid” is defined as the bid submitted by LSPGNY and NYPA to the ISO on April 29, 2016 for the Segment A Project.

B. Return on Equity Incentive Adders

For the NYPA Segment A Project, a 100 basis point (“bp”) adder to the base return on equity (“ROE”) will apply to Project Costs incurred up to the Cost Cap (as defined in Section 14.2.3.2.9.C below). A 100 bp ROE adder shall also apply to Unforeseeable Costs (that are more than five (5) percent of the Cost Cap), Third Party Costs, and Project Development Costs. The 100 bp consists of (1) a 50 bp incentive adder for RTO participation authorized by the Commission in Docket No. ER16-835, 154 FERC ¶ 61,268 at PP21-22 (2016) and that was subject to negotiation, compromise and adoption in the uncontested settlement in the same proceeding (Offer of Settlement, § 3.1 (filed September 30, 2016)), and (2) a 50 bp incentive adder for risks and challenges in developing the Segment A Project authorized in Docket No. EL19-88, 169 FERC ¶ 61,125 at P 37 (2019).

C. Cost Cap, Cost Containment and Risk Sharing

A Cost Cap equal to \$189,900,000 (“Cost Cap”) shall apply to the NYPA Segment A Project. All prudently incurred costs below the Cost Cap are fully recoverable in the Formula Rate, including with respect to the base ROE, ROE incentive adders (as described in Section 14.2.3.2.9.B), depreciation, and debt costs. The following cost containment provisions (“Cost Containment Mechanism”) apply for the life of the

Segment A Project. The Cost Containment Mechanism applies to NYPA’s share of Project Costs as follows:

1. Cost Containment Mechanism For Prudently Incurred Actual Project Costs Above Cost Cap
 - a. 20% of any prudently incurred Project Costs above the Cost Cap that are subject to the Cost Containment Mechanism will not earn any ROE on the equity portion of such costs, but NYPA will be allowed to recover the associated depreciation and debt cost.
 - b. 80% of any prudently incurred Project Costs above the Cost Cap that are subject to the Cost Containment Mechanism will not earn any ROE incentive adders (as described in Section 14.2.3.2.9.B) on the equity portion of such costs, but NYPA will be allowed to earn the base ROE, associated depreciation, and debt cost.
2. Additional ROE Adder for Actual Project Costs Below the Cost Cap
 - a. For purposes of providing an incentive to reduce costs, NYPA may utilize an additional ROE adder when the actual Project Costs are below the “Adjusted Cost Cap.”
 - b. The Adjusted Cost Cap shall be \$156,600,000.
3. NYPA will receive an additional ROE adder, as set forth in Table A

below, when prudently incurred Project Costs are less than the Adjusted Cost Cap:

TABLE A	
Project Costs Below Adjusted Cost Cap	ROE Adder
0% to <=5%	0.05%

>5% to <=10%	0.17%
>10% to <=15%	0.30%
>15% to <=20%	0.45%
>20% to <=25%	0.62%
>25%	0.71%

14.2.3.2.10 Smart Path Connect Project Cost Containment

A. Definitions

1. “Smart Path Connect Project (“SPC Project”)” shall mean the rebuilding of approximately 100 linear miles of existing 230 kV transmission lines and converting approximately 90% of these facilities to 345 kV, along with associated substation construction and upgrades. The SPC Project consists of two components: 1) east to west—the Moses-Willis-Patnode component and 2) north to south—the Adirondack Porter component. NYPA will develop and own the entire Moses-Willis-Patnode component and, of the Adirondack-Porter component, the new Adirondack Substation, the interface connection of the proposed Adirondack Substation to the existing NYPA Moses to Adirondack 1 and 2 transmission facilities, and the extension of the existing 345 kV Marcy Substation. The SPC Project was identified and selected by the PSC as a priority transmission project. By statute, NYPA was authorized to develop the Project and determined that it would jointly develop the Project with Niagara Mohawk Power Corporation d/b/a National Grid USA.
2. “Other Project Capitalized Costs” are recoverable in the Formula Rate and are comprised of capitalized costs incurred other than to develop, construct, and place NYPA’s share of the SPC Project in service, such as capitalized spare

parts and capital investment incurred after NYPA's share of the SPC Project is in-service and not incurred to develop, construct, and place NYPA's share of the SPC Project in-service.

3. "Third Party Costs" are costs that result from: (i) ISO requirements, including interconnection costs and upgrades resulting from the ISO interconnection processes and related interregional studies; or (ii) increased costs, such as costs incurred related to the rescheduling of outages or the relocation of utility assets that are beyond the ability of NYPA to control or mitigate. Third Party Costs are recoverable in the Formula Rate.
4. "Project Costs" are all capital costs incurred to develop, construct, and place NYPA's share of the SPC Project in service, excluding allowance for funds used during construction ("AFUDC"), Third Party Costs, Other Project Capitalized Costs, and Unforeseeable Costs in excess of 2.5% of the Cost Cap (as defined Section 14.2.3.2.10.C below).
5. "Unforeseeable Costs" shall mean costs and savings that, with the exercise of commercially reasonable due diligence, could not have been anticipated at the time the capital cost estimate for the SPC Project was determined. Unforeseeable Costs in excess of 2.5% of the Cost Cap are recoverable in the Formula Rate. Unforeseeable Costs are costs:
 - (a) associated with material modifications to the routing or scope of work of NYPA's share of the SPC Project that results from a PSC order, negotiation, or settlement agreements within the siting process, or are imposed or required by any other governmental agency. For the

avoidance of doubt, foreseeable obligations as included in the New York State Article VII certificate application, or non-material obligations imposed upon NYPA as a normal part of the siting process, shall not be deemed to be Unforeseeable Costs;

(b) associated with changes in applicable laws and regulations, or interpretations thereof by governmental agencies;

(c) as a result of orders of courts or action or inaction by governmental agencies;

(d) related to destruction, damage, interruption, suspension, or interference of or with NYPA's share of the SPC Project caused by landslides, lightning, earthquakes, hurricanes, tornadoes, severe weather, fires, explosions, floods, epidemics, pandemics, acts of public enemy, acts of terrorism, wars, blockades, riots, rebellions, sabotage, insurrections, environmental contamination or damage, or strike or otherwise unavailability of skilled labor, provided that (i) the cause was not reasonably within the control of NYPA, (ii) NYPA made reasonable efforts to avoid or minimize the adverse impacts of any of the above-listed events, and (iii) NYPA took reasonable steps to expeditiously resolve the event after it occurred;

(e) steel cost escalation that is greater than the construction cost index applied to steel costs in determining NYPA's share of the SPC Project cost estimate and included in the Cost Cap; and

(f) total actual project cost escalation, excluding steel costs, that is greater

than 150% of the construction cost index applied to non-steel costs in determining NYPA's share of the SPC Project cost estimate and included in the Cost Cap.

(g) The "Performance-based ROE Incentive" is defined in Section 14.2.3.2.10.C below, which was authorized in Docket No. ER22-1014, 180 FERC ¶ 61,004 at P 44 (2022).

B. Return on Equity Incentive Adders

For NYPA's share of the SPC Project, a 100-basis point ("bp") adder to the base return on equity ("ROE") will apply to Project Costs incurred up to the Cost Cap (as defined in Section 14.2.3.2.10.C below). A 100 bp ROE adder shall also apply to AFUDC, Unforeseeable Costs (that are more than 2.5 percent of the Cost Cap), Third Party Costs, and Other Project Capitalized Costs. The 100 bp consists of (1) a 50 bp incentive adder for RTO participation authorized by the Commission in Docket No. ER16-835, 154 FERC ¶ 61,268 at PP 21-22 (2016) and that was subject to negotiation, compromise and adoption in the uncontested settlement in the same proceeding (Offer of Settlement, § 3.1 (filed September 30, 2016)), and (2) a 50 bp incentive adder for risks and challenges in developing the SPC Project which was authorized in Docket No. ER22-1014, 180 FERC ¶ 61,004 at P 41 (2022).

C. Cost Cap, Cost Containment and Risk Sharing

A cost cap equal to \$568,041,000 ("Cost Cap") shall apply to the NYPA portion of the SPC Project. All prudently incurred costs below the Cost Cap are fully recoverable in the Formula Rate, including with respect to the base ROE, ROE incentive adders (as described in Section 14.2.3.2.10.B), depreciation, and debt costs. The following cost containment provisions

(“Cost Containment Mechanism”) apply for the life of the SPC Project. The Cost Containment Mechanism applies to NYPA’s share of Project Costs as follows:

1. Cost Containment Mechanism For Prudently Incurred Actual Project Costs Above Cost Cap

- a. 20% of any prudently incurred Project Costs above the Cost Cap that are subject to the Cost Containment Mechanism will not earn any ROE on the equity portion of such costs, but NYPA will be allowed to recover the associated depreciation and debt cost.
- b. 80% of any prudently incurred Project Costs above the Cost Cap that are subject to the Cost Containment Mechanism will not earn any ROE incentive adders (as described in Section 14.2.3.2.10.B) on the equity portion of such costs, but NYPA will be allowed to earn the base ROE, associated depreciation, and debt cost.

2. Additional ROE Adder for Actual Project Costs Below the Cost Cap

- a. For purposes of providing an incentive to reduce costs, NYPA will utilize an additional ROE adder when the actual Project Costs are below the “Adjusted Cost Cap.”
- b. The Adjusted Cost Cap is equal to \$535,548,000.

3. NYPA will receive an additional ROE adder, as set forth in Table B below, when prudently incurred Project Costs are less than the Adjusted Cost Cap:

<u>TABLE B</u>	
<u>Project Costs Below Adjusted Cost Cap</u>	<u>ROE Adder</u>
<u>0% to <=5%</u>	<u>0.05%</u>
<u>>5% to <=10%</u>	<u>0.17%</u>

<u>>10% to <=15%</u>	<u>0.30%</u>
<u>>15% to <=20%</u>	<u>0.45%</u>
<u>>20% to <=25%</u>	<u>0.62%</u>
<u>>25%</u>	<u>0.71%</u>