

## **14.2 Attachment 1 to Attachment H (Niagara Mohawk Power Corporation) and NYPA Transmission Adjustment Charge**

### **14.2.1 Attachment 1 to Attachment H: Schedules (Niagara Mohawk Power Corporation)**

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

Attachment 1  
 Schedule 1

	Year
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**Calculation of RR**

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

**Historical Transmission Revenue Requirement (Historical TRR)**

Line No.

1	<b><u>Historical Transmission Revenue Requirement (Historical TRR)</u></b>			
2				
3	14.1.9.2 (a)	Historical TRR shall equal the sum of NMPC's (A) Return and Associated Income Taxes, (B) Transmission Related Depreciation Expense, (C) Transmission Related Real Estate Tax Expense, (D) Transmission Related Amortization of Investment Tax Credits, (E) Transmission Operation and Maintenance Expense, (F) Transmission Related Administrative and General Expenses, (G) Transmission Related Payroll Tax Expense, (H) Amortization of Transmission Regulatory Assets and Liabilities, (I) Billing Adjustments, and (J) Transmission Related Bad Debt Expense less (K) Revenue Credits, (L) Transmission Rents, and (M) Project Specific Revenue Requirement Credits, all determined for the most recently ended calendar year as of the beginning of the update year.		
4				
5				
6				
7				
8			Reference	
9			<u>Section:</u>	<b>0</b>
10	Return and Associated Income Taxes	(A)	#DIV/0!	Schedule 8, Line 64
11	Transmission-Related Depreciation Expense	(B)	#DIV/0!	Schedule 9, Line 6, column 5
12	Transmission-Related Real Estate Taxes	(C)	#DIV/0!	Schedule 9, Line 12, column 5
13	Transmission - Related Investment Tax Credit	(D)	#DIV/0!	Schedule 9, Line 16, column 5 times minus 1
14	Transmission Operation & Maintenance Expense	(E)	\$0	Schedule 9, Line 23, column 5
15	Transmission Related Administrative & General Expense	(F)	#DIV/0!	Schedule 9, Line 38, column 5
16	Transmission Related Payroll Tax Expense	(G)	\$0	Schedule 9, Line 44, column 5
17	Amortization of Transmission Regulatory Assets and Liabilities	(H)	#DIV/0!	Schedule 9, Line 46, column 5
18	Sub-Total (sum of Lines 10 - Line 17)		<u>#DIV/0!</u>	
19				
20	Billing Adjustments	(I)	\$0	Schedule 10, Line 1
21	Bad Debt Expenses	(J)	\$0	Schedule 10, Line 4
22	Revenue Credits	(K)	\$0	Schedule 10, Line 7
23	Transmission Rents	(L)	\$0	Schedule 10, Line 15
24	Project Specific Revenue Requirement Credits	(M)	#DIV/0!	Schedule 10, Line 18
25				
26	Total Historical Transmission Revenue Requirement (Sum of Line 18 through Line 24)		#DIV/0!	

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

**Attachment 1**  
**Schedule 2**

Year
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Shading denotes an input

Line No.

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

2 Forecasted TRR shall equal (1) the Forecasted Transmission Plant Additions (FTPA) multiplied by the Adjusted Annual (AFTRRF), plus (2) Forecasted ADIT Adjustment (FADITA), plus (3) the Mid-Year Trend Adjustment (MYTA), less (4) Transmission Support Payments (TSP), plus (5) the Tax Rate Adjustment (TRA), less (6) Other Billing Adjustments (OBA) as shown in the following formula:

3  
 4  
 5 
$$\text{Forecasted TRR} = (\text{FTPA} * \text{AFTRRF}) + \text{FADITA} + \text{MYTA} - \text{TSP} + \text{TRA} - \text{OBA}$$

	<u>Period</u>	<u>Reference</u>	<u>Source</u>
10 (1) FORECASTED TRANSMISSION PLANT ADDITIONS (FTPA)	\$0		Workpaper 8, Section I, Line 16
11 Adjusted Annual Transmission Revenue Requirement Factor (AFTRRF)	#DIV/0!		Line 76
12 Sub-Total (Lines 10*11)	#DIV/0!		
13			
14 (2) FORECASTED ADIT ADJUSTMENT (FADITA)			
15 The Forecasted ADIT Adjustment (FADITA) shall equal the Forecasted ADIT (FADIT)			
16 multiplied by the Cost of Capital Rate, where:			
17			
18 Forecasted ADIT(FADIT) shall equal the projected change in Accumulated Deferred Income Taxes from the most recently			
19 concluded calendar year related to accelerated depreciation and associated with Transmission Plant for the			
20 Forecasted Period calculated in accordance with Treasury regulation Section 1.167(1)-1(h)(6).			
21			
22 Forecasted ADIT (FADIT)	#DIV/0!		Schedule 13, Line 24
23 Cost of Capital Rate	#DIV/0!		Schedule 8, Line 62
24 Forecasted ADIT Adjustment (FADITA)	#DIV/0!		Line 22 * Line 23
25			
26 (3) MID YEAR TREND ADJUSTMENT (MYTA)			
27 The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between			
28 (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period,			

29	and (ii) the Historical TRR Component (E) excluding Transmission Support Payments, based on data for the first three months of the year prior to the Forecast Period.		
30			
31	Plus Mid-Year Trend Adjustment (MYTA)	\$0	Workpaper 9, line 32, variance column
32			
33	(4) TRANSMISSION SUPPORT PAYMENTS (TSP)		
34	Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement	\$0	Workpaper 9A
35	Less: Other Billing Adjustments - Dunkirk Settlement ER14-543-000	\$0	Schedule 10
36			
37	(5) TAX RATE ADJUSTMENT (TRA)		
38	The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate		
39	and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.		
40			
41	Tax Rate Adjustment (TRA)	\$0	
42			
43	(6) OTHER BILLING ADJUSTMENTS (OBA)		
44	Other Billing Adjustments shall equal any amounts related to the HTRR calculation that are		
45	required to be adjusted in the current year's FTRR to remove the impact on the Update Year		
46			
47	Other Billing Adjustments (OBA)	\$0	Schedule 10, Line 1
48			
49	Forecasted Transmission Revenue Requirement (Line 12 + Line 24 + Line 31 – Line 34 – Line 35 + Line 41-Line 47)	#DIV/0!	
50			
51	14.1.9.2(c) <b><u>ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR</u></b>		
52			
53	Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF) shall equal the difference between the Annual Forecast		
54	Transmission Revenue Requirement Factor (FTRRF) and the quotient of (1) Cost of Capital Rate multiplied by the Transmission Related		
55	Accumulated Deferred Taxes less Accumulated Deferred Inv. Tax Cr (255) for the most recently concluded calendar year,		
56	and (ii) the year-end Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).		
57			
58	The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C),		
59	divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).		
60			
61	Derivation of Annual Forecast Transmission Revenue Requirement Factor (FTRRF)		
62	Investment Return and Income Taxes (A)	#DIV/0!	Schedule 1, Line 10

63	Depreciation Expense	(B)	#DIV/0!	Schedule 1, Line 11
64	Property Tax Expense	(C)	#DIV/0!	Schedule 1, Line 12
65	Total Expenses (Lines 62 thru 64)		#DIV/0!	
66	Transmission Plant	(a)	#DIV/0!	Schedule 6, Page 1, Line 12
67	Annual Forecast Transmission Revenue Requirement Factor (Lines 65/ Line 66)		#DIV/0!	
68				
69	Adjustment to FTRRF to reflect removal of ADIT that is subject to normalization			
70	Transmission Related ADIT Balance at year-end		#DIV/0!	Schedule 7, Line 2
			!	
71	Cost of Capital Rate		#DIV/0!	Schedule 8, Line 62
72	Total Return and Income Taxes Associated with ADIT Balance at year-end		#DIV/0!	Line 70 * Line 71
73				
74	Annual Forecast Transmission Revenue Requirement Factor (FTRRF)		#DIV/0!	Line 67
75	Less: Incremental Annual Forecast Transmission Revenue Requirement Factor Adjustment for ADIT		#DIV/0!	Line 72/ Line 66
76	Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF)		#DIV/0!	Line 74 - Line 75

Niagara Mohawk Power Corporation  
Annual True-up (ATU)

Attachment 1  
Schedule 3

Attachment H Section 14.1.9.2 (c)

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

Interest Calculation per 18 CFR § 35.19a								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Quarters	Annual Interest Rate (a)	Accrued Prin & Int. @ Beg Of Period	Monthly (Over)/Under Recovery	Days in Period (b)	Period Days	Multiplier	Accrued Prin & Int. @ End Of Period	Accrued Int. @ End Of Period
36	3rd QTR	0		92	92	1.0000	\$0	\$0
37	July	0.00%	#DIV/0!	31	92	1.0000	#DIV/0!	#DIV/0!
38	August	0.00%	#DIV/0!	31	61	1.0000	#DIV/0!	#DIV/0!
39	September	0.00%	#DIV/0!	30	30	1.0000	#DIV/0!	#DIV/0!
40								

41	4th QTR		#DIV/0!		92	92	1.0000	#DIV/0!	#DIV/0!
42	October	0.00%		#DIV/0!	31	92	1.0000	#DIV/0!	#DIV/0!
43	November	0.00%		#DIV/0!	30	61	1.0000	#DIV/0!	#DIV/0!
44	December	0.00%		#DIV/0!	31	31	1.0000	#DIV/0!	#DIV/0!
45									
46	1st QTR		#DIV/0!		91	91	1.0000	#DIV/0!	#DIV/0!
47	January	0.00%		#DIV/0!	31	91	1.0000	#DIV/0!	#DIV/0!
48	February	0.00%		#DIV/0!	28	60	1.0000	#DIV/0!	#DIV/0!
49	March	0.00%		#DIV/0!	31	31	1.0000	#DIV/0!	#DIV/0!
50									
51	2nd QTR		#DIV/0!		91	91	1.0000	#DIV/0!	#DIV/0!
52	April	0.00%		#DIV/0!	30	91	1.0000	#DIV/0!	#DIV/0!
53	May	0.00%		#DIV/0!	31	61	1.0000	#DIV/0!	#DIV/0!
54	June	0.00%		#DIV/0!	30	30	1.0000	#DIV/0!	#DIV/0!
55									
56									
57	Total (over)/under Recovery		#DIV/0!	(line 24)	#DIV/0!				#DIV/0!

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

(b) For leap years use 29 days in the month of February

**Attachment 1  
Schedule 4**

**Niagara Mohawk Power Corporation**

**Wholesale TSC Calculation Information**

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Historical Transmission Revenue Requirement (Historical TRR)	Forecasted Transmission Revenue Requirement	Annual True Up	Revenue Requirement (RR)	Scheduling System Control and Dispatch Costs (CCC)	Annual Billing Units (BU) MWh	Rate \$/MWh (*)
1	Prior Year Rates Effective _____	-	-	-	-	-	#DIV/0!
2	Current Year Rates Effective July 1, _____	#DIV/0!	#DIV/0!	#DIV/0!	-	-	#DIV/0!
3	Increase/(Decrease)						#DIV/0!
4	Percentage Increase/(Decrease)						#DIV/0!

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

2.)

(a) Schedule 1, Line 26

(b) Schedule 2, Line 49

(c) Schedule 3, Line 28

(d) Attachment H, Section 14.1.9.2 The RR Component shall equal Col (a) Historical Transmission Revenue Requirement plus Col (b) the Forecasted Transmission Revenue Requirement which shall exclude Transmission Support Payments, plus Col (c) the Annual True-Up plus Col (c) the Annual True-Up

(e) Schedule 11, Line 21 - Annual Scheduling, System Control and Dispatch Costs. (i.e. the Transmission Component of control center costs) as recorded in FERC Account 561 and its associated sub-accounts from the prior calendar year excluding any NY Independent System Operator (NYISO) system control and load dispatch expenses already recovered under Schedule 1 of the NYISO Tariff.

(f) Schedule 12, line 17 - Billing Units shall be the total Niagara Mohawk load as reported to the NYISO for the calendar year prior to the Forecast Period, including the load for customers taking service under Niagara Mohawk's TSC rate. The total Niagara Mohawk load will be adjusted to exclude (i) load associated with wholesale transactions being revenue credited through the WR, CRR, SR, ECR, and Reserved components of Attachment H of the NYISO TSC rate including Niagara Mohawk's external sales, load associated with grandfathered OATT agreements, and any load related to pre-OATT grandfathered agreements; (ii) load associated with transactions being revenue credited under Historical TRR Component J; and (iii) load associated with netted station service.

(g) (Col (d) + Col (e)) / Col (f)

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

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

**Attachment 1**  
**Schedule 5**

		Year		
			Shading denotes an input	
Line No.	Description	Amount	Source	Definition
1	14.1.9.1 1. <b><u>Electric Wages and Salaries Factor</u></b>	<b>83.5000%</b>		Fixed per settlement Docket ER08-552
2				
3	14.1.9.1 3. <b><u>Transmission Wages and Salaries Allocation Factor</u></b>	<b>13.0000%</b>		Fixed per settlement Docket ER08-552
4				
5				
6				
7				
8	14.1.9.1 2. <b><u>Gross Transmission Plant Allocation Factor</u></b>			
9	Transmission Plant in Service	#DIV/0!	Schedule 6, Page 2, Line 3, Col 5	Gross Transmission Plant Allocation Factor shall equal the total investment in
10	Plus: Transmission Related General	\$0	Schedule 6, Page 2, Line 5, Col 5	Transmission Plant in Service, Transmission Related Electric General Plant,
11	Plus: Transmission Related Common	\$0	Schedule 6, Page 2, Line 10, Col 5	Transmission Related Common Plant and Transmission
12	Plus: Transmission Related Intangible Plant	\$0	Schedule 6, Page 2, Line 15, Col 5	Related Intangible Plant
13	Gross Transmission Investment	#DIV/0!	Sum of Lines 9 - 13	divided by Gross Electric Plant.
14				
15	Total Electric Plant		FF1 204-207.104g , less FF1 Page 204-207 15g,24g,34g, <u>35.14g,35.31g,35.46g</u> ,44g,57g, 74g,83g, <u>84.13g</u> ,98g	
16	Plus: Electric Common	\$0	Schedule 6, Page 2, Line 10, Col 3	
17	Gross Electric Plant in Service	\$0	Line 15 + Line 16	
18				
19	<b>Percent Allocation</b>	<b>#DIV/0!</b>	Line 13 / Line 17	
20				
21	14.1.9.1 4. <b><u>Gross Electric Plant Allocation Factor</u></b>			
22				
23	Total Electric Plant in Service	\$0	Line 15	Gross Electric Plant Allocation Factor shall equal
24	Plus: Electric Common Plant	\$0	Schedule 6, Page 2, Line 10, Col 3	Gross Electric Plant divided by the sum of Total Gas Plant,
25	Gross Electric Plant in Service	\$0	Line 23 + Line 24	Total Electric Plant, and Total Common Plant
26				
27	Total Gas Plant in Service		FF1 200-201.8d, minus 4d	

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

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

Line No.

1 14.1.9.2 (a) Transmission Investment Base  
2  
3 A.1. Transmission Investment Base shall be defined as (a) Transmission Plant in Service, plus (b) Transmission Related Electric General Plant, plus  
4 (c) Transmission Related Common Plant, plus (d) Transmission Related Intangible Plant, plus (e) Transmission Related Plant Held for Future Use, less  
5 (f) Transmission Related Depreciation Reserve, less (g) Transmission Related Accumulated Deferred Taxes, plus (h)  
6 Transmission Regulatory Assets and Liabilities, plus (i) Transmission Related Prepayments, plus (j) Transmission Related Materials and Supplies,  
7 plus (k) Transmission Related Cash Working Capital.  
8  
9

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

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

**Attachment 1  
Schedule 6  
Page 2 of 2**

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

Year

Shading denotes an input

Line No.	(1) Total	(2) Allocation Factor	(3) = (1)*(2) Electric Allocated	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1/PSC Report Reference for col (1)	Definition
1						FF1 204-207.58g, less Page 204-207.57g	Transmission Plant in Service shall equal the balance of total investment in Transmission Plant
2					#DIV/0!	14.1.9.2(a)A.1.(a) Workpaper 1	plus Wholesale Metering Investment.
3					#DIV/0!		
4							
5		100.00%	\$0	13.00%	(c) \$0	FF1 204-207.99g, less Page 204-207.98g	Transmission Related Electric General Plant shall equal the balance of investment in Electric General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
6							
7							
8							
9							
10		83.50%	(a) \$0	13.00%	(c) \$0	FF1 200-201.8h	Transmission Related Common Plant shall equal Common Plant multiplied by the Electric Wages and Salaries Allocation Factor and further multiplied by the Transmission Wages and Salaries Allocation Factor.
11							
12							
13							
14							

15	<u>Intangible Plant</u>		100.00%	-	13.00%	(c)	<u>\$0</u>	FF1 204-207.5g	14.1.9.2(a)A.1.(d)	Transmission Related Intangible Plant shall equal Intangible
16										Electric Plant multiplied by the
17										Transmission Wages and
18										Salaries Allocation Factor.
19	<u>Transmission Plant Held for Future Use</u>	\$0					<u>\$0</u>	Workpaper 10	14.1.9.2(a)A.1.(e)	Transmission Related Plant Held for Future Use shall equal
20										the balance in Plant Held for
21										Future Use associated with
22	<u>Transmission Accumulated Depreciation</u>									property planned to be used for
23	<u>ARO (enter debit)</u>						\$0	Workpaper _		transmission service within
24	Transmission Accum. Depreciation						\$0	FF1 219.25b	14.1.9.2(a)A.1.(f)	five years.
25	General Plant Accum. Depreciation		100.00%	\$0	13.00%	(c)	\$0	FF1 219.28b		Transmission Related Depreciation Reserve shall
26	Common Plant Accum Depreciation		83.50%	(a) \$0	13.00%	(c)	\$0	FF1 200-201.22h		equal the
27	Amortization of Other Utility Plant		100.00%	\$0	13.00%	(c)	\$0	FF1 200-201.21c		balance of: (i) Transmission
28	Wholesale Meters	#DIV/0!					#DIV/0!	Workpaper 1		Depreciation Reserve, plus (ii)
29	Total Depreciation (Sum of Line 23 - Line 28)						#DIV/0!			the product of Electric General
30										Plant Depreciation Reserve
31										multiplied by the Transmission
32										Wages and Salaries
33										Allocation Factor, plus (iii) the
34										product of Common Plant
35										Depreciation Reserve multiplied

36

Allocation Factor Reference

- (a) Schedule 5, line 1
- (b) Schedule 5, line 32 - not used on this Schedule
- (c) Schedule 5, line 3
- (d) Schedule 5, line 19 - not used on this Schedule

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

**Attachment 1**  
**Schedule 7**

Attachment H Section 14.1.9.2 (a) A. 1.

Shading denotes an input

<b>Year</b>
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Line No.	(1) Total	(2) Allocation Factor	(3) = (1)*(2) Electric Allocated	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1/PSC Report Reference for col (1)	Definition
<u>Transmission Accumulated Deferred Taxes</u>							
1		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 272-273 Line 2k	14.1.9.2(a)A.1.(g) Transmission Related Accumulated Deferred Income Taxes
2		100.00%	\$0	#DIV/0! (d)	#DIV/0!	Schedule 13(a) AADIT, Line 3	
3	\$0	100.00%	\$0	#DIV/0! (d)	#DIV/0!	Workpaper 2, Line 5	shall equal the electric balance of Total Accumulated Deferred
4		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 234.8c	Income Taxes (FERC Accounts 190, 55,281, 282, and 283 net of
5		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 266-267.8h	stranded costs), multiplied by the Gross Transmission Plant
6			\$0		#DIV/0!		Allocation Factor.
<u>Transmission Regulatory Assets and Liabilities</u>							
8		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 232 lines_ f	14.1.9.2(a)A.1.(h) Transmission Related Regulatory Assets and Liabilities shall equal: (i) the
							balance of Regulatory Assets net of Regulatory Liabilities assigned to
							Transmission plus (ii) the electric balance of Regulatory Assets net of
							Regulatory Liabilities multiplied by the Gross Transmission Plant Allocation
							Factor.
9	\$0	100.00%	\$0	#DIV/0! (d)	#DIV/0!	Schedule 14, line 3a, column Q	
10	\$0	100.00%	\$0	100.00%	\$0	Schedule 14, line 2, column Q	
11	\$0		\$0		#DIV/0!		
<u>Transmission Prepayments</u>							
14						FF1 110-111.57c	14.1.9.2(a)A.1.(i) Transmission Related Prepayments shall be the product of
15	\$0	#DIV/0! (b)	#DIV/0!	#DIV/0! (d)	#DIV/0!	FF1 262-263 _ k	Prepayments excluding Federal and State taxes multiplied by
							the Gross Electric Plant Allocation Factor and further
							multiplied by the Gross Transmission Plant Allocation Factor.
<u>Transmission Material and Supplies</u>							
19					\$0	FF1 227.8c	14.1.9.2(a)A.1.(j) Transmission Related Materials and Supplies shall equal: (i)
20		#DIV/0! (b)	#DIV/0!	#DIV/0! (d)	#DIV/0!	FF1 227.5c	the balance of Materials and Supplies assigned to
21					#DIV/0!		Transmission plus (ii) the product of Material and Supplies
							assigned to Construction multiplied by the Gross Electric
							Plant Allocation Factor and further multiplied by Gross
							Transmission Plant Allocation Factor.
25							14.1.9.2(a)A.1.(k) Transmission Related Cash Working Capital shall be an

26	Operation & Maintenance Expense	\$0	Schedule 9, Line 23	
27		0.1250	x 45 / 360	
28	Total (Line 26 * Line 27)	\$0		allowance equal to the product of: (i) 12.5% (45 days/ 360 days = 12.5%) multiplied by (ii) Transmission Operation and Maintenance Expense.

Allocation Factor Reference

- (a) Schedule 5, line 1 - not used on this Schedule
- (b) Schedule 5, line 32
- (c) Schedule 5, line 3 - not used on this Schedule
- (d) Schedule 5, line 19

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

**Attachment 1**  
**Schedule 8**

Shading denotes an input

Year

Line  
No.

- 1 **The Cost of Capital Rate shall equal the proposed Weighted Costs of Capital plus Federal Income Taxes and State Income Taxes.**
- 2 The Weighted Costs of Capital will be calculated for the Transmission Investment Base using NMPC's actual capital structure and will equal the sum of (i), (ii), and (iii) below:
- 3
- 4 (i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of NMPC's long-term debt outstanding during the year and the sum of (a) the ratio of actual long-term debt to total capital at year-end; and
- 5 (b) the extent, if any, by which the ratio of NMPC's actual common equity to total capital at year-end exceeds fifty percent (50%). Long term debt shall be defined as the average of the beginning of the year and end of year balances of the following: long term debt less the unamortized
- 6 Discounts on Long-Term Debt less the unamortized Loss on Reacquired Debt plus unamortized Gain on Reacquired Debt. Cost to maturity of NMPC's long-term debt shall be defined as the cost of long term debt included in the debt discount expense and
- 7 any loss or gain on reacquired debt.
- 8 (ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of NMPC's preferred stock then outstanding and the ratio of actual preferred stock to total capital at year-end;
- 9
- 10 (iii) the return on equity component shall be the product of the allowed return on equity of 10.3% and the ratio of NMPC's actual common equity to total capital at year-end, provided that such ratio
- 11 shall not exceed fifty percent (50%).
- 12
- 13

		<u>CAPITALIZATION</u>	Source:	<u>CAPITALIZATION RATIOS</u>	<u>COST OF CAPITAL</u>	Source:	<u>WEIGHTED COST OF CAPITAL</u>	<u>EQUITY PORTION</u>
17	(i) Long-Term Debt	\$0	Workpaper 6, Line 16b	#DIV/0!	#DIV/0!	Workpaper 6, Line 17c	#DIV/0!	
18	(ii) Preferred Stock		FF1 112-113.3c	#DIV/0!	#DIV/0!	Workpaper 6, Line 24d	#DIV/0!	#DIV/0!
19	(iii) Common Equity		FF1 112-113.16c - FF1 112-113.3,12,15c	#DIV/0!	10.30%		#DIV/0!	#DIV/0!
21	Total Investment Return	<u>\$0</u>		#DIV/0!			<u>#DIV/0!</u>	#DIV/0!

26 Federal Income  
 14.1.9.2.2.(b) Tax shall equal = (  $\frac{A + [ B / C ] X \text{ Federal Income Tax Rate}}{1 - \text{Federal Income Tax Rate}}$  )

27  
 28  
 29 where A is the sum of the preferred stock component and the return on equity component, each as determined in Sections (a)(ii) and for the ROE set forth in (a)(iii)  
 30 above, B is the Equity AFUDC component of Depreciation Expense for  
 31 Transmission Plant in Service as defined at Section 14.1.9.1.16 (FF1 117.38c), and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line  
 32 28.

33 =  $\frac{\#DIV/0! + (\$0)}{1} / \frac{\#DIV/0!}{-0} X$   
 34  
 35 = #DIV/0!

36  
 37  
 38 State Income  
 14.1.9.2.2.(c) Tax shall equal =  $\frac{A + [ B / C ] + \frac{\text{Federal Income Tax Rate}}{\text{State Income Tax Rate}} X}{1 - \frac{\text{Federal Income Tax Rate}}{\text{State Income Tax Rate}}}$

39  
 40  
 41 where A is the sum of the preferred stock component and the return on equity component as determined in (a)(ii) and (a)(iii) above , B is the Equity AFUDC  
 42 component of Depreciation Expense for Transmission Plant in  
 43 Service as defined at Section 14.1.9.1.16 above, and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line 28.

44  
 45  
 46 =  $\frac{\#DIV/0! + \$0}{1} / \frac{\#DIV/0!}{-0} + \frac{\#DIV/0!}{0} X$   
 47  
 48  
 49 = #DIV/0!

50  
 51  
 52  
 53 (a)+(b)+(c) Cost of  
 Capital Rate = #DIV/0!

54  
 55  
 56 **14.1.9.2(a) A. Return and Associated Income Taxes shall equal the product of the**  
 57 **Transmission Investment Base and the Cost of Capital Rate**

58

59

	Transmission		
	Investment		
60	Base	#DIV/0!	Schedule 6, page 1 of 2, Line 28
61			
	Cost of Capital		
62	Rate	#DIV/0!	Line 53
63			
	= Investment Return		
64	and Income Taxes	<u>#DIV/0!</u>	Line 60 X Line 62

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

**Attachment 1**  
**Schedule 9**

Attachment H Section 14.1.9.2

Year
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Shading denotes an input

Line No.	(1) Total	(2) Allocation Factor	(3) = (1)*(2) Electric Allocated	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1/ PSC Report Reference for col (1)	Definition
<u>Depreciation Expense</u>							
1					\$0	FF1 336-337.7f	14.1.9.2.B. Transmission Related Depreciation Expense shall equal the sum of: (i) Depreciation Expense for Transmission Plant in Service, plus (ii) the product of Electric General Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Allocation Factor plus (iii) Common Plant Depreciation Expense multiplied by the Electric Wages and Salaries Allocation Factor, further multiplied by the Transmission Wages and Salaries Allocation Factor plus (iv) Intangible Electric Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Factor plus (v) depreciation expense associated with the Wholesale Metering Investment.
2		100.0000%	\$0	13.0000% (c)	\$0	FF1 336-337.10f	
3		83.5000% (a)	\$0	13.0000% (c)	\$0	FF1 356	
4		100.0000%	\$0	13.0000% (c)	\$0	FF1 336-337.1f	
5					#DIV/0!	Workpaper 1	
6					#DIV/0!		
7							
8							
9							
10							
11							
12		100.0000%	\$0	#DIV/0! (d)	#DIV/0!	FF1 262-263 _ I	14.1.9.2.C. Transmission Related Real Estate Tax Expense shall equal the electric Real Estate Tax Expenses multiplied by the Gross Transmission Plant Allocation Factor.
13							
14							
15							
16		#DIV/0! (b)	#DIV/0!	#DIV/0! (d)	#DIV/0!	FF1 114-117.58c	14.1.9.2.D. Transmission Related Amortization of Investment Tax Credits shall equal the product of Amortization of Investment Tax Credits multiplied by the Gross Electric Plant Allocation Factor and further multiplied by the Gross Transmission Plant Allocation Factor.
17							
18							
19							
20							
21					\$0	FF1 320-323.112b	14.1.9.2.E. Transmission Operation and Maintenance Expense shall equal the sum of electric expenses as recorded in FERC Account Nos. 560, 562-574.
22					\$0	FF1 320-323.85-92b	
23					\$0		
24							
25							Transmission Related Administrative and General Expenses shall equal the product of electric Administrative and General Expenses, excluding the sum of Electric Property Insurance, Electric Research and
26						FF1 320-323.197b	
27						FF1 320-323.185b	
28						FF1 320-323.187b	Development Expense and Electric Environmental Remediation Expense,
29		\$0				Workpaper 12	and 50% of the NYPS Regulatory Expense
30						50% of Workpaper 15	multiplied by the Transmission Wages and Salaries Allocation Factor,
31						Workpaper 15	

32	less: Environmental Remediation Expense	\$0				Workpaper 11		
33	Subtotal (Line 26-27-28-29-30-31-32)	\$0	100.0000%	\$0	13.0000% (c)	\$0		plus the sum of Electric Property Insurance multiplied by the Gross Transmission Plant Allocation Factor, plus transmission-specific Electric
34	PLUS Property Insurance alloc. using Plant Allocation	\$0	100.0000%	\$0	#DIV/0! (d)	#DIV/0!	Line 27	
35	PLUS Pensions and Benefits	\$0	100.0000%	\$0	13.0000% (c)	\$0	Workpaper 3	Research and Development Expense, and transmission-specific Electric Environmental Remediation Expense. In addition, Administrative
36	PLUS Transmission-related research and development	\$0				\$0	Workpaper 12	and General Expenses shall exclude the actual Post-Employment
37	PLUS Transmission-related Environmental Expense	\$0				\$0	Workpaper 11	
38	Total A&G (Line 33+34+35+36+37)	\$0		\$0		#DIV/0!		Benefits Other than Pensions ("PBOP") included in FERC Account 926, and shall add back in the amounts shown on Workpaper 3, page 1, or other amount subsequently approved by FERC under Section 205 or 206.
39								
40	<u>Payroll Tax Expense</u>							14.1.9.2.G. Transmission Related Payroll Tax Expense shall equal the product of electric Payroll Taxes multiplied by the Transmission Wages and Salaries Allocation Factor.
41	Federal Unemployment						FF1 262-263.12I	
42	FICA						FF1 262-263.17I	
43	State Unemployment						FF1 262-263.13I	
44	Total (Line 41+42+43)	\$0	100.0000%	\$0	13.0000% (b)	\$0		
45								
46	Amortization of (Excess)/ Deficient ADIT	\$0	100.0000%	\$0	#DIV/0! (d)	#DIV/0!	Schedule 14, line 2, column J	14.1.9.2.H Transmission related Amortization of Regulatory Assets and Liabilities shall equal the transmission-specific Amortization of Regulatory Assets and Liabilities

Allocation Factor Reference

- (a) Schedule 5, line 1
- (b) Schedule 5, line 32
- (c) Schedule 5, line 3
- (d) Schedule 5, line 19

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

**Attachment 1  
Schedule 10**

Year
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Attachment H Section 14.1.9.2 (a)

Line No.	Description	(1) Total	Source	Definition
1	Billing Adjustments		Workpaper 16	14.1.9.2.I. Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4 below. ( ) indicates a refund or a reduction to the revenue requirement on Schedule 1.
2				
3				
4	Bad Debt Expense	\$0	Workpaper 4	14.1.9.2.J. Transmission Related Bad Debt Expense shall equal Bad Debt Expense as reported in Account 904 related to NMPC's wholesale transmission billing.
5				
6				
7	Revenue Credits	\$0	Workpaper 5	14.1.9.2.K. Revenue Credits shall equal all Transmission revenue recorded in FERC account 456 excluding (a) any NMPC revenues already reflected in the WR, CRR, SR, ECR and Reserved components in Attachment H of the NYISO TSC rate; (b) any revenues associated with expenses that have been excluded from NMPC's revenue requirement; (c) any revenues associated with transmission service provided under this TSC rate, for which the load is reflected in the calculation of BU, and (d) any revenues associated with Schedule 15a transmission projects not charged under this TSC rate.
8				
9				
10				
11				
12				
13				
14				
15	Transmission Rents	\$0	Workpaper 7	14.1.9.2.L. Transmission Rents shall equal all Transmission-related rental income recorded in FERC account 454.615
16				
17				
18	Project Specific Revenue Requirement Credit	#DIV/0!	Schedule 15a Line 17	14.1.9.2.M. Project Specific Revenue Requirement Credit shall equal the Base Revenue Requirement associated with transmission projects not charged under this TSC rate.
19				
20				14.1.9.4(d)
21				1 Any changes to the Data Inputs for an Annual Update, including but not limited to revisions resulting from any FERC proceeding to consider the Annual Update, or as a result of the procedures set forth herein, shall take effect as of the beginning of the Update Year and the impact of such changes shall be incorporated into the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update Year. This mechanism shall apply in lieu of mid-Update Year adjustments and any refunds or surcharges, except that, if an error in a Data Input is discovered and agreed upon within the Review Period, the impact of such change shall be incorporated prospectively into the charges produced by the Formula Rate during the remainder of the year preceding the next effective Update Year, in which case the impact reflected in subsequent charges shall be reduced accordingly.
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				2 The impact of an error affecting a Data Input on charges collected during the Formula Rate during the five (5) years prior to the Update Year in which the error
34				

35  
36  
37  
38  
39

was first discovered shall be corrected by incorporating the impact of the error on the charges produced by the Formula Rate during the five-year period into the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update Year. Charges collected before the five-year period shall not be subject to correction.

(b) List of Items excluded from the Revenue Requirement

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

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

Line  
 No.

Line No.	<u>Scheduling and Dispatch Expenses</u>			<u>Year</u>	<u>Source</u>
1					
2					
3					
4	Accounts	561.1	Reliability		FF1 320-323.85b
5	Accounts	561.2	Monitor and Operate Transmission System		FF1 320-323.86b
6	Accounts	561.3	Transmission Service and Schedule		FF1 320-323.87b
7	Accounts	561.4	Scheduling System Control and Dispatch		FF1 320-323.88b
8	Accounts	561.5	Reliability, Planning and Standards Development		FF1 320-323.89b
9	Accounts	561.6	Transmission Service Studies		FF1 320-323.90b
10	Accounts	561.7	Generation Interconnection Studies		FF1 320-323.91b
11	Accounts	561.8	Reliability, Planning and Standards Dev. Services		FF1 320-323.92b
12					
13	Total Load Dispatch Expenses (sum of Lines 4 - 11)				Sum of Lines 4 - 11
14					
15	Less Account 561 directly recovered under Schedule 1 of the NYISO Tariff				
16					
17	Accounts	561.4	Scheduling System Control and Dispatch		Line 7
18	Accounts	561.8	Reliability, Planning and Standards Dev. Services		Line 11
19	Total NYISO Schedule 1				Line 17 + Line 18
20					
21	Total CCC Component				Line 13 - Line 19

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

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

Line No.			<u>SOURCE</u>
1	Subzone 1		NIMO TOL (transmission owner load)
2	Subzone 2		NIMO TOL (transmission owner load)
3	Subzone 3		NIMO TOL (transmission owner load)
4	Subzone 4		NIMO TOL (transmission owner load)
5	Subzone 29		NIMO TOL (transmission owner load)
6	Subzone 31		NIMO TOL (transmission owner load)
7	Total NIMO Load report to NYISO	<b>0.000</b>	Sum of Lines 1-6
8	LESS: All non-retail transactions		
9	Watertown		FF1 page 328-330. _j
10	Disputed Station Service		NIMO TOL (transmission owner load)
11	Other non-retail transactions		All other non-retail transactions (Sum of 300,000 series PTID's from TOL)
12	Total Deductions	<b>0.000</b>	Sum of Lines 9 - 11
13	PLUS: TSC Load		
14	NYMPA Muni's, Misc. Villages, Jamestown (X1)		FF1 page 328-330. _j
15	NYPA Niagara Muni's (X2)		FF1 page 328-330. _j
16	Total additions	<b>0.000</b>	Sum of Lines 14 -15
17	Total Billing Units	<b>0.000</b>	Line 7 - Line 12 + Line 16

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

**Attachment 1**  
**Schedule 13**  
**Page 1 of 1**

Shading denotes an input

Line No.	Description	Amount	
1	Electric ADIT Balance at year-end		FF1 Page 274-275.2k
2	Transmission Plant (PL) Allocator		Schedule 5, Line 19
3	Transmission Related ADIT Balance at year-end		Line 1 x Line 2
4			
5	Forecasted Transmission Related ADIT balance		Internal Records
6			
7	Change in ADIT		Line 5 - Line 3
8			
9	Monthly Change in ADIT		Line 7 / 12 Months
10			

	(A) Month	(B) Remaining Days	(C) = (B)/ Line 17 (B) IRS Proration %	(D) = Line 9 *(C) Prorated ADIT
11	Month 1		100.00%	-
12	Month 2		100.00%	-
13	Month 3		100.00%	-
14	Month 4		100.00%	-
15	Month 5		100.00%	-
16	Month 6		100.00%	-
17	Month 7		#DIV/0! %	-
18	Month 8		#DIV/0! %	-
19	Month 9		#DIV/0! %	-
20	Month 10		#DIV/0! %	-
21	Month 11		#DIV/0! %	-
22	Month 12		#DIV/0! %	-
23				
24	Total Prorated ADIT Change (Sum of 12 through 23)			\$ -
				-
	(a) The balance in Line 1, Total Transmission ADIT Balance at year-end, shall equal such ADIT that is subject to the normalization rules prescribed by the IRS and the net of the amounts recorded in FERC Account No. 282.			

to Schedule 2, Line 22

**Niagara Mohawk Power Corporation**  
**Actual Accumulated Deferred Income Taxes (AADIT)**

**Attachment 1**  
**Schedule 13(a)**  
**Page 1 of 1**

Shading denotes an input

Line No.	Description	(A) Amount	(B) Reference
1	Total ADIT Balance at prior year-end (Enter Credit) (b)		(c) FF1 Page 274-275.2b
2	Prorated Actual ADIT Activity		Line 16(G)
3	Total Prorated ADIT Balance at year-end (Line 1 + Line 2)		

(C) (D) (E) (F) = (E) / Line 17(E) (G) = (D) x (F)

Month	Actual Monthly Change in ADIT	Remaining Days	IRS Proration %	Prorated ADIT
4	Month 1	\$	335	91.7808% \$ Internal Records
5	Month 2	\$	307	84.1096% \$ Internal Records
6	Month 3	\$	276	75.6164% \$ Internal Records
7	Month 4	\$	246	67.3973% \$ Internal Records
8	Month 5	\$	215	58.9041% \$ Internal Records
9	Month 6	\$	185	50.6849% \$ Internal Records
10	Month 7	\$	154	42.1918% \$ Internal Records
11	Month 8	\$	123	33.6986% \$ Internal Records
12	Month 9	\$	93	25.4795% \$ Internal Records
13	Month 10	\$	62	16.9863% \$ Internal Records
14	Month 11	\$	32	8.7671% \$ Internal Records
15	Month 12	\$	1	0.2740% \$ Internal Records
16	Total Prorated Actual ADIT Activity (Sum Lines 6 thru 17)			\$
17	Number of Days in the Year		365	

**Notes:**

- (a) Enter credit balances as negatives.
- (b) The balance in Line 1, Total ADIT Balance at year-end, shall equal such ADIT that is subject to the normalization rules prescribed by the IRS.

**Niagara Mohawk Power Corporation  
Annual Revenue Requirements of  
Transmission Facilities  
(Excess)/Deficient ADIT Worksheet  
For Costs in 20\_\_**

Attachment 1

Schedule 14

Page 1 of 2

Input Cells are Shaded Yellow

	(A)	(B)	(C)	(D) = (A) + (B) + (C)	(E)	(F)	(G)	(H)	(I)	(J)			
	<u>20__ Year End Unamortized (Excess)/Deficient ADIT (e)</u>				<u>Amortization Periods (f)</u>		<u>Amortization Expense (e ) (g)</u>						
<u>Line No.</u>	<u>FERC Account No. (a)</u>	<u>Ref</u>	<u>Protected</u>	<u>Unprotected</u>	<u>Gross-Up (i)</u>	<u>12/31/20__ Balance</u>	<u>Protected</u>	<u>Unprotected</u>	<u>FERC Account No. (g)</u>	<u>Protected</u>	<u>Unprotected</u>	<u>Gross-Up (i)</u>	<u>Total Amortization</u>
<b>Transmission (EXCESS)/DEFICIENT ADIT - TAX RATE CHANGES</b>													
1a		(b)											
1 []		(c)											
2	Total (Sum Lines 1a thru 1[]) (d)												
			-	-	-	-				-	-	-	-
<b>Electric FAS 109/(Excess) Deficient ADIT</b>													
3a	FAS 109 - Electric	(j)											
3 []													
4	Total (Sum Lines 3a thru 3[]) (d)												
5	<b>TOTAL Electric FAS 109/(Excess) Deficient ADIT (Line 2 + Line 4)</b>												
6	Deficient ADIT - Regulatory Asset Account 182.3		FF 1 Page										
7	Excess ADIT - Regulatory Liability Account 254		232 b										
8	Deficient/(Excess) Deferred Income Tax Regulatory Asset/(Liability) (Line 6 + Line 7)		FF1 Page										
			278 b										

**Notes:**

- (a) The affected ADIT accounts were remeasured by comparing ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 at the current Federal, State & Local Income Tax rate to ADIT balances at historical Federal, State & Local Income Tax rates. The difference between the two represents the excess or deficient ADIT. Refer to Schedule 14(a).
- (b) Relates to the Federal Income Tax Rate change associated with the 2017 Tax Cuts and Jobs Act.
- (c) Niagara Mohawk Power Corporation may add or remove sublines and notes explaining them without a FPA Section 205 filing.
- (d) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter.
- (e) Enter credit balances as negatives.
- (f) Deficient/(excess) ADIT balances will be amortized as follows: "Protected property-related" = ARAM, "unprotected property-related" = 31 yrs, all other unprotected deficient/(excess) ADIT balances = 10 yrs.
- (g) Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1.
- (h) Other changes to (excess)/deficient ADIT due to the conclusion of IRS audits during applicable periods affected by a change in federal, state or local tax rates, the establishment of new (excess)/deficient ADIT due to future tax rate changes and classification changes between protected and unprotected categories due to the passage of time.

- (i) Tax gross up calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period.
- (j) Other Electric Transmission and Distribution FAS 109 balances
- (k) Niagara Mohawk Power Company will add footnotes below to identify excess or deficient ADIT from future Federal, State and Local income tax rate changes.
- (l)



**Niagara Mohawk Power Corporation  
Annual Revenue Requirements of  
Transmission Facilities  
(Excess)/Deficient ADIT Worksheet  
For costs in 20\_\_**

**Attachment 1**

**Schedule 14**

**Page 2 of 2**

Input cells are Shaded Yellow

$$(N) = (A) - (G) - (K) \quad (O) = (B) - (H) - (L) \quad (P) = (C) - (I) - (M) \quad (Q) = (N) + (O) + (P) \quad (R)$$

Line No.	Other Adjustments (e) (h)			20__ Year End Unamortized (Excess)/Deficient ADIT (e)				Reference
	Protected	Unprotected	Gross-Up(i)	Protected	Unprotected	Gross-Up (i)	12/31/20__ Balance	
1a			-	-	-	-	-	
1 []			-	-	-	-	-	
2	-	-	-	-	-	-	-	
3a								
3b								
3c			-		-	-	-	
3d								
3 []			-		-	-	-	
4	-	-	-	-	-	-	-	
5	-	-	-	-	-	-	-	

6

FF1 Page 232 f

-

7

FF1 Page 278 f

8

-

**Niagara Mohawk Power Corporation**  
**Annual Revenue Requirements of Transmission Facilities**  
**(Excess)/Deficient ADIT Worksheet**  
**Schedule 14(a) - Remeasurement Support - \_\_\_\_\_**  
**For Costs in the Year of 20\_\_**

Line No.	Description	FERC Account No.	(A)	(B) = (A)* ____%	(C) = (A)* ____%	(D) = (B) - (C)	(E)	(F) = (E)* ____%	(G) = (E)* ____%	(H) = (F) - (G)	(I) = (D) + (H)	(J)	(K) = (I) - (J)
			Gross Temporary Difference Fiscal Year Ended March 31, 20__ (a) (d)	ADIT @ __%	ADIT @ __%	(Excess)/ Deficient ADIT due to Rate Change	Gross Temporary Difference Fiscal Year Ended March 31, 20__ (a) (d)	ADIT @ ____% (c)	ADIT @ ____%	(Excess)/ Deficient ADIT due to Rate Change	Total (Excess)/ Deficient ADIT due to Rate Change	Adjustments Post Remeasurement (d)	20__ (Excess)/ Deficient ADIT due to Rate Change
1a			-	-	-	-	-	-	-	-	-	-	-
1[]			-	-	-	-	-	-	-	-	-	-	-
2	Total (Sum Lines 1a thru 1[]) (b)		-	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (a) Company records
- (b) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. Niagara Mohawk Power Company may add or remove sublines without a FPA Section 205 filing.
- (c) When the effective date for an income tax rate change falls within a Company's fiscal tax year, the income tax rate for such a year shall be the sum of the number of days in each time period times the tax rate for each a period.

Blended Rate	Days	Effective Rate	Blended Rate
			0.00%
			0.00%
			0.00%

- (d) Enter credit balances as negatives.
- (e) Niagara Mohawk Power Company may add footnotes below without a FPA Section 205 filing.

**Niagara Mohawk Power Corporation  
Project Specific Revenue Requirement Calculation  
Smart Path Connect**

\_\_\_\_\_ / \_\_\_\_\_

Shading denotes an input

Line No.	Description	Amount	Source	Definitions
1	Project Gross Plant In-Service	-	Workpaper _	Project Gross Plant In-Service will be the total capital investment for the project included in Transmission Plant In Service plus Electric General and Electric Intangible Plant times the SPC Allocator percentage for Electric to SPC plus NMPC Common Plant times the SPC Allocator percentage for Gas+Electric to SPC.
2	CWIP	-	Workpaper _	Authorized by FERC Order _____
3	Project - Related Depreciation and Amortization Reserves (Enter Credit)	-	Workpaper _	Project-related depreciation and amortization reserve shall equal the accumulated credit of Project - Related Depreciation Expense net of any applicable retirements, cost of removal or salvage adjustments associated with the project.
4	Project - Related Accumulated Deferred Income Taxes (Enter Credit)	-	Workpaper _	Project - Related Accumulated Deferred Income Taxes shall equal ADIT calculated based on cost, accumulated book depreciation and accumulated tax depreciation.
5	Project - Related (Excess) Deficient ADIT	-	Schedule 15c _ Line 2Q	Project - Related (Excess) Deficient ADIT shall be the unamortized excess or deficient ADIT balance related specifically to the project as per Schedule 15c.
6	Project - Related Prepayments	#DIV/0!	(Line 1/ Schedule 5 Line 13 ) * Schedule 7 Line 15 Column (5)	Project - Related Prepayments shall equal the ratio of Project Gross Plant In-Service to Gross Transmission Investments times Transmission Related Prepayments
7	Project - Related Materials & Supplies	#DIV/0!	(Line 1/ Schedule 5 Line 13 ) * Schedule 7 Line 21 Column (5)	Project - Related Materials & Supplies shall equal the ratio of Project Gross Plant In-Service to Gross Transmission Investments times Transmission Related Materials & Supplies
8	Project - Related Cash Working Capital	#DIV/0!	(Line 1/ Schedule 5 Line 13 ) * Schedule 7 Line 28 Column (5)	Project - Related Cash Working Capital shall equal the ratio of Project Gross Plant In-Service to Gross Transmission Investments times Transmission Related Cash Working Capital
9	<b>Net Investment Base</b>	#DIV/0!	Sum lines 1 through 8	
10	Project Specific Investment Base excl CWIP Return and Asso. Taxes	#DIV/0!	Schedule 15b Line 24	
11	Project - Related Depreciation Expense	-	Workpaper _	Project-related depreciation expense will be determined based on application of the current FERC approved depreciation accrual rates per Section 14.1.9.1.14 of Attachment H of the NYISO OATT on a utility account basis to the Project Gross Plant In-service.
12	Project - Related Amortization of (Excess) Deficient ADIT	-	Schedule 15c _ Line 2J	Project - Related Amortization of (Excess) Deficient ADIT shall be the annual amortized excess or deficient ADIT balance related specifically to the project as identified in Schedule 15c Project Specific (Excess) Deficient ADIT.
13	Project - Related Real Estate Taxes	-	Workpaper _	Project related portion of Transmission Related Real Estate Tax Expense as determined based on the taxable value of the investment and the applicable property tax rate.

14	Project - Related Operation & Maintenance Expense	-	Workpaper	Project - Related Operation and Maintenance Expense shall be based on charges to project-specific work orders. Operation & maintenance costs that cannot be directly attributed to a project will be allocated to a project based on the ratio of the Project Gross Plant In-service to Gross Transmission Investments.
15	Project Allocated Administrative & General Expense	#DIV/0!	Workpaper	Project Allocated Administrative and General Expense shall equal the sum of Electric Administrative and General Expenses, Electric Pension & OPEB Expenses, and Electric Payroll Tax Expense times the SPC Allocator percentage for Electric to SPC, plus the ratio of Project Gross Plant In-Service to Gross NMPC Transmission Investment times Transmission Related Property Insurance and Transmission Related Research & Development expenses.
16	<u>Billing Adjustments</u>	-	Workpaper	Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4
17	<b>Base Revenue Requirement</b>	#DIV/0!	Sum lines 10 through 16	
18	Project Specific Investment Base CWIP Return and Asso. Taxes	#DIV/0!	Schedule 15b Line 25	Project Specific Investment Base CWIP Return and Associated Taxes shall be the Return and Associated Income Taxes related to authorized CWIP included in ratebase
19	Cost Containment Adjustment	-	Schedule 15e Line 23	Authorized by FERC Order _____.
20	<u>Billing Adjustments</u>	-	Workpaper	Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4
21	<b>Non-Base Revenue Requirement</b>	#DIV/0!	Sum lines 18 through 20	
22				
23	Annual True-up including Interest	#DIV/0!	Line 35	
24				
25	<b>Total Project Specific Revenue Requirement</b>	#DIV/0!	Sum line 17 + 21 + 23	

**Annual True-up and Interest Calculation**

26	ISO Revenues Received	-	WP5 Line _
27	Less: Prior Year True-up incl Interest	-	Workpaper _
28	Adjusted ISO Revenues	-	Sum Lines 26 and 27
29			
30	Actual Revenue Requirement (a)	#DIV/0!	Line 17 + 21
31	(Over) Under recovery	#DIV/0!	Line 30 - Line 28
32			
33	Interest	#DIV/0!	Line 64, Column (9)
34			
35	Annual True-up including interest	#DIV/0!	Line 31 + Line 33
36			
37	Interest Calculation per 18 CFR Section 35.19a		

38	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
39	Quarters	Annual	Accrued Prin	Monthly	Days			Accrued Prin	Accrued
40		Interest	& Int. @ Beg	(Over)/Under	in	Period		& Int. @ End	Int. @ End
41		Rate (b)	Of Period	Recovery	Period (b)	Days	Multiplier	Of Period	Of Period
42									
43	3rd QTR ' _	0.00%	0		92	92	1.0000	\$0	\$0
44	July	0.00%		#DIV/0!	31	92	1.0000	#DIV/0!	#DIV/0!
45	August	0.00%		#DIV/0!	31	61	1.0000	#DIV/0!	#DIV/0!
46	September	0.00%		#DIV/0!	30	30	1.0000	#DIV/0!	#DIV/0!
47									
48	4th QTR ' _	0.00%	#DIV/0!		92	92	1.0000	#DIV/0!	#DIV/0!
49	October	0.00%		#DIV/0!	31	92	1.0000	#DIV/0!	#DIV/0!
50	November	0.00%		#DIV/0!	30	61	1.0000	#DIV/0!	#DIV/0!
51	December	0.00%		#DIV/0!	31	31	1.0000	#DIV/0!	#DIV/0!
52									
53	1st QTR ' _	0.00%	#DIV/0!		91	91	1.0000	#DIV/0!	#DIV/0!
54	January	0.00%		#DIV/0!	31	91	1.0000	#DIV/0!	#DIV/0!
55	February	0.00%		#DIV/0!	28	60	1.0000	#DIV/0!	#DIV/0!
56	March	0.00%		#DIV/0!	31	31	1.0000	#DIV/0!	#DIV/0!
57									
58	2nd QTR ' _	0.00%	#DIV/0!		91	91	1.0000	#DIV/0!	#DIV/0!
59	April	0.00%		#DIV/0!	30	91	1.0000	#DIV/0!	#DIV/0!
60	May	0.00%		#DIV/0!	31	61	1.0000	#DIV/0!	#DIV/0!
61	June	0.00%		#DIV/0!	30	30	1.0000	#DIV/0!	#DIV/0!
62									

63

64 Total (Over)/Under Recovery #DIV/0! #DIV/0! #DIV/0!

- (a) First year revenue requirement to be prorated based on in-service date of project or FERC approval of CWIP recovery
- (b) Interest rates shall be the interest rates as reported on the FERC Website <http://www.ferc.gov/legal/acct-matts/interest-rates.asp>
- (c) For leap years use 29 days in the month of February

**Niagara Mohawk Power Corporation  
Project Return and Associated Income Taxes  
Smart Path Connect**

Shading denotes an input

Cost Of Capital		Cost of Capital rate will equal the cost of capital rate calculated using the Weighted Costs of Capital as defined in Section 14.1.9.2.2 (i), (ii) and (iii) of Attachment H of the OATT.					
Line		(a) CAPITALIZATION	(b) CAPITALIZATION RATIOS	(c) COST OF CAPITAL	(d) WEIGHTED COST OF CAPITAL	(e) EQUITY PORTION	Source:
1							
2	LONG TERM DEBT	\$0	#DIV/0!	#DIV/0!	#DIV/0!		Schedule 8 Line 17
3	PREFERRED STOCK	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Schedule 8 Line 18
4	COMMON EQUITY	\$0	#DIV/0!	10.30%	#DIV/0!	#DIV/0!	Schedule 8 Line 19
5							
6	TOTAL INVESTMENT RETURN	\$0	#DIV/0!		#DIV/0!	#DIV/0!	Line 2 + Line 3 + Line 4
7							
8							
9	<b>Federal Income Tax</b>						
10	Equity WACC	#DIV/0!	Line 6(e)				
11	Federal Income Tax Rate	0.00%	Schedule 8 Line 32				
12	Federal Income Tax	#DIV/0!	(Line 10*Line 11)/(1-Line 11)				
13							
14	<b>State Income Tax</b>						
15	State Income Tax Rate	0.00%	Schedule 8 Line 46				
16	State Income Tax	#DIV/0!	(Line 10 + Line 12)*Line 15/(1- Line 15)				
17							
18	Cost of Capital Rate	#DIV/0!	Line 6(d) + Line 12+ Line 16				
19	Project Specific Investment Base excl CWIP	#DIV/0!	Schedule 15a Line 9 - Line 2				
20	Project Specific Investment Base CWIP	--	Schedule 15a Line 2				
21	Total Investment Base	#DIV/0!					
22							
23	<b>Return and Associated Taxes</b>						
24	Project Specific Investment Base excl CWIP Return and Asso. Taxes	#DIV/0!	Line 19 * Line 18				
25	Project Specific Investment Base CWIP Return and Asso. Taxes	#DIV/0!	Line 20 * Line 18				
26							
27	<b>Total Return and Associated Income Taxes</b>	#DIV/0!	Sum Line 24 + 25				

**Notes:** Enter credit balances as negatives.

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

**Smart Path Connect (Excess)/Deficient ADIT Worksheet\_  
For Costs in 20\_\_**

Input Cells are Shaded Yellow

Line No.	Description	FERC Account No. (a)	(D) = (A) + (B) + (C)				FERC Account No. (f)	Amortization Expense (d) (f)			Total Amortization	
			(A)	(B)	(C)	(D)		(E)	(F)	(G)		(H)
		<b>20__ Year End Unamortized (Excess)/Deficient ADIT (d)</b>				<b>Amortization Periods (e)</b>		<b>Amortization Expense (d) (f)</b>				
			Protected	Unprotected	Gross-Up (h)	12/31/20__ Balance	Protected	Unprotected	Protected	Unprotected	Gross-Up (h)	
<b>Project-related (Excess)/Deficient ADIT - Tax Rate Changes</b>												
1a												
1 [ ]		(b)				-					-	-
2	Total (Sum Lines 1a thru 1 [ ] ) (c)					-					-	-

**Notes:**

- (a) The affected ADIT accounts were remeasured by comparing Project Specific ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 at the current Federal, State & Local Income Tax rate to Project Specific ADIT balances at historical Federal, State & Local Income Tax rates. The difference between the two represents the excess or deficient ADIT recorded to Account 254 or Account 182.3, respectively. Amounts reflected on this schedule are a subset of total Transmission Related (Excess) Deficient ADIT shown on Schedule 14. Refer to Schedule 14 for the reconciliation of Total Transmission Related (Excess) Deficient ADIT to FF1 Page 232 for Account 182.3 and FF1 Page 278 for Account 254.
- (b) Niagara Mohawk Power Corporation may add or remove sublines and notes explaining them without a FPA Section 205 filing.
- (c) Total equals the sum of sublines a through [ ], where [ ] is the last subline denoted by a letter.
- (d) Enter credit balances as negatives.
- (e) Deficient/(excess) ADIT balances will be amortized as follows: "Protected property-related" = ARAM, "unprotected property-related" = 31 yrs, all other unprotected deficient/(excess) ADIT balances = 10 yrs.
- (f) Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1.
- (g) Other changes to (excess)/deficient ADIT due to the conclusion of IRS audits during applicable periods affected by a change in federal, state or local tax rates, the establishment of new (excess)/deficient ADIT due to future tax rate changes and classification changes between protected and unprotected categories due to the passage of time.
- (h) Tax gross up calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period.
- (i) Niagara Mohawk Power Company will add footnotes below to identify excess or deficient ADIT from future Federal, State and Local income tax rate changes.
- (j) [ ]

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

**Attachment 1  
Schedule 15c  
Page 2 of 2**

**Smart Path Connect (Excess)Deficient ADIT Worksheet: \_  
For costs in 20\_**

Input cells are Shaded Yellow

$$(N) = (A) - (G) - (K) \quad (O) = (B) - (H) - (L) \quad (P) = (C) - (I) - (M) \quad (Q) = (N) + (O) + (P) \quad (R)$$

Line No.	(K) Other Adjustments (d) (g)			(R) 20__ Year End Unamortized (Excess)/Deficient ADIT (d)				Reference
	Protected	Unprotected	Gross-Up (h)	Protected	Unprotected	Gross-Up (h)	12/31/20__ Balance	
1a			-				-	Internal Records
1 []			-				-	
2								

**Niagara Mohawk Power Corporation**  
**Annual Revenue Requirements of Transmission Facilities**  
**Project Specific (Excess)/Deficient ADIT Remeasurement Worksheet: Smart Path Connect \_\_\_\_**  
**Schedule 15(d) - Remeasurement Support**  
**For Costs in the Year of 20\_\_**

Line No.	Description	FERC Account No.	(A)	(B) = (A)* ____%	(C) = (A)* ____%	(D) = (B) - (C)	(E)	(F) = (E)* ____%	(G) = (E)* ____%	(H) = (F) - (G)	(I) = (D) + (H)	(J)	(K) = (I) - (J)
			Gross Temporary Difference Fiscal Year Ended March 31, 20__ (a) (d)	ADIT @ __%	ADIT @ __%	(Excess)/ Deficient ADIT due to Rate Change	Gross Temporary Difference Fiscal Year Ended March 31, 20__ (a) (d)	ADIT @ ____% (c)	ADIT @ ____%	(Excess)/ Deficient ADIT due to Rate Change	Total (Excess)/ Deficient ADIT due to Rate Change	Adjustments Post Remeasurement (d)	20__ (Excess)/ Deficient ADIT due to Rate Change
1a			-	-	-	-	-	-	-	-	-	-	-
1[]			-	-	-	-	-	-	-	-	-	-	-
2	Total (Sum Lines 1a thru 1 [] ) (b)		-	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (a) Company records
- (b) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. Niagara Mohawk Power Company may add or remove sublines without a FPA Section 205 filing.
- (c) When the effective date for an income tax rate change falls within a Company's fiscal tax year, the income tax rate for such a year shall be the sum of the number of days in each time period times the tax rate for each a period.

Blended Rate	Days	Effective Rate	Blended Rate
			0.00%
			0.00%
			0.00%

- (d) Enter credit balances as negatives.
- (e) Niagara Mohawk Power Company may add footnotes below without a FPA Section 205 filing.

**Niagara Mohawk Power Corporation  
Smart Path Connect Cost Containment Adjustment**

Under the cost containment mechanism for the Smart Path Connect (“SPC”) project (“SPC Project” or “Project”), where “Eligible Project Costs” exceed the “Cost Cap,” NMPC will earn no ROE on 20% of the equity portion of the actual costs that exceed the Cost Cap. NMPC will remain eligible to recover the depreciation and debt costs on its share of all actual Project-related costs.

The Cost Cap for the SPC Project is \$481.8 million.

Eligible Project Costs are defined as all capital costs incurred to develop, construct, and place the SPC Project into service, excluding “Third Party Costs” and “Unforeseeable Costs” in excess of 2.5% of the Cost Cap.

Third Party Costs include: (i) interconnection and network upgrade costs resulting from the ISO evaluation process; (ii) property taxes; and (iii) any increased costs, i.e., costs incurred related to the rescheduling of outages or to the relocation of utility assets, which are beyond the ability of NMPC to control or mitigate.

Unforeseeable Costs are defined in terms of costs that NMPC could not have reasonably anticipated at the time the estimate was submitted to the NYPSC as part of the Article VII application process.-Unforeseeable Costs include the following:

**UC 1** - Costs associated with material modifications to the routing or scope of work of the Project that results from a NYPSC order, negotiation, or settlement agreement within the siting process, or are imposed or required by any other governmental agency. For the avoidance of doubt, foreseeable obligations, as included in NMPC’s Article VII Application to the New York Public Service Commission for the SPC Project, or non-material obligations imposed upon NMPC as a normal part of the siting process, shall not be deemed to be Unforeseeable Costs

**UC 2** - Costs associated with changes in applicable laws and regulations, or interpretations thereof by governmental agencies

**UC 3** - Costs incurred as a result of orders of courts or action, or inaction, by governmental agencies;

**UC 4** - Costs related to destruction, damage, interruption, suspension, or interference of or with the 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 NMPC, (ii) NMPC made reasonable efforts to avoid or minimize the adverse impacts of any of the above-listed events, and (iii) NMPC took reasonable steps to expeditiously resolve the event after it occurred;

**UC 5** - Steel cost escalation that is greater than the “Handy Whitman Construction Cost Index” applied to steel costs in determining the Cost Cap; and

**UC 6** - Total actual Project cost escalation, excluding steel costs, that are greater than 150% of the Handy Whitman Construction Cost Index applied to non-steel costs in determining the Cost Cap.

Line No.		Amount	Source	Definitions
1	<b>Cost Cap</b>	481,800,000		As defined in Docket _____
	<u>Eligible Project Costs</u>			
2	Total Capital Costs	-	Schedule 15a Line 1	
3	Less: <u>Third Party Costs</u> (enter credit)			
4	Interconnection and network upgrade costs resulting from the ISO evaluation process		Internal Records	
5	Property taxes		Internal Records	
6	Any increased costs, i.e., costs incurred related to the rescheduling of outages or to the relocation of utility assets, which are beyond the ability of NMPC to control or mitigate		Internal Records	
7	Total Third Party Costs	-	Sum lines 4 to 6	
8	Less: <u>Unforeseeable Costs</u> (enter credit)			Only Unforeseeable Costs that exceed 2.5% of the Cost Cap will be excluded from Eligible Project Costs, exempted from application of the Cost Cap, and recovered under the SPC-FC.
9	UC 1		Internal Records	
10	UC 2		Internal Records	
11	UC 3		Internal Records	
12	UC 4		Internal Records	
13	UC 5		Internal Records	
14	UC 6		Internal Records	
15	Total Unforeseeable Costs	-	Sum lines 9 to 14	
16	<b>Total Eligible Project Costs</b>	-	Line 2 + Line 7 + Line 15	
17	Amount in excess (below) Cost Cap		Line 16 less Line 1	
18	% eligible for ROE reduction	20%		As defined in Docket _____
19	Equity Return Portion		Schedule 15b Line 6 (e)	
20	FIT		Schedule 15b Line 12 (a)	
21	SIT		Schedule 15b Line 16 (a)	
22	<b>Total Base Cost of Capital Adjustment</b>		Sum lines 19 to Line 21	

