Appendix H

Exhibit No. NYT-41

EXHIBIT NO. NYT-41

UNITED STATES OF AMERICA
BEFORE
THE FEDERAL ENERGY REGULATORY COMMISSION

New York Transco, LLC	**)**	
	)	
Central Hudson Gas & Electric Corp.	**)**	
Consolidated Edison Company of	**)**	
New York, Inc.	**)**	**Docket No. ER15-___-000**
Niagara Mohawk Power Corporation d/b/a	**)**	
National Grid	**)**	
New York State Electric & Gas Corp.	**)**	
Orange & Rockland Utilities, Inc.	**)**	
Rochester Gas and Electric Corp.	**)**	

PREPARED DIRECT TESTIMONY OF ALAN C. HEINTZ

December 4, 2014

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Rochester Gas and Electric Corp.	**)**	

DIRECT TESTIMONY OF
ALAN C. HEINTZ

I. Introduction

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Alan C. Heintz. My business address is Brown, Williams, Moorhead & Quinn, Inc. ("BWMQ"), 1155 Fifteenth Street, NW, Suite 400, Washington, DC 20005. I am a Vice President of BWMQ.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of the New York Transco, LLC ("NY Transco").

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

A. I was employed by the Federal Energy Regulatory Commission ("FERC" or "Commission") from November 1985 to February 1995. I served as a Public Utilities Specialist in the [Electric] Rate Filings Branch from November 1985 to October 1989. In November 1989, I was promoted to Section Chief in the Division of [Electric] Applications, and was responsible for supervising the review of the terms, conditions,

and rates of electric rate applications for such services as interchange power, requirements power, and transmission. During my tenure with FERC, I prepared or supervised the preparation of memoranda recommending acceptance, rejection, deficiency, or investigation in hundreds of cases. These included cases that set important precedents on electric transmission pricing, such as the merger compliance transmission tariffs for Northeast Utilities, the first generation of open access transmission tariffs ("OATT") filed by utilities such as Entergy Services Inc., Louisville Gas and Electric Co., Florida Power & Light Co., Kansas City Power & Light Co., and American Electric Power Service Corp., as well as the Pennsylvania Electric Company case involving Penntech Papers, Inc. I also taught a one-year course to FERC Staff and gave several presentations to the Edison Electric Institute Interconnection and Interchange Arrangements Committee on the pricing of power and transmission services.

From February 1995 through October 2000, I was a Vice President of Stone & Webster Management Consultants, Inc. In this position, I provided consulting services to numerous electric utilities on matters involving requirements and off-system power rates, rate and implementation strategies for developing OATT filings, and issues concerning the organization of Independent System Operators ("ISO"), and Regional Transmission Organizations ("RTO"). I also assisted several utilities in preparing their retail delivery services filings. In November 2000, I joined R.J. Rudden Associates, Inc. as a Vice President, where I continued providing consulting services to the electric industry. I joined BWMQ in February 2004.

Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

A. I provide consulting services on matters relating to power sales, transmission, and ancillary service issues associated with FERC regulation of open access transmission

service, including issues arising from FERC Order Nos. 888, 889, 890, 2000 and 679. I have been actively involved as a consultant to several ISOs and RTOs, participants in organized electric markets, and transmission-only entities. I have advised these clients on formula transmission rates, transmission and congestion pricing, and the treatment of pre-existing arrangements, losses, and ancillary services. In addition, I have provided advice on transmission pricing matters to several transmission-owning members of the PJM Interconnection, L.L.C. ("PJM"), Midwest Independent Transmission System Operator, Inc., California ISO, ISO New England, New York Independent System Operator, Inc. ("NYISO") and Southwest Power Pool.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE FERC OR BEFORE OTHER REGULATORY AGENCIES AND COURTS ON UTILITY-RELATED MATTERS?

A. Yes. During my tenure at the FERC, I was assigned to the Commission's advisory staff and, therefore, was precluded from testifying before the FERC. However, while at the FERC, I presented cases publicly to the FERC Commissioners at their bi-weekly public meetings and was the technical contact to the Commissioners in numerous cases. Since leaving the FERC, I have filed testimony before the FERC in numerous proceedings. In addition to the FERC, I have testified before the British Columbia Utilities Commission in Canada, the Illinois Commerce Commission, the Maine Public Utilities Commission, the United States Court of Federal Claims, and the United States District Court in Florida. A summary of my prior testimony is contained in Exhibit No. NYT-42.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

A. I received the degree of Bachelor of Science in Business, and the degree of Bachelor of Arts in Economics from the University of Colorado, Boulder, Colorado, in May 1982. I

also received the degree of Master of Business Administration in Finance from the George Washington University in Washington, DC, in December 1988.

II. Purpose of Testimony and Background

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. NY Transco has requested that I develop a single formula rate for its transmission projects in New York (together, the "Projects") that would be consistent with Commission policy. In this testimony, I describe, explain, and support the reasonableness of the proposed formula template ("Template") and implementation protocols ("Protocols") (together, the "Formula Rate"). Upon receiving the necessary regulatory approvals, NY Transco will build and own the Projects in New York that will be operated by the NYISO. The Formula Rate would be incorporated into the NYISO Open Access Transmission Tariff ("OATT") as Attachment DD, which is contained in Exhibit No. NYT-43.

The Formula Rate provides that NY Transco will forecast the net revenue requirement for each calendar year, which will be assessed to load serving entities by NYISO beginning on January 1 of the succeeding year. The Formula Rate includes a true-up mechanism to ensure customers are not harmed if the actual net revenue requirement is less than the billed net revenue requirement. Any difference will be added to or subtracted from the rate with the interest rate based on 18 C.F.R. § 35.19a of the Commission's regulations.

The formula for NY Transco uses 13-month average plant balances in determining the annual net revenue requirement. NY Transco will forecast the average of the 13 monthly plant balances, including Construction Work in Progress ("CWIP") if this incentive treatment is approved by the Commission, for the following year. The formula

uses the average of the beginning and end of year balances for accumulated deferred income taxes ("ADIT"), land held for future use, materials and supplies, prepayments, as well as the associated expenses. Should these estimates be incorrect, the true-up mechanism will subsequently adjust the rate produced by the formula, with interest.

Q. PLEASE PROVIDE AN EXAMPLE OF HOW THE FORMULA RATE WOULD FUNCTION.

A. The proposed Formula Rate provides for NY Transco to forecast by September 30 of each year the net revenue requirement for NY Transco for the subsequent calendar year ("Rate Year"), using the projected average rate base balance and expense. A true-up between the forecasted and actual net revenue requirement would be calculated the following year (Rate Year plus one), using data from NY Transco's FERC Form No. 1. Any difference will be added to or subtracted from the projected revenue requirement in the year following the calculation of the true-up (Rate Year plus two), with interest.

Q. WHEN WILL THE PROPOSED RATE BE CHARGED TO CUSTOMERS?

A. Rates will not actually be charged to NYISO customers until all the regulatory conditions and approvals are met. NY Transco seeks an effective date for its tariff sheets of 120 days after the date of filing; however, the rate resulting from the formula will not be assessed until the later of (i) receipt of all necessary regulatory approvals, or (ii) when the first project is transferred to NY Transco.

Q. **PLEASE EXPLAIN WHY THE PROPOSED FORMULA IS REASONABLE.**

A. NY Transco will recover its costs plus a reasonable return on its investment on a current basis using the proposed formula, and will use a true-up mechanism to ensure that there is no over- or under-recovery. Dr. William Avera, Adrien M. McKenzie and Ellen Lapson provide testimony to demonstrate why NY Transco's proposed cost of capital and capital

structure is just and reasonable. Therefore, through the formula, transmission customers will always pay charges that reflect as closely as possible current costs for NY Transco's services. The proposed formula is very similar to the formula approved by the Commission as part of a settlement in *Tallgrass Transmission, LLC and Prairie Wind Transmission, LLC* 132 FERC ¶ 61,114 (2010) and *Transource Missouri, LLC,* 143 FERC ¶ 61,104 (2013). The proposed formula is also consistent with the Staff's Guidance on Formula Rate Updates issued July 17, 2014.

NY Transco will invest substantial amounts in the Projects. The proposal allows NY Transco to collect a rate that is representative of the costs in the current period, provides greater certainty for cost recovery of capital expenditures to improve the transmission infrastructure, and, through the true-up mechanism, ensures that customers pay only the cost to serve them over the life of the Projects. The Commission has approved many transmission formula rates with similar features in the past.

Q. PLEASE EXPLAIN THE PROPOSED INTEREST CALCULATION AND WHY IT IS REASONABLE.

A. As mentioned above, the interest on the true-up adjustment would be calculated pursuant to the interest rates set forth in 18 C.F.R. § 35.19a of the Commission's regulations. The proposed formula method for calculating refunds and surcharges is similar to many filings accepted by the Commission because it uses the interest rates for the four quarters prior to the true-up calculation. This proposal is reasonable because: (1) the actual interest rates for the Rate Year that the refunds are refunded or the surcharges are charged will not be known prior to this period (the period during which the refund is returned or the surcharge is collected); and (2) the monthly rate during that period would be subject to constant changes due to changes in interest rates.

III. Formula Rate

Q. PLEASE PROVIDE AN OVERVIEW OF THE PROPOSED FORMULA RATE METHODOLOGY.

A. The Formula Rate has two components. The first component is the formula rate template itself with worksheets identified as attachments, which are discussed later in my testimony ("Template"), and includes a statement of the annual transmission revenue requirement ("ATRR"). The second component is the implementation protocols, which describe how the formula will be updated each year, establish review procedures, explain how customer challenges will be resolved, and state how any changes to the annual rate restatement will be implemented ("Protocols"). The Formula Rate for NY Transco, including the Template and Protocols, is being filed as tariff sheets (Attachment DD) under the NYISO OATT, which are included as Exhibit No. NYT-43.

Q. PLEASE DESCRIBE IN DETAIL THE ACTUAL APPLICATION OF THE PROPOSED FORMULA RATE.

A. Lines 1-5 of the Template summarize the annual revenue requirement calculations. Line 1 is the gross revenue requirement carried forward from line 74. Line 2 is the amount of the revenue credits detailed in Attachment 1; line 3 is the net revenue requirement; line 4 is the true-up adjustment for the prior year; and line 5 is the net adjusted revenue requirement for the year.

Lines 6-74 contain the traditional net plant annual transmission revenue requirement components taken from NY Transco's annual FERC Form No. 1. The gross revenue requirement is the sum of the return on rate base, operation and maintenance expense ("O&M"), depreciation expense, taxes other than income taxes, and income taxes. These cost data reflect NY Transco's estimated costs. The estimated revenue requirement is trued-up the next year to the actual revenue requirement, and the

difference, with interest, is added or subtracted from the ATRR for the subsequent Rate Year.

Beginning at line 6, each line of the formula consists of five columns of information or data (in addition to the "Line No." column):

(1) A description of the cost item or formulaic result of the calculation on the line;
(2) The source of the input data (a FERC Form No. 1 page number or an attached worksheet), or an instruction describing a calculation (*e.g.*, "Sum lines 5 to 9");
(3) The actual Total Company data input (areas shaded) or sum of the data (unshaded);
(4) The allocator or functionalization factor applicable to the Total Company value; and
(5) The transmission-related amount obtained by applying the allocator or functionalization factor to the Total Company value.

Lines of the formula are grouped by category as follows:

(a) Rate Base (net plant, ADIT and other adjustments, cash working capital and land held for future use) (lines 6-37);

(b) O&M (lines 38-45);

(c) Depreciation and Amortization (lines 46-50);

(d) Taxes Other than Income Taxes (lines 51-59);

(e) Composite Income Taxes (lines 60-69);

(f) Return on Rate Base (line 71);

(g) Revenue Requirement (line 72);

(h) Incentive return and income taxes on authorized projects; and

(i) Total Revenue Requirement.

The Template also includes a listing of "Supporting Calculations and Notes" that are inputs to the basic formula on lines 75-97, specifically:

(a) the Transmission Plant allocator ("TP") (lines 75-80);

(b) the Wages & Salaries allocator ("W/S") (lines 81-87); and

(c) the capital structure and overall Rate of Return ("R") (lines 88-94).

These supporting calculations and notes are followed by explanatory notes. Lines 95-99 summarize the amount of transmission plant, CWIP, unamortized abandoned plant and regulatory assets in rate base for transparency. In addition, lines 95-99 also separate the rate base items for which NY Transco has received Commission authorization for incentive return on equity.

Q. PLEASE DESCRIBE HOW RATE BASE IS CALCULATED PURSUANT TO THE TEMPLATE.

A. As set out on lines 6-10 of the Template, Transmission Plant is allocated by the TP allocator defined above, and General and Intangible Plant are functionalized to transmission by the W/S allocator. The depreciation accrual balances associated with general and intangible plant are similarly functionalized (lines 11-16).

Net transmission plant, property and equipment balances are calculated at lines 16-21. All plant balances are calculated based on 13-month averages, the details of which are developed in Attachment 2 of the Template. As discussed in the testimony of Paul Haering, some projects will have Replacement in Kind ("RIK") investments which are funded by the respective transmission owner and will not be included in NY Transco's rate base.

Adjustments to Rate Base (primarily ADIT) are calculated on Attachment 2 and carried over to the formula at lines 23-30.

CWIP is included on line 2 and reflects the 13-month average balances shown on Attachment 3 of the Template for which the Commission has authorized rate base treatment.

The total Unamortized Regulatory Assets, consisting of all expenses incurred but not included in CWIP prior to the date the rate is charged to customers, is included at line 28. The proposed regulatory assets are reasonable and necessary in order to allow an opportunity to recover all expenses incurred, but not included in CWIP, prior to the date the formula rate is charged to customers as discussed in the testimony of Stuart Nachmias. This procedure has been accepted by the Commission in *Potomac-Appalachian Transmission Highline, L.L.C.*, 122 FERC ¶ 61,188 (2008), *order on reh'g*, 133 FERC ¶ 61,152 (2010), which was a similar case involving a stand-alone transmission company building its first transmission line like NY Transco. Once the rate begins to be charged to customers, ongoing expenses will be recovered under the formula, rather than booked to the regulatory asset and the regulatory asset will be amortized over five years. Once the regulatory asset is included in rate base as part of the revenue requirement, NY Transco will earn a return on the unamortized balance of the regulatory asset and will stop accruing carrying charges on such regulatory asset. NY Transco owners propose to accrue carrying costs equal to their AFUDC rates on the expenses incurred but not included in CWIP until transferred to NY Transco and included in the regulatory assets. NY Transco will use the weighted cost of capital on the balance of the regulatory assets until the rate is charged to customers, in order to recover the time value associated with the expenditures. NY Transco will keep separate regulatory assets for each project and a regulatory asset for formation costs unrelated to any projects. Transco will apportion costs common to multiple projects to the projects based on the respective estimated project investment.

Unamortized Abandoned Plant is included in rate base at line 29. Any amounts included in Unamortized Abandoned Plant would be included pursuant to a FERC order.

Land Held for Future Use is specified on Attachment 3 and included at line 31.

Working Capital (lines 32-37) consists of three elements: (1) Cash Working Capital ("CWC") calculated as one-eighth of total O&M expenses; (2) Materials & Supplies; and (3) Prepayments.

Q. PLEASE DISCUSS HOW THE ADIT BALANCES ARE INCLUDED IN THE TEMPLATE.

A. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. The beginning and end of year balances reported in FERC Form No. 1 are averaged on Attachments 6a and 6b of the Template.

Q. PLEASE DISCUSS THE DEVELOPMENT OF O&M EXPENSES.

A. Total transmission O&M expense shown at line 45 consists of Transmission expense (line 39) plus Administrative & General ("A&G") expense functionalized to transmission.

The Template (line 40) excludes Accounts 561.1-561.8 (Scheduling subaccounts) and Account 565 (Transmission of Electricity by Others) (if any).

Total company A&G expense (as adjusted for Regulatory Commission Expense, General Advertising Expense and Post Retirement Other Than Pension ("PBOP") expenses) is functionalized to Transmission by the W/S allocator. NYISO administrative costs billed to NY Transco will be included in the appropriate O&M or A&G account for recovery under the formula rate.

Regulatory Commission Expenses related to transmission are included on line 42.

As explained in the testimony of Stuart Nachmias in Exhibit No. NYT-1, the owners of NY Transco will provide business support functions, as needed, to NY Transco for the administration of its business and the development of the projects that will be built within an owner's respective transmission district or corridor. As assets are placed into service, it is anticipated that the transmission facilities where a NY Transco project is located will perform the maintenance and physical operation of the NY Transco assets in that corridor. Accordingly, the stated rate inputs for PBOP in NY Transco's formula will be derived from the affiliates of the entities owning NY Transco. The PBOP rate for the NY Transco employees is initially set at zero and will be reset when NY Transco files the rate annually once the value is known. As reflected on Attachment 3, the stated PBOP rates per dollar of labor expended can only be changed pursuant to a separate Section 205 or 206 filing. This treatment is consistent with the treatment approved in *Trans-Allegheny Interstate Line Co.*, 124 FERC ¶ 61,075 (2008).

Attachment 3 details the amortization of the regulatory asset, discussed above, that will be amortized to Account 566 consistent with FERC precedent. *See, e.g.*, *Transource Missouri, LLC*, 141 FERC ¶ 61,075 (2012).

Q. PLEASE DISCUSS HOW THE TEMPLATE DEVELOPS DEPRECIATION AND AMORTIZATION EXPENSE.

A. Total Transmission Depreciation and Amortization Expense is shown on line 50. It is the sum of transmission plant depreciation and amortization expense (line 47), plus general plant depreciation and intangible plant amortization (line 48), functionalized to transmission. Consistent with the functionalization of general and intangible assets, the formula uses the W/S allocator.

The Template also includes a provision (line 49) for including the amortization of any unrecovered abandoned plant costs (which would require Commission approval in a separate filing).

Q. PLEASE DISCUSS HOW THE TEMPLATE DEVELOPS TAXES OTHER THAN INCOME TAXES.

A. Taxes other than income taxes ("Other Taxes") are functionalized to transmission and specified at lines 51-59. Labor-related taxes are functionalized by the W/S allocator (lines 52-54). Real and personal property and miscellaneous other taxes (lines 56 and 58) are functionalized by the General Plant allocator. Gross receipt taxes are not included in the revenue requirement.

Q. PLEASE DISCUSS HOW THE TEMPLATE DEVELOPS INCOME TAXES.

A. Federal and state income taxes (line 69) are developed consistent with the return on rate base calculated at line 71.

The tax components are Federal Income Tax Rate ("FIT"), State Income Tax Rate (or Composite) ("SIT"), and the percent ("p"), if any, of federal income tax deductible in the calculation of state income tax. These components are further specified in Note F. The composite federal/state income tax rate, "T", is calculated on line 61, where:

$$T = 1-\{[(1-SIT) * (1-FIT)] / (1-SIT * FIT * p)\}$$

The tax multiplier, 1/(1-T), is calculated on line 65.

The investment tax credit ("ITC") adjustment is shown at line 68 and is calculated by multiplying the amortization of the ITC credit (line 66) by the tax multiplier at line 65, the product of which is functionalized to transmission by multiplying by Net Plant.

The income tax component is calculated at line 67 as the product of the tax rate (line 62), the investment return (line 71), and the portion of the investment return that is

taxable (which is 1 minus the weighted debt cost rate divided by the overall rate of return). The weighted debt cost rate is calculated at line 91, and the overall rate of return is calculated at line 94.

Total income taxes (line 69) are the summation of the income tax component (line 67) and the ITC adjustment (line 68).

Q. PLEASE DISCUSS HOW THE TEMPLATE DEVELOPS THE RETURN ON RATE BASE.

A. Return on Rate Base ("ROR") (line 71) is the product of rate base (line 37) times the overall rate of return ("R") (line 94). R is the sum of the weighted cost rates for long-term debt ("LTD"), preferred stock, and common equity calculated at lines 91 through 94.

The LTD cost rate (line 91) prior to NY Transco issuing debt is set at the interest rate estimated to be incurred by the NY Transco for the current year as shown on Table 2 of Attachment 5 of the Template, *e.g.*, 3.28% for 2015, and will not be trued up. Based on market conditions and discussions with the New York Transmission Owners' ("NYTOs") corporate lending banks, it was estimated that the cost of debt prior to financing will be equal to the London Interbank Offered Rate ("LIBOR") plus 225 basis points. Once debt is issued, the LTD cost rate will be the Internal Rate of Return (shown in Table 1) developed on Attachment 5 during the project financing phase and will be trued-up. Upon the earlier of January 1, 2019, or when construction is completed, the LTD cost rate will be the actual cost incurred in the year as developed on Attachment 3 and trued up with interest, a hypothetical example of which is provided in Attachment 8.

The preferred stock cost rate, if applicable (line 92), is calculated on Attachment 3 consistent with standard FERC rate making.

The common equity of the capital structure is developed on Attachment 3 and is shown at line 93. The return on equity ("ROE") shown on line 93 is 12.1%, which reflects the base ROE of 10.6% requested by NY Transco, plus the incentive ROE of 1.5%, as discussed in the testimony of Dr. William E. Avera and Adrien M. McKenzie in Exhibit No. NYT-24.

Total capitalization (line 94) is the sum of LTD, preferred stock and common equity. LTD (line 91), preferred stock (line 92) and common stock (line 93) divided by total capitalization gives the capitalization shares shown on those lines, respectively.

NY Transco proposes to use a hypothetical capital structure of 40% debt and 60% equity until the earlier of January 1, 2019, or the completion of construction and the actual average capital structure thereafter. During the construction period the actual debt to equity ratio will be in constant flux. Changing the capital structure each time equity is infused or debt drawn down and tracking these changes would be complicated and could result in unpredictable cash flows. Using a hypothetical capital structure until permanent financing is in place avoids these complications and is reasonable. Having certainty associated with using the hypothetical 40/60 capital structure would improve the chances for favorable terms from the lenders, which ultimately flows through to the benefit of New York customers in the form of lower financing costs. The testimony of Ellen Lapson, Exhibit No. NYT-18, discusses the need for the 40/60 capital structure.

Q. WILL THERE BE INCENTIVE TREATMENT FOR TRANSMISSION PROJECTS?

A. Yes. NY Transco is seeking authorization for incentives for currently planned projects as the Commission has described in Order No. 679, including incentive ROE rate treatment, as explained in the testimony of Dr. Avera and Mr. McKenzie, Exhibit No. NYT-24.

The revenue requirement for incentive projects is determined in Attachment 4 of the Template. Attachment 4 details the calculation of revenue requirement(s) associated with the transmission facilities for which the Commission has approved incentives (such as an increased ROE). Attachment 4 calculates a hypothetical 100 basis point increase in ROE in order to calculate the amount of a 100 basis point incentive. The actual amount of any incentive would be calculated on Attachment 4 based on the actual incentive authorized by the Commission. If the Commission does not authorize an incentive for a particular project, then no incentive is calculated for that Project on Attachment 4.

Q. PLEASE DISCUSS ATTACHMENTS 5, 8 AND 9.

A. Attachment 5 of the Template provides an example of the type of financing anticipated for the Projects. Attachment 5 pertains to financing costs for construction debt, and shows the method of calculating the effective cost of debt incurred while the Projects are under construction.

Attachments 5 and 8 are used to true-up the annual interest rate calculations once the construction financing is paid off, so that all costs are trued-up to actual costs. Attachment 5 calculates the actual yield to maturity for the construction financing, and Attachment 8 calculates a true-up with interest for all years between the date the rate becomes effective to the date the actual yield to maturity for the construction financing is known.

Attachment 9 sets forth the stated depreciation rates used by NY Transco. NY Transco is a newly-formed company with no assets upon which to base depreciation rates. Therefore, the stated depreciation rates are an average of the depreciation rates approved by the Commission for the New York transmission owner affiliates of NY Transco. I understand that NY Transco will submit a new depreciation study within five

years of the in-serve date of its first project to be placed in service. The stated depreciation rates cannot be changed absent a filing under Section 205 or 206 of the Federal Power Act ("FPA").

Q. HAS NY TRANSCO COMPLIED WITH THE COMMISSION'S REGULATIONS CONCERNING THE INCLUSION OF CWIP IN RATE BASE?

A. Yes. Section 7 of the Protocols requires that NY Transco follow the procedures required by FERC for inclusion of CWIP in rate base.

Q. WILL CUSTOMERS OR OTHER INTERESTED PARTIES HAVE AN OPPORTUNITY TO REVIEW AND CHALLENGE THE RATE UNDER THE FORMULA?

A. Yes. Consistent with similar protocols approved by the Commission in other formula rate cases (*e.g.*, *Commonwealth Edison Co.*, 122 FERC ¶ 61,030 (2008); *American Electric Power Service Corp.*, 124 FERC ¶ 61,306 (2008); *AEP Appalachian Transmission Co., Inc.*, 135 FERC ¶ 61,066 (2011)), the Protocols provide the procedures for review and challenge of the annual updates. The review procedures provide 150 days after the annual true-up is posted ("Publication Date") for transmission customers, state commissions, and other interested parties to review and submit a written preliminary challenge to specific items included in the Template ("Review Period"). These interested parties also have 120 days from the Publication Date to serve reasonable information requests on NY Transco. Interested parties must make a good faith effort to submit consolidated sets of information requests that limit the number and overlap of questions. NY Transco will make a good faith effort to respond to these requests within 10 business days. If the parties have not been able to resolve any such challenge within 60 days of the conclusion of the Review Period, the party bringing the challenge will have an additional 30 days to file a formal challenge with the Commission. NY Transco will then

have 30 days to respond. These procedures do not limit in any way NY Transco's right to file, pursuant to Section 205 of the FPA, changes to the formula rate or any of its inputs requiring a Section 205 filing under the Protocols, or the right of any party to file a complaint requesting such changes under FPA Section 206 at any time. The protocols permit NY Transco to make a limited FPA Section 205 filing at any time to change the stated amortization rates, depreciation rates, or PBOPs.

Q. IN YOUR OPINION, DOES THE FORMULA RATE PROPOSED IN THIS PROCEEDING CONFORM TO COMMISSION PRECEDENT WITH RESPECT TO FORMULA RATES?

A. Yes. The classification, functionalization and allocation factors used for the cost items reflect standard Commission ratemaking. The estimate and true-up functions also reflect Commission precedent. Furthermore, the data used in the annual true-up calculation is taken directly out of the FERC Form No. 1 or, when more detailed data is required, the detailed data are provided in the Attachments to the Template. In addition, NY Transco will begin filing FERC Form No. 1 for the year the revenue requirements produced by the formula are charged to load serving entities in NYISO.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Maryland
~~WASHINGTON~~)
)
County of Montgomery) ss
~~DISTRICT OF COLUMBIA~~)
)

I, ALAN C. HEINTZ, being first duly sworn on oath depose and say as follows:

The foregoing "Prepared Direct Testimony of Alan C. Heintz" was prepared by me and the other witnesses listed therein, or under the supervision of one or more of such witnesses, and the factual statements contained in such testimony are true and correct to the best of my knowledge, information and belief.

Further affiant saith not.

Alan C. Heintz

On this 1 day of December, 2014, before me, the undersigned notary public, personally appeared Alan C. Heintz and acknowledged to me that he/she signed the forgoing document voluntarily for its stated purposes. I identified Alan C. Heintz to be the person whose name is signed on the forgoing document by means of the following satisfactory evidence of identity (check one):

___ Identification based on my personal knowledge of his/her identity, or

X Current government-issued identification bearing his/her photographic image and signature.

Notary Public
My commission expires: 05-13-16
(SEAL)

CHRISTOPHER DUVALL
Notary Public
Montgomery County
Maryland
My Commission Expires May 13, 2016

Exhibit No. NYT-42

SUMMARY OF TESTIMONY EXPERIENCE
ALAN C. HEINTZ

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
1	FERC	ER95-836-000	Maine Public Service Company	Maine Public Service Company	1995	Rates, Terms and Conditions for Open Access Transmission Services
2	FERC	ER95-854-000	Kentucky Utilities Company	Kentucky Utilities Company	1995	Rates, Terms and Conditions for Open Access Transmission Services
3	FERC	ER95-1686-000 ER96-496-000	Northeast Utilities Service Company	Northeast Utilities Service Company	1996	Rates, Terms and Conditions for Open Access Transmission Services
4	FERC	ER96--58-000	Allegheny Power Services Corporation	Allegheny Power Services Corporation	1995 & 1996	Rates, Terms and Conditions for Open Access Transmission Services
5	FERC	OA96-138-000	Consolidated Edison Company of New York, Inc.	Consolidated Edison Company of New York, Inc.	1997	Rates, Terms and Conditions for Open Access Transmission Services
6	FERC	ER96-1208-000	Interstate Power Company	Interstate Power Company	1996	Rates, Terms and Conditions for Open Access Transmission Services
7	British Columbia Utilities Commission		British Columbia Hydro and Power Authority	Bonneville Power Administration	1997	Rates, Terms and Conditions for Open Access Transmission Services

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
8	FERC	ER98-1438-000 EC98-24-000	Cincinnati Gas & Electric Company, et al. (Midwest Independent System Operator)	Midwest ISO Transmission Owners	1998 & 1999	Rates, Terms and Conditions for Midwest ISO Tariff
9	FERC	EC98-2770-000 ER98-2770-000 ER98-2786-000	American Electric Power Company, Inc. and Central & Southwest Corporation	Midwest Independent System Operator Transmission Owners	1999	Reasonableness of the conditions to be placed on the merging parties
10	Illinois Commerce Commission	99-0117	Commonwealth Edison Company	Commonwealth Edison Company	1998	Cost of service for Retail Distribution Services Tariff
11	FERC	ER99-3110-000	Nevada Power Company	Nevada Power Company	1998	Rates, Terms and Conditions for Open Access Transmission Services
12	FERC	ER99-4415-000	Illinois Power Company	Illinois Power Company	1999	Rates, Terms and Conditions for Open Access Transmission Services
13	FERC	ER99-4470-000	Commonwealth Edison Company	Commonwealth Edison Company	1999	Rates, Terms and Conditions for Open Access Transmission Services
14	U.S. District Court, FL	92-35-CIV-ORL-3A22	Florida Municipal Power Agency vs. Florida Power and Light Company	Florida Power and Light Company	1999	Rates, Terms and Conditions for Network Service in an anti-trust case
15	U.S. Court of Federal Claims, DC	97-268C	Carolina Power & Light Company vs. U.S. Department of Energy	Carolina Power & Light Company	1999	Cost recovery of Decontamination & Decommissioning Fund Assessments

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
16	FERC	ER98-496-006 ER98-2160-004	San Diego Gas & Electric	Dynegy	1999	Rates for Must Run units
17	FERC	ER00-980-000	Bangor Hydro Electric Company	Bangor Hydro Electric Company	1999	Rates, Terms and Conditions for Open Access Transmission Services
18	Maine Public Utilities Commission	99-185	Bangor Hydro Electric Company	Bangor Hydro Electric Company	2000	Rates, Terms and Conditions for Open Access Transmission Services
19	FERC	EL00-98-000, et al.	Dynegy Power Marketing, Inc, et al.	Dynegy Power Marketing, Inc.	2000	Nexus between fuel and emissions costs and the market prices in California
20	Illinois Commerce Commission	No. 01-0423	Commonwealth Edison Company	Commonwealth Edison Company	2001	Direct, Rebuttal and Surrebuttal: Cost of service for Retail Distribution Services Tariff
21	FERC	ER01-2992	Commonwealth Edison Company	Commonwealth Edison Company	2001	Rates, Terms and Conditions for Open Access Transmission Services
22	FERC	ER01-123.004	Midwest ISO Transmission Owners	Midwest ISO Transmission Owners	2001	Super Region Adjustment for the MISO/ARTO Super Region
23	FERC	ER01-2999	Illinois Power Company	Illinois Power Company	2001	Rates, Terms and Conditions for Open Access Transmission Services
24	FERC	ER01-3142, et. al	Midwest ISO	Midwest ISO Transmission Owners	2001	Revised treatment of Network Upgrades

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
25	FERC	ER01-3142, et. al	Midwest ISO	Midwest ISO Transmission Owners	2001	Uncertainties that support a higher ROE
26	FERC	EL000-95-045, et.al	San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Service Into Markets Operated by the CALISO…	Dynegy, Mirant, Reliant and Williams	2001 & 2002	Costing of emissions and start-up costs
27	FERC	EC02-23 & ER02-320	Trans-Elect, Inc., et. al	Trans-Elect, Inc.	2001 & 2002	Support of rates and ratemaking methodology for new transmission company
28	FERC		Sithe New Boston, LLC	Sithe New Boston, LLC	2001 & 2002	Cost of Service for Must Run Unit
29	FERC	RM01-12	FERC Technical Conference	SeTrans	2002	Allocation of FTRs/CRRs
30	FERC	EL02-111	Midwest ISO & PJM	Midwest ISO Transmission Owners	2002	Through and Out Rates
31	FERC	ER02-2595	Midwest ISO	Midwest ISO Transmission Owners	2002	Cost Allocation for FTR and Market Administration
32	FERC	ER03-37	Sierra Pacific Resources	Sierra Pacific and Nevada Power	2003	Ancillary Service Rates
33	FERC	ER03-626	Empire District Electric Co.	Empire District Electric Co.	2003	Cost of Service; Wholesale Requirements Customers
34	FERC	EL-02-25-001, et. al	Intermountain, Holy Cross, Yampa and Aquila	Public Service Co. of Colorado	2003	Fuel Adjustment Clause

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
35	FERC	ER03-959	Exelon Framingham LLC, et al.	Exelon Framingham LLC, et al.	2003	Production Cost of Service
36	FERC	ER03-1187	MidWest Generation, LLC	Commonwealth Edison	2003	Black Start Rates
37	FERC	ER03-1223	Montana Megawatts I, LLC, et al.	Montana Megawatt	2003	Production Formula Rates
38	FERC	ER03-1335	Commonwealth Edison	Commonwealth Edison	2003	Transmission Tariff Rates
39	FERC	ER03-1354	Black Hills Power Company, et al.	Black Hills Power Company, et al.	2003	Joint transmission Tariff Rates
40	FERC	ER03-1328	Sierra Pacific Resources	Nevada Power	2003	Transmission Tariff Rates
41	FERC	EL02-111, et. Al	Midwest ISO and PJM Transmission Owners	Midwest ISO Transmission Owners	2004	Long-term Transmission Pricing Plan
42	FERC	ER05-14	Sierra Pacific Resources	Sierra Pacific	2004	Transmission Tariff Rates
43	FERC	ER05-26	Mirant Kendall, LLC	Mirant Kendall, LLC	2004	Reliability Must Run Agreement and Rates
44	Illinois Commerce Commission	No.04-0779	NICOR Gas Company	NICOR Gas Company	2004	Distribution Service Embedded Cost of Service Study
45	FERC	ER05-163	Milford Power Company LLC	Milford Power Company LLC	2004	Reliability Must Run Agreement and Rates

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
46	FERC	EL02-111, et. al	Midwest ISO and PJM Transmission Owners	Midwest ISO Transmission Owners	2004	Seams Elimination
47	FERC	EL00-95, et. al	SDG&E V. Sellers, et al.	Portland General Electric Company	2005	California Refund Proceeding
48	FERC	ER05-447	Midwest ISO	Midwest ISO Transmission Owners	2005	Schedule 10 & 17 Recovery for Grandfathered Agreements
49	FERC	EL02-111, et. al	Midwest ISO and PJM Transmission Owners	Midwest ISO Transmission Owners	2005	Seams Elimination
50	FERC	ER05-860	Whiting Clean Energy	Whiting Clean Energy	2005	Cost Based Power Rates
51	FERC	ER05-903	Con. Ed. Energy Mass., Inc.	Con. Ed. Energy Mass., Inc.	2005	Reliability Must Run Agreement and Rates
52	FERC	EL02-111, et. al	Midwest ISO and PJM Transmission Owners	Midwest ISO Transmission Owners	2005	Seams Elimination
53	FERC	ER05-1050	AmerGen Energy Company, L.L.C.	AmerGen Energy Company, L.L.C.	2005	Reactive power charges
54	Illinois Commerce Commission	No.05-0597	Commonwealth Edison Co.	Commonwealth Edison Co.	2005	Distribution Service Embedded Cost of Service Study
55	FERC	ER05-1179	Berkshire Power Company, LLC	Berkshire Power Company, LLC	2005	Reliability Must Run Agreement and Rates

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
56	FERC	ER05-1243	Basin Electric Power Cooperative	Basin Electric Power Cooperative	2005	Revised Transmission Cost of Service
57	FERC	ER05-1304 & ER05-1305	Mystic I, LLC and Mystic Development, LLC	Mystic I, LLC and Mystic Development, LLC	2005	Reliability Must Run Agreement and Rates
58	FERC	ER05-273	Midwest ISO	Midwest ISO Transmission Owners	2005	Proper Pricing for Regional Non-firm Redirects
59	FERC	ER05-515	PHI and BGE	PHI and BGE	2005	Transmission Formula Rates
60	FERC	EL05-19	Southwestern Public Service Company	Southwestern Public Service Company	2005	Production rates and Fuel Adjustment Clause,
61	FERC	ER06-427	Mystic Development, LLC	Mystic Development, LLC	2006	Reliability Must Run Agreement and Rates
62	FERC	ER06-822	Fore River Development, LLC	Fore River Development, LLC	2006	Reliability Must Run Agreement and Rates
63	FERC	ER06-819	Consolidated Edison Energy Massachusetts, Inc	Consolidated Edison Energy Massachusetts, Inc	2006	Reliability Must Run Agreement and Rates
64	FERC	ER07-169	Ameren Energy Marketing Company	Ameren Energy Marketing Company	2006	Ancillary service rates
65	FERC	ER06-1549	Duquesne Light Company	Duquesne Light Company	2006	Transmission Formula Rates
66	FERC	ER07-170	Ameren Energy, Inc.	Ameren Energy, Inc.	2006	Ancillary service rates
67	FERC	ER06-787	Idaho Power	Idaho Power	2006 & 2007	Transmission Formula Rates

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
68	FERC	ER07-562	Trans-Allegheny Interstate Line Company	Trans-Allegheny Interstate Line Company	2007	Transmission Formula Rates
69	FERC	ER07-583	Commonwealth Edison	Commonwealth Edison	2007	Transmission Formula Rates
70	FERC	ER07-1171	Arizona Public Service Co.	Arizona Public Service Co.	2007	Transmission Formula Rates
71	Illinois Commerce Commission	No. 07-0566	Commonwealth Edison Co.	Commonwealth Edison Co.	2007	Distribution Service Embedded Cost of Service Study
72	FERC	ER07-1371	Sierra Pacific Resources	Sierra Pacific Resources	2007	Transmission Rates
73	FERC	ER08-281	Oklahoma Gas & Electric	Oklahoma Gas & Electric	2007	Transmission Formula Rates
74	FERC	ER08-313	Southwestern Public Service	Southwestern Public Service	2007	Transmission Formula Rates
75	FERC	ER08-386	Potomac-Appalachian Transmission Highline, LLC	Potomac-Appalachian Transmission Highline, LLC	2007	Transmission Formula Rates
76	FERC	ER08-374	Atlantic Path 15, LLC	Atlantic Path 15, LLC	2007	Transmission Rates
77	Illinois Commerce Commission	No. 08-0363	NICOR Gas Company	NICOR Gas Company	2008	Distribution Service Embedded Cost of Service Study
78	FERC	ER08-951	PSEG Energy Resources & Trade, LLC	PSEG Energy Resources & Trade, LLC	2008	Reactive Power Charges
79	FERC	ER08-1233	Public Service Gas & Electric Company	Public Service Gas & Electric Company	2008	Transmission Formula Rates

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
80	FERC	ER08-1457	PPL Electric Utilities Corp.	PPL Electric Utilities Corp.	2008	Transmission Formula Rates
81	FERC	ER08-1584	Black Hills Power	Black Hills Power	2008	Transmission Formula Rates
82	FERC	ER08-1600	Basin Electric Power Coop	Basin Electric Power Coop	2008	Transmission Rates
83	FERC	ER09-36	Prairie Wind Transmission, LLC	Prairie Wind Transmission, LLC	2008	Transmission Formula Rates
84	FERC	ER09-35	Tallgrass Transmission, LLC	Tallgrass Transmission, LLC	2008	Transmission Formula Rates
85	FERC	ER09-75	Pioneer Transmission, LLC	Pioneers Transmission, LLC	2008	Transmission Formula Rates
86	FERC	ER09-255	Nebraska Public Power District	Nebraska Public Power District	2008	Transmission Formula Rates
87	FERC	ER09-528	ITC Great Plains, LLC	ITC Great Plains, LLC	2009	Transmission Formula Rates
88	Illinois Commerce Commission	ER08-0532	Commonwealth Edison Co.	Commonwealth Edison Co.	2009	Distribution Service Embedded Cost of Service Study
89	FERC	ER08-370 & EL09-22	Missouri River Energy Services & MISO	Otter Tail Power Co.	2009	Formula Transmission Rate
90	FERC	ER10-152	PPL Electric Utilities Corp.	PPL Electric Utilities Corp.	2009	Revised Depreciation Method
91	FERC	ER09-1727	ALLETE, INC	ALLETE. INC	2009	Formula Transmission Rate
92	FERC	ER10-230	KCP&L	KCP&L	2009	Formula Transmission Rates

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
93	FERC	ER10-455	Ameren Energy Marketing Company	Ameren Energy Marketing Company	2009	Reactive Power Rates
94	FERC	ER10-516	SCE&G	SCE&G	2010	Formula Transmission Rates
95	FERC	ER10-962	Union Electric Company	Union Electric Company	2010	Reactive Power Rates
96	FERC	ER10-1149	FP&L	FP&L	2010	Formula Transmission Rates
97	FERC	ER10-1418	Exelon Generation	Exelon Generation	2010	Reliability Must Run
98	FERC	ER10-1782	Tampa Electric Company	Tampa Electric Company	2010	Formula Transmission Rates
99	FERC	ER10-2061	Tampa Electric Company	Tampa Electric Company	2010	Formula Production Rates
100	FERC	ER11-1955	Dairyland Power Coop.	Dairyland Power Coop.	2011	Reactive Rates
101	FERC	ER05-6	Midwest ISO	MISO Transmission Owners	2010	Seams Elimination
102	FERC	ER11-2127	Terra Gen Dixie Valley	Terra Gen Dixie Valley	2010	Transmission Rates
103	FERC	ER09-1148	PPL Electric Utilities	PPL Electric Utilities	2011	Formula Transmission Rates
104	FERC	ER11-3643	PacifiCorp	PacifiCorp	2011	Formula Transmission Rates
105	FERC	ER11-3826	Black Hills	Black Hills	2011	Transmission Rates
106	FERC	ER11-3643	Puget Sound Energy	Puget Sound Energy	2012	Formula Transmission Rates
107	FERC	ER12-1378	CLECO	CLECO	2012	Formula Transmission Rates

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
108	FERC	ER12-1593	DATC	DATC	2012	Formula Transmission Rates
109	FERC	ER12-2274	PSE&G	PSE&G	2012	Abandonment Costs
110	FERC	ER12-2554	Transource Missouri, LLC	Transource Missouri, LLC	2012	Formula Transmission Rate
111	FERC	ER13-1187	MidAmerican	MidAmerican	2013	Depreciation Rates under Formula
112	FERC	ER13-1207	PacifiCorp	PacifiCorp	2013	Regulation Service
113	FERC	EL13-48	PHI Companies	PHI Companies	2013	Complaint involving Formula Rates
114	FERC	ER13-1207	PacifiCorp	PacifiCorp	2013	Depreciation Rates under Formula
115	FERC	ER13-1605	NV Energy	NV Energy	2013	Transmission and Ancillary Service Rates
116	FERC	ER13-782	ITC	ITC	2013	Transmission Formula Rate
117	FERC	ER13-1962 & EL13-76	Midcontinent ISO & AERG	AERG/AEM	2013	Reliability Must Run
118	FERC	ER14-108	Entergy	Entergy	2013	Reactive Power Rates
119	FERC	ER14-1332	DATC Path 15, LLC	DATC Path 15, LLC	2014	Transmission Cost of Service
120	FERC	ER14-1382	Transource Missouri, LLC	Transource Missouri, LLC	2014	Transmission Formula
121	FERC	ER14-1425	Cheyenne L, F & P	Cheyenne L, F & P	2014	Transmission Rates

#	JURISDICTION	CASE OR DOCKET NO.	UTILITY/ORGANIZATION INITIATING PROCEEDING	CLIENT	APPROXIMATE DATE	SUBJECT MATTER
122	FERC	ER14-1661	MidAmerican Central California Transco, LLC	MidAmerican Central California Transco, LLC	2014	Transmission Formula
123	FERC	ER14-1956	Panther Creek Power Operating, LLC	Panther Creek Power Operating, LLC	2014	Reactive Power Rates
124	FERC	ER14-1969	Public Service Company of Colorado	Public Service Company of Colorado	2014	Ancillary Services for Intermittent Resources
125	FERC	ER14-2502	Entergy Power, LLC EAM Nelson Holding, LLC	Entergy Power, LLC EAM Nelson Holding, LLC	2014	Reactive Power Rates
126	FERC	ER14-2619	Illinois Power Marketing Company	Illinois Power Marketing Company	2014	Reliability Must Run
127	FERC	ER14-2751 & ER14-2752	Xcel Energy Transmission Development Company, LLC and Xcel Energy Southwest Transmission Company, LLC	Xcel Energy Transmission Development Company, LLC and Xcel Energy Southwest Transmission Company, LLC	2014	Transmission Formula
128	FERC	ER15-13	Transource Wisconsin, Inc.	Transource Wisconsin, Inc.	2014	Transmission Formula

Exhibit No. NYT-43

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

36.1 Overview

36.1.1 Cost Allocation

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

36.1.2 Formula Rates

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

36.2 Attachment 1 to Attachment DD

36.2.1 Allocation Tables

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

COST ALLOCATION TABLE FOR THE SECOND RAMAPO-TO-ROCK TAVERN 345-KV LINE PROJECT	
Transmission District	Allocation of Project Costs (%)[1]
Consolidated Edison Co. of NY, Inc. Orange and Rockland Utilities, Inc.	41.7
New York Power Authority	16.9
Long Island Power Authority	16.7
Niagara Mohawk Power Corp.	10.4
New York Gas & Electric Corp. Rochester Gas and Electric Corp.	8.9
Central Hudson Gas & Electric Corp.	5.4

[1] The indicated percentages will be allocated between the transmission districts of Consolidated Edison Co. of New York, Inc., and Orange and Rockland Utilities, Inc., and between the transmission districts of New York Gas & Electric Corp. and Rochester Gas and Electric Corp. based on a load ratio share.

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

COST ALLOCATION TABLE FOR THE MARCY SOUTH SERIES COMPENSATION AND FRASER-TO-COOPERS CORNERS RECONDUCTORING PROJECT	
Transmission District	Allocation of Project Costs (%)[2]
Consolidated Edison Co. of NY, Inc. Orange and Rockland Utilities, Inc.	41.7
New York Power Authority	16.9
Long Island Power Authority	16.7
Niagara Mohawk Power Corp.	10.4
New York Gas & Electric Corp. Rochester Gas and Electric Corp.	8.9
Central Hudson Gas & Electric Corp.	5.4

36.2.1.3 Staten Island Unbottling Project

COST ALLOCATION TABLE FOR THE STATEN ISLAND UNBOTTLING PROJECT	
Transmission District	Allocation of Project Costs (%)[3]
Consolidated Edison Co. of NY, Inc. Orange and Rockland Utilities, Inc.	41.7
New York Power Authority	16.9
Long Island Power Authority	16.7
Niagara Mohawk Power Corp.	10.4
New York Gas & Electric Corp. Rochester Gas and Electric Corp.	8.9
Central Hudson Gas & Electric Corp.	5.4

[2] The indicated percentages will be allocated between the transmission districts of Consolidated Edison Co. of New York, Inc., and Orange and Rockland Utilities, Inc., and between the transmission districts of New York Gas & Electric Corp. and Rochester Gas and Electric Corp. based on a load ratio share.

[3] The indicated percentages will be allocated between the transmission districts of Consolidated Edison Co. of New York, Inc., and Orange and Rockland Utilities, Inc., and between the transmission districts of New York Gas & Electric Corp. and Rochester Gas and Electric Corp. based on a load ratio share.

36.3 Attachment 2 to Attachment DD

36.3.1 Formula Rates

36.3.1.1 Rate Formula Template

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

New York Transco LLC

Projected Annual Transmission Revenue Requirement
For the 12 months ended 12/31/____

Line No.			(1)		(2)	(3)
						Allocated Amount
1	GROSS REVENUE REQUIREMENT	(line 74)			12 months	$ -
	REVENUE CREDITS		Total		Allocator	
2	Total Revenue Credits	Attachment 1, line 6	-	TP	-	-
3	Net Revenue Requirement	(line 1 minus line 2)				-
4	True-up Adjustment	Attachment 7	-	DA	-	-
5	NET ADJUSTED REVENUE REQUIREMENT	(line 3 plus line 4)				$ -

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/____

New York Transco LLC

Line No.	(1)	(2) **Form No. 1 Page, Line, Col.**	(3) **Company Total**	(4) **Allocator**		(5) **Transmission** (Col 3 times Col 4)
	RATE BASE:					
	GROSS PLANT IN SERVICE (Note M)					
6	Production	(Attach 2, line 75)	-	NA	-	-
7	Transmission	(Attach 2, line 15)	-	TP	-	-
8	Distribution	(Attach 2, line 30)	-	NA	-	-
9	General & Intangible	(Attach 2, lines 45 & 60)	-	W/S	-	-
10	TOTAL GROSS PLANT (sum lines 6-9)	(GP=1 if plant =0)	-	GP=	-	-
11	ACCUMULATED DEPRECIATION & AMORTIZATION (Note M)					
12	Production	(Attach 2, line 151)	-	NA	-	-
13	Transmission	(Attach 2, line 91)	-	TP	-	-
14	Distribution	(Attach 2, line 106)	-	NA	-	-
15	General & Intangible	(Attach 2, lines 121 & 136	-	W/S	-	-
16	TOTAL ACCUM. DEPRECIATION (sum lines 12-15)		-			-
17	NET PLANT IN SERVICE					
18	Production	(line 6- line 12)	-			-
19	Transmission	(line 7- line 13)	-			-
20	Distribution	(line 8- line 14)	-			-
21	General & Intangible	(line 9- line 15)	-			-
22	TOTAL NET PLANT (sum lines 18-21)	(NP=1 if plant =0)	-	NP=	-	-
23	ADJUSTMENTS TO RATE BASE (Note A)					
24	ADIT	(Attach 6a, line 9)	-	TP	-	-
25	Account No. 255 (enter negative) (Note F)	(Attach 3, line 153)	-	NP	-	-
26	CWIP	(Attach 3, line 185) (Note J)	-	DA		-
27	Unfunded Reserves (enter negative)	(Attach 3, line 187)	-	DA	-	-
28	Unamortized Regulatory Assets	(Attach 3, line 212) (Note L)	-	DA	-	-
29	Unamortized Abandoned Plant	(Attach 3, line 154) (Note K)	-	DA	-	-
30	TOTAL ADJUSTMENTS (sum lines 24-29)		-			-
31	LAND HELD FOR FUTURE USE	(Attach 3, line 186)	-	TP	-	-
32	WORKING CAPITAL (Note C)					
33	CWC	calculated (1/8 * Line 44)	-			-
34	Materials & Supplies (Note B)	(Attach 3, line 206)	-	TP	-	-
35	Prepayments (Account 165 - Note C)	(Attach 3, line 170)	-	GP	-	-
36	TOTAL WORKING CAPITAL (sum lines 33-35)		-			-
37	RATE BASE (sum lines 22, 30, 31, & 36)		-			-

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/____

New York Transco LLC

	(1)	(2)	(3)	(4)		(5)
		Form No. 1 Page, Line, Col.	**Company Total**	**Allocator**		**Transmission** (Col 3 times Col 4)
38	O&M					
39	Transmission	321.112.b	-	TP=	-	-
40	Less Accounts 565, 561 and 561.1 to 561.8	321.96.b & 84.b to 92.b	-	TP=	-	-
41	A&G	323.197.b	-	W/S	-	-
42	Less EPRI & Reg. Comm. Exp. & Other Ad.	(Note D & Attach 3, line 189)	-	DA	-	-
43	Plus Transmission Related Reg. Comm. Exp.	(Note D & Attach 3, line 189)	-	TP=	-	-
44	PBOP expense adjustment	(Attach 3, line 292)	-	TP=	-	-
44a	Less Account 566	323.97.b	-	DA	-	-
44b	Amortization of Regulatory Assets	(Attach 3, line 210a)	-	DA	-	-
44c	Account 566 excluding amort. of Reg Assets	(line 44a less line 44b)	-	DA	-	-
45	TOTAL O&M (sum lines 39, 41, 43, 44, 44b, 44c	less lines 40 & 42, 44a) (Note D)	-			-
46	DEPRECIATION EXPENSE (Note M)					
47	Transmission	336.7.b & c	-	TP	-	-
48	General and Intangible	336.1.d&e + 336.10.b&c	-	W/S	-	-
49	Amortization of Abandoned Plant	(Attach 3, line 155) (Note K)	-	DA	-	-
50	TOTAL DEPRECIATION (Sum lines 47-49)		-			-
51	TAXES OTHER THAN INCOME TAXES (Note E)					
52	LABOR RELATED					
53	Payroll	263._.i (enter FN1 line #)	-	W/S	-	-
54	Highway and vehicle	263._.i (enter FN1 line #)	-	W/S	-	-
55	PLANT RELATED					
56	Property	263._.i (enter FN1 line #)	-	GP	-	-
57	Gross Receipts	263._.i (enter FN1 line #)	-	NA	-	-
58	Other	263._.i (enter FN1 line #)	-	GP	-	-
59	TOTAL OTHER TAXES (sum lines 53-58)		-			-
60	INCOME TAXES	(Note F)				
61	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)}*(1-n) =		-			
62	CIT=(T/1-T) * (1-(WCLTD/R)) =		-			
63	where WCLTD=(line 91) and R= (line 94)					
64	and FIT, SIT, p, & n are as given in footnote F.					
65	1 / (1 - T) = (T from line 61)		-			
66	Amortized Investment Tax Credit (266.8f) (enter negative)		-			
67	Income Tax Calculation = line 62 * line 71 * (1-n)		-			-
68	ITC adjustment (line 65 * line 66 * (1- n))		-	NP	-	-
69	Total Income Taxes	(line 67 plus line 68)	-			-
70	RETURN					
71	[Rate Base (line 37) * Rate of Return (line 94)]		-	NA		-
72	Rev Requirement before Incentive Projects (sum lines 45, 50, 59, 69, 71)		-			-
73	Incentive Return and Income Tax on Authorized Projects (Attach 4, line 58, col h)		-	DA	100%	-
74	Total Revenue Requirement (sum lines 72 & 73)		-			-

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/____

New York Transco LLC SUPPORTING CALCULATIONS AND NOTES

75	TRANSMISSION PLANT INCLUDED IN RTO RATES								
76	Total transmission plant (line 7, column 3)						-		
77	Less transmission plant excluded from RTO rates (Note H)						-		
78	Less transmission plant included in OATT Ancillary Services (Note H)						-		
79	Transmission plant included in RTO rates (line 76 less lines 77 & 78)						-		
80	Percentage of transmission plant included in RTO Rates (line 79 divided by line 76)					TP=	-		
81	WAGES & SALARY ALLOCATOR (W&S) (Note I)								
82		Form 1 Reference	$	TP	Allocation				
83	Production	354.20.b	-						
84	Transmission	354.21.b	-	-	-				
85	Distribution	354.23.b	-				W&S Allocator		
86	Other	354.24,25,26.b	-				($ / Allocation)		
87	Total (sum lines 83-86) [WS equals 1 if there are no wages & salaries]		-		-	=	-	=	WS
88	RETURN (R) (Note J)								
89									
90			$	%	Cost		Weighted		
91	Long Term Debt	(Attachments 3 and 5) (Note G)	-	-	-		-	=WCLTD	
92	Preferred Stock	(Attach 3, line 235 - 237)	-	-	-		-		
93	Common Stock	(Attach 3, line 227)	-	-	10.60%		-		
94	Total (sum lines 91-93)		-				-	=R	

	Sum Of Net Plant, CWIP, Regulatory Asset and Abandoned Plant		(a) Non-incentive Projects	(b) Incenitve Projects	(c) Total
95	Net Transmission Plant in Service	(Line 19)	-	-	-
96	CWIP in Rate Base	(Line 26)	-	-	-
97	Unamortized Abandoned Plant	(Line 29)	-		-
98	Regulatory Assets	(Line 28)	-		-
99	Sum Of Net Plant, CWIP, Regulatory Asset and Abandoned Plant		-	-	-
100	Rev Requirement before Incentive Projects	(Line 72)			-
101	Total Revenue Credits	(Line 2)			-
102	Base Carrying Charge	(Line 100 - Line 101)/ Line 99			-

SUPPORTING CALCULATIONS AND NOTES

Formula Rate - Non-Levelized — Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/____

New York Transco LLC

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

Note Letter	
A	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.
B	Identified in Form 1 as being only transmission related.
C	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111 line 57 in the Form 1.
D	Line 41 removes EPRI Annual Membership Dues listed in Form 1 at 353._.f (enter FN1 line #), any EPRI Lobbying expenses included in line 44 of the template and all Regulatory Commission Expenses itemized at 351.h Line 41 removes all advertising included in Account 930.1, except safety, education or out-reach related advertising Line 41 removes EEI and EPRI research, development and demonstration expenses associated with projects in which transmission customers can voluntarily participate to the extent such expenses exceed a maximum annual aggregate amount of $100,000 Line 42 reflects all Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized at 351.h Line 38 or Line 41 and thus Line 45 shall include any NYISO charges other than penalties, including but not limited to administrative costs.
E	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
F	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base. multiplied by (1/1-T) .

Inputs Required:

FIT =	-	
SIT=	-	(State Income Tax Rate or Composite SIT from Attach 3)
p =	-	(percent of federal income tax deductible for state purposes)
n=	-	(not for profit entity ownership percentage)

For each Rate Year (including both Annual Projections and True-Up Adjustments) the statutory income tax rates utilized in the Formula Rate shall reflect the weighted average rates actually in effect during the Rate Year. For example, if the statutory tax rate is 10% from January 1 through June 30, and 5% from July 1 through December 31, such rates would be weighted 181/365 and 184/365, respectively, for a non-leap year.

G	The cost of debt is determined using the internal rate of return methodology shown on Attachment 5 once project financing is obtained. Prior to obtaining project financing, the interest rate in Table 2 of Attachment 5 will be used and will not be trued up. Attachment 5 contains an estimate of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Appendix A. After January 1, 2019 or the completion of construction, which ever occurs earlier, the cost of debt will be calculated pursuant to Attachment 3
H	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
I	Enter dollar amounts
J	ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC under FPA Section 205 or 206. The capital structure will be 60% equity and 40% debt for the CWIP associated with the projects and Regulatory Assets in line 28, and the return on such projects will be input on line 71. The CWIP Projects will not be included in rate base (line 25). The capital structure shown on lines 89-92 will be 60% equity and 40% debt until January 1, 2019 or the completion of construction, which ever occurs earlier. After January 1, 2019 or the completion of construction, which ever occurs earlier, the capital structure on lines 89-92 will reflect the actual capital structure, and will be capped at 60% equity. If the actual equity ratio exceeds 60%, the common stock ratio will be reset to 60% and the debt ratio will be equal to 1 minus sum of the preferred stock ratio and common stock ratio.
K	Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Company must submit a Section 205 filing to recover the cost of abandoned plant. Any such filing to recover the cost of an abandoned plant item shall be made no later than 180 days after the date that Company formally declares
L	Unamortized Regulatory Assets, consisting of all expenses incurred but not included in CWIP prior to the date the rate is charged to customers, is included at line 28 Carrying costs equal to the weighted cost of capital on the balance of the regulatory asset will accrue until the rate is charged to customers
M	Balances exclude Asset Retirement Costs

Attachment 1 - Revenue Credit Workpaper*
New York Transco LLC

	Account 454 - Rent from Electric Property	Notes 1 & 3	
1	Rent from FERC Form No. 1		-
	Account 456 (including 456.1)	Notes 1 & 3	
2	Other Electric Revenues (Note 2)		-
3	Professional Services		-
4	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		-
5	Rent or Attachment Fees associated with Transmission Facilities		-
6	Total Revenue Credits	Sum lines 2-5 + line 1	-

Note 1
All revenues booked to Account 454 that are derived from cost items classified as transmission-related will be included as a revenue credit. All revenues booked to Account 456 (includes 456.1) that are derived from cost items classified as transmission-related, and are not derived from rates under this transmission formula rate will be included as a revenue credit. Work papers will be included to properly classify revenues booked to these accounts to the transmission function. A breakdown of all Account 454 revenues by subaccount will be provided below, and will be used to derive the proper calculation of revenue credits. A breakdown of all Account 456 revenues by subaccount and customer will be provided and tabulated below, and will be used to develop the proper calculation of revenue credits.

Note 2
If the facilities associated with the revenues are not included in the formula, the revenue is shown below, but not included in the total above and explained in the Attachment 3.

Note 3 All Account 454 and 456 Revenues must be itemized below

Line No.		TOTAL	NY-ISO	Other 1	Other 2
1	Account 456				
1a	Transmission Service	-	-	-	-
…		-			
1x	Trans. Fac. Charge	-	-	-	-
2	Trans Studies	-	-	-	-
3	Total	-	-	-	-
4	Less:				
5	Revenue for Demands in Divisor	-	-	-	-
6	**Sub Total Revenue Credit**	-	-	-	-
7	Prior Period Adjustments	-	-	-	-
8	Total				

9	Account 454	$
9a	Joint pole attachments - telephone	-
9b	Joint pole attachments - cable	-
9c	Underground rentals	-
9d	Transmission tower wireless rentals	-
9e	Misc non-transmission rentals	-
9f		-
9g		-
…		
9x		-
10	Total	-

Attachment 2 - Cost Support
New York Transco LLC

Plant in Service Worksheet

	Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			
1	**Calculation of Transmission Plant In Service**	Source	Year	Balance
2	December	p206.58.b	-	-
3	January	company records	-	-
4	February	company records	-	-
5	March	company records	-	-
6	April	company records	-	-
7	May	company records	-	-
8	June	company records	-	-
9	July	company records	-	-
10	August	company records	-	-
11	September	company records	-	-
12	October	company records	-	-
13	November	company records	-	-
14	December	p207.58.g	-	-
15	**Transmission Plant In Service**	(sum lines 2-14) /13		-
16	**Calculation of Distribution Plant In Service**	Source		
17	December	p206.75.b	-	-
18	January	company records	-	-
19	February	company records	-	-
20	March	company records	-	-
21	April	company records	-	-
22	May	company records	-	-
23	June	company records	-	-
24	July	company records	-	-
25	August	company records	-	-
26	September	company records	-	-
27	October	company records	-	-
28	November	company records	-	-
29	December	p207.75.g	-	-
30	**Distribution Plant In Service**	(sum lines 17-29) /13		-

31	**Calculation of Intangible Plant In Service**	Source		
32	December	p204.5.b	-	-
33	January	company records	-	-
34	February	company records	-	-
35	March	company records	-	-
36	April	company records	-	-
37	May	company records	-	-
38	June	company records	-	-
39	July	company records	-	-
40	August	company records	-	-
41	September	company records	-	-
42	October	company records	-	-
43	November	company records	-	-
44	December	p205.5.g	-	-
45	**Intangible Plant In Service**	(sum lines 32 & 44) /2		-
46	**Calculation of General Plant In Service**	Source		
47	December	p206.99.b	-	-
48	January	company records	-	-
49	February	company records	-	-
50	March	company records	-	-
51	April	company records	-	-
52	May	company records	-	-
53	June	company records	-	-
54	July	company records	-	-
55	August	company records	-	-
56	September	company records	-	-
57	October	company records	-	-
58	November	company records	-	-
59	December	p207.99.g	-	-
60	**General Plant In Service**	(sum lines 47 & 59) /2		-

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

Accumulated Depreciation Worksheet

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

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

92	**Calculation of Distribution Accumulated Depreciation**	Source		
93	December	Prior year p219.26.b	-	-
94	January	company records	-	-
95	February	company records	-	-
96	March	company records	-	-
97	April	company records	-	-
98	May	company records	-	-
99	June	company records	-	-
100	July	company records	-	-
101	August	company records	-	-
102	September	company records	-	-
103	October	company records	-	-
104	November	company records	-	-
105	December	p219.26.b	-	-
106	**Distribution Accumulated Depreciation**	(sum lines 93-105) /13		-
107	**Calculation of Intangible Accumulated Depreciation**	Source		
108	December	Prior year p200.21.c	-	-
109	January	company records	-	-
110	February	company records	-	-
111	March	company records	-	-
112	April	company records	-	-
113	May	company records	-	-
114	June	company records	-	-
115	July	company records	-	-
116	August	company records	-	-
117	September	company records	-	-
118	October	company records	-	-
119	November	company records	-	-
120	December	p200.21.c	-	-
121	**Accumulated Intangible Depreciation**	(sum lines 108 & 120) /2		-

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

ADJUSTMENTS TO RATE BASE (Note A)

Attachment 3 - Cost Support

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					Details
			Beginning of Year	End of Year	Average Balance
153	Account No. 255 (enter negative)	267.8.h	-	-	-
154	Unamortized Abandoned Plant	Per FERC Order	-	-	-
	(recovery of abandoned plant requires a FERC order approving the amount and recovery period)				
155	Amortization of Abandoned Plant			-	
156	Prepayments (Account 165)				
	(Prepayments exclude Prepaid Pension Assets)		Year	Balance	
157	December	111.57.d	-	-	
158	January	company records	-	-	
159	February	company records	-	-	
160	March	company records	-	-	
161	April	company records	-	-	
162	May	company records	-	-	
163	June	company records	-	-	
164	July	company records	-	-	
165	August	company records	-	-	
166	September	company records	-	-	
167	October	company records	-	-	
168	November	company records	-	-	
169	December	111.57.c	-	-	
170	**Prepayments**	(sum lines 157-169) /13		-	

171	**Calculation of Transmission CWIP**	Source	Year	Non-incentive projects	Incentive projects	Total
172	December	216.b (prior Year)	-	-	-	-
173	January	company records	-	-	-	-
174	February	company records	-	-	-	-
175	March	company records	-	-	-	-
176	April	company records	-	-	-	-
177	May	company records	-	-	-	-
178	June	company records	-	-	-	-
179	July	company records	-	-	-	-
180	August	company records	-	-	-	-
181	September	company records	-	-	-	-
182	October	company records	-	-	-	-
183	November	company records	-	-	-	-
184	December	216.b	-	-	-	-
185	**Transmission CWIP**	(sum lines 172-184) /13		-	-	-

LAND HELD FOR FUTURE USE

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

Reserves

			Amount	Enter 1 if Customer Funded, O if not	Allocation (Plant or Labor Allocator)	Amount Allocated
187	List of all reserves:					
		Reserve 1	-	-		-
		Reserve 2	-	-		-
		Reserve 3				
		Reserve 4				
		…				
		…	-	-		-
		Total	-			-

The Formula Rate shall include a credit to rate base for all funded and unfunded reserves (*i.e.* , those for which the funds collected have not been set aside in escrow and the earnings thereon included in the reserve fund) that are funded by customers and for which the associated accrued costs are recoverable under the Formula Rate. Company will include a spreadsheet (to be included in the Formula Rate template) each year as part of the Annual Update that lists the reserves and indicates which ones meet the test for crediting to rate base.

EPRI Dues Cost Support

	Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Details
	Allocated General & Common Expenses		
		EPRI Dues	EPRI Dues
188	EPRI Dues	p353._.f (enter FN1 line #)	

Regulatory Expense Related to Transmission Cost Support

	Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Transmission Related	Other	Details*
	Directly Assigned A&G					
189	Regulatory Commission Exp Account 928	p323.189.b	-	-	-	

* insert case specific detail and associated assignments here

Multi-state Workpaper

	Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	New York	State 2	State 3	State 4	State 5	Weighed Average
	Income Tax Rates						
190	SIT=State Income Tax Rate or Composite	-					-

Multiple state rates are weighted based on the state apportionment factors on the state income tax returns and the number of days in the year that the rates are effective (see Note F)

Safety Related and Education and Out Reach Cost Support

	Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Safety Related, Education, Siting & Outreach Related	Other	Details
	Directly Assigned A&G					
191	General Advertising Exp Account 930.1	p323.191.b			-	

Excluded Plant Cost Support

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

Materials & Supplies

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

	Note: for the projection, the prior year's actual balances will be used		Stores Expense Undistributed	Transmission Materials & Supplies	Construction Materials & Supplies	Total
	Form No.1 page		p227.16	p227.8	p227.5	
193	December	Column b	-	-	-	-
194	January		-	-	-	-
195	February		-	-	-	-
196	March		-	-	-	-
197	April		-	-	-	-
198	May		-	-	-	-
199	June		-	-	-	-
200	July		-	-	-	-
201	August		-	-	-	-
202	September		-	-	-	-
203	October		-	-	-	-
204	November		-	-	-	-
205	December	Column c	-	-	-	-
206	Average					-

Regulatory Asset

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

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

Capital Structure

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

213	Monthly Balances for Capital Structure	Year	Debt	Preferred Stock	Common Stock	Total Capitalization
214	December (prior year)	-	-	-	-	-
215	January	-	-	-	-	-
216	February	-	-	-	-	-
217	March	-	-	-	-	-
218	April	-	-	-	-	-
219	May	-	-	-	-	-
220	June	-	-	-	-	-
221	July	-	-	-	-	-
222	August	-	-	-	-	-
223	September	-	-	-	-	-
224	October	-	-	-	-	-
225	November	-	-	-	-	-
226	December	-	-	-	-	-
227	Average		-	-	-	-

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

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

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

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

				Amount
228		Account 427	Interest on Long-Term Debt (limited solely to interest expense for long-term debt reported in Accounts 221-224) (FF1, 117/62/c)	-
229	plus:	Account 428	Amortization of Debt Discount and Expense (FF1, 117/63/c)	-
230	plus:	Account 428.1	Amortization of Loss on Reacquired Debt (FF1, 117/64/c)	-
231	less:	Account 429	Amortization of Premium on Debt (FF1, 117/65/c)	-
232	less:	Account 429.1	Amortization of Gain on Reacquired Debt (FF1, 117/66/c)	-
233	plus:	Account 430	the expense associated with long-term debt recorded in Account 223.	-
234	Total			-

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

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

235	Preferred Dividends in Account 437	-
236	13 Month average balance of Preferred Stock	-
237	Cost of Preferred Stock	-

PBOPs

	Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Details
238	Calculation of PBOP Expenses			
239	ConEd			
240	Total PBOP expenses	$	22,000,000	
241	Labor dollars	$	1,394,368,000	
242	Cost per labor dollar	$	0.0158	
243	labor (labor not capitalized) current year		-	
244	PBOP Expense for current year		-	
245	PBOP Expense in Account 926 for current year		-	
246	PBOP Adjustment for Appendix A, Line 54		-	
247	Lines 240-242 cannot change absent approval or acceptance by FERC in a separate proceeding.			
247	NiMo			
248	Total PBOP expenses	$	72,221,472	
249	Labor dollars	$	438,541,722	
250	Cost per labor dollar	$	0.1647	
251	labor (labor not capitalized) current year		-	
252	PBOP Expense for current year		-	
253	PBOP Expense in Account 926 for current year		-	
254	PBOP Adjustment for Appendix A, Line 54		-	
255	Lines 248-250 cannot change absent approval or acceptance by FERC in a separate proceeding.			
256	NYSEG			
257	Total PBOP expenses	$	2,974,219	
258	Labor dollars	$	171,780,082	
259	Cost per labor dollar	$	0.0173	
260	labor (labor not capitalized) current year		-	
261	PBOP Expense for current year		-	
262	PBOP Expense in Account 926 for current year		-	
263	PBOP Adjustment for Appendix A, Line 54		-	
264	Lines 257-259 cannot change absent approval or acceptance by FERC in a separate proceeding.			
265	RGE			
266	Total PBOP expenses	$	3,411,650	
267	Labor dollars	$	66,576,513	
268	Cost per labor dollar	$	0.0512	
269	labor (labor not capitalized) current year		-	
270	PBOP Expense for current year		-	
271	PBOP Expense in Account 926 for current year		-	
272	PBOP Adjustment for Appendix A, Line 54		-	
273	Lines 266-268 cannot change absent approval or acceptance by FERC in a separate proceeding.			

274	CHG&E			
275	Total PBOP expenses			$432,757
276	Labor dollars			45,945,646
277	Cost per labor dollar			$0.009
278	labor (labor not capitalized) current year			-
279	PBOP Expense for current year			-
280	PBOP Expense in Account 926 for current year			-
281	PBOP Adjustment for Appendix A, Line 54			-
282	Lines 275-277 cannot change absent approval or acceptance by FERC in a separate proceeding.			
283	New York Transco LLC			
284	Total PBOP expenses		$	-
285	Labor dollars		$	-
286	Cost per labor dollar			$0.000
287	labor (labor not capitalized) current year			-
288	PBOP Expense for current year			-
289	PBOP Expense in Account 926 for current year			-
290	PBOP Adjustment for Appendix A, Line 54			-
291	Lines 284-286 cannot change absent approval or acceptance by FERC in a separate proceeding.			
292	PBOP expense adjustment	(sum lines 246, 263, 254, 272, 281, & 290)		-

Incentive ROE and 60/40 Project Worksheet | Rate Formula Template | For the 12 months ended 12/31/2012
Attachment 4 | Utilizing Attachment O Data

New York Transco LLC

Base ROE and Income Taxes Carrying Charge

1	Rate Base					-
2	Base Return				$	
		$	%	Cost (Note P)	Weighted	
3	Long Term Debt	-	-	-	-	
4	Preferred Stock	-	-	-	-	
5	Common Stock	-	-	10.60%	-	
6	Total (sum lines 3-5)	-			-	
7	Return multiplied by Rate Base (line 1 * line 6)					-
8	INCOME TAXES					
9	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	-				
10	CIT=(T/1-T) * (1-(WCLTD/R)) =	-				
11	where WCLTD=(line 3) and R= (line 6)					
12	and FIT, SIT & p are as given in footnote F on Appendix A.					
13	1 / (1 - T) = (T from line 9)	-				
14	Amortized Investment Tax Credit (266.8f) (enter negative)	-				
15						
16	Income Tax Calculation = line 10 * line 7				-	
17	ITC adjustment (line 13 * line 14) and line 17 allocated on NP allocator	-	NP	-	-	
18	Total Income Taxes (line 16 plus line 17)	-				-
19	Base Return and Income Taxes		Sum lines 7 and 18			-
20	Rate Base		Line 1			-
21	Return and Income Taxes at Base ROE		Line 19 / line 20			#DIV/0!

Incentive ROE and Income Taxes Carrying Charge Attachment 4

22	Rate Base					-
23	100 Basis Point Incentive Return				$	
		$	%	Cost (Note P)	Weighted	
24	Long Term Debt	-	-	-	-	
25	Preferred Stock	-	-	-	-	
26	Common Stock Including 100 basis points	-	-	11.60%	-	
27	Total (sum lines 28-30)	-			-	
28	100 Basis Point Incentive Return multiplied by Rate Base (line 26 * line 31)					-
29	INCOME TAXES					
30	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	-				
31	CIT=(T/1-T) * (1-(WCLTD/R)) =	-				
32	where WCLTD=(line 24) and R= (line 27)					
33	and FIT, SIT & p are as given in footnote on Appendix A.					
34	1 / (1 - T) = (T from line 30)	-				
35	Amortized Investment Tax Credit (266.8f) (enter negative)	-				
36	Income Tax Calculation = line 31 * line 28				-	
37	ITC adjustment (line 34 * line 35) and line 41 allocated on NP allocator	-	NP	-	-	
38	Total Income Taxes (line 36 plus line 37)	-				-
39	Return and Income Taxes with 100 basis point increase in ROE		Sum lines 32and 42			-
40	Rate Base		Line 1			-
41	Return and Income Taxes with 100 basis point increase in ROE		Line 39 / line 40			-
42	Difference in Return and Income Taxes between Base ROE and 100 Basis Point Incentive		Line 41 - Line 21			-

Attachment 4

Revenue Requirement per project including incentives

Base Carrying Charge Line 102 Appendix A 0.00%

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Description	Amount	ROE Authorized by FERC	ROE Base	Incentive % Authorized by FERC	Line 42	Col (e) / .01 x Col (f)	Incentive $ (Col (b) x Col (g)	Base Revenues (Base Carrying Charge x Col (b)	Total Revenues (Col (h) + Col (i)
43	-	-	-	10.60%	-	-	-	-	-	-
44	-	-	-	10.60%	-	-	-	-	-	-
45				10.60%						
46				10.60%						
47				10.60%						
48				10.60%						
49				10.60%						
50				10.60%						
51				10.60%						
52				10.60%						
53				10.60%						
54				10.60%						
55				10.60%						
56				10.60%						
57				10.60%						
57a				10.60%						
57b				10.60%						
…				10.60%						
58	Total							$ -	$ -	$ -
	Check Sum Apendix A Line 3									$ -
	Difference (must be zero)									$ -

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

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

New York Transco LLC

Estimated

Assumes financing will be a 5 year loan with Origination Fees of $2.1 million and a Commitments Fee of 0.3% on the undrawn principal.
Consistent with GAAP, the Origination Fees and Commitments Fees will be amortized using the standard Internal Rate of Return formula below.
Each year, the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount will be updated on this attachment.

1	**Total Loan Amount**	**$ 200,000,000**

2	**Internal Rate of Return[1]**	**5.634%**
3	**Based on following Financial Formula[2]:**	
4	**NPV = 0 =** $\sum_{t=1}^{N} Ct/(1+IRR)^{pwr(t)}$	

Table 1

	Origination Fees	
5	Underwriting Discount	-
6	Arrangement Fee	400,000
7	Upfront Fee	700,000
8	Rating Agency Fee	-
9	Legal Fees	1,000,000
10	Total Issuance Expense	**2,100,000**
11	**Annual Rating Agency Fee Annual**	160,000
12	**Bank Agency Fee Revolving Credit**	50,000
13	**Commitment Fee**	0.300%

Table 2

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

Table 3

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
17	**Year**		**Capital Expenditures ($000's)**	**Principal Drawn In Quarter ($000's)**	**Principal Drawn To Date ($000's)**	**Interest & Principal ($000's)**	**Origination Fees ($000's)**	**Commitment & Utilization Fee ($000's)**	**Net Cash Flows ($000's)**
					Cumulative Col. D	1/4 * Interest Rate from Line 16 x Col. E prior quarter	Input in first Qtr of Loan	Lines 11 - 12 x (Line 1 less Col. E prior quarter)	(D-F-G-H)
18									
19	3/31/2014	Q3	19,350	7,740	7,740		2,100		5,640
20	6/30/2014	Q4	19,350	7,740	15,480	56		354	7,330
21	9/30/2014	Q1	19,350	7,740	23,220	113		138	7,489
22	12/31/2014	Q2	19,350	7,740	30,960	169		133	7,439
23	3/31/2015	Q3	24,775	9,910	40,870	220		127	9,563
24	6/30/2015	Q4	24,775	9,910	50,780	335		329	9,246
25	9/30/2015	Q1	24,775	9,910	60,690	420		112	9,378
26	12/31/2015	Q2	24,775	9,910	70,600	502		104	9,303
27	3/31/2016	Q3	23,950	9,580	80,180	578		97	8,905
28	6/30/2016	Q4	23,950	9,580	89,760	770		300	8,511
29	9/30/2016	Q1	23,950	9,580	99,340	871		83	8,626
30	12/31/2016	Q2	23,950	9,580	108,920	964		75	8,540
31	3/31/2017	Q3	23,575	9,430	118,350	1,034		68	8,328
32	6/30/2017	Q4	23,575	9,430	127,780	1,292		271	7,866
33	9/30/2017	Q1	23,575	9,430	137,210	1,411		54	7,965
34	12/31/2017	Q2	23,575	9,430	146,640	1,515		47	7,868
35	3/31/2018	Q3	-	-	146,640	148,224		40	(148,264)
36	6/30/2018	Q4	-	-	-	-		-	-
37	9/30/2018	Q1	-	-	-	-		-	-
38									
39									
40									
41									
42									
43									
44									
45									

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

2. The IRR is a discount rate that makes the net present value of a series of cash flows equal to zero. The IRR equation is shown on line 4.
   N is the last quarter the loan would be outstanding
   t is each quarter
   Ct is the cash flow (Tabel 3, Col.I in each quarter)
   alternatively the equation can be written as 0 = C0 + C1/(1+IRR) + C2/(1+IRR)2 + C3/(1+IRR)3 + . . . +Cn/(1+IRR)n and solved for IRR
3. Line 1 relfects the loan amount, the maximum amount that can be drawn on
4. Lines 5 throught 13 include the fees associated with the loan. They are estimated based on current bank condition and are updated with the actual fees once the actual fees are known.
5. Line 14 is the average daily Libor monthly interest rate for the prior month for the estimate and the actual daily Libor monthly interest rate for the prior year for the True-Up.
6. Table 3, Col. C reflect the capital expenditures in each quarter
7. Table 3, Col. D reflect the amount of the load that is drawn down in the quarter
8. Table 3, Col. G is the total origination fees in line 10 and is input in the first quarter that a portion of the load in drawn
9. Table 3, Col. H is calculated as follows:
   A x (B +C)
   A. Loan amount in line 1 less the amount drawn down in the prior quarter
   B. Annual dollar amount fees on lines 11 throught 13 divided by 4
   C. Percentage dollar amounts divided by 1000
10. The inputs shall be estimated based on the current market conditions and is subject to true up for all inputs , e.g., fees, interest rates, spread, and Table 3 once the amounts are known
11. The interest rate in line 16 for the corresponding year is used in Appendix A line 91 until the project financing is obtained. Thereafter the interst rate in line 2 is used on Appendix A line 91

New York Transco LLC
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

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

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding $100,000 will be listed separately. For ADIT directly related to project depreciation or CWIP, the balance must shown in a separate column for each project.

A	B	C	D	F	G	H
ADIT-190	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
Subtotal - p234	-	-	-	-	-	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	-	-	-	-	-	

Instructions for Account 190:

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

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

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

4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

New York Transco LLC

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

Beginning of Year

A	B	C	D	F	G	H
ADIT- 282	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
Subtotal - p275	-	-	-	-	-	
Less FASB 109 Above if not separately removed				-		
Less FASB 106 Above if not separately removed						
Total	-	-	-	-	-	

Instructions for Account 282:

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

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

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

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

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

New York Transco LLC

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

Beginning of Year

A	B	C	D	F	G	H
ADIT- 283	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	
Subtotal - p277	-	-	-	-	-	
Less FASB 109 Above if not separately removed	-			-		
Less FASB 106 Above if not separately removed	-					
Total	-	-	-	-	-	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

New York Transco LLC
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)
End of Year

Line		Transmission Related	Plant Related	Labor Related	Total Plant & Labor Related	
1	ADIT- 282	-	-	-		From Acct. 282 total, below
2	ADIT-283	-	-	-		From Acct. 283 total, below
3	ADIT-190	-	-	-		From Acct. 190 total, below
4	Subtotal	-	-	-		
5	Wages & Salary Allocator			-		
6	NP		-			
7	End of Year ADIT	-	-	-	-	

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

A	B	C	D	E	F	G
ADIT-190	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
Subtotal - p234	-	-	-	-	-	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	-	-	-	-	-	

Instructions for Account 190:

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

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

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

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

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

New York Transco LLC

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

End of Year

A	B	C	D	E	F	G
ADIT- 282	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
Subtotal - p275	-	-	-	-	-	
Less FASB 109 Above if not separately removed				-		
Less FASB 106 Above if not separately removed						
Total	-	-	-	-	-	

Instructions for Account 282:

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

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

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

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

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

New York Transco LLC

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

End of Year

A	B	C	D	E	F	G
ADIT- 283	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	
Subtotal - p277	-	-	-	-	-	
Less FASB 109 Above if not separately removed	-			-		
Less FASB 106 Above if not separately removed	-					
Total	-	-	-	-	-	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Attachment 7 - Example of True-Up Calculation
New York Transco LLC

2013 Revenue Requirement Billed*		2013 Actual Revenue Requirement		Over (Under) Recovery
$2,000,000	Less	$2,120,000	Equals	($120,000)

Interest Rate on Amount of Refunds or Surcharges		Over (Under) Recovery Plus Interest	Monthly Interest Rate on Attachment 7a	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.5500%				

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

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

Total Amount of True-Up Adjustment	$	137,277
Less Over (Under) Recovery	$	(120,000)
Total Interest	$	17,277

* excluding any true up for prior period

True-Up Interest Calculation

			Purusant to 35.19 (a)
	FERC Quarterly Interest Rate		
1	Qtr 3 (Previous Year)		-
2	Qtr 4 (Previous Year)		-
3	Qtr 1 (Current Year)		-
4	Qtr 2 (Current Year)		-
5	Average of the last 4 quarters	(Lines 1-4 / 4)	-
6	Interest Rate Used for True-up adjustment (Note B)		-
7	Monthly Interest Rate for Attachment 7	(Line 6 / 12)	-

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
New York Transco LLC

SUMMARY

YEAR		Estimated Effective cost of debt used in true up	Final Effective cost of debt for the construction loan:	Revenue Requirement: Based on Estimated Effective cost of debt	Revenue Requirement: Based on Actual Effective cost of debt	Over (Under) Recovery	Monthly FERC Refund Interest Rate applicable over the ATRR period	Total Amount of Construction Loan Related True-Up to be included in rates (Refund)/Owed
2014		7.18%	6.50%	$ 2,500,000.00	$ 2,400,000.00	$ 100,000.00	0.550%	$ (148,288.33)
2015		6.8%	6.50%	$5,000,000.00	$5,150,000.00	$ (150,000.00)	0.560%	$ 209,670.43
2016		7.2%	6.50%	$8,300,000.00	$8,200,000.00	$ 100,000.00	0.540%	$ (131,109.09)
2017		7.3%	6.50%	$12,300,000.00	$12,000,000.00	$ 300,000.00	0.580%	$ (368,656.73)
2018	*	7.1%	6.50%	$18,000,000.00	$17,900,000.00	$ 100,000.00	0.570%	$ (114,946.28)
2018	**	6.50%	6.50%	$25,000,000.00	$25,000,000.00	$ -		
								$ (553,329.99)

The Hypothetical Example:
**** Assumes that the construction loan is retired on December 31, 2018***
***** Assumes that the contruction loan IRR on Attachment 5 has an effective rate of 6.5%***

Calculation of Applicable Interest Expense for each ATRR period

		Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Hypothetical Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
Calculation of Interest for 2014 True-Up Period								
An over or under collection will be recovered prorata over 2014, held for 2015, 2016, 2017, 2018, and 2019 and returned prorate over 2020						Monthly		
January	Year 2014		-	0.5500%	12.00	-		-
February	Year 2014		-	0.5500%	11.00	-		-
March	Year 2014		10,000	0.5500%	10.00	(550)		(10,550)
April	Year 2014		10,000	0.5500%	9.00	(495)		(10,495)
May	Year 2014		10,000	0.5500%	8.00	(440)		(10,440)
June	Year 2014		10,000	0.5500%	7.00	(385)		(10,385)
July	Year 2014		10,000	0.5500%	6.00	(330)		(10,330)
August	Year 2014		10,000	0.5500%	5.00	(275)		(10,275)
September	Year 2014		10,000	0.5500%	4.00	(220)		(10,220)
October	Year 2014		10,000	0.5500%	3.00	(165)		(10,165)
November	Year 2014		10,000	0.5500%	2.00	(110)		(10,110)
December	Year 2014		10,000	0.5500%	1.00	(55)		(10,055)
						(3,025)		(103,025)
						Annual		
January through December	Year 2015		(103,025)	0.5600%	12.00	(6,923)		(109,948)
January through December	Year 2016		(109,948)	0.5400%	12.00	(7,125)		(117,073)
January through December	Year 2017		(117,073)	0.5800%	12.00	(8,148)		(125,221)
January through December	Year 2018		(125,221)	0.5700%	12.00	(8,565)		(133,786)
January through December	Year 2019		(133,786)	0.5700%	12.00	(9,151)		(142,937)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months						Monthly		
January	Year 2020		142,937	0.5700%		(815)	(12,357)	(131,395)
February	Year 2020		131,395	0.5700%		(749)	(12,357)	(119,786)
March	Year 2020		119,786	0.5700%		(683)	(12,357)	(108,112)
April	Year 2020		108,112	0.5700%		(616)	(12,357)	(96,371)
May	Year 2020		96,371	0.5700%		(549)	(12,357)	(84,563)
June	Year 2020		84,563	0.5700%		(482)	(12,357)	(72,687)
July	Year 2020		72,687	0.5700%		(414)	(12,357)	(60,744)
August	Year 2020		60,744	0.5700%		(346)	(12,357)	(48,733)
September	Year 2020		48,733	0.5700%		(278)	(12,357)	(36,653)
October	Year 2020		36,653	0.5700%		(209)	(12,357)	(24,505)
November	Year 2020		24,505	0.5700%		(140)	(12,357)	(12,287)
December	Year 2020		12,287	0.5700%		(70)	(12,357)	0
						(5,351)		
Total Amount of True-Up Adjustment for 2014 ATRR							$ (148,288)	
Less Over (Under) Recovery							$ 100,000	
Total Interest							$ (48,288)	

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
New York Transco LLC

Calculation of Interest for 2015 True-Up Period

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

					Monthly		
January	Year 2015	(12,500)	0.5600%	12.00	840		13,340
February	Year 2015	(12,500)	0.5600%	11.00	770		13,270
March	Year 2015	(12,500)	0.5600%	10.00	700		13,200
April	Year 2015	(12,500)	0.5600%	9.00	630		13,130
May	Year 2015	(12,500)	0.5600%	8.00	560		13,060
June	Year 2015	(12,500)	0.5600%	7.00	490		12,990
July	Year 2015	(12,500)	0.5600%	6.00	420		12,920
August	Year 2015	(12,500)	0.5600%	5.00	350		12,850
September	Year 2015	(12,500)	0.5600%	4.00	280		12,780
October	Year 2015	(12,500)	0.5600%	3.00	210		12,710
November	Year 2015	(12,500)	0.5600%	2.00	140		12,640
December	Year 2015	(12,500)	0.5600%	1.00	70		12,570
					5,460		155,460
					Annual		
January through December	Year 2016	155,460	0.5400%	12.00	10,074		165,534
January through December	Year 2017	165,534	0.5800%	12.00	11,521		177,055
January through December	Year 2018	177,055	0.5700%	12.00	12,111		189,166
January through December	Year 2019	189,166	0.5700%	12.00	12,939		202,104
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2020	(202,104)	0.5700%		1,152	17,473	185,784
February	Year 2020	(185,784)	0.5700%		1,059	17,473	169,370
March	Year 2020	(169,370)	0.5700%		965	17,473	152,863
April	Year 2020	(152,863)	0.5700%		871	17,473	136,262
May	Year 2020	(136,262)	0.5700%		777	17,473	119,566
June	Year 2020	(119,566)	0.5700%		682	17,473	102,775
July	Year 2020	(102,775)	0.5700%		586	17,473	85,888
August	Year 2020	(85,888)	0.5700%		490	17,473	68,905
September	Year 2020	(68,905)	0.5700%		393	17,473	51,826
October	Year 2020	(51,826)	0.5700%		295	17,473	34,649
November	Year 2020	(34,649)	0.5700%		197	17,473	17,374
December	Year 2020	(17,374)	0.5700%		99	17,473	(0)
					7,566		

Total Amount of True-Up Adjustment for 2015 ATRR	$	209,670
Less Over (Under) Recovery	$	(150,000)
Total Interest	$	59,670

Calculation of Interest for 2016 True-Up Period

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

					Monthly		
January	Year 2016	8,333	0.5400%	12.00	(540)		(8,873)
February	Year 2016	8,333	0.5400%	11.00	(495)		(8,828)
March	Year 2016	8,333	0.5400%	10.00	(450)		(8,783)
April	Year 2016	8,333	0.5400%	9.00	(405)		(8,738)
May	Year 2016	8,333	0.5400%	8.00	(360)		(8,693)
June	Year 2016	8,333	0.5400%	7.00	(315)		(8,648)
July	Year 2016	8,333	0.5400%	6.00	(270)		(8,603)
August	Year 2016	8,333	0.5400%	5.00	(225)		(8,558)
September	Year 2016	8,333	0.5400%	4.00	(180)		(8,513)
October	Year 2016	8,333	0.5400%	3.00	(135)		(8,468)
November	Year 2016	8,333	0.5400%	2.00	(90)		(8,423)
December	Year 2016	8,333	0.5400%	1.00	(45)		(8,378)
					(3,510)		(103,510)
					Annual		
January through December	Year 2017	(103,510)	0.5800%	12.00	(7,204)		(110,714)
January through December	Year 2018	(110,714)	0.5700%	12.00	(7,573)		(118,287)
January through December	Year 2019	(118,287)	0.5700%	12.00	(8,091)		(126,378)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2020	126,378	0.5700%		(720)	(10,926)	(116,173)
February	Year 2020	116,173	0.5700%		(662)	(10,926)	(105,909)
March	Year 2020	105,909	0.5700%		(604)	(10,926)	(95,587)
April	Year 2020	95,587	0.5700%		(545)	(10,926)	(85,206)
May	Year 2020	85,206	0.5700%		(486)	(10,926)	(74,766)
June	Year 2020	74,766	0.5700%		(426)	(10,926)	(64,266)
July	Year 2020	64,266	0.5700%		(366)	(10,926)	(53,707)
August	Year 2020	53,707	0.5700%		(306)	(10,926)	(43,087)
September	Year 2020	43,087	0.5700%		(246)	(10,926)	(32,407)
October	Year 2020	32,407	0.5700%		(185)	(10,926)	(21,666)
November	Year 2020	21,666	0.5700%		(123)	(10,926)	(10,864)
December	Year 2020	10,864	0.5700%		(62)	(10,926)	0
					(4,731)		

Total Amount of True-Up Adjustment for 2016 ATRR	$	(131,109)
Less Over (Under) Recovery	$	100,000

Total Interest						$	(31,109)

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
New York Transco LLC

Calculation of Interest for 2017 True-Up Period							
An over or under collection will be recovered prorata over 2017, held for 2018 and 2019, and returned prorate over 2020					Monthly		
January	Year 2017	25,000	0.5800%	12.00	(1,740)		(26,740)
February	Year 2017	25,000	0.5800%	11.00	(1,595)		(26,595)
March	Year 2017	25,000	0.5800%	10.00	(1,450)		(26,450)
April	Year 2017	25,000	0.5800%	9.00	(1,305)		(26,305)
May	Year 2017	25,000	0.5800%	8.00	(1,160)		(26,160)
June	Year 2017	25,000	0.5800%	7.00	(1,015)		(26,015)
July	Year 2017	25,000	0.5800%	6.00	(870)		(25,870)
August	Year 2017	25,000	0.5800%	5.00	(725)		(25,725)
September	Year 2017	25,000	0.5800%	4.00	(580)		(25,580)
October	Year 2017	25,000	0.5800%	3.00	(435)		(25,435)
November	Year 2017	25,000	0.5800%	2.00	(290)		(25,290)
December	Year 2017	25,000	0.5800%	1.00	(145)		(25,145)
					(11,310)		(311,310)
					Annual		
January through December	Year 2018	(311,310)	0.5700%	12.00	(21,294)		(332,604)
January through December	Year 2019	(332,604)	0.5700%	12.00	(22,750)		(355,354)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2020	355,354	0.5700%		(2,026)	(30,721)	(326,658)
February	Year 2020	326,658	0.5700%		(1,862)	(30,721)	(297,798)
March	Year 2020	297,798	0.5700%		(1,697)	(30,721)	(268,774)
April	Year 2020	268,774	0.5700%		(1,532)	(30,721)	(239,585)
May	Year 2020	239,585	0.5700%		(1,366)	(30,721)	(210,229)
June	Year 2020	210,229	0.5700%		(1,198)	(30,721)	(180,706)
July	Year 2020	180,706	0.5700%		(1,030)	(30,721)	(151,015)
August	Year 2020	151,015	0.5700%		(861)	(30,721)	(121,154)
September	Year 2020	121,154	0.5700%		(691)	(30,721)	(91,123)
October	Year 2020	91,123	0.5700%		(519)	(30,721)	(60,921)
November	Year 2020	60,921	0.5700%		(347)	(30,721)	(30,547)
December	Year 2020	30,547	0.5700%		(174)	(30,721)	0
					(13,303)		
Total Amount of True-Up Adjustment for 2017 ATRR						$	(368,657)
Less Over (Under) Recovery						$	300,000
Total Interest						$	(68,657)

Calculation of Interest for 2018 True-Up Period							
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorate over 2020					Monthly		
January	Year 2018	8,333	0.5700%	12.00	(570)		(8,903)
February	Year 2018	8,333	0.5700%	11.00	(523)		(8,856)
March	Year 2018	8,333	0.5700%	10.00	(475)		(8,808)
April	Year 2018	8,333	0.5700%	9.00	(428)		(8,761)
May	Year 2018	8,333	0.5700%	8.00	(380)		(8,713)
June	Year 2018	8,333	0.5700%	7.00	(333)		(8,666)
July	Year 2018	8,333	0.5700%	6.00	(285)		(8,618)
August	Year 2018	8,333	0.5700%	5.00	(238)		(8,571)
September	Year 2018	8,333	0.5700%	4.00	(190)		(8,523)
October	Year 2018	8,333	0.5700%	3.00	(143)		(8,476)
November	Year 2018	8,333	0.5700%	2.00	(95)		(8,428)
December	Year 2018	8,333	0.5700%	1.00	(48)		(8,381)
					(3,705)		(103,705)
					Annual		
January through December	Year 2019	(103,705)	0.5700%	12.00	(7,093)		(110,798)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2020	110,798	0.5700%		(632)	(9,579)	(101,851)
February	Year 2020	101,851	0.5700%		(581)	(9,579)	(92,853)
March	Year 2020	92,853	0.5700%		(529)	(9,579)	(83,803)
April	Year 2020	83,803	0.5700%		(478)	(9,579)	(74,702)
May	Year 2020	74,702	0.5700%		(426)	(9,579)	(65,549)
June	Year 2020	65,549	0.5700%		(374)	(9,579)	(56,344)
July	Year 2020	56,344	0.5700%		(321)	(9,579)	(47,086)
August	Year 2020	47,086	0.5700%		(268)	(9,579)	(37,776)
September	Year 2020	37,776	0.5700%		(215)	(9,579)	(28,412)
October	Year 2020	28,412	0.5700%		(162)	(9,579)	(18,995)
November	Year 2020	18,995	0.5700%		(108)	(9,579)	(9,525)
December	Year 2020	9,525	0.5700%		(54)	(9,579)	0
					(4,148)		
Total Amount of True-Up Adjustment for 2018 ATRR						$	(114,946)
Less Over (Under) Recovery						$	100,000
Total Interest						$	(14,946)

Attachment 9 - Depreciation and Amortization Rates
New York Transco LLC

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

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

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

36.3.1.2 Formula Rate Implementation Protocols

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

Section 1. **Annual Projection**

a. No later than September 30 preceding the first Rate Year, and each subsequent Rate Year, NY Transco shall determine its projected Net Adjusted Revenue Requirement for the upcoming Rate Year in accordance with NY Transco's Formula Rate ("Annual Projection"). The Annual Projection shall include the True-up Adjustment described and defined in Section 2 below, if applicable. NY Transco shall cause an electronic version of the Annual Projection to be posted in both a Portable Document Format and fully-functioning Excel file at a publicly accessible location on ISO's internet website. Such posting shall include (i) all inputs in sufficient detail to identify the components of NY Transco's projected Net Adjusted Revenue Requirement, and (ii) explanations of

the bases for the projections and input data. If the date for making such posting of the Annual Projection should fall on a weekend or a holiday recognized by FERC, then the posting shall be made no later than the next business day. NY Transco shall electronically serve each Annual Projection upon the Service List.[4]

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

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

Section 2. <u>True-up Adjustment</u>

NY Transco will calculate the amount of under- or over-collection of its actual Net Revenue Requirement, as set forth at page 1, line 3 of the Template during the preceding Rate

[4] As used in these protocols, "Service List" shall mean (i) the email list of ISO OATT Transmission Customers maintained by the ISO; (ii) any state regulatory agency with rate jurisdiction over a public utility located within the ISO footprint; and (iii) any consumer advocate agency authorized by state law to review and contest the rates for any such public utility, provided such consumer advocate agency requests to be placed on the Service List and provides an e-mail address to NY Transco.

Year ("True-up Adjustment") after the FERC Form No. 1 data for that Rate Year has been filed with the Commission. The True-up Adjustment shall be the sum of components a and b, determined in the following manner:

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

[5] If the initial year of this rate schedule is a partial year, the initial projected Net Revenue Requirement will be divided by the number of months the Formula Rate is in effect to calculate the monthly projected cost of service to be collected each month of the first year. Similarly, the actual Net Revenue Requirement will be divided by the number of months the rate is in effect to calculate the actual cost of service to be collected each month of the first year. The first True-up Adjustment will compare the projected Net Revenue Requirement billed and the actual Net Revenue Requirement for that initial Rate Year.

revenue requirement that was calculated for the prior Rate Year with an explanation of material changes.

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

Section 3. Annual Update

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

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

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

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

e. The Annual Update for the Rate Year:

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

(ii) Shall provide notice of changes in NY Transco's accounting policies and practices from those in effect for the calendar year upon which the

[6] It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate for purposes of determining the actual Net Adjusted Revenue Requirement for a given Rate Year will be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. If the referenced form is superseded, the successor form(s) shall be utilized and supplemented as necessary to provide equivalent information as that provided in the superseded form. If the referenced form is discontinued, equivalent information as that provided in the discontinued form shall be utilized.

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

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

(iv) Shall be subject to review and challenge in accordance with the procedures set forth in these Protocols with respect to the prudence of any costs and expenditures included for recovery in the Annual Update; provided, however, that nothing in these Protocols is intended to modify

the Commission's applicable precedent with respect to the burden of going forward or burden of proof under formula rates in such prudence challenges; and

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

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

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

On or before September 30, 2013, NY Transco will determine the projected Net Adjusted Revenue Requirement for the 2014 Rate Year, which is expected to be the first year that costs are recovered from ISO customers under the Formula Rate. NY Transco will post the Annual Projection for the 2014 Rate Year in accordance with Section 1 above. NY Transco will not determine a True-up Adjustment or post an Annual Update on August 1, 2014 if no costs have been

recovered under the Formula Rate during 2013. On or before September 30, 2014, NY Transco will post the Annual Projection for the 2015 Rate Year. On or before August 1, 2015, NY Transco will post its first Annual Update, consisting of the True-up Adjustment for the 2014 Rate Year determined pursuant to Section 2 above. Such True-up Adjustment will be reflected in the Annual Projection of the Net Adjusted Revenue Requirement for the 2016 Rate Year posted on or before September 30, 2015. The Annual Update posted August 1, 2015 will be subject to the customer review and challenge procedures described in Sections 4, 5, and 6 of these Protocols.

Section 4. Annual Review Procedures

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

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

publicly accessible location on the ISO internet website and a link to the website will be electronically served upon the Service List.

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

b. Interested Persons shall have up to one hundred twenty (120) calendar days after each annual Publication Date (unless such period is extended with the written consent of NY Transco) to serve reasonable information requests on NY Transco. Information requests shall be limited to what is necessary to determine if: (i) NY Transco has properly calculated the Annual Update under review (including any corrections pursuant to Section 6); (ii) the costs included in the Annual Update are properly recordable and recorded, prudently incurred, and otherwise consistent with NY Transco's accounting policies, practices and procedures consistent with the USofA; (iii) the input data used in the Annual Update are accurate and correctly used in the Formula Rate; and (iv) the Formula Rate has been applied according to its terms, including the procedures in these Protocols. Information requests shall not solicit information concerning costs or allocations where the costs or allocation methods have been determined to be

appropriate by FERC in the context of prior NY Transco Annual Updates, except that such information requests shall be permitted if they (i) seek to determine if there has been a change in circumstances, (ii) are in connection with corrections pursuant to Section 6, or (iii) relate to costs or allocations that have not previously been challenged and adjudicated by FERC. NY Transco shall cause any information requests received to be posted at a publicly accessible location on the ISO internet website and shall electronically serve a link to the website upon the Service List.

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

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

d. Preliminary Challenges, or Formal Challenges as described in Section 5 below, related to Accounting Changes shall be treated in the same manner under these Protocols as other challenges to the Annual Update. Failure to make a Preliminary Challenge with respect to an Accounting Change in an Annual Update shall not act as a bar with respect to a Formal Challenge with respect to

that Annual Update, nor shall such failure bar a subsequent Preliminary Challenge related to a subsequent Annual Update to the extent such Accounting Change affects the subsequent Annual Update.

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

Section 5. Resolution of Challenges

a. NY Transco shall appoint a senior representative to attempt to resolve any Preliminary Challenge. If NY Transco and any Interested Person have not resolved any Preliminary Challenge to the Annual Update within sixty (60) calendar days after the end of the Review Period (unless such period is extended with the written consent of NY Transco to continue efforts to resolve the Preliminary Challenge), such Interested Person may, within thirty (30) calendar days thereafter, file a challenge with the FERC, pursuant to 18 C.F.R. § 385.206 ("Formal Challenge"), which shall be served on NY Transco by electronic service on the date of such filing. Subject to any applicable confidentiality and

Critical Energy Infrastructure Information restrictions, all information and correspondence produced by NY Transco pursuant to these Protocols may be included in any Formal Challenge or other FERC proceeding relating to the Formula Rate.

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

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

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

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

Section 6. Changes to Annual Updates

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

December 31 of the Rate Year immediately preceding the Rate Year in which such over-recovery is reflected. The applicable monthly interest rates for the Correction Period for an under-recovery shall be the annual interest rate determined in accordance 18 C.F.R § 35.19a divided by twelve (12) for each month from the beginning of the Correction Period through December 31 of the Rate Year immediately preceding the Rate Year in which such under-recovery is reflected.

Section 7. <u>Construction Work in Progress</u>

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

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

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

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

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

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

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

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

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

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