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 New York Transco, LLC (“NY Transco”) projects, each of which   
has 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): (1) the   
Second Ramapo-to-Rock Tavern 345-kV Line Project; (2) the Marcy South Series Compensation   
and Fraser-to-Coopers Corners Reconductoring Project; and (3) the Staten Island Unbottling

Project.1

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.

1 Any costs incurred on the forced cooling portion of the Staten Island Unbottling Project after the date of the Commission’s order approving the offer of partial settlement in Docket No. ER15-572-000, issued on March 17, 2016, shall not be recovered through the TFC without further order of the Commission.

36.2 Attachment 1 to Attachment DD

36.2.1 Allocation Tables

36.2.1.1 TOTS Projects

COST ALLOCATION TABLE

Transmission District Allocation of Project Costs (%)

Consolidated Edison Co. of NY, Inc.

Orange and Rockland Utilities, Inc. Long Island Power Authority

Niagara Mohawk Power Corp.   
New York Gas & Electric Corp.   
Rochester Gas and Electric Corp.

Central Hudson Gas & Electric Corp.

New York Power Authority

63.18

8.55

12.16

10.12

5.99

Load is treated the same as all other load serving entities

(“LSE”) and NYPA as an LSE will pay the same rate as the LSEs in each transmission

district.

36.3 Attachment 2 to Attachment DD

36.3.1 Formula Rates

36.3.1.1 Rate Formula Template

Index

Rate Formula Template

Utilizing FERC Form 1 Data

New York Transco LLC

Appendix A Main body of the Formula Rate   
Attachment 1 Detail of the Revenue Credits

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

Attachment 2 Monthly Plant and Accumulated Depreciation balances

Attachment 3 Cost Support Detail

Attachment 4 Calculations showing the revenue requirement by Investment, including any Incentives,

Attachment 5 Cost of Debt should Construction Financing be Obtained

Attachment 6a and 6b Detail of the Accumulated Deferred Income Tax Balances

Attachment 7 and 7a True-Up calculations

Attachment 8 True-Up for the Construction Financing calculations in Attachment 5

Attachment 9 Depreciation Rates

Attachment 10 W orkpapers

Appendix A   
Page 1 of 5

Formula Rate - Non-Levelized

Line   
No.

Rate Formula Template   
 Utilizing FERC Form 1 Data

New York Transco LLC

(1) (2)

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

(3)

Allocated   
 Amount

1 GROSS REVENUE REQUIREMENT

REVENUE CREDITS

2 Total Revenue Credits

3 Net Revenue Requirement

4 True-up Adjustment   
5 NET ADJUSTED REVENUE REQUIREMENT

(line 74)

Total

Attachment 1, line 6 -  
(line 1 minus line 2)

Attachment 7 -  
(line 3 plus line 4)

12 months $ -

Allocator

TP 1.0000 -

-

DA 1.00000 -

$ -

Appendix A   
Page 2 of 5

Line   
No.

6

7

8

9

10

11

12

13

14

15

16

17

18

Formula Rate - Non-Levelized

(1) (2)

Form No. 1

Page, Line, Col. RATE BASE:

GROSS PLANT IN SERVICE (Note M)

Production (Attach 2, line 75)

Transmission (Attach 2, line 15)

Distribution (Attach 2, line 30)

General & Intangible (Attach 2, lines 45 & 60)

TOTAL GROSS PLANT (sum lines 6-9) (GP=1 if plant =0)

ACCUMULATED DEPRECIATION & AMORTIZATION (Note M)   
 Production (Attach 2, line 151)

Transmission (Attach 2, line 91)

Distribution (Attach 2, line 106)

General & Intangible (Attach 2, lines 121 & 136 TOTAL ACCUM. DEPRECIATION (sum lines 12-15)

NET PLANT IN SERVICE   
 Production (line 6- line 12)

Rate Formula Template   
 Utilizing FERC Form 1 Data

New York Transco LLC

(3)

Company Total

- NA

- TP

- NA

- W /S

- GP=

- NA

- TP

- NA

- W /S

-

-

For the 12 months ended 12/31/

(4) (5)

Transmission

Allocator (Col 3 times Col 4)

- -

1.0000 -

- -

- -

- -

- -

1.0000 -

- -

- -

-

-

19

20

21

22

23

24

25

26

27

28

29

Transmission   
Distribution

General & Intangible

TOTAL NET PLANT (sum lines 18-21)

ADJUSTMENTS TO RATE BASE (Note A)

ADIT

Account No. 255 (enter negative) (Note F)   
CW IP

Unfunded Reserv es (enter negative) Unamortized Regulatory Assets

Unamortized Abandoned Plant

(line 7- line 13) -

(line 8- line 14) -

(line 9- line 15) -

(NP=1 if plant =0) -

(Attach 6a, line 9) -

(Attach 3, line 153) -

(Attach 10) -

(Attach 3, line 170a) -

(Attach 10) (Note L) -  
(Attach 10) (Note K) -

-

-

-

NP= - -

TP 1.0000 -

NP - -

DA -

DA 1.0000 -

DA 1.0000 -  
DA 1.0000 -

30 TOTAL ADJUSTMENTS (sum lines 24-29) - -

31 LAND HELD FOR FUTURE USE Attachment 10 - TP 1.0000 -

32

33

34

35

W ORKING CAPITAL (Note C)

CW C calculated (1/8 \* Line 45)

Materials & Supplies (Note B) (Attach 3, line 189)   
Prepayments (Account 165 - Note C) (Attach 3, line 170)

- -

- TP 1.0000 -

- GP - -

36 TOTAL WORKING CAPITAL (sum lines 33-35) - -

37 RATE BASE (sum lines 22, 30, 31, & 36) - -

Appendix A   
Page 3 of 5

Formula Rate - Non-Levelized

(1)

38 O&M   
39 Transmission

Rate Formula Template   
 Utilizing FERC Form 1 Data

New York Transco LLC

(2) (3)

Form No. 1

Page, Line, Col. Company Total

321.112.b -

For the 12 months ended 12/31/

(4) (5)

Transmission

Allocator (Col 3 times Col 4)

TP= 1.0000 -

40

41

42

43

44

44a   
44b   
44c

45

46

47

48

49

Less Accounts 565, 561 and 561.1 to 561.8   
A&G

Less EPRI & Reg. Comm. Exp. & Other Ad. Plus Transmission Related Reg. Comm. Exp. PBOP expense adjustment

Less Account 566

Amortization of Regulatory Assets   
 Account 566 excluding amort. of Reg Assets   
TOTAL O&M (sum lines 39, 41, 43, 44, 44b, 44c

DEPRECIATION EXPENSE   
 Transmission

General and Intangible   
Amortization of Abandoned Plant

321.96.b & 84.b to 92.b -

323.197.b -

(Note D & Attach 3, line 171) -

(Note D & Attach 3, line 172) -

(Attach 3, line 243) -

321.97.b -

(Attach 10, line 2) -

(line 44a less line 44b) -

less lines 40 & 42, 44a) (Note D) -

336.7.f (Note M) -

336.1.f + 336.10.f (Note M) -  
(Attach 3, line 155) (Note K) -

TP= 1.0000 -

W /S - -

DA - -

TP= 1.0000 -

TP= 1.0000 -

DA - -

DA - -

DA - -

-

TP 1.0000 -

W /S - -  
DA 1.0000 -

50

51

52

53

54

55

56

57

58

TOTAL DEPRECIATION (Sum lines 47-49)

TAXES OTHER THAN INCOME TAXES (Note E)   
 LABOR RELATED

Payroll

Highway and vehicle PLANT RELATED

Property

Gross Receipts   
Other

-

263.\_.i (enter FN1 line #) -

263.\_.i (enter FN1 line #) -

263.\_.i (enter FN1 line #) -

263.\_.i (enter FN1 line #) -  
263.\_.i (enter FN1 line #) -

-

W /S - -

W /S - -

GP - -

NA - -  
GP - -

59

60

61

62

63

64

65

66

67

68

69

70

71

72

73

74

TOTAL OTHER TAXES (sum lines 53-58) -

INCOME TAXES (Note F)

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

CIT=(T/1-T) \* (1-(W CLTD/R)) = -

where W CLTD=(line 91) and R= (line 94)   
and FIT, SIT, p, & n are as given in footnote F.

1 / (1 - T) = (T from line 61) -

Amortized Investment Tax Credit (Atttachment 4, line 14) -

Income Tax Calculation = line 62 \* line 71 \* (1-n) -

ITC adjustment (line 65 \* line 66 \* (1- n)) -

Total Income Taxes (line 67 plus line 68) -

RETURN

[ Rate Base (line 37) \* Rate of Return (line 94)] -

Rev Requirement before Incentive Projects (sum lines 45, 50, 59, 69, 71) -

Incentive Return and Income Tax on Authorized Projects (Attach 4, line 67, col h & j) -  
Total Revenue Requirement (sum lines 72 & 73) -

-

-

NP - -

-

NA -

-

DA 100% -

-

Appendix A   
Page 4 of 5

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) (Attachment 3, line 175) -

78

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91

92

Less transmission plant included in OATT Ancillary Services (Note H) (Attachment 3, line 175) Transmission plant included in RTO rates (line 76 less lines 77 & 78)

Percentage of transmission plant included in RTO Rates (line 79 divided by line 76) [If line 76 equal zero, enter 1)

W AGES & SALARY ALLOCATOR (W &S) (Note I)   
 Form 1 Reference $

Production 354.20.b -

Transmission 354.21.b -

Distribution 354.23.b -

Other 354.24,25,26.b -

Total (sum lines 83-86) [TP equals 1 if there are no wages & salaries] -

RETURN (R) (Note J)

Long Term Debt (Attach 3, lines 249 & 270 or Attach 5) (Note G)   
Preferred Stock (Attachment 3, lines 251 & 273)

-

-

TP= 1.0000

TP Allocation

0.00 -

1.00 -

0.00 - W &S Allocator

0.00 - ($ / Allocation)

- = - = WS

$ % Cost W eighted

- - - - =W CLTD

- - - -

93

94

95

96

97

98

99

100

101

102

Common Stock (Attachment 3, line 257) -

Total (sum lines 91-93) -

Development of Base Carrying charge and Summary of Incentive and Non-Incentive Investments

Source of Total Column

Net Transmission Plant in Service (Attachment 4, lines 66, 66a…, column b)

CW IP in Rate Base (Line 26)

Unamortized Abandoned Plant (Line 29)

Regulatory Assets (Line 28)

Development of Base Carrying charge and Summary of Incentive and Non-Incentive Investments (Sum of lines 95 to 98)   
Return and Taxes (Sum lines 69 & 71)

Total Revenue Credits (Line 2)   
Base Carrying Charge (used in Attach 4, Line 65) (Line 100 - Line 101)/ Line 99

- 9.50% -

- =R

(a) (b) (c)

Non-incentive Incentive

Investments from Investments from Row

Attachment 4 Row Attachment 4 Numb

(Note N) Numbers (Note N) ers Total

- - - - -

- - -

- -

- -

- -

-

-

-

Appendix A   
Page 5 of 5

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. The formula uses the stated average of the beginning and end of year balances to prorate ADIT to comply with IRS normalization rules.

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 42 removes EPRI Annual Membership Dues listed in Form 1 at 353.\_.f (enter FN1 line

#),

any EPRI Lobbying expenses included in line 42 of the template and all Regulatory Commission Expenses itemized at 351.h

Line 42 removes all advertising included in Account 930.1, except safety, education or out-reach related advertising

Line 42 removes all EEI and EPRI research, development and demonstration expenses and NY Transco will not participate in EEI or EPRI.

Line 43 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,   
 an interest rate of 3.85% from Table 4 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 the completion of construction, 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 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 the actual capital structure up to 53% equity. Lines 93 will be capped at 53% equity. If the actual equity ratio exceeds 53% , the common stock ratio will be reset to 53% 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 such plant item abandoned.

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

N Non-incentive investments are investments without ROE incentives and incentive investments are investments with ROE incentives

Attachment 1 - Revenue Credit Workpaper\*   
 New York Transco LLC

Account 454 - Rent from Electric Property (300.19.b)

1 Rent from FERC Form No. 1

Account 456 (including 456.1) (300.21.b and 300.22.b)

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

Notes 1 & 3   
 -

Notes 1 & 3   
 -

-

-

-

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.

1 Account 456 TOTAL NY-ISO Other 1 Other 2

1a Transmission Service - - - -

… - - - -

1x

2

3

4

5

6

7

8

9

9a   
9b   
9c   
9d   
9e   
9f

9g   
…   
9x   
10

Trans. Fac. Charge - - - -

Trans Studies - - - -

Total - - - -  
Less:

Revenue for Demands in Divisor - - - -

Sub Total Revenue Credit - - - -

Prior Period Adjustments - - - -

Total - - - -

Account 454 $

Joint pole attachments - telephone -

Joint pole attachments - cable -

Underground rentals -

Transmission tower wireless rentals -

Misc non-transmission rentals -

-

-

-  
Total

-

Attachment 2 - Cost Support   
 New York Transco LLC

Plant in Service Worksheet

1

2

3

4

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31

Calculation of Transmission Plant In Service

December   
January   
February   
March

April   
May   
June   
July

August

September October

November   
December

Transmission Plant In Service

Calculation of Distribution Plant In Service

December   
January   
February   
March

April   
May   
June   
July

August

September October

November   
December

Distribution Plant In Service

Calculation of Intangible Plant In Service

Source (Less ARO, see Note M) p206.58.b

company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
p207.58.g

(sum lines 2-14) /13

Source (Less ARO, see Note M) p206.75.b

company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
company records   
p207.75.g

(sum lines 17-29) /13

Source (Less ARO, see Note M)

Year Balance

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2015 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

-

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

2016 -

-

Enter

Amount of Docket Nos. for   
Transmission CIACs Transmission CIACs

32 December p204.5.b 2016 - -

33 January company records 2016 - -

34 February company records 2016 - -

35 March company records 2016 - -

36 April company records 2016 - -

37 May company records 2016 - -

38 June company records 2016 - -

39 July company records 2016 - -

40 August company records 2016 - -

41 September company records 2016 - -

42 October company records 2016 - -

43 November company records 2016 - -

44 December p205.5.g 2016 - -

45 Intangible Plant In Service (sum lines 32-44) /13 - -

46 Calculation of General Plant In Service Source (Less ARO, see Note M)

47 December p206.99.b 2016 -

48 January company records 2016 -

49 February company records 2016 -

50 March company records 2016 -

51 April company records 2016 -

52 May company records 2016 -

53 June company records 2016 -

54 July company records 2016 -

55 August company records 2016 -

56 September company records 2016 -

57 October company records 2016 -

58 November company records 2016 -

59 December p207.99.g 2016 -

60 General Plant In Service (sum lines 47-59) /13 -

61 Calculation of Production Plant In Service Source (Less ARO, see Note M)

62 December p204.46b 2016 -

63 January company records 2016 -

64 February company records 2016 -

65 March company records 2016 -

66 April company records 2016 -

67 May company records 2016 -

68 June company records 2016 -

69 July company records 2016 -

70 August company records 2016 -

71 September company records 2016 -

72 October company records 2016 -

73 November company records 2016 -

74 December p205.46.g 2016 -

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

77 Calculation of Transmission Accumulated Depreciation Source (Less ARO, see Note M) Year Balance

78 December Prior year p219.25.b 2016 -

79 January company records 2016 -

80 February company records 2016 -

81 March company records 2016 -

82 April company records 2016 -

83 May company records 2016 -

84 June company records 2016 -

85 July company records 2016 -

86 August company records 2016 -

87 September company records 2016 -

88 October company records 2016 -

89 November company records 2016 -

90 December p219.25.b 2016 -

91 Transmission Accumulated Depreciation (sum lines 78-90) /13 -

92 Calculation of Distribution Accumulated Depreciation Source (Less ARO, see Note M)

93 December Prior year p219.26.b 2016 -

94 January company records 2016 -

95 February company records 2016 -

96 March company records 2016 -

97 April company records 2016 -

98 May company records 2016 -

99 June company records 2016 -

100 July company records 2016 -

101 August company records 2016 -

102 September company records 2016 -

103 October company records 2016 -

104 November company records 2016 -

105 December p219.26.b 2016 -

106 Distribution Accumulated Depreciation (sum lines 93-105) /13 -

Amount of

107 Calculation of Intangible Accumulated Amortization Source (Less ARO, see Note M) Transmission CIACs

108 December Prior year p200.21.c 2016 - -

109 January company records 2016 - -

110 February company records 2016 - -

111 March company records 2016 - -

112 April company records 2016 - -

113 May company records 2016 - -

114 June company records 2016 - -

115 July company records 2016 - -

116 August company records 2016 - -

117 September company records 2016 - -

118 October company records 2016 - -

119 November company records 2016 - -

120 December p200.21.c 2016 - -

121 Accumulated Intangible Amortization (sum lines 108-120) /13 - -

122 Calculation of General Accumulated Depreciation Source (Less ARO, see Note M)

123 December Prior year p219.28.b 2016 -

124 January company records 2016 -

125 February company records 2016 -

126 March company records 2016 -

127 April company records 2016 -

128 May company records 2016 -

129 June company records 2016 -

130 July company records 2016 -

131 August company records 2016 -

132 September company records 2016 -

133 October company records 2016 -

134 November company records 2016 -

135 December p219.28.b 2016 -

136 Accumulated General Depreciation (sum lines 123-135) /13 -

137 Calculation of Production Accumulated Depreciation Source (Less ARO, see Note M)

138 December p219.20:24.b (prior year) 2016 -

139 January company records 2016 -

140 February company records 2016 -

141 March company records 2016 -

142 April company records 2016 -

143 May company records 2016 -

144 June company records 2016 -

145 July company records 2016 -

146 August company records 2016 -

147 September company records 2016 -

148 October company records 2016 -

149 November company records 2016 -

150 December p219.20 thru 219.24.b 2016 -

151 Production Accumulated Depreciation (sum lines 138-150) /13 -

152 Total Accumulated Depreciation and Amortization (sum lines 91, 106, 121, 136, & 151) -

Attachment 3 - Cost Support   
 New York Transco LLC

Numbering continues from Attachment 2

153 Account No. 255 (enter negative from FERC Form No. 1) 266.8 and 267.8

154 Unamortized Abandoned Plant Attachment 10, line 4, col. (y)

(recovery of abandoned plant requires a FERC order approving the amount and recovery period)   
155 Amortization of Abandoned Plant Attachment 10, line 4, col. (h)

156 Prepayments (Account 165)

(Prepayments exclude Prepaid Pension Assets)

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

Beginning of Year End of Year

- -

Year Balance

- -

- -

- -

- -

- -

- -

- -

- -

- -

- -

- -

- -

- -

Details

Average Balance   
 -

-

Amortization Expense   
 -

170 Prepayments (sum lines 157-169) /13 -

Reserves

170a (b) (c)

Amount

Reserve 1 -

Reserve 2 -

Reserve 3 -

Reserve 4 -

… -  
… -

(d) (e) (f)

Enter 1 if NOT in a Enter 1 if the accrual account Enter the percentage paid

trust or reserved is included in the formula for by customers, 1 less

account, enter zero (0) rate, enter (0) if O if the the percent associated

if included in a trust accrual account is NOT with an offsetting liability

or reserved account included in the formula rate on the balance sheet

- - -

- - -

- - -

- - -

- - -  
 - - -

(g) (h)

Amount Allocated,

Allocation (Plant or col. c x col. d x col. e

x col. f x col. g Labor Allocator)

- -

- -

- -

- -

- -  
 - -

Total -

All unfunded reserves will be listed above, specifically including (but not limited to) all subaccounts for FERC Account Nos. 228.1 through 228.4. "Unfunded reserve" is defined as an accrued balance (1) created and increased by debiting an expense which is included in this formula rate (column (e), using the same allocator in column (g) as used in the formula to allocate the amounts in the corresponding expense account) (2) in   
advance of an anticipated expenditure related to that expense (3) that is not deposited in a restricted account (e.g., set aside in an escrow account, see column (d)) with the earnings thereon retained within that   
account. Where a given reserve is only partially funded through accruals collected from customers, only the balance funded by customer collections shall serve as a rate base credit, see column (f). The source of   
monthly balance data is company records.

EPRI Dues Cost Support

Allocated General & Common Expenses

EPRI Dues

171 EPRI and EEI Dues to be excluded from the formula rate p353.\_.f (enter FN1 line #) -

Regulatory Expense Related to Transmission Cost Support

Transmission

Form 1 Amount Related Other Details\*

Directly Assigned A&G

172 Regulatory Commission Exp Account 928 p323.189.b - - -

\* insert case specific detail and associated assignments here

Multi-state Workpaper

Income Tax Rates

Weighting

New York

1

State 2

State 3

State 4

State 5

Weighed Average

173

SIT=State Income Tax Rate or Composite 0.0710   
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)

0.07

Safety Related and Education and Out Reach Cost Support

Safety Related,

Education, Siting &

Form 1 Amount Outreach Related Other Details

Directly Assigned A&G

174 General Advertising Exp Account 930.1 company records -

Safety advertising consists of any advertising whose primary purpose is to educate the recipient as to what is safe or is not safe.

Education advertising consists of any advertising whose primary purpose is to educate the recipient as about transmission related facts or issues Outreach advertising consists of advertising whose primary purpose is to attract the attention of the recipient about a transmission related issue Siting advertising consists of advertising whose primary purpose is to inform the recipient about locating transmission facilities   
Lobbying expenses are not allowed to be included in account 930.1

Excluded Plant Cost Support

Transmission plant

included in OATT

Excluded Ancillary Services

Transmission and not otherwise

Facilities excluded Description of the Facilities

Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities

175 Excluded Transmission Facilities - - General Description of the Facilities

A worksheet will be provided if there are ever any excluded transmission plant or transmission plant in OATT Ancillary Services

Add more lines if necessary

Materials & Supplies

Stores Expense Transmission Materials & Construction Materials

Note: for the projection, the prior year's actual balances will be used Undistributed Supplies & Supplies Total

Form No.1 page p227.16 p227.8 p227.5

176 December Column b - - - -

177 January Company Records - - - -

178 February Company Records - - - -

179 March Company Records - - - -

180 April Company Records - - - -

181 May Company Records - - - -

182 June Company Records - - - -

183 July Company Records - - - -

184 August Company Records - - - -

185 September Company Records - - - -

186 October Company Records - - - -

187 November Company Records - - - -

188 December Column c - - - -

189 Average -

PBOPs

Details

190 ConEd

191 Total PBOP expenses $ (8,800,000)

192 Labor dollars $ 1,444,841,000

193 Cost per labor dollar $ (0.0061)

194 labor (labor not capitalized) current year Company Records -

195 PBOP Expense for current year -

196 PBOP Expense in Account 926 for current year Company Records -

197 PBOP Adjustment for Appendix A, Line 44 -

198 Lines 191-193 cannot change absent approval or acceptance by FERC in a separate proceeding.

198 NiMo

199 Total PBOP expenses $ 70,883,643

200 Labor dollars $ 313,713,746

201 Cost per labor dollar $ 0.2260

202 labor (labor not capitalized) current year Company Records -

203 PBOP Expense for current year -

204 PBOP Expense in Account 926 for current year Company Records -

205 PBOP Adjustment for Appendix A, Line 44 -

206 Lines 199-201 cannot change absent approval or acceptance by FERC in a separate proceeding.

207 NYSEG

208 Total PBOP expenses $ 2,057,829

209 Labor dollars $ 187,586,000

210 Cost per labor dollar $ 0.0110

211 labor (labor not capitalized) current year Company Records -

212 PBOP Expense for current year -

213 PBOP Expense in Account 926 for current year Company Records -

214 PBOP Adjustment for Appendix A, Line 44 -

215 Lines 208-210 cannot change absent approval or acceptance by FERC in a separate proceeding.

216 RGE

217 Total PBOP expenses $ 3,561,081

218 Labor dollars $ 79,625,000

219 Cost per labor dollar $ 0.0447

220 labor (labor not capitalized) current year Company Records -

221 PBOP Expense for current year -

222 PBOP Expense in Account 926 for current year Company Records -

223 PBOP Adjustment for Appendix A, Line 44 -

224 Lines 217-219 cannot change absent approval or acceptance by FERC in a separate proceeding.

225 CHG&E

226 Total PBOP expenses $ (3,863,900)

227 Labor dollars 108,206,368

228 Cost per labor dollar $ (0.0357)

229 labor (labor not capitalized) current year Company Records -

230 PBOP Expense for current year -

231 PBOP Expense in Account 926 for current year Company Records -

232 PBOP Adjustment for Appendix A, Line 44 -

233 Lines 226-228 cannot change absent approval or acceptance by FERC in a separate proceeding.

234 New York Transco LLC

235 Total PBOP expenses $ -

236 Labor dollars $ -

237 Cost per labor dollar $0.000

238 labor (labor not capitalized) current year Company Records -

239 PBOP Expense for current year -

240 PBOP Expense in Account 926 for current year Company Records -

241 PBOP Adjustment for Appendix A, Line 44 -

242 Lines 235-237 cannot change absent approval or acceptance by FERC in a separate proceeding.

243 PBOP expense adjustment (sum lines 197, 214, 205, 223, 232, & 241) -

Attachment 3 - Cost Support

COST OF CAPITAL New York Transco LLC

Line No.

244

245

246

247

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249

250251

252

253

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255

256

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258259

260261

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268269

270

271272

273274

275

Form No.1

Description Reference December January February March

Col. (a) Col. (b) Col. (c) Col. (d)   
Long Term Debt:

Acct 221 Bonds 112.18.c,d - - - -

Acct 223 Advances from Assoc. Companies 112.20.c,d - - - -

Acct 224 Other Long Term Debt 112.21.c,d - - - -

Less Acct 222 Reacquired Debt 112.19 c, d enter negative - - - -

Total Long Term Debt Sum Lines 244 - 248 - - - -

Preferred Stock (1) 112.3.c,d - - - -

Common Equity- Per Books 112.16.c,d - - - -

Less Acct 204 Preferred Stock 112.3.c,d - - - -

Less Acct 219 Accum Other Compre. Income 112.15.c,d - - - -

Less Acct 216.1 Unappropriated Undistributed

Subsidiary Earnings 112.12.c,d

Adjusted Common Equity Ln 253 - 254 - 255 - 256 - - - -

Total (Line 249 plus Line 251 plus Line 257) - - - -

Cost of Debt

Acct 427 Interest on Long Term Debt 117.62.c

Acct 428 Amortization of Debt Discount and Expense 117.63.c

Acct 428.1 Amortization of Loss on Reacquired Debt 117.64.c

Acct 430 Interest on Debt to Assoc. Companies (LTD

portion only) (2) 117.67.c

Less: Acct 429 Amort of Premium on Debt 117.65.c enter negative

Less: Acct 429.1 Amort of Gain on 117.66.c enter negative

Total Interest Expense Sum Lines 262 - 267

Average Cost of Debt (Line 268 / Line 249)

Cost of Preferred Stock

Preferred Stock Dividends 118.29.c

Average Cost of Preferred Stock (Line 273 / Line 251)

Note 1. If and when the Company issues preferred stock, footnote will indicate the authorizing regulatory agency, the docket/case number, and the date of the Note 2. Interest on Debt to Associated Companies (FERC 430) will be populated with interest related to Long-Term Debt only.

April May June July August

Col. (e) Col. (f) Col. (g) Col. (h) Col. (i)

- - - - -

- - - - -

- - - - -

- - - - -

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- - - - -

- - - - -

September October November December 13 Month Avg.

Col. (j) Col. (k) Col. (l) Col. (m) Col. (n)

- - - - -

- - - - -

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Project W orksheet Rate Formula Template For the 12 months ended 12/31/

Attachment 4 Utilizing Appendix A Data

The calcuations below calcuate that additional revenue requirement for 100 basis points of ROE and 1 percent change in the equity component of the capital structure.

These amounts are then used to caluate the actual increase in revenue in the table below (starting on line 66) associated with the actual incentive authortized by the Commisison The use of the 100 basis point calulations do not presume any particular incentive (i.e., 100 basis points) being granted by the Commisison.

New York Transco LLC

Base ROE and Income Taxes Carrying Charge

1 Rate Base

2 BASE RETURN CALCULATION:

3 Long Term Debt (Appendix A, Line 91)

4 Preferred Stock (Appendix A, Line 92)

5 Common Stock (Appendix A, Line 93)

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)} = (Appendix A, line 61)

10 CIT=(T/1-T) \* (1-(W CLTD/R)) =

11 where W CLTD=(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 Income Tax Calculation = line 10 \* line 7 \* (1-n)

16 ITC adjustment (line 13 \* line 14) \* (1-n)

17 Total Income Taxes (line 15 plus line 16)

18 Base Return and Income Taxes

19 Rate Base

20 Return and Income Taxes at Base ROE

100 Basis Point Incentive ROE and Income Taxes Carrying Charge

21 Rate Base

22 100 Basis Point Incentive Return impact on

23 Long Term Debt (line 3)

24 Preferred Stock (line 4)

25 Common Stock (line 5 plus 100 basis points)

26 Total (sum lines 24-26)

27 100 Basis Point Incentive Return multiplied by Rate Base (line 21 \* line 26)

28 INCOME TAXES

29 T=1 - {[(1 - SIT) \* (1 - FIT)] / (1 - SIT \* FIT \* p)} = (Appendix A, line 61)

30 CIT=(T/1-T) \* (1-(W CLTD/R)) =

31 where W CLTD=(line 23) and R= (line 26)

32 and FIT, SIT & p are as given in footnote F on Appendix A.

33 1 / (1 - T) = (T from line 29)

34 Amortized Investment Tax Credit (line 14)

35 Income Tax Calculation = line 30 \* line 27 \* (1-n)

36 ITC adjustment (line 33 \* line 34) \* (1-n)

37 Total Income Taxes (line 35 plus line 36)

38 Return and Income Taxes with 100 basis point increase in ROE

39 Rate Base

40 Return and Income Taxes with 100 basis point increase in ROE

41 Difference in Return and Income Taxes between Base ROE and 100 Basis Point Incentive

Effect of 1% Increase in the Equity Ratio

42 Rate Base

43 100 Basis Point Incentive Return

44 Long Term Debt (line 3 minus 1% in equity ratio)

45 Preferred Stock (line 4)

46 Common Stock (line 5 plus 1% in equity ratio))

47 Total (sum lines 44-46)

48 Line 47 x line 42

49 INCOME TAXES

50 T=1 - {[(1 - SIT) \* (1 - FIT)] / (1 - SIT \* FIT \* p)} = (Appendix A, line 61)   
51 CIT=(T/1-T) \* (1-(W CLTD/R)) =

Allocator Result

-

$ % Cost Weighted

- 0% 0.00% 0.00%

- 0% 0.00% 0.00%

- 0% 9.50% 0.00%

- 0.00%

-

-

-

-

-

- -

- NP - -

- -

Sum lines 7 and 17 -

Line 1 -

Line 18 / line 19 -

Attachment 4

Result

-

$ % Cost Weighted

- 0% 0.00% -

- 0% 0.00% -

- 0% 10.50% -

- -

-

-

-

-

-

- -

- NP - -

- -

Sum lines 27 and 37 -

Line 21 -

Line 38 / line 39 -

Line 40- Line 20 -

Results

-

$ % Cost Weighted

- -1% 0.00% 0.00%

- 0% 0.00% 0.00%

- 1% 9.50% 0.10%

- 0.10%

-

-

-

52 where W CLTD=(line 44) and R= (line 47)

53 and FIT, SIT & p are as given in footnote F on Appendix A.

54 1 / (1 - T) = (T from line 50)

55 Amortized Investment Tax Credit (line 14)

56 Income Tax Calculation = line 51 \* line 48 \* (1-n)

57 ITC adjustment (line 54 \* line 55) \* (1-n)

58 Total Income Taxes (line 56 plus line 57)

59 Return and Income Taxes with 1% Increase in the Equity Ratio

60 Rate Base

61 Return and Income Taxes with 1% Increase in the Equity Ratio

62 Difference between Base ROE and 1% Increase in the Equity Ratio

63 Revenue Requirement per project including incentives

-

-

-

- NP -

-

Sum lines 48 and 58   
Line 42

Line 59 / line 60   
Line 61 - Line 20

-

-

-

-

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-  
Attachment 4

64 Expense Allocator [Appendix A, lines 45 and 59, less Appendix A, line 44b / Gross Transmission Plant In Service Column (l) including Transmission CIACs] times TP on Appendix A, line 80 (Note B) -

65 Base Carrying Charge (used in Line 102 Appendix A) -

The table below breaks out the total revenue requirement on Appendix A separately for each investment. The total of Column (p) must equal the amount shown on Appendix A, Line 3.

(a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p)

Line Description

66 -

66a -

66b -

66c -

…   
…   
…   
…   
…   
…   
…   
…   
…   
…   
…   
…   
…

67 Total

Check Sum Appendix A Line 3   
Difference (must be zero)

Note:

ROE ROE Base

Authorized by (From

Net Investment FERC (Note Appendix A,

(Note A) C) line 93)

- - 9.50%

- - 9.50%

- - 9.50%

- - 9.50%

- 9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

9.50%

$0.00

Incentive %   
Authorized by

FERC (Note Col (e) / .01 x Incentive $ (Col

D) Line 41 Col (f) (b) x Col (g)

- - - -

- - - -

- - - -

-

-

Equity % in Capital

Structure (% above Impact of Equity   
base %, -% below base Component of Capital

%)(1 equals 1%) (Note Structure(Col (b) x (i) Base Return and Tax (Line 65 x

D) x Line 62 Col (b)

- - -

- - -

- - -

-

- -

O&M (exc Amort.   
Of Reg. Assets),

Gross Plant In Expense Taxes Other than Depreciation/Am Total Revenues

Service (Note Allocator Income ortization (Col. (h) + (j) +

B) (line 64) (Col. (l) x Col. (m) Expense (k) +(n) +(o))

- - - - -

- - - - -

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$0 - - -

-

-

A Column (b), Net Investment includes the Net Plant In Service, unamortized regulatory assets, unamortized abandoned plant and CWIP   
B Column (l), Gross Plant in Service excludes Regulatory Assets, CW IP, and Abandoned Plant.   
C Column (e), for each project with an incentive in column (e), note the docket No. in which FERC granted the incentive   
D No incentive or change in the equity percentage in Columns (e) and (i) can be made absent Commisison authorization

Project Docket No. Note

TOTs 1 - Ramapo to Rock Tavern ER15-572 Up to $228 million for the 3 TOTS projects in aggregate

TOTs 2 - Staten Island Unbottling Feeder Split ER15-572 Up to $228 million for the 3 TOTS projects in aggregate

TOTs 3 - NYSEG's Marcy South Series Comp Fraser to Coopers Corner ER15-572 Up to $228 million for the 3 TOTS projects in aggregate



Attachment 5 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology (Note 13)   
 New York Transco LLC

HYPOTHETICAL EXAMPLE

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.

Table 1

1

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Total Loan Amount   
Table 2

Internal Rate of Return1

Based on following Financial Formula2:

NPV = 0 =

Table 3

Origination Fees   
Underwriting Discount   
Arrangement Fee   
Upfront Fee

Rating Agency Fee   
Legal Fees

Total Issuance Expense

Table 4

2014 2015

$ 125,000,000

4.892%

-

250,000

437,500

-

1,000,000

1,687,500

2016 2017 2018 2019 2020

14 LIBOR Rate 0.64% 1.03% 1.60% 2.13% 2.13% 2.13% 2.13%

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 5

(A) (B) ( C) (D) (E) (F) (G) (H) (I)

Principal

Capital Drawn In

Expenditures Quarter Principal Drawn Interest & Principal Origination Fees Commitment & Utilization

17 Year ($000's) ($000's) To Date ($000's) ($000's) ($000's) Fee ($000's) Net Cash Flows ($000's)

1/4 \* Interest Rate from

Line 16 x Col. E prior (line 1/1000 less Col. E prior

quarter and Principal quarter)\*line 13/4 +line

Cumulative Col. D repayment Input in first Qtr of Loan 12/4000+line 11/4000 (D-F-G-H)

18

19

20 3/31/2014 Q3 19,350 9,675 9,675 2,100 7,575

21 6/30/2014 Q4 19,350 9,675 19,350 70 124 9,481

22 9/30/2014 Q1 19,350 9,675 29,025 141 117 9,418

23 12/31/2014 Q2 19,350 9,675 38,700 211 109 9,354

24 3/31/2015 Q3 24,775 12,388 51,088 275 102 12,010

2526 6/30/2015 Q4 24,775 12,388 63,475 418 93 11,876

9/30/2015 Q1 24,775 12,388 75,863 525 84 11,778

2728 12/31/2015 Q2 24,775 12,388 88,250 628 74 11,685

3/31/2016 Q3 23,950 11,975 100,225 723 65 11,187

29 6/30/2016 Q4 23,950 11,975 112,200 962 56 10,957

30 9/30/2016 Q1 23,950 11,975 124,175 1,089 47 10,839

31 12/31/2016 Q2 23,950 11,975 136,150 1,205 38 10,732

32 3/31/2017 Q3 23,575 11,788 147,938 1,292 29 10,466

33 6/30/2017 Q4 23,575 11,788 159,725 1,615 20 10,152

34 9/30/2017 Q1 23,575 11,788 171,513 1,763 11 10,013

35 12/31/2017 Q2 23,575 11,788 183,300 1,893 3 9,891

3637 3/31/2018 Q3 - - 183,300 185,280 (185,280)

38   
39   
40   
41   
42

Notes 1 The IRR is the input to Debt Cost shown on Appendix A, Page 4, Line 91 during the construction period, after obtaining project financing, in accordance with Note G of Appendix A.

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 (Table 5, 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

The Excel ™ formula on line 2 is : (round(XIRR(first quarter of loan Col A of Table 5:last quarter of loan Col A of Table 5, first quarter of loan Col I of Table 5: last quarter of loan Col I of Table 5, 8%),4)) The 8% in the above formula is a seed number to ensure the formula produces a positive number.

3. Line 1 reflects the loan amount, the maximum amount that can be drawn on

4. Lines 5 through 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. The estimate of the average 3 month Libor forward rate for the year on line 14 is that published by Bloomberg Finance L.P. during August of the prior year and is trued-up to actual   
 average 3 month Libor rate for the year under the loan.

6. Table 5, Col. C reflect the capital expenditures in each quarter

7. Table 5, Col. D reflect the amount of the loan that is drawn down in the quarter

8. Table 5, Col. E is the amount of principle drawn down

9. Table 5, Col F calculates the interest on the principle drawn down to date based on the applicable interest on line 16

10. Table 5, Col. G is the total origination fees in line 10 and is input in the first quarter that a portion of the loan in drawn

11. Table 5, Col. H is calculated as follows:

(line 1/1000 less Col. E prior quarter)\*line 13/4 +line 12/4000+line 11/4000

Where A = Loan amount in line 1 less the amount drawn down (Table 5, Col. (E)) in the prior quarter

12. 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

13. Prior to obtaining long term debt, the cost of debt, will be 3.28%. If NY Transco obtains project financing, the long term debt rate will be determined using the methodology in Attachment 5 and Attachment 5 contains a

hypothetical example of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Attachment A. After the first project is placed into service, NY Transco will use the its actual cost of long term debt determined in Attachment 3. The capital structure will be the actual capital structure up to 53% equity.

New York Transco LLC

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

Item

1

2

3

4

5

6

7

8

9

ADIT-282   
ADIT-283   
ADIT-190   
Subtotal

Wages & Salary Allocator   
NP

Beginning of Year

End of year from Attachment 6b, line 7   
Average of Beginning of Year and End of Year ((7 +8)/2)

Transmission Plant Labor

Related Related Related

- - -

- - -

- - -

- - -

-

-

- - -

- - -

- - -

Total

From Acct. 282 total, below   
From Acct. 283 total, below   
From Acct. 190 total, below

-

-

- 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 row for each project.

A B C D E F G

Total Gas, Prod

10 ADIT-190 Or Other Transmission Plant Labor

Related Related Related Related Justification

11a   
11b   
11c

…

12 Subtotal - p234 - - - - -

13 Less FASB 109 Above if not separately removed

14 Less FASB 106 Above if not separately removed

15 Total - - - - -

Instructions for Account 190:

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

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

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

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

20 5. 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 E F G

Total Gas, Prod

21 ADIT- 282 Or Other Transmission Plant Labor

Related Related Related Related Justification

22a   
22b

22c   
…

…   
…   
…   
…   
…

23 Subtotal - p275 - - - - -

24 Less FASB 109 Above if not separately removed

25 Less FASB 106 Above if not separately removed

26 Total - - - - -

Instructions for Account 282:

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

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

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

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

31 5. 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 E F G

Total Gas, Prod

32 ADIT- 283 Or Other Transmission Plant Labor

Related Related Related Related

33a   
33b   
33c

…

…   
…   
…   
…   
…

…

34 Subtotal - p277 - - - - -

35 Less FASB 109 Above if not separately removed

36 Less FASB 106 Above if not separately removed

37 Total - - - - -

Instructions for Account 283:

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

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

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

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

42 5. 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

1

2

3

4

5

6

7

8

Transmission Plant Labor

Related Related Related

ADIT-282 - - -

ADIT-283 - - -

ADIT-190 - - -

Subtotal - - -

Wages & Salary Allocator -

NP -

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. For ADIT directly related to project depreciation or CWIP, the balance must be shown in a separate row for each project.

A B C D E

Total Gas, Prod

ADIT-190 Or Other Transmission Plant

Related Related Related

Total

From Acct. 282 total, below   
From Acct. 283 total, below   
From Acct. 190 total, below

-

F G

Labor   
Related Justification

9a

9b

9c

…

…

…

…

…

…

…

10 Subtotal - p234 - - - - -

11 Less FASB 109 Above if not separately removed

12 Less FASB 106 Above if not separately removed

13 Total - - - - -

Instructions for Account 190:

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

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

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

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

18 5. 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

Total Gas, Prod

19 ADIT- 282 Or Other Transmission Plant Labor

Related Related Related Related Justification

20a -

20b

20c

…

…

…

…

…

…

21 Subtotal - p275 - - - - -

22 Less FASB 109 Above if not separately removed

23 Less FASB 106 Above if not separately removed

24 Total - - - - -

Instructions for Account 282:

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

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

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

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

29 5. 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

Total Gas, Prod

30 ADIT- 283 Or Other Transmission Plant Labor

Related Related Related Related

31a

31b

31c

…

…

…

…

…

…

…

32 Subtotal - p277 - - - - -

33 Less FASB 109 Above if not separately removed

34 Less FASB 106 Above if not separately removed

35 Total - - - - -

Instructions for Account 283:

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

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

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

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

40 5. 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 (Note 3)   
 New York Transco LLC

2014 2014

Revenue Requirement Billed Actual Revenue Requirement Over (Under)

(Note 1) (Note 2) Recovery

$0 Less $0 Equals $0

Interest Rate on Amount of Refunds or Surcharges

Over (Under) Recovery Plus Monthly Interest Rate on

Interest Attachment 7a

0.2708%

Surcharge   
Months Calculated Interest Amortization (Refund) Owed

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

January   
February   
March

April   
May   
June   
July

August

September   
October

November   
December

January through December

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Year 2014 -

Monthly

0.2708% 12 - -

0.2708% 11 - -

0.2708% 10 - -

0.2708% 9 - -

0.2708% 8 - -

0.2708% 7 - -

0.2708% 6 - -

0.2708% 5 - -

0.2708% 4 - -

0.2708% 3 - -

0.2708% 2 - -

0.2708% 1 - -

- -

Annual

0.2708% 12 - -

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months

January Year 2016 -

February Year 2016 -

March Year 2016 -

April Year 2016 -

May Year 2016 -

June Year 2016 -

July Year 2016 -

August Year 2016 -

September Year 2016 -

October Year 2016 -  
November Year 2016 -

Monthly

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

0.2708% - - -

December Year 2016 - 0.2708% - - -

-

Total Amount of True-Up Adjustment $ -

Less Over (Under) Recovery $ -

Total Interest $ -

Note 1: Revenue requirements billed is input, source data are the invoices from NYISO. The amounts exclude any true ups or prior period adjustments. Note 2: The actual revenue requirement is input from Attachment 4, line 66, column p. The amounts exclude any true-ups or prior period adjustments. Note 3: This "Example" sheet will be populated with actuals and used in each year's annual true-up calculation.

Attachment 7a

True-Up Interest Calculation

1

2

3

4

5

6

7

FERC Quarterly Interest Rate

Qtr 3 (Previous Year)   
Qtr 4 (Previous Year)   
Qtr 1 (Current Year)   
Qtr 2 (Current Year)

Average of the last 4 quarters

Interest Rate Used for True-up adjustment (Note B) Monthly Interest Rate for Attachment 7

Page 1

Pursuant to

18 C.F.R. Section   
 18 35.19 (a)

3.25%

3.25%

3.25%

3.25%

(Lines 1-4 / 4) 3.25%

0.0325

(Line 6 / 12) 0.0027

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan (Note 1)   
 New York Transco LLC

SUMMARY

Revenue Requirement

Total Amount of

Monthly FERC Construction Loan

Based on cost of debt Based on Actual Refund Interest Rate Related True-Up to be

Estimated Effective cost of debt Final Effective cost of debt for the used in prior year true- Final Cost of Debt Over (Under) applicable over the included in rates

YEAR used in true up construction loan: ups (Note 2) (Note 3) Recovery ATRR period (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 construction 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

Calculation of Interest for 2014 True-Up Period

Hypothetical Monthly   
Over (Under) Recovery Plus Interest Interest Rate

Surcharge (Refund)   
Months Calculated Interest Amortization Owed

An over or under collection will be recovered prorata over 2014, held for 2015, 2016, 2017, 2018, and 2019 and returned prorate over 2020

January Year 2014 - 0.5500%

Monthly

12.00 - -

February   
March

April   
May   
June   
July

August

September   
October

November   
December

January through December   
January through December   
January through December   
January through December   
January through December

Year 2014 - 0.5500% 11.00

Year 2014 10,000 0.5500% 10.00

Year 2014 10,000 0.5500% 9.00

Year 2014 10,000 0.5500% 8.00

Year 2014 10,000 0.5500% 7.00

Year 2014 10,000 0.5500% 6.00

Year 2014 10,000 0.5500% 5.00

Year 2014 10,000 0.5500% 4.00

Year 2014 10,000 0.5500% 3.00

Year 2014 10,000 0.5500% 2.00

Year 2014 10,000 0.5500% 1.00

Year 2015 (103,025) 0.5600% 12.00

Year 2016 (109,948) 0.5400% 12.00

Year 2017 (117,073) 0.5800% 12.00

Year 2018 (125,221) 0.5700% 12.00   
Year 2019 (133,786) 0.5700% 12.00

-

(550)

(495)

(440)

(385)

(330)

(275)

(220)

(165)

(110)

(55)

(3,025)

Annual

(6,923)

(7,125)

(8,148)

(8,565)

(9,151)

-

(10,550)

(10,495)

(10,440)

(10,385)

(10,330)

(10,275)

(10,220)

(10,165)

(10,110)

(10,055)

(103,025)

(109,948)

(117,073)

(125,221)

(133,786)

(142,937)

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months

January Year 2020

Monthly   
142,937

0.5700%

(815) (12,357) (131,395)

February   
March

April   
May   
June   
July

August

September   
October

November   
December

Year 2020 131,395 0.5700%

Year 2020 119,786 0.5700%

Year 2020 108,112 0.5700%

Year 2020 96,371 0.5700%

Year 2020 84,563 0.5700%

Year 2020 72,687 0.5700%

Year 2020 60,744 0.5700%

Year 2020 48,733 0.5700%

Year 2020 36,653 0.5700%

Year 2020 24,505 0.5700%   
Year 2020 12,287 0.5700%

(749)

(683)

(616)

(549)

(482)

(414)

(346)

(278)

(209)

(140)

(70)

(5,351)

(12,357) (119,786)

(12,357) (108,112)

(12,357) (96,371)

(12,357) (84,563)

(12,357) (72,687)

(12,357) (60,744)

(12,357) (48,733)

(12,357) (36,653)

(12,357) (24,505)

(12,357) (12,287)   
(12,357) 0

Total Amount of True-Up Adjustment for 2014 ATRR Less Over (Under) Recovery

Total Interest

$ (148,288)

$ 100,000   
$ (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, and 2019 and returned prorate over 2020

January Year 2015 (12,500) 0.5600%

Monthly

12.00 840 13,340

February   
March

April   
May   
June

Year 2015 (12,500)

Year 2015 (12,500)

Year 2015 (12,500)

Year 2015 (12,500)   
Year 2015 (12,500)

0.5600% 11.00 770 13,270

0.5600% 10.00 700 13,200

0.5600% 9.00 630 13,130

0.5600% 8.00 560 13,060

0.5600% 7.00 490 12,990

July

August

September   
October

November   
December

January through December   
January through December   
January through December   
January through December

Year 2015 (12,500) 0.5600% 6.00

Year 2015 (12,500) 0.5600% 5.00

Year 2015 (12,500) 0.5600% 4.00

Year 2015 (12,500) 0.5600% 3.00

Year 2015 (12,500) 0.5600% 2.00

Year 2015 (12,500) 0.5600% 1.00

Year 2016 155,460 0.5400% 12.00

Year 2017 165,534 0.5800% 12.00

Year 2018 177,055 0.5700% 12.00   
Year 2019 189,166 0.5700% 12.00

420

350

280

210

140

70

5,460

Annual

10,074

11,521

12,111

12,939

12,920

12,850

12,780

12,710

12,640

12,570

155,460

165,534

177,055

189,166

202,104

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months

January Year 2020

Monthly   
(202,104)

0.5700%

1,152 17,473 185,784

February   
March

April   
May   
June   
July

August

September   
October

November   
December

Year 2020 (185,784) 0.5700%

Year 2020 (169,370) 0.5700%

Year 2020 (152,863) 0.5700%

Year 2020 (136,262) 0.5700%

Year 2020 (119,566) 0.5700%

Year 2020 (102,775) 0.5700%

Year 2020 (85,888) 0.5700%

Year 2020 (68,905) 0.5700%

Year 2020 (51,826) 0.5700%

Year 2020 (34,649) 0.5700%   
Year 2020 (17,374) 0.5700%

1,059

965

871

777

682

586

490

393

295

197

99

7,566

17,473 169,370

17,473 152,863

17,473 136,262

17,473 119,566

17,473 102,775

17,473 85,888

17,473 68,905

17,473 51,826

17,473 34,649

17,473 17,374   
17,473 (0)

Total Amount of True-Up Adjustment for 2015 ATRR Less Over (Under) Recovery

Total Interest

$ 209,670

$ (150,000)   
$ 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

January Year 2016 8,333

Monthly

0.5400% 12.00

(540) (8,873)

February   
March

April   
May   
June   
July

August

September   
October

November   
December

January through December   
January through December   
January through December

Year 2016 8,333 0.5400% 11.00

Year 2016 8,333 0.5400% 10.00

Year 2016 8,333 0.5400% 9.00

Year 2016 8,333 0.5400% 8.00

Year 2016 8,333 0.5400% 7.00

Year 2016 8,333 0.5400% 6.00

Year 2016 8,333 0.5400% 5.00

Year 2016 8,333 0.5400% 4.00

Year 2016 8,333 0.5400% 3.00

Year 2016 8,333 0.5400% 2.00

Year 2016 8,333 0.5400% 1.00

Year 2017 (103,510) 0.5800% 12.00

Year 2018 (110,714) 0.5700% 12.00   
Year 2019 (118,287) 0.5700% 12.00

(495)

(450)

(405)

(360)

(315)

(270)

(225)

(180)

(135)

(90)

(45)

(3,510)

Annual

(7,204)

(7,573)

(8,091)

(8,828)

(8,783)

(8,738)

(8,693)

(8,648)

(8,603)

(8,558)

(8,513)

(8,468)

(8,423)

(8,378)

(103,510)

(110,714)

(118,287)

(126,378)

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months

January Year 2020

Monthly   
126,378

0.5700%

(720) (10,926) (116,173)

February   
March

April   
May   
June   
July

August

September   
October

November   
December

Year 2020 116,173 0.5700%

Year 2020 105,909 0.5700%

Year 2020 95,587 0.5700%

Year 2020 85,206 0.5700%

Year 2020 74,766 0.5700%

Year 2020 64,266 0.5700%

Year 2020 53,707 0.5700%

Year 2020 43,087 0.5700%

Year 2020 32,407 0.5700%

Year 2020 21,666 0.5700%   
Year 2020 10,864 0.5700%

(662)

(604)

(545)

(486)

(426)

(366)

(306)

(246)

(185)

(123)

(62)

(4,731)

(10,926) (105,909)

(10,926) (95,587)

(10,926) (85,206)

(10,926) (74,766)

(10,926) (64,266)

(10,926) (53,707)

(10,926) (43,087)

(10,926) (32,407)

(10,926) (21,666)

(10,926) (10,864)   
(10,926) 0

Total Amount of True-Up Adjustment for 2016 ATRR Less Over (Under) Recovery

Total Interest

$ (131,109)

$ 100,000   
$ (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

January Year 2017 25,000

Monthly

0.5800% 12.00 (1,740) (26,740)

February   
March

April   
May   
June   
July   
August

Year 2017 25,000

Year 2017 25,000

Year 2017 25,000

Year 2017 25,000

Year 2017 25,000

Year 2017 25,000   
Year 2017 25,000

0.5800% 11.00 (1,595) (26,595)

0.5800% 10.00 (1,450) (26,450)

0.5800% 9.00 (1,305) (26,305)

0.5800% 8.00 (1,160) (26,160)

0.5800% 7.00 (1,015) (26,015)

0.5800% 6.00 (870) (25,870)

0.5800% 5.00 (725) (25,725)

September   
October

November   
December

January through December   
January through December

Year 2017 25,000 0.5800% 4.00

Year 2017 25,000 0.5800% 3.00

Year 2017 25,000 0.5800% 2.00

Year 2017 25,000 0.5800% 1.00

Year 2018 (311,310) 0.5700% 12.00   
Year 2019 (332,604) 0.5700% 12.00

(580)

(435)

(290)

(145)

(11,310)

Annual

(21,294)

(22,750)

(25,580)

(25,435)

(25,290)

(25,145)

(311,310)

(332,604)

(355,354)

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months Monthly

January Year 2020 355,354 0.5700%

February   
March

April   
May   
June   
July

August

September   
October

November   
December

Year 2020 326,658 0.5700%

Year 2020 297,798 0.5700%

Year 2020 268,774 0.5700%

Year 2020 239,585 0.5700%

Year 2020 210,229 0.5700%

Year 2020 180,706 0.5700%

Year 2020 151,015 0.5700%

Year 2020 121,154 0.5700%

Year 2020 91,123 0.5700%

Year 2020 60,921 0.5700%   
Year 2020 30,547 0.5700%

(2,026)

(1,862)

(1,697)

(1,532)

(1,366)

(1,198)

(1,030)

(861)

(691)

(519)

(347)

(174)

(13,303)

(30,721) (326,658)

(30,721) (297,798)

(30,721) (268,774)

(30,721) (239,585)

(30,721) (210,229)

(30,721) (180,706)

(30,721) (151,015)

(30,721) (121,154)

(30,721) (91,123)

(30,721) (60,921)

(30,721) (30,547)   
(30,721) 0

Total Amount of True-Up Adjustment for 2017 ATRR Less Over (Under) Recovery

Total Interest

$ (368,657)

$ 300,000   
$ (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

January Year 2018 8,333

Monthly

0.5700% 12.00

(570) (8,903)

February   
March

April   
May   
June   
July

August

September   
October

November   
December

January through December

Year 2018 8,333 0.5700% 11.00

Year 2018 8,333 0.5700% 10.00

Year 2018 8,333 0.5700% 9.00

Year 2018 8,333 0.5700% 8.00

Year 2018 8,333 0.5700% 7.00

Year 2018 8,333 0.5700% 6.00

Year 2018 8,333 0.5700% 5.00

Year 2018 8,333 0.5700% 4.00

Year 2018 8,333 0.5700% 3.00

Year 2018 8,333 0.5700% 2.00

Year 2018 8,333 0.5700% 1.00

Year 2019 (103,705) 0.5700% 12.00

(523)

(475)

(428)

(380)

(333)

(285)

(238)

(190)

(143)

(95)

(48)

(3,705)

Annual

(7,093)

(8,856)

(8,808)

(8,761)

(8,713)

(8,666)

(8,618)

(8,571)

(8,523)

(8,476)

(8,428)

(8,381)

(103,705)

(110,798)

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months

January Year 2020

Monthly   
110,798

0.5700%

(632) (9,579) (101,851)

February   
March

April   
May   
June   
July

August

September   
October

November   
December

Year 2020 101,851 0.5700%

Year 2020 92,853 0.5700%

Year 2020 83,803 0.5700%

Year 2020 74,702 0.5700%

Year 2020 65,549 0.5700%

Year 2020 56,344 0.5700%

Year 2020 47,086 0.5700%

Year 2020 37,776 0.5700%

Year 2020 28,412 0.5700%

Year 2020 18,995 0.5700%   
Year 2020 9,525 0.5700%

(581)

(529)

(478)

(426)

(374)

(321)

(268)

(215)

(162)

(108)

(54)

(4,148)

(9,579) (92,853)

(9,579) (83,803)

(9,579) (74,702)

(9,579) (65,549)

(9,579) (56,344)

(9,579) (47,086)

(9,579) (37,776)

(9,579) (28,412)

(9,579) (18,995)

(9,579) (9,525)   
(9,579) 0

Total Amount of True-Up Adjustment for 2018 ATRR $ (114,946)

Less Over (Under) Recovery $ 100,000

Total Interest $ (14,946)

Note 1: This 'Hypothetical Example' sheet will be populated with actuals and used in each year's annual true-up calculation. Note 2: Enter the revenue requirement from the true-up for that year (Note 2)

Note 3: Enter the revenue requirement from re-running the prior year true-ups with the final cost of debt once all inputs to Attachment 5 are based on actual data.

Attachment 9 - Depreciation and Amortization

Rates

New York Transco LLC

Rate (Annual)

Account Number FERC Account 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

10 PRODUCTION PLANT All Accounts 0.00

11 DISTRIBUTION PLANT All Accounts 0.00

GENERAL PLANT

12 390 Structures & Improvements 3.36

13 391 Office Furniture & Equipment 5.24

14 392 Transportation Equipment 9.78

15 393 Stores Equipment 3.91

16 394 Tools, Shop & Garage Equipment 4.68

17 395 Laboratory Equipment 3.75

18 396 Power Operated Equipment 7.62

19 397 Communication Equipment 3.82

20 398 Miscellaneous Equipment 4.55

INTANGIBLE PLANT

21 303 Miscellaneous Intangible Plant

5 Yr 20.00

7 Yr 14.29

10 Year 10.00

15 year 6.67

Transmission facility Contributions in Aid of Construction Note 1

These depreciation and amortization 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.   
Once determined for a particular CIAC, the rate will not change for that CIAC absent Commission approval.

Attachment 10 - Workpapers   
 New York Transco LLC

Regulatory Assets

(a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) (w) (x) (y) (z) (aa)

Dec. 31 Jan. 31 Feb. 28/29 Mar. 31 Apr. 30 May 31 Jun. 30 Jul. 31 Aug. 31 Sept. 30 Oct. 31 Nov. 30 Dec. 31

No.

Recovery Current Amort % Allocated to

Amnt Recovery Period Monthly Amort Amort Periods Expense (d) Formula Rate   
Project Name Approved \* Months \* Exp (b) / (c) this year x (e) \*

Amort Exp in   
 Formula

Rate\*\*

(f) x (g) 2015 2016 2016 2016

2016 2016 2016 2016 2016

Avg Unamortized

Balance % Approved Allocated to Rate Base

Sum (i) through for Rate Base Formula Rate Balance (v)   
2016 2016 2016 2016 (u) / 13 \* (from (g)) x (w) x (x) Project Code Docket No

1a - - - - - -

1b - -

1c - -

- -

… - -

- -

… - -

- -

… - -

2 Total Regulatory Asset in Rate Base (sum lines 1a-1...):

- -

- - - - - -

-

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- -

-

\* Non-zero values in these columns may only be established per FERC order

\*\*All amortizations of the Regulatory Asset are to be booked to Account 566

Abandoned Plant

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

(i)

Dec. 31

(j) (k) (l) (m) (n)

Jan. 31 Feb. 28/29 Mar. 31 Apr. 30 May 31

(o) (p) (q) (r) (s)

Jun. 30 Jul. 31 Aug. 31 Sept. 30 Oct. 31

(t) (u) (v) (w) (x) (y) (z) (aa)   
Nov. 30 Dec. 31

Avg Unamortized

No.

Recovery Current Amort % Allocated to Amort Exp in

Amnt Recovery Period Monthly Amort Amort Periods Expense (d) Formula Rate Formula Rate   
Project Name Approved \* Months \* Exp (b) / (c) this year x (e) \* (f) x (g)

2014 2015 2015 2015 2015

2015 2015 2015 2015 2015

Balance % Approved Allocated to Rate Base

Sum (i) through for Rate Base Formula Rate Balance (v)   
2015 2015 2015 (u) / 13 \* (from (g)) x (w) x (x) Project Code Docket No

3a -

3b -

3c -

-

… -

-

-

-

… -

4 Total Abandoned Plant in Rate Base (sum lines 3a-3...):

\* Non-zero values in these columns may only be established per FERC order

Land Held for Future Use (LHFU)

(a) (b) (c) (d)

Land Held for Dec. 31   
Subaccount Future Use and

- -

- -

- -

- -

- -

- -

- -

- -

- -

-

(e) (f) (g) (h) (i)   
Jan. 31 Feb. 28/29 Mar. 31 Apr. 30 May 31

(j) (k) (l) (m) (n)   
Jun. 30 Jul. 31 Aug. 31 Sept. 30 Oct. 31

- - -

- - -

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- - -

- - -

-

(o) (p) (q)

Nov. 30 Dec. 31 Average of

Columns (d)

No. No. Item Name Estimated Date 2014 2015 2015 2015 2015 2015 2015 2015 2015 2015 2015 2015 2015 Through (p)

5a   
5b   
5c   
…   
…   
…   
…   
…

6 Total LHFU in rate base (sum lines 5a-5...):

CWIP in Rate Base

(a) (b) (c) (d)

Construction Start Estimated in-

(e) (f) (g) (h) (i)

Dec. 31 Jan. 31 Feb. 28/29 Mar. 31   
Approval Doc.

(j) (k) (l) (m) (n)   
Apr. 30 May 31 Jun. 30 Jul. 31 Aug. 31

-

-

-

-

-

-

-

-

-

(o) (p) (q) (r) (s) (t) (u)

Sept. 30 Oct. 31 Nov. 30 Dec. 31

Avg (f) through % approved Rate Base

No. Project Name job ID Date service date No. 2015 2016 2016 2016 2106 2016 2016 2016 2016 2016 2016 2016 2016 (r) for recovery Amnt (s) x (t)

7a 219,600,000 0   
7b

7c   
…   
…   
…

0 0 0 0 0 0 16,892,308 0.0% -

- 0.0% -

- 0.0% -

- 0.0% -

- 0.0% -

- 0.0% -

… - -

… - -

… - -

… - -

… - -

8 Total (sum lines 7a-7...) Total CWIP in Rate Base -

Change to recovery percent in Column (t) requires FERC order

Actual Additions by FERC Account

The total of these additions should total the additions reported in the FERC Form No.1 on page 206, lines 48 to 56

Project 350 352 352 353 354 355 356 357 358 359

Structures and Overhead Underground

Structures and Improvements - Station Towers and Poles and Conductor and Underground Conductor and Roads and

Land Rights Improvements Equipment Equipment Fixtures Fixtures Devices Conduit Devices Trails Total

9a Project 1 -

9b Project 2 -

9c -

… -

… -

… -

… -

… -

… -

… -

… -

… -

… -

10 Total(sum lines 9a-9...) --

Intangible Plant Detail

The total

Item Description Source Service Life Amount

11a Company Records

11b Company Records

11c Company Records

… Company Records

… Company Records

… Company Records

… Company Records

… Company Records

… Company Records

… Company Records

… Company Records

… Company Records

… Company Records

… Company Records

12 Total (sum lines 11a-11...) ties to 205.5.g -

Detail of Affiliate Charges Included in NY Transco's Books as Requested by Certain Parties to the Filing

Transactions between NY Transco and any entity that is associated (affiliated) with NY Transco must be reported on page 429 of the Form No. 1. The chart below is to include all charges to the NYTransco by an affiliate, by Affilate and by FERC account number

Central Consolidated Rochester

FERC Account Hudson G&E Edison Niagara Mohawk NY State E&G G&E Total

13a 101 -

13b …. -

13c …. -

…. …. -

… …. -

… 350 -

… …. -

… …. -

… …. -

… …. -

… …. -

… …. -

… 920

-

… …. -

… …. -

… 935 -

14 Total - - - - - - (sum lines 13a-13...)

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 fully populated   
with formulas intact 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 to demonstrate that each input to the formula rate is consistent with the requirements of the formula rate. 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.2

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 October

31 of the preceding Rate Year, or the next business day if October 31 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.

2 As used in these protocols, “Service List” shall include but not be limited to (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.

Section 2. True-up Adjustment

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 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 Year3 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

3 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.

maintenance expenses, depreciation and amortization expense, taxes, return on rate base, and revenue credits as compared to the corresponding components in the projected revenue requirement that was calculated for the prior Rate Year with an explanation of all 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

Attachment 7a.

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 fullyfunctioning Excel format containing the populated template with formula intact 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.” Any delay past the date on which the last of the   
events listed in Section 3.a or 3.b occurs shall result in an equivalent extension of

time for the submission of information requests and challenges, as described in Sections 4 and 5 below.

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   
including but not limited to (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”). NY Transco shall accommodate interested parties that wish to participate in the Stakeholder Meeting via teleconference or webinar. 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 to enable any   
interested party to replicate the calculation of the Formula Rate.4

4 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 from 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 discontinue   
form shall be utilized.

(ii) Shall provide supporting documentation and workpapers for the data used in the

Annual Update that are not otherwise available in the FERC Form No. 1,

including all adjustments made to the FERC Form No. 1 data in determining formula inputs.

(iii) Shall include a variance analysis of, at minimum, actual revenue requirement

components of rate base, operating and maintenance expenses, depreciation and   
amortization expense, taxes, return on rate base, and revenue credits as compared   
to the corresponding components in the projected revenue requirement that was

calculated for the prior Annual Update with an explanation of changes.

(iv) Shall provide notice and a narrative summary of all changes in NY Transco’s

accounting policies and practices from those in effect for the calendar year upon   
which the immediately preceding Annual Update was based that affect the   
Formula Rate or calculation of the Annual Update (“Accounting Change(s)”).   
Accounting Changes may, among other things, 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 mistakes and prior   
period adjustments,5 (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 could impact the Formula   
Rate or the calculations under the Formula Rate within the next three years; and

5 For purposes of these Protocols, “mistakes” shall mean errors or omissions regarding the values inputted into the   
Formula Rate template, such as, but not limited to, arithmetic and other inadvertent computational errors, erroneous   
Form No. 1 references, or the like. Mistakes shall not include matters involving exercise of judgment or substantive   
differences of opinion regarding the derivation of an input that is more properly the subject of the annual review   
process.

(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 could impact the Formula Rate or the calculations under the Formula Rate within the next three years.

(v) Shall be subject to review and challenge in accordance with the procedures set

forth in Sections 4, 5, and 6 of these Protocols.

(vi) 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

(vii) 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).

(viii) Shall provide support for any deferred income tax account balances, including any

Statement of Financial Accounting Standard Nos. 106 and 109 Adjustments.   
(ix) Shall identify and provide support for any costs and expenses related to any   
 merger or acquisition of a jurisdictional facility (including, but not limited to,   
 acquisition premiums and goodwill) that have been included in the Annual   
 Update, including a citation to the FERC order approving the recovery of such   
 costs and expenses; otherwise, any such costs that have been reported in the

FERC Form No. 1 must be deducted from the costs to be recovered in the Annual   
Update.

(x) Shall identify any asset retirement obligations (“ARO”) included in the Annual

Update, including a citation to the FERC order approving recovery of the ARO; otherwise, any such items reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update.

(xi) Shall identify the specific amounts included in the annual Update related to each

transmission incentive project, a citation to the proceeding in which FERC   
 granted the incentive, and provide a derivation of the value for each project. (xii) Shall include a worksheet listing all the errors and corrections agreed to by NY   
 Transco and any interested parties, or ordered by FERC, related to the previous   
 Rate Year that have been incorporated into the current Annual Update.

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. No changes may be made   
to the ROE, capital structure, PBOP expenses, or depreciation and/or amortization   
rates absent a filing under Sections 205 or 206 of the Federal Power Act.

g. Example - Timeline for 2015 Annual Update:

On or before September 30 of the first year, NY Transco will determine   
the projected Net Adjusted Revenue Requirement for the second 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 second   
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 of the second year if   
no costs have been recovered under the Formula Rate during the first year. On or   
before September 30 of the second year, NY Transco will post the Annual

Projection for the third Rate Year. On or before August 1 of the third year, NY   
Transco will post its first Annual Update, consisting of the True-up Adjustment   
for the second 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 fourth Rate Year posted on or before September 30   
of the third year. The Annual Update posted August 1 of the third year 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 but not limited to   
challenges related to Accounting Changes and to the Annual Update   
(“Preliminary Challenge”). Interested persons may challenge through a   
Preliminary Challenge or a Formal Challenge: (1) whether NY Transco has   
properly calculated the Annual Update under review (including any corrections   
pursuant to Section 6); (ii) whether the costs included in the Annual Update are   
properly recordable and recorded, prudent, reasonable, and incurred according to   
appropriate procurement methods and cost control methodologies and otherwise   
consistent with NY Transco’s accounting policies, practices and procedures   
consistent with the USofA; (iii) whether the input data used in the Annual Update   
are accurate and correctly used in the Formula Rate; (iv) the effect of Accounting   
Changes; and (v) whether the Formula Rate has been applied according to its   
terms, including the procedures in these Protocols. 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. Any Formal Challenges are to be filed in the NY Transco’s   
informational filing dockets.

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, reasonable, prudent, and incurred according to   
appropriate procurement methods and cost control methodologies 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; (iv) the effect of Accounting   
Changes; (v) the Formula Rate has been applied according to its terms, including the procedures in these Protocols; and (vi) any other information that may   
reasonably have substantive effect on the calculation of the revenue requirement pursuant to the Formula Rate. 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. The   
information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.

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. In the event an information request is not provided within 10 business   
days, the parties will mutually agree on an extension of the Review Period.

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. NY Transco shall not clam that   
responses to information and document requests provided pursuant to these   
protocols are subject to any settlement privilege, in any subsequent FERC   
proceeding addressing NY Transco’s Annual True-Up or Projected Net Revenue   
Requirement.

d. Failure to pursue an issue through a Preliminary Challenges or to otherwise lodge

a Formal Challenge regarding any issue as to a given Annual Update only bars

pursuit of such issue with respect to that Annual Update, and in no event shall bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a 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)(iv)   
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 (“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. Failure to raise an issue in a   
Preliminary Challenge shall not bar an Interested Person from raising that issue in   
a Formal Challenge.

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 bear the burden,

consistent with Section 205 of the Federal Power Act, of proving that it has

correctly applied the terms of the Formula Rate consistent with these Protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.

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. Construction Work in Progress

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 less than 100% 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. NY Transco will assign FPNs in such a way that an   
Interested Person can identify that the balances are associated with the same   
project.

(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 for which NY Transco is allowed to include 100% of

CWIP in rate base, NY Transco shall ensure that no AFUDC will be accrued under the associated FPN.

(iv) For each CWIP Project, NY Transco shall prepare monthly work order summaries

of costs incurred under the associated FPN. These summaries shall show monthly   
additions to CWIP and plant in service and shall correspond to amounts recorded

in NY Transco’s FERC Form No. 1. NY Transco shall use these summaries as data inputs into the Annual Update calculated pursuant to Section 3 and shall make such work order summaries available upon request pursuant to the review procedures of Section 4.

(v) When a CWIP Project is, or portion thereof, is placed into service, NY Transco

shall deduct from total CWIP the accumulated charges for work orders under the   
FPN for that project, or portion thereof. The purpose of this control process is to   
ensure that expenditures are not double counted as both CWIP and as additions to   
plant.

(vi) 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.