

Attachment 6

6.12.5 Attachment 1 – Rate Mechanism for the Recovery of the Hurley Avenue Highway System Deliverability Upgrade

6.12.5.1 Applicability

This Attachment 1 to Rate Schedule 12 of the ISO OATT establishes the HFC for the recovery of costs for the Hurley Avenue Highway System Deliverability Upgrade (“Project”). Central Hudson Gas & Electric Corporation (“Central Hudson”) may recover eligible costs for the Project in accordance with the requirements of Rate Schedule 12 of the ISO OATT. For purposes of Rate Schedule 12 of the ISO OATT: (i) the Project shall constitute the applicable “Highway SDU”; and (ii) Central Hudson shall constitute the applicable “Transmission Owner” to recover costs for the Project through the HFC.

6.12.5.2 Project Revenue Requirement

For purposes of Rate Schedule 12 of the ISO OATT, the revenue requirement for the Project shall be determined in accordance with the formula rate template provided in Section 6.12.5.2.1 of this Attachment and the procedures set forth in Section 6.12.5.2.2 of this Attachment.

6.12.5.2.1 Formula Rate Template

Index

Rate Formula Template
Utilizing FERC Form 1 Data

Projected Annual Transmission Revenue Requirement
For the 12 months ended 5/31/21

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

Appendix A	Main body of the Formula Rate
Attachment 1	Detail of the Revenue Credits
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	True-Up calculations
Attachment 8	Depreciation Rates
Attachment 9	Workpapers

Formula Rate - Non-Levelized			Rate Formula Template Utilizing FERC Form 1 Data		Projected Annual Transmission Revenue For the 12 months	
HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE						
			(1)	(2)	(3)	
Line No.					Allocated Amount	
1	GROSS REVENUE REQUIREMENT	(line 74)		12 months		
REVENUE CREDITS			Total	Allocator		
2	Total Revenue Credits	Attachment 1, line 6	-	TP	-	
3	Net Revenue Requirement	(line 1 minus line 2)			-	
4	True-up Adjustment	Attachment 7	-	DA	-	
5	NET ADJUSTED REVENUE REQUIREMENT	(line 3 plus line 4)			\$	-

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 mont

Line No.	(1)		(2)		(3)		(4)		(5)	
	HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE		Form No. 1		Company Total		Allocator		Transmission	
	RATE BASE:		Page, Line, Col.						(Col 3 times Col 4)	
6	GROSS PLANT IN SERVICE (Note M)									
7	Production		(Attach 2, line 75)		-		NA		-	
8	Transmission		(Attach 2, line 15)		-		TP		1.0000	
9	Distribution		(Attach 2, line 30)		-		NA		-	
10	General & Intangible		(Attach 2, lines 45 & 60)		-		W/S		-	
11	TOTAL GROSS PLANT (sum lines 6-9)		(GP=1 if plant =0)		-		GP=		-	
12	ACCUMULATED DEPRECIATION & AMORTIZATION (Note M)									
13	Production		(Attach 2, line 151)		-		NA		-	
14	Transmission		(Attach 2, line 91)		-		NA		-	
15	Distribution		(Attach 2, line 106)		-		NA		-	
16	General & Intangible		(Attach 2, lines 121 & 136)		-		NA		-	
17	TOTAL ACCUM. DEPRECIATION (sum lines 12-15)				-					
18	NET PLANT IN SERVICE									
19	Production		(line 6- line 12)		-					
20	Transmission		(line 7- line 13)		-					
21	Distribution		(line 8- line 14)		-					
22	General & Intangible		(line 9- line 15)		-					
23	TOTAL NET PLANT (sum lines 18-21)		(NP=1 if plant =0)		-		NP=		-	
24	ADJUSTMENTS TO RATE BASE (Note A)									
24b	ADIT		(Attach 6a, line 9)		#DIV/0!		DA		1.0000	
25	Tax Reform		(Attach 11a, line 8)		#REF!				#DIV/0!	
26	Account No. 255 (enter negative) (Note F)		(Attach 3, line 153)		-		NP		-	
27	CWIP		(Attach 10)		-		DA		-	
28	Unfunded Reserves (enter negative)		(Attach 3, line 170a)		-		DA		1.0000	
29	Unamortized Regulatory Assets		(Attach 10) (Note L)		-		DA		1.0000	
30	Unamortized Abandoned Plant		(Attach 10) (Note K)		-		DA		1.0000	
31	TOTAL ADJUSTMENTS (sum lines 24-29)				#DIV/0!				#DIV/0!	
32	LAND HELD FOR FUTURE USE		Attachment 10		-		NA		1.0000	
33	WORKING CAPITAL (Note C)									
34	CWC		calculated (1/8 * Line 45)		9,045,405				#DIV/0!	
35	Materials & Supplies (Note B)		(Attach 3, line 189)		-		NA		1.0000	
36	Prepayments (Account 165 - Note C)		(Attach 3, line 170)		-		GP		-	
37	TOTAL WORKING CAPITAL (sum lines 33-35)				9,045,405				#DIV/0!	
38	RATE BASE (sum lines 22, 30, 31, & 36)				#DIV/0!				#DIV/0!	

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 mont

(1)		(2)		(3)	(4)		(5)
		HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE					
		Form No. 1	Company Total		Allocator	Transmission	
		Page, Line, Col.				(Col 3 times Col 4)	
38	O&M						
39	Transmission	321.116.b	11,753,917		AGP	#DIV/0!	#DIV/0!
40	Less Accounts 565, 561 and 561.1 to 561.8	321.99.b & 87.b to 94.b	2,321,480		AGP	#DIV/0!	#DIV/0!
41	A&G	323.205.b	62,930,800		W/S	#DIV/0!	#DIV/0!
42	Less EPRI & Reg. Comm. Exp. & Other Ad.	(Note D & Attach 3, line 171)	-		W/S	#DIV/0!	#DIV/0!
43	Plus Transmission Related Reg. Comm. Exp.	(Note D & Attach 3, line 172)	-		AGP	#DIV/0!	#DIV/0!
44	PBOP expense adjustment	(Attach 3, line 243)	-		AGP	#DIV/0!	#DIV/0!
44a	Less Account 566	321.100.b	1,103,807		W/S	#DIV/0!	#DIV/0!
44b	Amortization of Regulatory Assets	(Attach 10, line 2)	-		W/S	#DIV/0!	#DIV/0!
44c	Account 566 excluding amort. of Reg Assets	(line 44a less line 44b)	1,103,807		W/S	#DIV/0!	#DIV/0!
45	TOTAL O&M (sum lines 39, 41, 43, 44, 44b, 44c less lines 40 & 42, 44a) (Note D)		72,363,237				#DIV/0!
46	DEPRECIATION EXPENSE						
47	Transmission	336.7.f	-		DA	1.0000	-
48	General and Intangible	336.1.f + 336.10.f	-		W/S	1.0000	-
49	Amortization of Abandoned Plant	(Attach 3, line 155) (Note K)	-		DA	1.0000	-
50	TOTAL DEPRECIATION (Sum lines 47-49)		-				-
51	TAXES OTHER THAN INCOME TAXES (Note E)						
52	LABOR RELATED						
53	Payroll	263.3.i + 263.4.i + 263.12.i	42,567,300		W/S	#DIV/0!	#DIV/0!
54	Highway and vehicle	263...i (enter FN1 line #)	-		W/S	#DIV/0!	#DIV/0!
55	PLANT RELATED						
56	Property	263.24.i + 263.25.i	39,087,352		AEP	#DIV/0!	#DIV/0!
57	Gross Receipts	263.14.i + 263.26.i	(7,259)		NA	-	-
58	Other	263.15.i	720		AEP	#DIV/0!	#DIV/0!
59	TOTAL OTHER TAXES (sum lines 53-58)		81,648,113				#DIV/0!
60	INCOME TAXES (Note F)						
61	$T = 1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\}^{(1-n)}$		0.2614				0.2614
62	$\text{CIT} = (T / (1 - T)) * (1 - (\text{WCLTD} / \text{R})) =$		#DIV/0!				#DIV/0!
63	where WCLTD=(line 95) and R=(line 98)						
64	and FIT, SIT, p, & n are as given in footnote F.						
65	$1 / (1 - T) = (T \text{ from line 61})$		1.3538				1.354
66	Amortized Investment Tax Credit (Attachment 4, line 14)		-				
67	Income Tax Calculation = line 62 * line 71 * (1-n)		#DIV/0!				#DIV/0!
68	ITC adjustment (line 65 * line 66 * (1-n))		-		NP	-	-
69	Total Income Taxes (line 67 plus line 68)		#DIV/0!				#DIV/0!
70	RETURN						
71	[Rate Base (line 37) * Rate of Return (line 98)]		#DIV/0!		NA		#DIV/0!
72	Rev Requirement before Incentive Projects (sum lines 45, 50, 59, 69, 71)		#DIV/0!				#DIV/0!
73	Incentive Return and Income Tax on Authorized Projects (Attach 4, line 58, col h)		#DIV/0!		DA	100%	#DIV/0!
74	Total Revenue Requirement (sum lines 72 & 73)		#DIV/0!				#DIV/0!

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 mont

**HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
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)								2,557,690.00
78	Less transmission plant included in OATT Ancillary Services (Note H)	(Attachment 3, line 175)								-
79	Transmission plant included in RTO rates (line 76 less lines 77 & 78)									2,557,690.00
80	Percentage of transmission plant included in RTO Rates (line 79 divided by line 76) [If line 76 equal zero, enter 1]					TP=				1.0000
81	ADJUSTED TRANSMISSION PLANT INCLUDED IN RTO RATES									
82	Total transmission plant (line 15, column 3)									-
	Plus CIAC Reveived (O&M, A&G and Taxes other than income would be on full amount)									17,621,749.00
83	Total Adjusted Transmission Plant									17,621,749.00
	Transmission plant included in RTO rates (line 82 less lines & 83)									-
84						AGP=				#DIV/0!
81	ADJUSTED PLANT INCLUDED IN RTO RATES									
82	Total transmission plant (line 22, column 3)									-
	Plus CIAC Reveived (O&M, A&G and Taxes other than income would be on full amount)									17,621,749.00
83	Total Adjusted Transmission Plant									17,621,749.00
	Total Gross Plant									-
84						AEP=				#DIV/0!
										=
85	WAGES & SALARY ALLOCATOR (W&S) (Note I)									
86		Form 1 Reference	\$		AGP		Allocation			
87	Production	354.20.b	2,692,974.00		0.00		-			
88	Transmission	354.21.b	3,389,676.00		#DIV/0!		#DIV/0!		Weighted	
89	Distribution	354.23.b	25,895,435.00		0.00		-		W&S Allocator	
90	Other	354.24,25,26.b	31,336,359.00		0.00		-		(\$ / Allocation)	
91	Total (sum lines 87-90) [TP equals 1 if there are no wages & salaries]		63,314,444.00				#DIV/0!	=	#DIV/0!	#DIV/0!
										=R
92	RETURN (R) (Note J)									
93										
94			\$		%		Cost			
95	Long Term Debt	(Attach 3, lines 249 & 270 or Attach 5) (Note G)	-		#DIV/0!		#DIV/0!			
96	Preferred Stock	(Attachment 3, lines 251 & 273)	100.00		-		-			
97	Common Stock	(Attachment 3, line 257)	(100.00)		#DIV/0!		10.60%			
98	Total (sum lines 95-97)		-							
Development of Base Carrying charge and Summary of Incentive and Non-Incentive Investments										
		Source of Total Column				(a)	(b)			
		(Line 19 and Transmission CIACs)				Non-Incentive	Incentive			
99	Net Transmission Plant in Service	(Line 26)				Investments from	Investments from			
100	CWIP in Rate Base	(Line 29)				Attachment 4	Attachment 4			
101	Unamortized Abandoned Plant	(Line 28)				(Note N)	(Note N)			
102	Regulatory Assets									
103	Development of Base Carrying charge and Summary of Incentive and Non-Incentive Investments									
104	Return and Taxes	(Lines 69 & 71)								

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

For the 12 mont

SUPPORTING CALCULATIONS AND NOTES

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

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 =	0.21	
SIT=	0.0650	(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)

0.7250
0.2750

- 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

step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.

- I Enter dollar amounts
- J ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC under FPA Section 205 or 206.
The Capital Structure will be the actual Capital
Structure as of FERC filing. Line 99 will be based

Appendix A
Page 1 of 5

nue Requirement
hs ended 5/31/21

Appendix A
Page 2 of 5

hs ended 5/31/21

hs ended 5/31/21

hs ended 5/31/21

	(c)
Total	
	2,557,690
	-
	-
	-
	2,557,690
	#DIV/0!
	-
	#DIV/0!

Appendix A
Page 5 of 5

hs ended 5/31/21

Attachment 1 - Revenue Credit Workpaper*
HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

Account 454 - Rent from Electric Property (300.19.b)	Notes 1 & 3	
1 Rent from FERC Form No. 1		-
Account 456 (including 456.1) (300.21.b and 300.22.b)	Notes 1 & 3	
2 Other Electric Revenues (Note 2)		-
3 Professional Services		-
4 Revenues from Directly Assigned Transmission Facility Charges (Note 2)		-
5 Rent or Attachment Fees associated with Transmission Facilities		-
6 Total Revenue Credits	Sum lines 2-5 + line 1	-

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

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

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

Line No.		TOTAL	NY-ISO	Other 1	Other 2
1	Account 456				
1a	Transmission Service	-	-	-	-
...		-	-	-	-
1x	Trans. Fac. Charge	-	-	-	-
2	Trans Studies	-	-	-	-
3	Total	-	-	-	-
4	Less:				
5	Revenue for Demands in Divisor	-	-	-	-
6	Sub Total Revenue Credit	-	-	-	-
7	Prior Period Adjustments	-	-	-	-
8	Total	-	-	-	-
9	Account 454	\$			
9a	Joint pole attachments - telephone	-			
9b	Joint pole attachments - cable	-			
9c	Underground rentals	-			
9d	Transmission tower wireless rentals	-			
9e	Misc non-transmission rentals	-			
9f		-			
9g		-			
...		-			
9x		-			
10	Total	-			

Attachment 2 - Cost Support
HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

Plant in Service Worksheet

1	<u>Calculation of Transmission Plant In Service</u>	Source	Year	Balance
2	March	company records	2018	
3	April	company records	2018	
4	May	company records	2018	
5	June	company records	2018	
6	July	company records	2018	
7	August	company records	2018	
8	September	company records	2018	
9	October	company records	2018	
10	November	company records	2018	
11	December	p207.58.g	2018	
12	January	company records	2019	
13	February	company records	2019	
14	March	company records	2019	
15	Transmission Plant In Service	(sum lines 2-14) /13		
16	<u>Calculation of Distribution Plant In Service</u>	Source		
17	March	company records	2018	
18	April	company records	2018	
19	May	company records	2018	
20	June	company records	2018	
21	July	company records	2018	
22	August	company records	2018	
23	September	company records	2018	
24	October	company records	2018	
25	November	company records	2018	
26	December	p207.75.g	2018	
27	January	company records	2019	
28	February	company records	2019	
29	March	company records	2019	
30	Distribution Plant In Service	(sum lines 17-29) /13		

31 Calculation of Intangible Plant In Service

32	March	Source	
33	April	company records	2018
34	May	company records	2018
35	June	company records	2018
36	July	company records	2018
37	August	company records	2018
38	September	company records	2018
39	October	company records	2018
40	November	company records	2018
41	December	p205.5.g	2018
42	January	company records	2019
43	February	company records	2019
44	March	company records	2019
45	Intangible Plant In Service	(sum lines 32-44) /13	

46 Calculation of General Plant In Service

47	March	Source	
48	April	company records	2018
49	May	company records	2018
50	June	company records	2018
51	July	company records	2018
52	August	company records	2018
53	September	company records	2018
54	October	company records	2018
55	November	company records	2018
56	December	p207.99.g	2018
57	January	company records	2019
58	February	company records	2019
59	March	company records	2019
60	General Plant In Service	(sum lines 47-59) /13	

61	<u>Calculation of Production Plant In Service</u>	Source		
62	March	company records	2018	
63	April	company records	2018	
64	May	company records	2018	
65	June	company records	2018	
66	July	company records	2018	
67	August	company records	2018	
68	September	company records	2018	
69	October	company records	2018	
70	November	company records	2018	
71	December	p205.46.g	2018	
72	January	company records	2019	
73	February	company records	2019	
74	March	company records	2019	
75	Production Plant In Service	(sum lines 62-74) /13		
76	<u>Total Plant In Service</u>	(sum lines 15, 30, 45, 60, & 75)		-
Accumulated Depreciation Worksheet				
Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
77	<u>Calculation of Transmission Accumulated Depreciation</u>	Source	Year	Balance
78	March	company records	2018	
79	April	company records	2018	
80	May	company records	2018	
81	June	company records	2018	
82	July	company records	2018	
83	August	company records	2018	
84	September	company records	2018	
85	October	company records	2018	
86	November	company records	2018	
87	December	p219.25.b	2018	
88	January	company records	2019	
89	February	company records	2019	
90	March	company records	2019	
91	Transmission Accumulated Depreciation	(sum lines 78-90) /13		

92 Calculation of Distribution Accumulated Depreciation

93	March	Source	company records	2018
94	April	company records	2018	2018
95	May	company records	2018	2018
96	June	company records	2018	2018
97	July	company records	2018	2018
98	August	company records	2018	2018
99	September	company records	2018	2018
100	October	company records	2018	2018
101	November	company records	2018	2018
102	December	p219.25.b	2018	2018
103	January	company records	2019	2019
104	February	company records	2019	2019
105	March	company records	2019	2019
106	Distribution Accumulated Depreciation	(sum lines 93-105) /13	-	-

107 Calculation of Intangible Accumulated Amortization

108	March	Source	company records	2018
109	April	company records	2018	2018
110	May	company records	2018	2018
111	June	company records	2018	2018
112	July	company records	2018	2018
113	August	company records	2018	2018
114	September	company records	2018	2018
115	October	company records	2018	2018
116	November	company records	2018	2018
117	December	p200.21.c	2018	2018
118	January	company records	2019	2019
119	February	company records	2019	2019
120	March	company records	2019	2019
121	Accumulated Intangible Amortization	(sum lines 108-120) /13	-	-

122	<u>Calculation of General Accumulated Depreciation</u>	Source	
123	March	company records	2018
124	April	company records	2018
125	May	company records	2018
126	June	company records	2018
127	July	company records	2018
128	August	company records	2018
129	September	company records	2018
130	October	company records	2018
131	November	company records	2018
132	December	p219.28.b	2018
133	January	company records	2019
134	February	company records	2019
135	March	company records	2019
136	Accumulated General Depreciation	(sum lines 123-135) /13	-
137	<u>Calculation of Production Accumulated Depreciation</u>	Source	
138	March	company records	2018
139	April	company records	2018
140	May	company records	2018
141	June	company records	2018
142	July	company records	2018
143	August	company records	2018
144	September	company records	2018
145	October	company records	2018
146	November	company records	2018
147	December	p219.20 thru 219.24.b	2018
148	January	company records	2019
149	February	company records	2019
150	March	company records	2019
151	Production Accumulated Depreciation	(sum lines 138-150) /13	
152	<u>Total Accumulated Depreciation and Amortization</u>	(sum lines 91, 106, 121, 136, & 151)	-

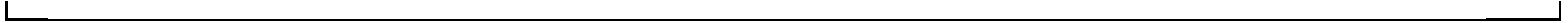
Attachment 3 - Cost Support
HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

				Details
Numbering continues from Attachment 2		Beginning of Year	End of Year	Average Balance
153	Account No. 255 (enter negative)	267.8.h	-	-
154	Unamortized Abandoned Plant (recovery of abandoned plant requires a FERC order approving the amount and recovery period)	Attachment 10, line 2, col. (v)		-
155	Amortization of Abandoned Plant	Attachment 10, line 2, col. (h)		Amortization Expense -
156	Prepayments (Account 165) (Prepayments exclude Prepaid Pension Assets)		Year	Balance
157	March	111.57.c	2018	
158	April	company records	2018	
159	May	company records	2018	
160	June	111.57.c	2018	
161	July	company records	2018	
162	August	company records	2018	
163	September	111.57.c	2018	
164	October	company records	2018	
165	November	company records	2018	
166	December	111.57.c	2018	
167	January	company records	2019	
168	February	company records	2019	
169	March	111.57.c	2019	
170	Prepayments	(sum lines 157-169) /13	-	

Reserves

170a	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Amount	Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account	Enter 1 if the accrual account is included in the formula rate, enter (0) if the accrual account is NOT included in the formula rate	Enter the percentage paid for by customers, 1 less the percent associated with an offsetting liability on the balance sheet	Allocation (Plant or Labor Allocator)	Amount Allocated, col. c x col. d x col. e x col. f x col. g
	Injuries & Damages Reserve 112.27.d		1	-	-	-	-
	Reserve 2	-	-	-	-	-	-
	Reserve 3	-	-	-	-	-	-
	Reserve 4	-	-	-	-	-	-
	...	-	-	-	-	-	-
	...	-	-	-	-	-	-
	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			EPRI & EEI Costs to be Excluded	Details
Allocated General & Common Expenses				
171	EPRI and EEI Dues to be excluded from the formula rate	EPRI Dues p353...f (enter FN1 line #)	-	

Regulatory Expense Related to Transmission Cost Support						
Directly Assigned A&G			Form 1 Amount	Transmission Related	Other	Details*
172	Regulatory Commission Exp Account 928	p323.189.b		-	-	
* insert case specific detail and associated assignments here						

Multi-state Workpaper

		New York	MTA	NYC	Weighed Average
Income Tax Rates					
	Weighting	1	0	0	
173	SIT=State Income Tax Rate or Composite	6.50%	0.00%	0.00%	6.50%
Multiple state rates are weighted based on the state apportionment factors on the state income tax returns and the number of days in the year that the rates are effective (see Note F)					

Safety Related and Education and Out Reach Cost Support

		Form 1 Amount	Safety Related, Education, Siting & Outreach Related	Other	Details
Directly Assigned A&G					
174	General Advertising Exp Account 930.1			-	
<p>Safety advertising consists of any advertising whose primary purpose is to educate the recipient as to what is safe or is not safe.</p> <p>Education advertising consists of any advertising whose primary purpose is to educate the recipient as about transmission related facts or issues</p> <p>Outreach advertising consists of advertising whose primary purpose is to attract the attention of the recipient about a transmission related issue</p> <p>Siting advertising consists of advertising whose primary purpose is to inform the recipient about locating transmission facilities</p> <p>Lobbying expenses are not allowed to be included in account 930.1</p>					

Excluded Plant Cost Support

		Excluded Transmission Facilities	Transmission plant included in OATT Ancillary Services and not otherwise excluded	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
175	Excluded Transmission Facilities	2,557,690	-	All other Transmission Assets besides the Hurley Ave Smart Wires
Add more lines if necessary				

Materials & Supplies

			Stores Expense	Transmission Materials	Construction Materials	Total
			Undistributed	& Supplies	& Supplies	
			p227.16	p227.8	p227.5	
Note: for the projection, the prior year's actual balances will be used						
Form No.1 page						
176	March	Company Records		-		-
177	April	Company Records		-		-
178	May	Company Records		-		-
179	June	Company Records		-		-
180	July	Company Records		-		-
181	August	Company Records		-		-
182	September	Company Records		-		-
183	October	Company Records		-		-
184	November	Company Records		-		-
185	December	Column c		-		-
186	January	Company Records		-		-
187	February	Company Records		-		-
188	March	Company Records		-		-
189	Average					-

PBOPs

Details

189	<u>Calculation of PBOP Expenses</u>	
190	<u>ConEd</u>	
191	Total PBOP expenses	
192	Labor dollars	
193	Cost per labor dollar	
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	<u>NIMo</u>	
199	Total PBOP expenses	
200	Labor dollars	
201	Cost per labor dollar	
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	<u>NYSEG</u>	
208	Total PBOP expenses	
209	Labor dollars	
210	Cost per labor dollar	
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	<u>RGE</u>	
217	Total PBOP expenses	
218	Labor dollars	
219	Cost per labor dollar	
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	<u>CHG&E</u>	
226	Total PBOP expenses	
227	Labor dollars	
228	Cost per labor dollar	
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	<u>HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE</u>	
235	Total PBOP expenses	
236	Labor dollars	
237	Cost per labor dollar	
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
HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

COST OF CAPITAL

Line No.	Description	Form No.1 Reference	March	April	May	June	July	August	September	October	November	December	January	February	March	12 Month Avg.
			Col. (c)	company records	company records	Col. (c)	company records	company records	Col. (c)	company records	company records	Col. (c)	company records	company records	Col. (c)	Col. (d)
244	Long Term Debt:															
245	Acct 221 Bonds	112.18.c.d	-	-	-	-	-	-	-	-	-	-	-	-	-	-
246	Acct 223 Advances from Assoc. Companies	112.20.c.d	-	-	-	-	-	-	-	-	-	-	-	-	-	-
247	Acct 224 Other Long Term Debt	112.21.c.d														
248	Less: Acct 222 Reacquired Debt	112.19.c. d enter negative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
249	Total Long Term Debt	Sum Lines 244 - 248	-	-	-	-	-	-	-	-	-	-	-	-	-	-
250																
251	Preferred Stock	112.3.c.d	100	100	100	100	100	100	100	100	100	100	100	100	100	100
252																
253	Common Equity- Per Books	112.16.c.d														
254	Less: Acct 264 Preferred Stock	112.3.c.d	100	100	100	100	100	100	100	100	100	100	100	100	100	100
255	Less: Acct 219 Accum Other Compns. Income	112.15.c.d														
256	Less: Acct 216.1 Unappropriated Undistributed															
257	Subsidiary Earnings	112.12.c.d														
258	Adjusted Common Equity	Ln 253 - 254 - 255 - 256	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
259	Total (Line 249 plus Line 251 plus Line 257)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
260																
261	Cost of Debt															
262	Acct 427 Interest on Long Term Debt	117.62.c														
263	Acct 428 Amortization of Debt Discount and	117.63.c														
264	Acct 430 Interest on Debt to Assoc. Companies (LTD	117.64.c														
265	portion only) (2)	117.67.c	-	-	-	-	-	-	-	-	-	-	-	-	-	-
266	Less: Acct 429 Amort of Premium on Debt	117.65.c enter negative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
267	Reacquired Debt	117.66.c enter negative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
268	Total Interest Expense	Sum Lines 262 - 267	-	-	-	-	-	-	-	-	-	-	-	-	-	-
269																
270	Average Cost of Debt (Line 268 / Line 249)															#DIV/0!
271																
272	Cost of Preferred Stock															
273	Preferred Stock Dividends	118.29.c	-	-	-	-	-	-	-	-	-	-	-	-	-	-
274																
275	Average Cost of Preferred Stock (Line 273 / Line 251)		-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note 2. Interest on Debt to Associated Companies (FERC 430) will be populated with interest related to Long Term Debt only.

Incentive ROE and 60/40 Project Worksheet
Attachment 4

Rate Formula Template
Utilizing Appendix A Data

For the 12 months ended 12/31/2019

The calculations below calculate 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 calculate the actual increase in revenue in the table below (starting on line 66) associated with the actual incentive authorized by the Commission. The use of the 100 basis point calculations do not presume any particular incentive (i.e., 100 basis points) being granted by the Commission.

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE				
Base ROE and Income Taxes Carrying Charge		Allocator		Result
1	Rate Base			#DIV/0!
2	BASE RETURN CALCULATION:			
3	Long Term Debt (Appendix A, Line 91)	\$ -	% #DIV/0!	#DIV/0!
4	Preferred Stock (Appendix A, Line 92)	100	0%	0.00%
5	Common Stock (Appendix A, Line 93)	(100)	#DIV/0!	#DIV/0!
6	Total (sum lines 3-5)	-		#DIV/0!
7	Return multiplied by Rate Base (line 1 * line 6)			#DIV/0!
8	INCOME TAXES			
9	$T = 1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)$ = (Appendix A, line 61)	0.2614		
10	$CIT = (T / (1 - T)) * (1 - (WCLTD/R))$ =	#DIV/0!		
11	where WCLTD = (line 3) and R = (line 6)			
12	and FIT, SIT & p are as given in footnote F on Appendix A.			
13	$1 / (1 - T) = (T \text{ from line 9})$	1.3538		
14	Amortized Investment Tax Credit (266.8f) (enter negative)	-		
15	Income Tax Calculation = line 10 * line 7 * (1-n)	#DIV/0!		#DIV/0!
16	ITC adjustment (line 13 * line 14) * (1-n)	-	NP	-
17	Total Income Taxes (line 15 plus line 16)	#DIV/0!		#DIV/0!
18	Base Return and Income Taxes	Sum lines 7 and 17		#DIV/0!
19	Rate Base	Line 1		#DIV/0!
20	Return and Income Taxes at Base ROE	Line 18 / line 19		#DIV/0!

100 Basis Point Incentive ROE and Income Taxes Carrying Charge

Attachment 4

21	Rate Base					Result #DIV/0!
22	100 Basis Point Incentive Return impact on					
23	Long Term Debt (line 3)	\$ -	% #DIV/0!	Cost #DIV/0!	Weighted #DIV/0!	
24	Preferred Stock (line 4)	100.00	0%	0.00%	-	
25	Common Stock (line 5 plus 100 basis points)	(100.00)	#DIV/0!	11.60%	#DIV/0!	
26	Total (sum lines 24-26)	-			#DIV/0!	
27	100 Basis Point Incentive Return multiplied by Rate Base (line 21 * line 26)					#DIV/0!
28	INCOME TAXES					
29	$T = 1 - [(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)$ = (Appendix A, line 61)	0.2614				
30	$\text{CIT} = (T / (1 - T)) * (1 - (\text{WCLTD} / R))$ =	#DIV/0!				
31	where WCLTD=(line 23) and R= (line 26)					
32	and FIT, SIT & p are as given in footnote F on Appendix A.					
33	$1 / (1 - T) = (T \text{ from line 29})$	1.3538				
34	Amortized Investment Tax Credit (line 14)	-				
35	Income Tax Calculation = line 30 * line 27 * (1-n)	#DIV/0!				#DIV/0!
36	ITC adjustment (line 33 * line 34) * (1-n)	-	NP	-	-	
37	Total Income Taxes (line 35 plus line 36)	#DIV/0!				#DIV/0!
38	Return and Income Taxes with 100 basis point increase in ROE		Sum lines 27 and 37			#DIV/0!
39	Rate Base		Line 21			#DIV/0!
40	Return and Income Taxes with 100 basis point increase in ROE		Line 38 / line 39			#DIV/0!
41	Difference in Return and Income Taxes between Base ROE and 100 Basis Point Incentive		Line 41 - Line 20			#DIV/0!

Effect of 1% Increase in the Equity Ratio

42	Rate Base					Results #DIV/0!
43	100 Basis Point Incentive Return					
44	Long Term Debt (line 3 minus 1% in equity ratio)	\$ -	% #DIV/0!	Cost #DIV/0!	Weighted #DIV/0!	
45	Preferred Stock (line 4)	-	0%	0.00%	0.00%	
46	Common Stock (line 5 plus 1% in equity ratio)	-	#DIV/0!	10.60%	#DIV/0!	
47	Total (sum lines 44-46)	-			#DIV/0!	
48	Line 47 x line 42					#DIV/0!
49	INCOME TAXES					
50	$T = 1 - [(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)$ = (Appendix A, line 61)	0.2614				
51	$\text{CIT} = (T / (1 - T)) * (1 - (\text{WCLTD} / R))$ =	#DIV/0!				
52	where WCLTD=(line 44) and R= (line 47)					
53	and FIT, SIT & p are as given in footnote F on Appendix A.					
54	$1 / (1 - T) = (T \text{ from line 50})$	1.3538				
55	Amortized Investment Tax Credit (line 14)	-				
56	Income Tax Calculation = line 51 * line 48 * (1-n)	#DIV/0!				#DIV/0!
57	ITC adjustment (line 54 * line 55) * (1-n)	-	NP	-	-	
58	Total Income Taxes (line 56 plus line 57)	#DIV/0!				#DIV/0!
59	Return and Income Taxes with 1% Increase in the Equity Ratio		Sum lines 48 and 58			#DIV/0!
60	Rate Base		Line 42			#DIV/0!
61	Return and Income Taxes with 1% Increase in the Equity Ratio		Line 59 / line 60			#DIV/0!
62	Difference between Base ROE and 1% Increase in the Equity Ratio		Line 61 - Line 20			#DIV/0!

Attachment 4

63 Revenue Requirement per project including incentives

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

#DIV/0!

65 Base Carrying Charge (used in / Line 102 Appendix A

#DIV/0!

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	Net Investment (Note A)	ROE Authorized by FERC (Note C)	ROE Base (From Appendix A, line 93)	Incentive % Authorized by FERC	Line 41	Col (e) / .01 x Col (f)	Incentive \$ (Col (b) x Col (g))	Equity % in Capital Structure (% above base %, -% below base %)(1 equals 1%)	Impact of Equity Component of Capital Structure(Col (b) x (i) x Line 62	Base Return and Tax (Line 65 x Col (b))	Gross Plant In Service (Note B)	Expense Allocator (line 64)	O&M, Taxes Other than Income (Col. (l) x Col. (n))	Depreciation/Am ortization Expense	Total Revenues (Col. (h) + (j) + (k) +(n) +(o))
66	Up to 228 million	#DIV/0!	9.5%	10.60%	0.005	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
66a	Over 228 million	-	9.5%	10.60%	-	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
66b	Regulatory Asset	-	9.5%	10.60%	-	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	-	#DIV/0!
66c	-	-	0.0%	10.60%	-				-						-	
...				10.60%												
...				10.60%												
...				10.60%												
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...				10.60%												
67	Total	#DIV/0!						#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!
Check Sum Appendix A Line 3																#DIV/0!
Difference (must be zero)																#DIV/0!

Note:

- 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, CWIP, 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>

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 Unbotting 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)

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
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	Total Loan Amount	\$ -
---	-------------------	------

Table 2

2	Internal Rate of Return ¹	#NUM!
3	Based on following Financial Formula ² :	
4	$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$	

Table 3

Origination Fees		
Underwriting Discount	-	
Arrangement Fee	-	
Upfront Fee	-	
Rating Agency Fee	-	
Legal Fees	-	
Total Issuance Expense	-	
Annual Rating Agency Fee	-	
Annual Bank Agency Fee	-	
Revolving Credit Commitment Fee	0.000%	

Table 4

	2014	2015	2016	2017	2018	2019	2020
14	LIBOR Rate	0.64%	1.03%	1.60%	2.13%	2.13%	2.13%
15	Spread	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%

Table 5

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Year		Capital Expenditures (\$000's)	Principal Drawn In Quarter (\$000's)	Principal Drawn To Date (\$000's)	Interest & Principal (\$000's)	Origination Fees (\$000's)	Commitment & Utilization Fee (\$000's)	Net Cash Flows (\$000's)
						1/4 * Interest Rate from Line 16 x Col. E prior quarter and Principal repayment	Input in first Qtr of Loan	(line 1/1000 less Col. E prior quarter)*line 13/4 +line 12/4000+line 11/4000	(D-F-G-H)
18									
19	3/31/2014	Q3	-	-	-				-
20	6/30/2014	Q4	-	-	-	-		-	-
21	9/30/2014	Q1	-	-	-	-		-	-
22	12/31/2014	Q2	-	-	-	-		-	-
23	3/31/2015	Q3	-	-	-	-		-	-
24	6/30/2015	Q4	-	-	-	-		-	-
25	9/30/2015	Q1	-	-	-	-		-	-
26	12/31/2015	Q2	-	-	-	-		-	-
27	3/31/2016	Q3	-	-	-	-		-	-
28	6/30/2016	Q4	-	-	-	-		-	-
29	9/30/2016	Q1	-	-	-	-		-	-
30	12/31/2016	Q2	-	-	-	-		-	-
31	3/31/2017	Q3	-	-	-	-		-	-
32	6/30/2017	Q4	-	-	-	-		-	-
33	9/30/2017	Q1	-	-	-	-		-	-
34	12/31/2017	Q2	-	-	-	-		-	-
35	3/31/2018	Q3	-	-	-	-		-	-
36									
37									
38									
39									
40									
41									
42									

Notes 1 The IRR is the input to Debt Cost shown on Appendix A, Page 4, Line 95 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 $0 = C_0 + C_1/(1+IRR) + C_2/(1+IRR)^2 + C_3/(1+IRR)^3 + \dots + C_N/(1+IRR)^N$ 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 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 true-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.

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

Item		Transmission Related	Plant Related	Labor Related	Total	
1	ADIT-282	-	-	-		From Acct. 282 total, below
2	ADIT-283	-	-	-		From Acct. 283 total, below
3	ADIT-190	-	-	-		From Acct. 190 total, below
4	Subtotal	-	-	-		
5	Wages & Salary Allocator			#DIV/0!		
6	NP		-			
7	Beginning of Year	-	-	#DIV/0!	#DIV/0!	
8	End of year from Attachment 6b, line 7	-	-	#DIV/0!	#DIV/0!	
9	Average of Beginning of Year and End of Year ((7 +8)/2)	-	-	#DIV/0!	#DIV/0!	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 Total	C Gas, Prod Or Other Related	D Transmission Related	E Plant Related	F Labor Related	G Justification
10 ADIT-190							
11a		-		-			
11b		-		-			
11c		-					
11d		-					
11e		-					
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:
- 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - 2. ADIT items related only to Transmission are directly assigned to Column D
 - 3. ADIT items related to Plant and not in Columns C & D are included in Column E
 - 4. ADIT items related to labor and not in Columns C & D are included in Column F
 - 5. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

A		B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
21	ADIT- 282						
22a	MACRS for plant additions	-		-			Timing difference related to depreciation for TOTS Projects placed in service
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:
- 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - 2. ADIT items related only to Transmission are directly assigned to Column D
 - 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
 - 30
 - 31

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	
32 ADIT- 283							
33a	COR	-		-			Cost of removal
33b		-					
33c		-					
33d		-					
33e		-					
...							
...							
...							
...							
...							
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

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)
End of Year

	Line	Transmission Related	Plant Related	Labor Related	Total
1	1 ADIT-282		-	-	From Acct. 282 total, below
2	2 ADIT-283		-	-	From Acct. 283 total, below
3	3 ADIT-190		-	-	From Acct. 190 total, below
4	4 Subtotal		-	-	
5	5 Wages & Salary Allocator			#DIV/0!	
6	6 NP		-		
7	7 End of Year ADIT		-	#DIV/0!	#DIV/0!

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	F	G
8	ADIT-190	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
9a		-					
9b		-					
9c		-					
9d		-					
9e		-					
...							
...							
...							
...							
...							
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:
- 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - 2. ADIT items related only to Transmission are directly assigned to Column D
 - 3. ADIT items related to Plant and not in Columns C & D are included in Column E
 - 4. ADIT items related to labor and not in Columns C & D are included in Column F
 - 5. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)
End of Year

	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
19 ADIT-282							
20a	MACRS for plant additions						Timing difference related to depreciation
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.

HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)
End of Year

A		B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	
30	ADIT- 283						
31a	COR						Cost of removal
31b							
31c							
31d							
31e							
...							
...							
...							
...							
...							
...							
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)
HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

2017		2017		Over (Under) Recovery
Revenue Requirement Billed (Note 1)		Actual Revenue Requirement (Note 2)		
\$2,164,047	Less	\$2,164,047	Equals	\$0

Interest Rate on Amount of Refunds or Surcharges	Over (Under) Recovery Plus Interest	Monthly Interest Rate on Attachment 7a	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4225%				

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.

<u>Calculation of Interest</u>					<u>Monthly</u>		
January	Year 2017	-	0.4225%	12	-	-	-
February	Year 2017	-	0.4225%	11	-	-	-
March	Year 2017	-	0.4225%	10	-	-	-
April	Year 2017	-	0.4225%	9	-	-	-
May	Year 2017	-	0.4225%	8	-	-	-
June	Year 2017	-	0.4225%	7	-	-	-
July	Year 2017	-	0.4225%	6	-	-	-
August	Year 2017	-	0.4225%	5	-	-	-
September	Year 2017	-	0.4225%	4	-	-	-
October	Year 2017	-	0.4225%	3	-	-	-
November	Year 2017	-	0.4225%	2	-	-	-
December	Year 2017	-	0.4225%	1	-	-	-
					-		-
					<u>Annual</u>		
January through December	Year 2018	-	0.4225%	12	-	-	-
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					<u>Monthly</u>		
January	Year 2019	-	0.4225%		-	-	-
February	Year 2019	-	0.4225%		-	-	-
March	Year 2019	-	0.4225%		-	-	-
April	Year 2019	-	0.4225%		-	-	-
May	Year 2019	-	0.4225%		-	-	-
June	Year 2019	-	0.4225%		-	-	-
July	Year 2019	-	0.4225%		-	-	-
August	Year 2019	-	0.4225%		-	-	-
September	Year 2019	-	0.4225%		-	-	-
October	Year 2019	-	0.4225%		-	-	-
November	Year 2019	-	0.4225%		-	-	-
December	Year 2019	-	0.4225%		-	-	-
					-		-
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
Page 2

True-Up Interest Calculation

		Pursuant to
		18 C.F.R. Section
		18 35.19 (a)
FERC Quarterly Interest Rate		
1	Qtr 3 (Previous Year)	4.69%
2	Qtr 4 (Previous Year)	4.96%
3	Qtr 1 (Current Year)	5.18%
4	Qtr 2 (Current Year)	5.45%
5	Average of the last 4 quarters (Lines 1-4 / 4)	5.07%
6	Interest Rate Used for True-up adjustment (Note B)	0.0507
7	Monthly Interest Rate for Attachment 7 (Line 6 / 12)	0.0042

Attachment 8 - Depreciation and Amortization Rates
HURLEY AVENUE PROJECT - SYSTEM DISTRIBUTION UPGRADE

Account Number	FERC Account	Rate (Annual) Percent
TRANSMISSION PLANT		
1 350.1	Land Rights	
2 352	Structures and Improvements	0.13
3 353	Station Equipment	0.38
4 354	Towers and Fixtures	
5 355	Poles and Fixtures	0.91
6 356	Overhead Conductor and Devices	0.50
7 357	Underground Conduit	
8 358	Underground Conductor and Devices	
9 35x	Smart Wire Device	2.50
10	PRODUCTION PLANT	All Accounts
11	DISTRIBUTION PLANT	All Accounts
GENERAL PLANT		
12 390	Structures & Improvements	
13 391	Office Furniture & Equipment	
14 392	Transportation Equipment	
15 393	Stores Equipment	
16 394	Tools, Shop & Garage Equipment	
17 395	Laboratory Equipment	
18 396	Power Operated Equipment	
19 397	Communication Equipment	
20 398	Miscellaneous Equipment	
INTANGIBLE PLANT		
21 303	Miscellaneous Intangible Plant	
	5 Yr	
	7 Yr	
	10 Year	
	15 year	
	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: The Contribution in Aid of Construction (CIAC) made for this project is assumed to be applied to offset all transmission plant categories with the remaining balance in account 35x for the new Smart Wire Devices for the purposes of calculating rate base and depreciation to be recovered.

Attachment 9 - Workpapers

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)
										May 31	June 30	July 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Jan 31	Feb 28	Mar 31	Apr 30	May 31	Avg Unamortized Balance Sum (i) through (u) / 13	% Approved for Rate Base *	Allocated to Formula Rate (from (g))	Rate Base Balance x (w) x (x)	Project Code	Docket No
No.	Project Name	Recovery Amnt. Approved *	Recovery Period Months *	Monthly Amort Exp (b) / (c)	Amort Periods this year	Current Amort Expense x (e)	% Allocated to Formula Rate (d)	Amort Exp In Formula Rate** (f) x (g)		2020	2020	2020	2020	2020	2020	2020	2020	2021	2021	2021	2021	2021						
1a			0	-	12	-		1	-	0	0	0	0	0	0	0	0	0	0	0	0	0	-	1	1	-		
1b				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1c				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
...				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1x				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
...				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1x				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Total Regulatory Asset in Rate Base (sum lines 1a-1x):								-														-					

* 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)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)
										March	April	May	June	July	August	September	October	November	December	January	February	March	Avg Unamortized Balance Sum (i) through (u) / 13	% Approved for Rate Base *	Allocated to Formula Rate (from (g))	Rate Base Balance x (w) x (x)	Project Code	Docket No
No.	Project Name	Recovery Amnt. Approved *	Recovery Period Months *	Monthly Amort Exp (b) / (c)	Amort Periods this year	Current Amort Expense x (e)	% Allocated to Formula Rate (d)	Amort Exp In Formula Rate (f) x (g)		2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019						
3a				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3b				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3c				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
...				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
...				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
...				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
...				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3x				-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Total Abandoned Plant in Rate Base (sum lines 3a-3x):								-														-					

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

Land Held for Future Use (LHFU)

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
				Land Held for Future Use and Estimated Date	March	April	May	June	July	August	September	October	November	December	January	February	March	Average of Columns (d) Through (p)
No.	Subaccount No.	Item Name		2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	
5a				-														-
5b				-														-
5c				-														-
...				-														-
...				-														-
...				-														-
...				-														-
...				-														-
5x				-														-

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

CWIP in Rate Base

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
No.	Project Name	Job ID	Construction Start Date	Estimated in-service date	Approval Doc. No.	March	April	May	June	July	August	September	October	November	December	January	February	March	Avg (t) through (r)	% approved for recovery	Rate Base Amt (s) x (t)
7a																			-	0.0%	-
7b																			-	0.0%	-
7c																			-	0.0%	-
...																			-	0.0%	-
...																			-	0.0%	-
...																			-	0.0%	-
...																			-	0.0%	-
7x																			-	0.0%	-
8	Total (sum lines 7a-7x)																		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	35x	Total
		Land Rights	Structures and Improvements	Structures and Improvements - Equipment	Station Equipment	Towers and Fixtures	Poles and Fixtures	Overhead Conductor and Devices	Underground Conduit	Underground Conductor and Devices	Smart Wire Device	
9a	Hulley Avenue SDU										2,557,690	2,557,690
9b											-	-
9c											-	-
...											-	-
...											-	-
...											-	-
...											-	-
...											-	-
...											-	-
...											-	-
...											-	-
...											-	-
9x											-	-
10	Total (sum lines 9a-9x)										2,557,690	2,557,690

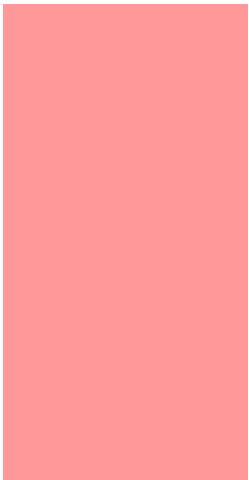
Intangible Plant Detail

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		
...		Company Records		
11x	Company Records			
12	Total (sum lines 11a-11x) ties to p207.5.g			-

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 NY Transco by an affiliate, by Affiliate and by FERC account number

(sum lines 13a-13x)



6.12.5.2.2 Description of Annual Update Process

Central Hudson will recalculate the Hurley-FC revenue requirement, prospectively for the rate to be charged over the next year and retrospectively as a true up to actual rate base and expense, annually with the new rates to be effective each June 1, to permit the Hurley-FC to be adjusted to actual costs. The annual update will reflect the FERC Form 1 Report data from the most recent calendar year for all components of the allocation methodology, as well as actual project costs and associated income taxes and an updated megawatt-hour forecast for billing to the LSEs. Central Hudson will coordinate with the ISO to post the results of its annual updates to the NYISO's website. The annual update will include supporting documentation and be subject to review and challenge as described herein.

Central Hudson will track the gross plant costs of the Hurley-FC SDU. The Hurley-FC revenue requirement will equal Central Hudson's trued up rate base, at the Commission approved return on equity, and ongoing operations and maintenance and other costs based on the entire project cost. Based on those actual costs the Hurley-FC revenue requirements will be adjusted annually. Central Hudson will determine its annual adjusted revenue requirement using the template set forth in 6.12.5.2.1.

Central Hudson will coordinate with the ISO to post its proposed annual update to a publicly accessible location on the ISO's website by no later than April 15, of each year. Interested parties may submit comments to Central Hudson no later than May 1 of each year regarding the posted annual update. Central Hudson will coordinate with the ISO to post all comments submitted by interested parties to a publicly accessible location on the ISO's website. Central Hudson will submit an informational filing to the Commission with the results of its annual update, reflecting (to the extent necessary) any changes in response to comments

submitted by interested parties, by May 15 of each year. Central Hudson will also coordinate with the ISO to post the results of its annual update, as filed with the Commission, to a publicly accessible location on the ISO's website by May 15 of each year.