

Attachment F

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

LS Power Grid New York Corporation I) Docket No. ER20-__-000

DIRECT TESTIMONY OF CHRISTOPHER A. NAGLE

Lead Consultant, Transmission Strategy
MCR Performance Solutions, LLC
on behalf of

LS Power Grid New York Corporation I

Exhibit No. LSPG-NY-500

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

3 A. My name is Christopher A. Nagle. I am a Lead Consultant in the Transmission Strategy
4 Practice at MCR Performance Solutions, LLC (“MCR”), a management consulting firm
5 that provides a variety of consulting services to the utilities industry. I have been
6 employed by MCR since 2016. My business address is 155 North Pfingsten Road, Suite
7 155, Deerfield, IL 60015.

8 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?**

9 A. I am submitting this testimony on behalf of LS Power Grid New York Corporation I
10 (“LSPG-NY”).

11 **Q. ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH THIS**
12 **TESTIMONY?**

13 A. Yes, I am sponsoring Exhibits LSPG-NY-501 and LSPG-NY-502. These Exhibits are
14 the LSPG-NY transmission formula rate template and supporting work papers (“Formula
15 Rate”) and the LSPG-NY protocols (“Protocols”), respectively.

16 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**
17 **EDUCATIONAL BACKGROUND.**

18 A. I have been employed at MCR since November 2016, working with clients in the
19 Transmission Strategy and Regulatory Services practice areas. Prior to joining MCR, I
20 was employed by Potomac Electric Power Company (“PEPCO”) from June 2007 through
21 November 2016. I served in a number of successive positions in PEPCO’s Regulatory
22 Affairs department, most recently as Manager, Rate Administration. In these roles I was
23 responsible for the development of jurisdictional and customer class cost of service
24 studies and the administration of retail rates, as well as the sponsoring of these studies

1 and related testimony in PEPCO's base rate case filings at the Maryland and District of
2 Columbia Public Service Commissions. I also provided regulatory support for PEPCO
3 Holdings' merger with Exelon Corporation in 2016.

4 I graduated from the University of Maryland, College Park with a Bachelor of
5 Arts degree in Economics. I later earned a Master of Business Administration with a
6 concentration in Finance from the Kogod School of Business at American University.

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE FERC OR BEFORE OTHER**
8 **REGULATORY AGENCIES ON UTILITY-RELATED MATTERS?**

9 A. I have testified before the Maryland Public Service Commission and the District of
10 Columbia Public Service Commission on numerous occasions, each time as the witness
11 sponsoring the company's jurisdictional and customer class cost of service studies. I
12 submitted testimony in Maryland Case Nos. 9311, 9336, and 9418, and submitted
13 testimony in District of Columbia Formal Case Nos. 1103 and 1139.

14 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS A LEAD CONSULTANT**
15 **AT MCR.**

16 A. I advise clients of the Transmission Strategy practice on a number of strategic and rate
17 matters, notably on the development of and improvement to transmission formula rates
18 and capital project economic evaluation. I also advise clients on matters related to cost of
19 service as part of MCR's Regulatory Services practice area. My client and project focus
20 has included public power entities, generation and transmission ("G&T") cooperatives,
21 independent transmission developers, and investor-owned utilities. I have also analyzed
22 transmission owner formula rates to produce and maintain MCR's Proprietary
23 Transmission Investment and Load ("PTIL") database, which has been used as

1 supporting data in FERC testimony and in whitepapers that I have coauthored with MCR
2 colleagues.

3 **II. PURPOSE OF TESTIMONY**

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. I have been engaged by LSPG-NY to develop a transmission formula rate for its facilities
6 under the New York Independent System Operator, Inc.'s ("NYISO") operational
7 control. The initial project to be included in the Formula Rate will be LSPG-NY's
8 ownership share of facilities approved by NYISO in the AC Transmission Public Policy
9 Transmission Planning process and designated to LSPG-NY and New York Power
10 Authority ("NYPA") ("Project"). Recovery of NYPA's ownership share of facilities will
11 be in NYPA's own rates.

12 I am sponsoring LSPG-NY's Formula Rate and the associated Protocols. The
13 Formula Rate and Protocols were developed to be consistent with past Commission
14 approved formula rates and Commission policy. In my testimony I will describe and
15 substantiate the reasonableness of the proposed Formula Rate and Protocols. The
16 Formula Rate is based on projected test year data with a 13-month (limited to the number
17 of months plant is in service for the initial rate year, as explained later in my testimony)
18 average rate base and a rate effective period of the year subsequent to its annual
19 projection submission to NYISO. Each year the projected Formula Rate will be trued-up
20 with the actual annual data using the true-up mechanism I describe later in my testimony.

21 The Formula Rate and Protocols will be incorporated into the NYISO Open
22 Access Transmission Tariff ("OATT") as an attachment to Rate Schedule 10.

1 **III. FORMULA RATE AND PROTOCOLS**

2 **Q. PLEASE PROVIDE AN OVERVIEW OF THE TIMELINE FOR THE FORMULA**
3 **RATE PROJECTION AND UPDATE EACH YEAR.**

4 A. Milestone dates for the projection, update, and rate effective period are defined within the
5 Protocols included as Exhibit LSPG-NY-502.

6 Each year, LSPG-NY will project its test period costs and submit these costs to
7 NYISO by September 30 for posting on the NYISO website. By June 30 following each
8 rate year, LSPG-NY will submit its annual update to NYISO for posting on the NYISO
9 website (“Publication Date”) and will subsequently submit its update to FERC as an
10 informational filing. The annual update will include the actual annual transmission
11 revenue requirement (“ATRR”) and calculate the difference between the actual and
12 projected ATRR (“True-up Adjustment”). The True-up Adjustment is subject to the
13 application of interest, the calculation of which is found on Attachment 5 of the Formula
14 Rate and is pursuant to 18 C.F.R. § 35.19a of the FERC regulations. After the annual
15 update is posted, LSPG-NY will hold an update meeting so that interested parties have an
16 opportunity to seek information and clarification of Formula Rate inputs and costs sought
17 for recovery. Any unresolved issues will be handled through the challenge procedures
18 established in the Protocols.

19 **Q. WHEN IS THE INITIAL RATE EFFECTIVE PERIOD?**

20 A. At this time, LSPG-NY expects the Project to be partially placed in service in 2022 and
21 completed in 2023, making the initial rate effective period the 12 months ended
22 December 31, 2022. New rates, based on the projected test year and which will include a

1 True-up Adjustment, will be placed in effect each year on January 1 for the 12
2 subsequent months.

3 **Q. PLEASE ELABORATE ON HOW THE ANNUAL REVIEW AND CHALLENGE**
4 **PROCESS FOR THE FORMULA RATE WILL WORK.**

5 A. LSPG-NY's Protocols provide interested parties with the opportunity to review the
6 annual update and challenge any contested issues each year. This process is similar to
7 processes outlined in protocols that have been approved by the Commission in other
8 proceedings, such as *New York Transco, LLC* Docket No. ER15-572 and *NextEra Energy*
9 *Transmission New York, Inc.* Docket No. ER16-2719.

10 The Protocols provide interested parties 120 days after the annual update
11 Publication Date to review and ask questions about any component of the Formula Rate.
12 If an interested party finds that any of LSPG-NY's responses or resolutions to inquiries
13 are unsatisfactory, the party may submit an informal challenge to any specific component
14 of the Formula Rate within 150 days of the projection's or update's posting ("Review
15 Period"). If no resolution to an informal challenge is reached within 60 days of the close
16 of the Review Period, the interested party that submitted the informal challenge has an
17 additional 30 days to file a formal challenge with the Commission and LSPG-NY will
18 have 30 days from the date of the filing to respond to the formal challenge.

19 **Q. DID YOU PATTERN THE PROPOSED FORMULA RATE AFTER OTHER**
20 **APPROVED NYISO AND COMMISSION FILINGS?**

21 A. Yes. The Formula Rate is presented in a similar manner to many previously
22 Commission-approved formula rates. Specifically, the Formula Rate is similar to those
23 of *New York Transco, LLC* approved in Docket No. ER15-572 and *NextEra Energy*
24 *Transmission New York, Inc.* approved in Docket No. ER16-2719. The similarity

1 between these templates provides the benefit of allowing the transmission owners'
2 common stakeholders within the area operated by NYISO the ability to review formula
3 rates with similar formats and processes.

4 The *New York Transco, LLC* and *NextEra Energy Transmission New York, Inc.*
5 filings were patterned after other approved previous Commission filings.¹ Worksheet
6 Appendix A serves to calculate the ATRR from the cost components included for
7 recovery in the Formula Rate. The Formula Rate contains a series of work papers,
8 labeled Attachment 1 through Attachment 8, that support the calculation of various cost
9 components in Appendix A.

10 **Q. PLEASE EXPLAIN THE LAYOUT OF THE FORMULA RATE AND HOW**
11 **COST COMPONENTS ARE INCLUDED IN THE FORMULA.**

12 A. LSPG-NY is proposing to calculate its ATRR in a traditional embedded cost of service
13 method using a non-levelized formula rate template. The costs recovered in the non-
14 levelized formula can be categorized into two fundamental groups: (1) a return on and of
15 transmission-related capital investment costs (i.e., a return on rate base and depreciation
16 of capital investment costs) and (2) approved transmission-related expenses.

17 LSPG-NY's Formula Rate is organized as follows:

- 18 (1) Page 1 of 5 calculates the Net Adjusted Revenue Requirement (Line 5) by
19 subtracting Revenue Credits (Line 2) from the Gross Revenue Requirement (line
20 1) and adding or subtracting any true-up adjustment (Line 4);

¹ See *Transource Kansas, LLC* Docket No. ER15-958, *Xcel Energy Southwest Transmission Co., LLC* Docket No. ER14-2751, *Xcel Energy Transmission Development Co., LLC* Docket No. ER14-2752, and *American Transmission Co., LLC* Docket No. ER01-677.

1 (2) Page 2 of 5 allocates Total Company rate base (Column 3) to Transmission Rate
2 Base (Column 5). LSPG-NY's rate base includes gross plant in service; a
3 provision for accumulated depreciation and amortization; the net acquisition
4 adjustment; accumulated deferred income taxes; excess/deficient accumulated
5 deferred income taxes; the unamortized balance of a regulatory asset for pre-
6 commercial expenses; the unamortized balance of lumpsum lease payments; cash
7 working capital; materials and supplies; and prepayments;

8 (3) Page 3 of 5 allocates Total Company expenses (Column 3) to Transmission
9 Expenses (Column 5). Total Company expenses include transmission operations
10 and maintenance expenses; administrative and general expenses; depreciation and
11 amortization expense on transmission plant, general plant, intangible plant,
12 abandoned plant, and the acquisition adjustment; taxes other than income taxes,
13 such as payroll and property taxes; and federal and state income taxes. Page 3
14 also includes the calculation of the return on rate base, as shown on Line 76;

15 (4) Page 4 of 5 calculates allocators and the rate of return used throughout the
16 Formula Rate, which I describe in detail later in my testimony. Allocators include
17 the Transmission Plant ("TP") allocator (Lines 80 through 85) and the Wages and
18 Salary ("W/S") allocator (Lines 86 through 92). The Gross Plant ("GP") and Net
19 Plant ("NP") allocators are calculated on Page 2 of 5 and are also used throughout
20 the Formula Rate; and

21 (5) Page 5 of 5 contains notes to various lines of the Formula Rate. These notes
22 describe the costs input on each line, highlighting the general conditions for each

1 cost input, including calculation methods, inclusions/exclusions, and/or references
2 to conditions of various costs.

3 Pages 2 and 3 of 5 (those containing the allocation of rate base and expense items) each
4 contain five numbered columns of data. Column 1 provides a basic description of each
5 line item; Column 2 provides calculation of the specific line item or a reference to where
6 the cost can be found in supporting documentation, either in the Attachments of
7 supporting cost calculations or LSPG-NY's FERC Form 1; Column 3 provides the
8 "Company Total" for each line item, prior to the cost's allocation to the transmission
9 revenue requirement; Column 4 shows the allocator and the value of the allocation factor
10 used to allocate the Company Total amount to the ATRR; and Column 5 shows the
11 transmission-allocated dollar amount.

12 **Q. HOW IS PLANT IN SERVICE CALCULATED AND THEN ALLOCATED**
13 **WITHIN THE FORMULA RATE?**

14 A. Functional Gross Plant in Service (i.e., Production, Transmission, Distribution, General,
15 and Intangible) is calculated in Attachment 2 by using monthly balances per Company
16 records and the FERC Form 1. Once calculated, the average balances² are carried over to
17 Column 3, Lines 6 through 9 of Appendix A. Gross Transmission Plant and Gross
18 General and Intangible Plant are then allocated to transmission rate base in Column 5
19 using the TP allocator for Gross Transmission Plant and the W/S allocator for General
20 and Intangible Plant. The total of the allocated amounts is shown in Column 5, Line 10
21 of Appendix A. In addition to being used in the calculation of transmission-related rate

² LSPG-NY's template uses a 13-month average rate base with the exception of the initial rate filing, in which costs based on a 13-month average will be divided by the number of months the rate is in effect.

1 base, this total is used to calculate the GP allocator in Column 4, Line 10 by dividing
2 Total Transmission-allocated Gross Plant by Company Total Gross Plant in Service
3 (column 3, line 10).

4 Functional Accumulated Depreciation and Amortization is calculated in a similar
5 manner to gross plant; monthly balances from Company records are used to calculate an
6 average balance in Attachment 2 and are carried over to Column 3, Lines 12 through 15
7 of Appendix A. Transmission and General and Intangible Accumulated Depreciation are
8 allocated to transmission-related rate base using the TP and W/S allocators, respectively.

9 Allocated Accumulated Depreciation amounts are subtracted from the allocated
10 Plant in Service balances to determine the functional Net Plant in Service balances that
11 are included in transmission rate base in Column 5, Lines 21 through 24 of Appendix A.
12 The Formula Rate also adjusts Net Plant in Service for the Net Acquisition Adjustment
13 (as described below), the calculation of which is supported in Attachment 2. The total
14 transmission-related Net Plant balance is shown in Column 5, Line 25 of Appendix A.

15 **Q. PLEASE DESCRIBE HOW THE REMAINING RATE BASE COMPONENTS**
16 **ARE CALCULATED AND THEN ALLOCATED WITHIN THE FORMULA**
17 **RATE.**

18 A. The remaining rate base components include the following:

- 19 (1) The *Net Acquisition Adjustment* provides a 13-month average adjustment to net
20 transmission plant for the premium paid acquiring transmission assets and is
21 directly assigned to transmission rate base in column 5. No Net Acquisition
22 Adjustment will be recovered unless LSPG-NY submits a filing at FERC seeking
23 recovery for the adjustment on specific assets and the Commission approves such
24 recovery.

- 1 (2) *Accumulated Deferred Income Taxes ("ADIT")* are calculated in Attachments 6a
2 through 6d. Attachment 6a provides the ADIT projection and proration;
3 Attachment 6b provides the projection account level detail; Attachment 6c
4 provides the actual ADIT balances for the rate update; and Attachment 6d
5 provides the actual account level detail for the rate update. Once calculated, these
6 amounts are carried over to Appendix A on Line 27 and are allocated to
7 transmission-related rate base using the TP allocator.
- 8 (3) *Excess/Deficient Accumulated Deferred Income Taxes* reflect remeasured ADIT
9 balances due to changes in tax law that result in excess or deficient ADIT and is
10 calculated in Attachment 8. Once calculated, the balance is carried over to
11 Appendix A on Line 28a and allocated to transmission related rate base using the
12 TP allocator.
- 13 (4) The *unamortized lumpsum lease payment* is calculated based on the amortization
14 (over the life of the lease term) of any transmission asset or right of way capital
15 leases requiring a lumpsum upfront payment. The unamortized balance is directly
16 assigned to transmission on Line 29 of Appendix A.
- 17 (5) The *unamortized balances of Regulatory Assets and Abandoned Plant* are
18 calculated in Attachment 3 and carried over to Appendix A on lines 31 and 32,
19 respectively, then directly assigned to transmission-related rate base. LSPG-NY
20 is seeking approval for inclusion of the Regulatory Asset in this proceeding and
21 will not populate the Formula Rate with a non-zero value until it has been
22 approved. The recovery of Abandoned Plant was approved in Docket No. EL19-
23 30.

1 (6) *Land Held for Future Use (“LHFU”)* is based on Company records and is shown
2 in Appendix A on line 34. The transmission-related portion is then determined
3 through allocation using the TP allocator.

4 (7) *Cash Working Capital* (denoted as “CWC” in the Formula Rate on Line 36) is
5 calculated using the 45-day convention³ (total operations and maintenance
6 expenses divided by eight), exclusive of the regulatory asset incentive expense
7 amortized for the respective year.

8 (7) *Materials and Supplies* and *Prepayments* are calculated in Attachment 3 and
9 carried over to Appendix A on Lines 37 and 38, respectively. The Materials and
10 Supplies input to the Formula Rate is transmission specific and as such is
11 allocated to transmission-related rate base using the TP allocator. Prepayments
12 are allocated using the GP allocator.

13 **Q. HOW IS OPERATIONS AND MAINTENANCE (“O&M”) EXPENSE**
14 **CALCULATED AND ALLOCATED IN THE FORMULA RATE?**

15 A. Projected Total Company Transmission O&M (Line 42), along with Total Company
16 Administrative and General (“A&G”) expenses (Line 44), are developed based on
17 Company records and input to the Formula Rate. When trued-up, O&M and A&G are
18 taken directly from the FERC Form 1 as referenced in column 2 of Appendix A and input
19 directly into the Formula Rate. Transmission O&M is then allocated to the ATRR using
20 the TP allocator, while A&G is allocated to the ATRR using the W/S allocator.

³ The Commission’s 45-day convention is used in the absence of a lead-lag study and estimates a utility’s cash working capital needs at 1/8th of operating expenses.

1 FERC Account 565, Transmission of Electricity by Others, and FERC Account
2 566, Miscellaneous Transmission Expenses, are removed from both Total Company and
3 transmission-related O&M on lines 43 and 47, respectively. A&G is reduced by Electric
4 Power Research Institute (“EPRI”) and total Regulatory Commission expenses on Line
5 45, with the transmission-related portion of Regulatory Commission expenses added back
6 on Line 46. The amortization of regulatory assets is included as an expense in O&M on
7 Line 47a, and the non-Regulatory Asset expenses in Account 566 are added back into the
8 total.

9 Transmission O&M, Account 565, and Account 928 are allocated using the TP
10 allocator; A&G is allocated using the W/S allocator; and EPRI, Regulatory Commission
11 Expenses, Account 566, and the Amortization of Regulatory Assets are directly assigned
12 to the ATRR. The allocation of O&M and A&G Company Total costs to the ATRR is
13 similar to those in many other Commission-approved formula rates, including New York
14 Transco, LLC, NextEra Energy Transmission New York, Inc., and LSPG-NY affiliates
15 including Republic Transmission, LLC, Desertlink, LLC, and Silver Run Electric, LLC.

16 **Q. PLEASE EXPLAIN HOW DEPRECIATION AND AMORTIZATION EXPENSE**
17 **ARE INCLUDED IN THE FORMULA RATE.**

18 A. The Formula Rate includes the standard Depreciation and/or Amortization of
19 Transmission Plant and General and Intangible Plant, the Amortization of Abandoned
20 Plant as granted in part by the Commission in Docket No. EL19-30, and the Amortization
21 of the Acquisition Adjustment. Both Transmission and General and Intangible
22 Depreciation Expense are allocated to the ATRR using the same methods as the
23 associated plant in service; the TP allocator for Transmission Depreciation and the W/S

1 allocator for General and Intangible Depreciation. The Amortization of Abandoned Plant
2 is directly assigned to the ATRR, as the Abandoned Plant itself is directly assigned in rate
3 base. Amortization of the Acquisition Adjustment is directly assigned to transmission
4 but will not be populated with a non-zero value unless recovery of an Acquisition
5 Adjustment has been granted by FERC.

6 The depreciation and amortization rates for Transmission, General, and Intangible
7 plant are included in Attachment 7 on the FERC account level.

8 **Q. HOW ARE OTHER TAXES CALCULATED AND ALLOCATED IN THE**
9 **FORMULA RATE?**

10 A. Labor-related taxes, including Payroll Taxes and Highway and Vehicle Taxes, are
11 projected based on Company records and then allocated to the ATRR using the W/S
12 allocator. Plant-related taxes, including Property, Gross Receipts, and Other taxes, are
13 projected based on Company records and then allocated to the ATRR using the GP
14 allocator. When trued-up, each of the taxes are input to the Formula Rate from the FERC
15 Form 1.

16 **Q. HOW ARE INCOME TAXES CALCULATED IN THE FORMULA RATE?**

17 A. Income Taxes are calculated using the standard formula used in Commission-accepted
18 formula rates. The computation is explained in detail in the Formula Rate's Note E on
19 Page 5 of 5 of Appendix A.

20 The composite federal and state income tax rate ("T") is computed using:

21
$$T = 1 - \{[(1-SIT) * (1-FIT)] / (1-SIT * FIT * p)\}$$

22 In this formula, "FIT" is the Federal Income Tax rate and "SIT" is the State Income Tax
23 rate. The variable "p" is the percentage of FITs that is deductible for SITs.

1 Once the composite federal and state income tax rate is computed it is grossed-up
2 and applied to the equity portion of the rate of return using the following formula, found
3 on Line 66:

$$\text{CIT} = (\text{T}/1 - \text{T}) * (1 - (\text{WCLTD}/\text{R}))$$

5 In this formula, “WCLTD” is the weighted cost of long-term debt (as found on Line 96),
6 and “R” is the rate of return (as found on Line 99).

7 Income Taxes (Line 70) are then calculated by applying the grossed-up composite
8 income tax rate to the Return on Rate Base on Line 76. The ITC Amortization
9 Adjustment (Line 71), the Permanent Differences Tax Adjustment (Line 72), and the
10 Excess/Deficient Deferred Taxes Adjustment (Line 73) are added to the Income Tax
11 calculation to compute Total Income Taxes (Line 74).

12 **Q. PLEASE EXPLAIN HOW THE RETURN ON RATE BASE COMPONENT OF**
13 **THE ATRR IS CALCULATED.**

14 A. The Return on Rate Base is the product of total rate base (Page 2, Line 40) multiplied by
15 the rate of return (Page 4, Line 99). LSPG-NY’s rate of return is equal to the
16 computation of its weighted average cost of capital, which is shown on Page 4, Lines 96
17 through 99.

18 Support for the rate of return calculation, including the debt and equity weightings
19 and the cost of debt calculation, can be found on Lines 222 through 246 of Attachment 3.
20 As discussed further by Witness Tajvar, LSPG-NY will use a hypothetical capital
21 structure of 53% equity / 47% long term debt (input on Lines 229 through 231 of
22 Attachment 3) until the entire Project is placed in service. Once the Project has been
23 placed in service, the lesser of 53% equity or the actual equity ratio will be used.

1 The return on equity (“ROE”) calculation shown on Line 9 of Appendix A
2 includes a base ROE of 10.00% and the requested 100 basis point (“bp”) adder for its
3 NYISO membership as a transmission company (50bp) and the specific risks and
4 challenges of the Project (50bp). Details of the base ROE and ROE adders, along with
5 those of LSPG-NY’s requested hypothetical capital structure incentive, are discussed in
6 detail in the testimony of LSPG-NY Witnesses Hevert and Tajvar.

7 **Q. PLEASE SUMMARIZE ANY RATE INCENTIVES ON TRANSMISSION**
8 **PROJECTS THAT ARE INTEGRATED INTO THE FORMULA RATE.**

9 A. As part of this filing, LSPG-NY is requesting approval for five rate incentives for the
10 Project in accordance with Order No. 679. The implementation of each of these
11 incentives appears in the Formula Rate, as does the recovery of any abandoned plant as
12 approved by the Commission in its Order to Docket No. ER19-30. The incentives
13 requested include: (1) the establishment of a regulatory asset for pre-commercial
14 expenses, (2) the use of a hypothetical capital structure until permanent financing is in
15 place, (3) a 50bp ROE adder for LSPG-NY’s membership in NYISO as an independent
16 transmission company, (4) a 50bp ROE adder for the risks and challenges of the Project,
17 and (5) the performance-based ROE adjustment based on the 80/20 risk mitigation.

18 The rate incentives are integrated into the Formula Rate as follows:

- 19 • *Unamortized Abandoned Plant* is found in rate base on Line 32, with its
20 supporting information in Attachment 3. *Amortization of Abandoned Plant* is
21 shown under Depreciation Expense on Line 52 with supporting information in
22 Attachment 3 and was approved by the Commission in Docket No. EL19-30.

- 1 • *Unamortized Regulatory Assets* is shown in rate base on Line 31, with its
2 supporting information in Attachment 3. *Amortization of Regulatory Assets* is
3 shown under O&M on Line 47a, with supporting documentation in Attachment 3.
- 4 • LSPG-NY's use of a *hypothetical capital structure* will be shown in the
5 calculations on Attachment 3, Lines 229 through 231.
- 6 • The *50bp NYISO membership as an independent transmission company ROE*
7 *addor, the 50bp risk addor, and the 80/20 risk mitigation adjustment* will adjust
8 the base ROE found on Line 98 of Appendix A and is applied to the Project on
9 Attachment 4. The incentive return is then carried over to Appendix A on Line
10 78.

11 **IV. THE FORMULA RATE IS JUST AND REASONABLE**

12 **Q. IN YOUR OPINION, DO LSPG-NY'S PROPOSED FORMULA RATE AND**
13 **PROTOCOLS IN THIS PROCEEDING CONFORM TO COMMISSION**
14 **PRECEDENT?**

15 A. Yes. The ratemaking concepts embodied in LSPG-NY's proposed Formula Rate,
16 including the calculations, allocations, and functional assignments, are based upon
17 standard ratemaking practices that the Commission has embraced in many previous
18 instances. All costs used to populate the Formula Rate are tied to verifiable financial
19 documents such as the FERC Form 1.

20 LSPG-NY's proposed Protocols afford interested parties the opportunity to
21 review, question, and challenge each component of the Formula Rate in a manner
22 consistent with Commission precedent.⁴

⁴ See Dockets listed in footnote 1.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

2 A. Yes.

Rate Formula Template
Utilizing FERC Form 1 Data

Projected Annual Transmission Revenue Requirement
For the 12 months ended 12/31/2021

LS Power Grid New York, LLC

Type of revenue requirement: enter "P" if projected or "A" if actual: P

Enter the year to which the revenue requirement relates: 2021

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	True-Up calculations
Attachment 6a-6d	Detail of the Accumulated Deferred Income Tax Balances
Attachment 7	Depreciation Rates

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

LS Power Grid New York, LLC

Projected Annual Transmission Revenue Requirement
For the 12 months ended 12/31/2021

Line No.		(1)	(2)	(3)
				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 79)		12 months	\$ -
REVENUE CREDITS		Total	Allocator	
2	Total Revenue Credits Attachment 1, line 6	-	TP 1.0000	-
3	Net Revenue Requirement (line 1 minus line 2)			-
4	True-up Adjustment (Attachment 5, line 3, col. G)	-	DA 1.00000	-
5	NET ADJUSTED REVENUE REQUIREMENT (line 3 plus line 4)			\$ -

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2021

Line No.	(1)		(2)		(3)		(4)		(5)	
	RATE BASE:		Source		Company Total		Allocator		Transmission (Col 3 times Col 4)	
6	GROSS PLANT IN SERVICE (Note A)									
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		1.0000	
11	TOTAL GROSS PLANT (sum lines 6-9)		(If line 7>0, GP= line 10 column 5 / line 10 column 3. If line 7=0, GP=0)		-		GP=		-	
12	ACCUMULATED DEPRECIATION & AMORTIZATION (Note A)									
13	Production		(Attach 2, line 151)		-		NA		-	
14	Transmission		(Attach 2, line 91)		-		TP		1.0000	
15	Distribution		(Attach 2, line 106)		-		NA		-	
16	General & Intangible		(Attach 2, lines 121 + 136)		-		W/S		1.0000	
17	TOTAL ACCUM. DEPRECIATION (sum lines 12-15)				-				-	
18	NET ACQUISITION ADJUSTMENT		(Note B)							
19	Transmission		(Attach 2, line 166)		-		DA		1.0000	
20	TOTAL NET ACQUISITION ADJUSTMENT				-				-	
21	NET PLANT IN SERVICE									
22	Production		(line 6- line 12)		-				-	
23	Transmission		(line 7- line 13)		-				-	
24	Distribution		(line 8- line 14)		-				-	
25	General & Intangible		(line 9- line 15)		-				-	
26	TOTAL NET PLANT (sum lines 21-24)		(If line 19>0, NP= line 22, column 5 / line 22, column 3. If line 19=0, NP=0)		-		NP=		-	
27	ADJUSTMENTS TO RATE BASE									
28	ADIT (Attach 6a proj., line 5, Column D or Attach 6c True-up - line 5, column D) (Note C)				-		TP		1.0000	
28a	Account No. 255 (enter negative) (Note D)		(Attach 3, line 169) (Note D)		-		NP		-	
29	Excess / Deficient Accumulated Deferred Income Taxes		(Attach 8, line 29) (Note F)		-		TP		1.0000	
30	Unamortized Lumpsum Lease Payment		Note G		-		DA		1.0000	
31	Unfunded Reserves (enter negative)		Note H		-		DA		1.0000	
32	Unamortized Regulatory Assets		(Attach 3, line 204, col. b) (Note I)		-		DA		1.0000	
33	Unamortized Abandoned Plant		(Attach 3, line 204, col. c) (Note J)		-		DA		1.0000	
34	TOTAL ADJUSTMENTS (sum lines 27-32)				-				-	
35	LAND HELD FOR FUTURE USE		Company records		-		TP		1.0000	
36	WORKING CAPITAL (Note K)									
37	CWC		(1/8 * (Line 48 less Line 47a)		-				-	
38	Materials & Supplies		(Attach 3, line 221, column c)		-		TP		1.0000	
39	Prepayments (Account 165 - Note K)		(Attach 3, line 189, column b)		-		GP		-	
40	TOTAL WORKING CAPITAL (sum lines 36-38)				-				-	
41	RATE BASE (sum lines 25, 33, 34, & 39)				-				-	

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2021

		LS Power Grid New York, LLC				
(1)		(2)	(3)	(4)	(5)	
		Source	Company Total	Allocator	Transmission (Col 3 times Col 4)	
41	O&M					
42	Transmission	321.112.b	-	TP=	1.0000	
43	Less Account 565	321.96.b	-	TP=	1.0000	
44	A&G	323.197.b	-	W/S	1.0000	
45	Less EPRI & Reg. Comm. Exp. & Other Ad.	Note L, company records	-	DA	1.0000	
46	Plus Transmission Related Reg. Comm. Exp.	Note L, company records	-	TP=	1.0000	
47	Less Account 566	321.97.b	-	DA	1.0000	
47a	Amortization of Regulatory Assets	company records	-	DA	1.0000	
47b	Account 566 excluding amort. of Reg Assets	(line 47 less line 47a)	-	DA	1.0000	
48	TOTAL O&M (sum lines 42, 44, 46, 47a, 47b less lines 43 & 45, 47) (Note L)		-		-	
49	DEPRECIATION EXPENSE					
50	Transmission	336.7.f (Note A)	-	TP	1.0000	
51	General and Intangible	336.1.f + 336.10.f (Note A)	-	W/S	1.0000	
52	Amortization of Abandoned Plant	(Attach 3, line 205, column c) (Note J)	-	DA	1.0000	
53	Amortization of Acquisition Adjustment	(Attach 2, line 166)	-	DA	1.0000	
54	TOTAL DEPRECIATION (Sum lines 50-52)		-		-	
55	TAXES OTHER THAN INCOME TAXES (Note M)					
56	LABOR RELATED					
57	Payroll	263.i	-	W/S	1.0000	
58	Highway and vehicle	263.i	-	W/S	1.0000	
59	PLANT RELATED					
60	Property	263.i	-	GP	-	
61	Gross Receipts	263.i	-	GP	-	
62	Other	263.i	-	GP	-	
63	TOTAL OTHER TAXES (sum lines 57-62)		-		-	
64	INCOME TAXES					
65	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	(Note E)	0.00%			
66	$CIT=(T/1-T) * (1-(WCLTD/R)) =$		0.00%			
67	where WCLTD=(line 96) and R= (line 99)					
68	and FIT, SIT, p, & n are as given in footnote E.					
69	$1 / (1 - T) = (T \text{ from line 65})$		-			
70	Income Tax Calculation = line 66 * line 76		-		-	
71	Investment Tax Credit Amortization Adjustment	(Attachment 3, line 174) (Note D)	-	NP	-	
72	Permanent Differences Tax Adjustment	(Attach 3, line 207 * line 65)	-	NP	-	
73	Excess/Deficient Deferred Taxes Adjustment	Attach 8, line 58 (proj.), line 90 (actual) Note F	-	NP	-	
74	Total Income Taxes	(Sum lines 72 to 73)	-		-	
75	RETURN					
76	[Rate Base (line 40) * Rate of Return (line 99)]		-		-	
77	Rev Requirement before Incentive Projects (sum lines 48, 54, 63, 74, 76)		-		-	
78	Incentive Return and Income Tax and Competitive Bid Concessions for Projects (Attach 4, line 67, cols. h, j & less p)		-	DA	1.0000	
79	Total Revenue Requirement (sum lines 77 & 78)		-		-	

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2021

LS Power Grid New York, LLC
SUPPORTING CALCULATIONS AND NOTES

80 TRANSMISSION PLANT INCLUDED IN ISO RATES

81	Total transmission plant (line 7, column 3)	-
82	Less transmission plant excluded from ISO rates (Note N)	-
83	Less transmission plant included in OATT Ancillary Services (Note N)	-
84	Transmission plant included in ISO rates (line 81 less lines 82 & 83)	-

85 Percentage of transmission plant included in ISO Rates (line 84 divided by line 81) [If line 81 equal zero, enter 1] TP= 1.0000

86 WAGES & SALARY ALLOCATOR (W&S)

	Form 1 Reference	\$	TP	Allocation				
88	Production	354.20.b	-	-	-			
89	Transmission	354.21.b	-	1.00	-			
90	Distribution	354.23.b	-	-	-			
91	Other	354.24,25,26.b	-	-	-			
92	Total (sum lines 88-91) [TP equals 1 if there are no wages & salaries]	-	-	-	=	W&S Allocator (\$ / Allocation)	=	WS
						1.0000		

93 RETURN (R) (Notes O and P)

		\$	%	Cost	Weighted	
96	Long Term Debt (Attach 3, line 229)	-	47.00%	0.00%	0.00%	=WCLTD
97	Preferred Stock (Attach 3, line 230)	-	0.00%	0.00%	0.00%	
98	Common Stock (Attach 3, line 231)	-	53.00%	0.00%	0.00%	
99	Total (sum lines 96-98)	-	-	-	0.00%	=R

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

	Source of Total Column	(a) Non-incentive Investments from Attachment 4 (Note Q)	(b) Incentive Investments from Attachment 4 (Note Q)	(c) Total
100	Net Transmission Plant in Service (Line 22 and Transmission CIACs)	-	-	-
101	Unamortized Abandoned Plant (Line 32)	-	-	-
102	Project Specific Regulatory Assets (Line 31)	-	-	-
103	Development of Base Carrying charge and Summary of Incentive and Non-Incentive Investments (Lines 69 & 71)			-
104	Return and Taxes			-
105	Total Revenue Credits			-
106	Base Carrying Charge (used in Attach 4, Line 65) (Line 100 - Line 101)/ Line 99			0.00%

SUPPORTING CALCULATIONS AND NOTES

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

LS Power Grid New York, LLC

For the 12 months ended 12/31/2021

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 Balances exclude Asset Retirement Costs.
- B No Acquisition Adjustment will be recovered until a filing requesting recovery is submitted to and approved by FERC under FPA Section 205.
- C The balances in Accounts 190, 281, 282 and 283 are allocated to transmission plant included in ISO rates based on company accounting records. Accumulated deferred income tax amounts associated with asset or liability accounts excluded from rate base do not affect rate base, such as ADIT related to asset retirement obligations and certain tax-related regulatory assets or liabilities. To the extent that the normalization requirements apply to ADIT activity in the projected net revenue requirement calculation or the true-up adjustment calculation, the ADIT amounts are computed in accordance with the proration formula of Treasury regulation Section 1.167(l)-1(h)(6) with averaging in accordance with IRC Section 168(i)(9)(B). The remaining ADIT activity are averaged. Work papers supporting the ADIT calculations will be posted with each projected net revenue requirement and/or Annual True-Up and included in the annual Informational Filing submitted to the Commission.
- D Investment tax credit (ITC) is recorded in accordance with the deferral method of accounting and any normalization requirements that relate to the eligibility to claim the credit or the recapture of the credit. The revenue requirement impact of any ITC amortization permitted to reduce income tax expense is determined as the amount of the Amortized Investment Tax Credit (266.8.f) multiplied by the applicable tax gross-up factor.
- E The composite income tax rate (T) applicable to each Rate Year (including both Annual Projections and True-Up Adjustments) is based on the Federal income tax rate (FIT), the State income tax rate (SIT) and the percentage of federal income tax deductible for state income tax purposes (P). 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 computed.
- Inputs Required:
- | | |
|---|-------|
| Federal income tax rate (FIT) = | |
| Composite state income tax rate (SIT) = | 0.00% |
| Percent of federal income tax deductible for state purposes (P) = | - |
- (Attachment 3)
- 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.
- F Upon enactment of changes in tax law, ADIT balances are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred income tax assets and liabilities. Such excess or deficient ADIT attributable to assets or liabilities reflected in ISO rates and subsequent recoverable or refundable amortization will be based upon tax records and be calculated and recorded in accordance with ASC 740 and any applicable normalization requirements of the taxing jurisdiction. For each re-measurement of deferred taxes, the amounts entered as Adjustments to Rate Base or a component of Income Taxes will be supported by work papers providing the balance for each taxing jurisdiction at the beginning and end of the year, amortization for the year and any other information required to support compliance with any applicable normalization requirements.
- G In the event that transmission assets or right of ways involve a lumpsum upfront payment under a lease that qualifies as a capital lease, it will be amortized over the life of the lease to Account 567 and the unamortized balance will be included here. In the event such a lease involves monthly or annual payments, the payments will be booked to Account 567.
- H Unfunded Reserves are customer contributed capital authorized by a regulatory agency. Balances, if any, will be supported by a workpaper. No amounts shall be credited to accounts 228.1 through 228.4 unless authorized by a regulatory authority or authorities to be collected in a utility's rates.
- I Recovery of Regulatory Assets must be authorized by the Commission.
- J Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of Abandoned Plant.
- K Cash Working Capital assigned to transmission is transmission-allocated O&M minus the amortization of any Regulatory Asset, divided by eight. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111 line 57 in the Form 1.
- L Line 45 removes EPRI Annual Membership Dues listed in Form 1 at 353.f, any EPRI Lobbying expenses included in line 42 of the template and all Regulatory Commission Expenses itemized at 351.h. Line 45 removes all advertising included in Account 930.1, except safety, education or out-reach related advertising. Line 45 removes all EEI and EPRI research, development and demonstration expenses. Line 46 reflects all Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h. Line 42 or Line 44 and thus Line 48 shall include any NYISO charges other than penalties, including but not limited to administrative costs.
- M Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
- N Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- O 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.
- P A hypothetical capital structure of 47% debt and 53% equity will be used until the entire Marcy to New Scotland 345 kV Upgrade Project is placed in-service. After the Marcy to New Scotland 345 kV Upgrade Project is placed in-service, the lesser of a 53% equity ratio or the actual equity ratio will be used.
- Q Non-incentive investments are investments without ROE incentives and incentive investments are investments with ROE incentives

Attachment 1 - Revenue Credit Workpaper*
LS Power Grid New York, LLC

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.

Note 3 All Account 454, 456, and 456.1 Revenues must be itemized below and tie to FERC Form No. 1 cites set forth below.

Line No.		TOTAL	NY-ISO	Other 1	Other 2
1	Accounts 456 and 456.1 (300.21.b plus 300.22.b)	-	-	-	-
1a		-	-	-	-
...		-	-	-	-
1x		-	-	-	-
2		-	-	-	-
3	Total	-	-	-	-
4	Less:				
5	Revenue for Demands in Divisor	-	-	-	-
6	Sub Total Revenue Credit	-	-	-	-
7	Prior Period Adjustments	-	-	-	-
8	Total (must tie to 300.21.b plus 300.22.b)	-	-	-	-
9	Account 454 (300.19.b)	\$			
9a		-			
9b		-			
9c		-			
9d		-			
9e		-			
9f		-			
9g		-			
...		-			
9x		-			
10	Total (must tie to 300.19.b)	-			

Attachment 2 - Cost Support
LS Power Grid New York, LLC

Plant in Service Worksheet (Note 2)

1	<u>Calculation of Transmission Plant In Service</u>	Source (Less ARO, see Note 1)	Year	Balance
2	December	p206.58.b	-	-
3	January	company records	-	-
4	February	company records	-	-
5	March	company records	-	-
6	April	company records	-	-
7	May	company records	-	-
8	June	company records	-	-
9	July	company records	-	-
10	August	company records	-	-
11	September	company records	-	-
12	October	company records	-	-
13	November	company records	-	-
14	December	p207.58.g	-	-
15	Transmission Plant In Service	(sum lines 2-14) /13		-
16	<u>Calculation of Distribution Plant In Service</u>	Source (Less ARO, see Note 1)		
17	December	p206.75.b	-	-
18	January	company records	-	-
19	February	company records	-	-
20	March	company records	-	-
21	April	company records	-	-
22	May	company records	-	-
23	June	company records	-	-
24	July	company records	-	-
25	August	company records	-	-
26	September	company records	-	-
27	October	company records	-	-
28	November	company records	-	-
29	December	p207.75.g	-	-
30	Distribution Plant In Service	(sum lines 17-29) /13		-

31	<u>Calculation of Intangible Plant In Service</u>	Source (Less ARO, see Note 1)		
32	December	p204.5.b	-	-
33	January	company records	-	-
34	February	company records	-	-
35	March	company records	-	-
36	April	company records	-	-
37	May	company records	-	-
38	June	company records	-	-
39	July	company records	-	-
40	August	company records	-	-
41	September	company records	-	-
42	October	company records	-	-
43	November	company records	-	-
44	December	p205.5.g	-	-
45	<u>Intangible Plant In Service</u>	(sum lines 32-44) /13		-
46	<u>Calculation of General Plant In Service</u>	Source (Less ARO, see Note 1)		
47	December	p206.99.b	-	-
48	January	company records	-	-
49	February	company records	-	-
50	March	company records	-	-
51	April	company records	-	-
52	May	company records	-	-
53	June	company records	-	-
54	July	company records	-	-
55	August	company records	-	-
56	September	company records	-	-
57	October	company records	-	-
58	November	company records	-	-
59	December	p207.99.g	-	-
60	<u>General Plant In Service</u>	(sum lines 47-59) /13		-
61	<u>Calculation of Production Plant In Service</u>	Source (Less ARO, see Note 1)		
62	December	p204.46b	-	-
63	January	company records	-	-
64	February	company records	-	-
65	March	company records	-	-
66	April	company records	-	-
67	May	company records	-	-
68	June	company records	-	-
69	July	company records	-	-
70	August	company records	-	-
71	September	company records	-	-
72	October	company records	-	-
73	November	company records	-	-
74	December	p205.46.g	-	-
75	<u>Production Plant In Service</u>	(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 (Less ARO, see Note 1)	Year	Balance
78	December	Prior year p219.25.c	-	-
79	January	company records	-	-
80	February	company records	-	-
81	March	company records	-	-
82	April	company records	-	-
83	May	company records	-	-
84	June	company records	-	-
85	July	company records	-	-
86	August	company records	-	-
87	September	company records	-	-
88	October	company records	-	-
89	November	company records	-	-
90	December	p219.25.c	-	-
91	Transmission Accumulated Depreciation	(sum lines 78-90) /13		-
92	<u>Calculation of Distribution Accumulated Depreciation</u>	Source (Less ARO, see Note 1)		
93	December	Prior year p219.26.c	-	-
94	January	company records	-	-
95	February	company records	-	-
96	March	company records	-	-
97	April	company records	-	-
98	May	company records	-	-
99	June	company records	-	-
100	July	company records	-	-
101	August	company records	-	-
102	September	company records	-	-
103	October	company records	-	-
104	November	company records	-	-
105	December	p219.26.c	-	-
106	Distribution Accumulated Depreciation	(sum lines 93-105) /13		-

107	<u>Calculation of Intangible Accumulated Amortization</u>	Source (Less ARO, see Note 1)		
108	December	Prior year p200.21.c	-	-
109	January	company records	-	-
110	February	company records	-	-
111	March	company records	-	-
112	April	company records	-	-
113	May	company records	-	-
114	June	company records	-	-
115	July	company records	-	-
116	August	company records	-	-
117	September	company records	-	-
118	October	company records	-	-
119	November	company records	-	-
120	December	p200.21.c	-	-
121	Accumulated Intangible Amortization	(sum lines 108-120) /13		-
122	<u>Calculation of General Accumulated Depreciation</u>	Source (Less ARO, see Note 1)		
123	December	Prior year p219.28.c	-	-
124	January	company records	-	-
125	February	company records	-	-
126	March	company records	-	-
127	April	company records	-	-
128	May	company records	-	-
129	June	company records	-	-
130	July	company records	-	-
131	August	company records	-	-
132	September	company records	-	-
133	October	company records	-	-
134	November	company records	-	-
135	December	p219.28.c	-	-
136	Accumulated General Depreciation	(sum lines 123-135) /13		-
137	<u>Calculation of Production Accumulated Depreciation</u>	Source (Less ARO, see Note 1)		
138	December	p219.20.c to 24.c (prior year)	-	-
139	January	company records	-	-
140	February	company records	-	-
141	March	company records	-	-
142	April	company records	-	-
143	May	company records	-	-
144	June	company records	-	-
145	July	company records	-	-
146	August	company records	-	-
147	September	company records	-	-
148	October	company records	-	-
149	November	company records	-	-
150	December	p219.20.c to 24.c	-	-
151	Production Accumulated Depreciation	(sum lines 138-150) /13		-
152	Total Accumulated Depreciation and Amortization	(sum lines 91, 106, 121, 136, & 151)		-

Acquisition Adjustment Worksheet

				FERC 115 -		FERC 406 -	
	Calculation of Transmission Acquisition Adj.	Source	Year	FERC 114 - Balance	Accumulated Amortization	Net Balance	Amortization Exp
153	December	company records	-	-	-	-	-
154	January	company records	-	-	-	-	-
155	February	company records	-	-	-	-	-
156	March	company records	-	-	-	-	-
157	April	company records	-	-	-	-	-
158	May	company records	-	-	-	-	-
159	June	company records	-	-	-	-	-
160	July	company records	-	-	-	-	-
161	August	company records	-	-	-	-	-
162	September	company records	-	-	-	-	-
163	October	company records	-	-	-	-	-
164	November	company records	-	-	-	-	-
165	December	company records	-	-	-	-	-
166	Transmission Acquisition Adj.	(sum lines 153-165) /13		-	-	-	-

Note

1 Balances exclude Asset Retirement Costs.

2 For the initial rate year, capital balances that are typically based on a 13-month average will be divided by the number of months the rate is in effect.

**Attachment 3 - Cost Support
LS Power Grid New York, LLC**

			Beginning of Year	End of Year	Average Balance
Numbering continues from Attachment 2					
167	Account No. 255 (enter negative)	267.8.h	-	-	-
168	Portion of Unamortized ITC Not Reflected in Rate Base (enter negative)		-	-	
169	Portion of Unamortized ITC Reducing in Rate Base		-	-	
			Jurisdiction 1	Jurisdiction 2	Total
170	Investment Tax Credit Amortization (enter negative)	114.19.c	-	-	-
171	ITC Amortization Not Permitted to Reduce Recoverable Tax Expense (enter negative)		-	-	
172	ITC Amortization Permitted to Reduce Recoverable Tax Expense		-	-	
173	Applicable Tax Gross-up Factor		-	-	
174	Investment Tax Credit Amortization Adjustment		-	-	-
175	Prepayments (Account 165) (Prepayments exclude Prepaid Pension Assets)		A Year	B Balance	
176	December	111.57.d	-	-	
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	111.57.c	-	-	
189	Prepayments	(sum lines 176-188) /13		-	

Reserves

189a	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	List of all Reserves	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 NOT included in the formula rate	Enter the percentage paid for by customers, 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
190	Reserve 1	-	-	-	-	-	-
190a	Reserve 2	-	-	-	-	-	-
190b	Reserve 3	-	-	-	-	-	-
190c	Reserve 4	-	-	-	-	-	-
190d	...	-	-	-	-	-	-
190e	...	-	-	-	-	-	-
	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.

	Month (a)		Unamortized Regulatory Asset (b) Note A	Unamortized Abandoned Plant (c) Note B
191	December	2020	-	-
192	January	2021	-	-
193	February	2021	-	-
194	March	2021	-	-
195	April	2021	-	-
196	May	2021	-	-
197	June	2021	-	-
198	July	2021	-	-
199	August	2021	-	-
200	September	2021	-	-
201	October	2021	-	-
202	November	2021	-	-
203	December	2021	-	-
204	Average of the 13 Monthly Balances		-	-
205	Amortization Expense of Abandoned Plant			-

Multi-jurisdictional Workpaper

		New York	State 2	State 3	State 4	State 5	Weighed Average
	Income Tax Rates						
	Weighting						
206	SIT=Composite State Income Tax Rate						0
	SIT will include multiple state or local income tax rates, if applicable, weighted based on the apportionment methodologies of each jurisdiction and the number of days in the year that the rates are effective.						
207	The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Appendix A that are not the result of a timing difference. If any, a workpaper showing the calculation will be attached.						

Materials & Supplies

			Stores Expense Undistributed p227.16	Transmission Materials & Supplies p227.8	Total
Note: for the projection, the prior year's actual balances will be used					
Form No.1 page			(a)	(b)	c (col a+col b)
208	December	Column b	-	-	-
209	January	Company Records	-	-	-
210	February	Company Records	-	-	-
211	March	Company Records	-	-	-
212	April	Company Records	-	-	-
213	May	Company Records	-	-	-
214	June	Company Records	-	-	-
215	July	Company Records	-	-	-
216	August	Company Records	-	-	-
217	September	Company Records	-	-	-
218	October	Company Records	-	-	-
219	November	Company Records	-	-	-
220	December	Column c	-	-	-
221	Average	sum line 208 to 220 divided by 13			-

Notes

- A Recovery of regulatory assets requires authorization from the Commission.
- B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.

**Attachment 3 - Cost Support
LS Power Grid New York, LLC**

COST OF CAPITAL

RETURN ON RATE BASE (R)					
			\$		
222	Long Term Interest (117, sum of 62.c through 67.c) (Note D)		-		
223	Preferred Dividends (118.29c) (positive number)		-		
224	Proprietary Capital (Line 25 (c))		-		
225	Less Preferred Stock (Line 9)		-		
226	Less Account 216.1 Undistributed Subsidiary Earnings (Line 25 (d))		-		
227	Less Account 219 Accum. Other Comprehensive Income (Line 25 (e))		-		
228	Common Stock (Sum of Lines 224 through 227)		-		
			\$	%	Cost
229	Long Term Debt	Line 246 col (a), Note A and Appendix A Note P	-	47.00%	0.00%
230	Preferred Stock	Line 246 col (b), Note B and Appendix A Note P	-	0.00%	0.00%
231	Common Stock	Line 228 col (b), Note C and Appendix A Notes O and P	-	53.00%	0.00%
232	Total	(Sum of Lines 229 through 231)	-		0.00%
					=WCLTD
					=R
		(a)	(b)	(c)	(d)
					(e)
					Accum
					Other
					Comp.
					Income 219
					(112.15.c)
	Monthly Balances for Capital Structure	Long Term Debt	Preferred Stock	Proprietary	Undistributed
		(Note A)	(112.3.c)	Capital	Sub Earnings
				(112.16.c)	216.1 (112.12.c)
233	December (Prior Year)	-	-	-	-
234	January	-	-	-	-
235	February	-	-	-	-
236	March	-	-	-	-
237	April	-	-	-	-
238	May	-	-	-	-
239	June	-	-	-	-
240	July	-	-	-	-
241	August	-	-	-	-
242	September	-	-	-	-
243	October	-	-	-	-
244	November	-	-	-	-
245	December	-	-	-	-
246	13-Month Average	-	-	-	-
Notes					
A	Long Term debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112, lines 18.c to 21.c, in the Form No. 1; the cost is calculated by dividing line 222 by the Long Term Debt balance on line 229.				
B	Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c in the Form No. 1				
C	Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on Form 1 page 112 line 16.c less lines 3.c , 12.c, and 15.c				
D	Long-term interest will exclude any short-term interest included in FERC Account 430, Interest on Debt to Associated Companies				

Utilizing Appendix A Data

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 value 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.

Base ROE and Income Taxes Carrying Charge		Allocator		Result	
1	Rate Base				-
2	BASE RETURN CALCULATION:				
		\$	%	Cost	Weighted
3	Long Term Debt (Appendix A, Line 96)	-	0.47	0.00%	0.00%
4	Preferred Stock (Appendix A, Line 97)	-	-	-	0.00%
5	Common Stock (Appendix A, Line 98)	-	0.53	0.00%	0.00%
6	Total (sum lines 3-5)	-			0.00%
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 65)				
10	$CIT=(T/1-T) * (1-(WCLTD/R)) =$				
11	where WCLTD=(line 3) and R=(line 6)				
12	and FIT, SIT & p are as given in footnote E on Appendix A.				
13	$1 / (1 - T) = (T \text{ from line } 9)$				
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)	-	NP	-	-
17	Total Income Taxes (line 15 plus line 16)	-			-
18	Base Return and Income Taxes	Sum lines 7 and 17			-
19	Rate Base	Line 1			-
20	Return and Income Taxes at Base ROE	Line 18 / line 19			-

100 Basis Point Incentive ROE and Income Taxes Carrying Charge

Attachment 4

				Result
21	Rate Base			-
22	100 Basis Point Incentive Return impact on			
23	Long Term Debt (line 3)	\$ -	% 0.47	Cost 0.00%
24	Preferred Stock (line 4)	-	-	0.00%
25	Common Stock (line 5 plus 100 basis points)	-	0.53	0.53%
26	Total (sum lines 24-26)	-		0.53%
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-(WCLTD/R)) =	-		
31	where WCLTD=(line 23) and R=(line 26)			
32	and FIT, SIT & p are as given in footnote E 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)		NP	-
37	Total Income Taxes (line 35 plus line 36)	-		-
38	Return and Income Taxes with 100 basis point increase in ROE		Sum lines 27 and 37	-
39	Rate Base		Line 21	-
40	Return and Income Taxes with 100 basis point increase in ROE		Line 38 / line 39	-
41	Difference in Return and Income Taxes between Base ROE and 100 Basis Point Incentive		Line 41- Line 20	-

Effect of 1% Increase in the Equity Ratio

				Results
42	Rate Base			-
43	100 Basis Point Incentive Return			
44	Long Term Debt (line 3 minus 1% in equity ratio)	\$ -	% 46%	Cost 0.00%
45	Preferred Stock (line 4)	-	-	0.00%
46	Common Stock (line 5 plus 1% in equity ratio)	-	54%	0.00%
47	Total (sum lines 44-46)	-		0.00%
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-(WCLTD/R)) =	-		
52	where WCLTD=(line 44) and R=(line 47)			
53	and FIT, SIT & p are as given in footnote E 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)	-	NP	-
58	Total Income Taxes (line 56 plus line 57)	-		-
59	Return and Income Taxes with 1% Increase in the Equity Ratio		Sum lines 48 and 58	-
60	Rate Base		Line 42	-
61	Return and Income Taxes with 1% Increase in the Equity Ratio		Line 59 / line 60	-
62	Difference between Base ROE and 1% Increase in the Equity Ratio		Line 61 - Line 20	-

63 Revenue Requirement per project including incentives

64 Expense Allocator [Appendix A, lines 48 and 63, less Appendix A, line 47a (project specific) / Gross Transmission Plant In Service Column (l). If Gross Transmission Plant is zero, then the Expense Allocator should be zero] (Note B)

65 Base Carrying Charge Appendix A, Line 106

-

-

The table below breaks out the total revenue requirement on Appendix A separately for each investment. The total of Column (q) 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)	(q)	
			ROE Authorized by FERC (Note D)	ROE Base (From Appendix A, line 94)	Incentive % Authorized by FERC												
Line	Description	Net Investment (Note A)				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/Amor tization Expense	Competitive Bid Concession (Note C)	Total Revenues (Col. (h) + (j) + (k) +(n) +(o) -(p))
66				0.00%		-	-	-		-	-	-	-	-		-	
66a				0.00%		-	-	-		-	-	-	-	-		-	
66b				0.00%		-	-	-		-	-	-	-	-		-	
66c				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
...				0.00%		-	-	-		-	-	-	-	-		-	
67	Total	\$0		0.00%		-	-	-		-	-	\$0		-	-	-	
68	Check Sum Appendix A Line 3																
69	Difference (must be equal to zero)																

Note:

- A Column (b), Net Investment includes the Net Plant In Service, unamortized regulatory assets, and unamortized abandoned plant.
- B Column (l), Gross Plant in Service excludes Regulatory Assets, CWIP, and Abandoned Plant.
- C Competitive Bid Concession, if any, will reflect outcome of competitive developer selection process and will be computed on a workpaper that will be provided as supporting documentation for each Annual Update and will be zero or a reduction to the revenue requirement. The amount in Column (p) above equals the amount by which the annual revenue requirement is reduced from the ceiling rate.
- D 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

Attachment 5 - Example of True-Up Calculation
LS Power Grid New York, LLC

Year	Annual True-Up Calculation					
	A	B	C	D	E	F
	Project Identification	Project Name	Actual Adjusted Net Revenue Requirement ¹	Revenue Received ²	Net Under/(Over) Collection (C-D)	Interest Income (Expense)
2			-	-	-	-
2a			-	-	-	-
2b			-	-	-	-
2c			-	-	-	-
2d			-	-	-	-
3	Total		-	-	-	-

Notes

1. From Attachment 4, Column (q) for the period being true-up
2. The "revenue received" is the total amount of revenue distributed in the True-Up Year. The amounts do not include any true-ups or prior period adjustments and reflects any Competitive Bid Concessions
3. Then Monthly Interest Rate shall be equal to the interest rate set forth below on line 13 and be applied to the amount in Column E for a period of 24 months
4. The True-Up Adjustment is applied to each project prorata based its contribution to the Revenue Requirement shown in Attachment 4

FERC Refund Interest Rate

	(a)	(b)	(c)	(d)
	Interest Rate:	Quarter	Year	Quarterly Interest Rate under Section 35.19(a)
4				
5		1st Qtr.	-	-
6		2nd Qtr	-	-
7		3rd Qtr	-	-
8		4th Qtr	-	-
9		1st Qtr	-	-
10		2nd Qtr	-	-
11		3rd Qtr	-	-
12		Sum lines 5-11		-
13	Avg. Monthly FERC Rate	Line 12 divided by 7		-

LS Power Grid New York, LLC
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Proration and Averaging Worksheet
Projected Annual Transmission Revenue Requirement
For the 12 months ended 12/31/2021

Line No.	ADIT Account	Amount
1	190	- From line 25
2	281 (enter negative)	- From line 58
3	282 (enter negative)	- From line 91
4	283 (enter negative)	- From line 124
5	Total Projected ADIT	- Enter as negative Appendix A, page 2, line 27

6	Rate year =	2021
7	Test period days after rates become effective	365

Note 1 - The computations on this worksheet average the projected annual activity of accumulated deferred income taxes. To the extent that the ADIT is subject to the normalization requirements, the proration rules of Treasury Regulation Sec. 1.167(l)-1(h)(6) and the consistency rules of IRC Section 168(i)(9)(B) are applied. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated.

Note 2 - The components of the accumulated deferred income tax balances are detailed on Attachment 6b.

10	Account 190 - Accumulated Deferred Income Taxes	Amount debit / <credit>
11	Beginning Balance	-
12	Less: Portion not related to transmission	-
13	Less: Portion not reflected in rate base	-
14	Subtotal: Portion reflected in rate base	Line 11 - line 12 - line 13
15	Less: Portion subject to proration	Line 29, Col. D
16	Portion subject to averaging	Line 14 - line 15
17	Ending Balance	-
18	Less: Portion not related to transmission	-
19	Less: Portion not reflected in rate base	-
20	Subtotal: Portion reflected in rate base	Line 17 - line 18 - line 19
21	Less: Portion subject to proration (before proration)	Line 41 Col. D
22	Portion subject to averaging (before averaging)	Line 20 - line 21
23	Ending balance of portion subject to proration (prorated)	Line 41 Col. H
24	Average balance of portion subject to averaging	(Line 16 + line 22) / 2
25	Amount reflected in rate base	Line 23 + line 24

Enter on line 1

Note 3 - Accumulated deferred income tax activity in account 190 subject to the proration rules relates to taxable contributions in aid of construction, net operating loss carryforwards, regulatory liabilities for excess deferred income taxes and any other amounts subject to the Section 168 or other normalization requirements.

27	Account 190 - Accumulated Deferred Income Taxes							(h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month- end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit> (c) X (e) X (f)	Forecasted Prorated Month- end Balance debit / <credit> Prior Month Col. (h) + Current Month Col. (g)
28								
29	December 31,	2020	NA	-	NA	365	NA	-
30	January	2021	-	-	335	365	-	-
31	February	2021	-	-	307	365	-	-
32	March	2021	-	-	276	365	-	-
33	April	2021	-	-	246	365	-	-
34	May	2021	-	-	215	365	-	-
35	June	2021	-	-	185	365	-	-
36	July	2021	-	-	154	365	-	-
37	August	2021	-	-	123	365	-	-
38	September	2021	-	-	93	365	-	-
39	October	2021	-	-	62	365	-	-
40	November	2021	-	-	32	365	-	-
41	December	2021	-	-	1	365	-	-
42	Total		-					

43	Account 281 - Accumulated Deferred Income Taxes						Amount debit / <credit>
44	Beginning Balance						-
45	Less: Portion not related to transmission						-
46	Less: Portion not reflected in rate base						-
47	Subtotal: Portion reflected in rate base			Line 44 - line 45 - line 46			-
48	Less: Portion subject to proration			Line 62 Col. D			-
49	Portion subject to averaging			Line 47 - line 48			-
50	Ending Balance						-
51	Less: Portion not related to transmission						-
52	Less: Portion not reflected in rate base						-
53	Subtotal: Portion reflected in rate base			Line 50 - line 51 - line 52			-
54	Less: Portion subject to proration (before proration)			Line 74 Col. D			-
55	Portion subject to averaging (before averaging)			Line 53 - line 54			-
56	Ending balance of portion subject to proration (prorated)			Line 74 Col. H			-
57	Average balance of portion subject to averaging			(Line 49 + line 55) / 2			-
58	Amount reflected in rate base			Line 56 + line 57			- Enter on line 2

59 **Note 4** - Accumulated deferred income tax activity in account 281 subject to the proration rules relates differences between depreciation methods and lives for public utility property and any other amounts subject to the Section 168 or other normalization requirements.

60 **Account 281 - Accumulated Deferred Income Taxes**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month- end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit>	Forecasted Prorated Month- end Balance debit / <credit>
							(c) X (e) X (f)	Prior Month Col. (h) + Current Month Col. (g)
61								
62	December 31,	2020	NA	-	NA	365	NA	-
63	January	2021	-	-	335	365	-	-
64	February	2021	-	-	307	365	-	-
65	March	2021	-	-	276	365	-	-
66	April	2021	-	-	246	365	-	-
67	May	2021	-	-	215	365	-	-
68	June	2021	-	-	185	365	-	-
69	July	2021	-	-	154	365	-	-
70	August	2021	-	-	123	365	-	-
71	September	2021	-	-	93	365	-	-
72	October	2021	-	-	62	365	-	-
73	November	2021	-	-	32	365	-	-
74	December	2021	-	-	1	365	-	-
75	Total		-					

76 **Account 282 - Accumulated Deferred Income Taxes**

							Amount debit / <credit>
77	Beginning Balance						-
78	Less: Portion not related to transmission						-
79	Less: Portion not reflected in rate base						-
80	Subtotal: Portion reflected in rate base			Line 77 - line 78 - line 79			-
81	Less: Portion subject to proration			Line 95 Col. D			-
82	Portion subject to averaging			Line 80 - line 81			-
83	Ending Balance						-
84	Less: Portion not related to transmission						-
85	Less: Portion not reflected in rate base						-
86	Subtotal: Portion reflected in rate base			Line 78 - line 79 - line 80			-
87	Less: Portion subject to proration (before proration)			Line 107 Col. D			-
88	Portion subject to averaging (before averaging)			Line 81 - line 82			-
89	Ending balance of portion subject to proration (prorated)			Line 107 Col. H			-
90	Average balance of portion subject to averaging			(Line 82 + line 88) / 2			-
91	Amount reflected in rate base			Line 89 + line 90			- Enter on line 3

92 **Note 5** - Accumulated deferred income tax activity in account 282 subject to the proration rules relates differences between depreciation methods and lives for public utility property and any other amounts subject to the Section 168 or other normalization requirements.

93 **Account 282 - Accumulated Deferred Income Taxes**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month- end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit>	Forecasted Prorated Month- end Balance debit / <credit>
							(c) X (e) X (f)	Prior Month Col. (h) + Current Month Col. (g)
94								
95	December 31,	2020	NA	-	NA	365	NA	-
96	January	2021	-	-	335	365	-	-
97	February	2021	-	-	307	365	-	-
98	March	2021	-	-	276	365	-	-
99	April	2021	-	-	246	365	-	-
100	May	2021	-	-	215	365	-	-
101	June	2021	-	-	185	365	-	-
102	July	2021	-	-	154	365	-	-
103	August	2021	-	-	123	365	-	-
104	September	2021	-	-	93	365	-	-
105	October	2021	-	-	62	365	-	-
106	November	2021	-	-	32	365	-	-

107	December	2021	-	-	1	365	-	-
108		Total	-					

109	Account 283 - Accumulated Deferred Income Taxes			Amount debit / <credit>
110	Beginning Balance			-
111	Less: Portion not related to transmission			-
112	Less: Portion not reflected in rate base			-
113	Subtotal: Portion reflected in rate base	Line 110 - line 111 - line 112		-
114	Less: Portion subject to proration	Line 128 Col. D		-
115	Portion subject to averaging	Line 113 - line 114		-
116	Ending Balance			-
117	Less: Portion not related to transmission			-
118	Less: Portion not reflected in rate base			-
119	Subtotal: Portion reflected in rate base	Line 111 - line 112 - line 113		-
120	Less: Portion subject to proration (before proration)	Line 135 Col. D		-
121	Portion subject to averaging (before averaging)	Line 114 - line 115		-
122	Ending balance of portion subject to proration (prorated)	Line 135 Col. H		-
123	Average balance of portion subject to averaging	(Line 110 + line 116) / 2		-
124	Amount reflected in rate base	Line 117 + line 118		- Enter on line 4

Note 6 - Accumulated deferred income tax activity in account 283 subject to the proration rules relates differences between depreciation methods and lives for public utility property and any other amounts subject to the Section 168 or other normalization requirements.

126	Account 283 - Accumulated Deferred Income Taxes							
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month- end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit> (c) X (e) X (f)	Forecasted Prorated Month- end Balance debit / <credit> Prior Month Col. (h) + Current Month Col. (g)
127	December 31,	2020	NA	-	NA	365	NA	-
128	January	2021	-	-	335	365	-	-
129	February	2021	-	-	307	365	-	-
130	March	2021	-	-	276	365	-	-
131	April	2021	-	-	246	365	-	-
132	May	2021	-	-	215	365	-	-
133	June	2021	-	-	185	365	-	-
134	July	2021	-	-	154	365	-	-
135	August	2021	-	-	123	365	-	-
136	September	2021	-	-	93	365	-	-
137	October	2021	-	-	62	365	-	-
138	November	2021	-	-	32	365	-	-
139	December	2021	-	-	1	365	-	-
140	Total		-					

LS Power Grid New York, LLC
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Detail Worksheet
Projected Annual Transmission Revenue Requirement
For the 12 months ended 12/31/2021

	Projected amount - beginning of year 2021	Projected amount during the year 2021	Projected amount - end of year 2021	Explanation
Composite income tax rate	26.61%	26.61%	26.61%	
Account 190 (+ = debit for DTA/DTL amounts)				
<i>Included in rate base and subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Included in rate base but not subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Excluded from rate base</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
Total Temporary Differences - account 190	-	-	-	
Total DTA / <DTL> - account 190	-	-	-	
Account 281 (+ = debit for DTA/DTL amounts)				
<i>Included in rate base and subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Included in rate base but not subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Excluded from rate base</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
Total Temporary Differences - account 281	-	-	-	
Total DTA / <DTL> - account 281	-	-	-	

Account 282 (+ = debit for DTA/DTL amounts)***Included in rate base and subject to proration***

Tax depreciation	-	-	-
Book depreciation of tax basis	-	-	-
Item 3	-	-	-
Item 4	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Included in rate base but not subject to proration

Item 1	-	-	-
Item 2	-	-	-
Item 3	-	-	-
Item 4	-	-	-
Item 5	-	-	-
Item 6	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Excluded from rate base

AFUDC-equity accrual	-	-	-
AFUDC-equity - book depreciation	-	-	-
Item 3	-	-	-
Item 4	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Total Temporary Differences - account 282

- - -

DTA / <DTL> - account 282

- - -

Account 283 (+ = debit for DTA/DTL amounts)***Included in rate base and subject to proration***

Item 1	-	-	-
Item 2	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Included in rate base but not subject to proration

Item 1	-	-	-
Item 2	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Excluded from rate base

Item 1	-	-	-
Item 2	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Total Temporary Differences - account 283

- - -

DTA / <DTL> - account 283

- - -

LS Power Grid New York, LLC
Attachment 6c - Accumulated Deferred Income Taxes (ADIT) Proration and Averaging Worksheet
Actual Annual Transmission Revenue Requirement (True-up Adjustment)
For the 12 months ended 12/31/2021

Line No.	ADIT Account	Amount
1	190	- From line 25
2	281 (enter negative)	- From line 58
3	282 (enter negative)	- From line 91
4	283 (enter negative)	- From line 124
5	Total Projected ADIT	Enter as negative Appendix A, page 2, line 27

6	Rate year =	2021
7	Test period days after rates become effective	365

Note 1 - The computations on this worksheet average the actual annual activity of accumulated deferred income taxes. To the extent that the ADIT is subject to the normalization requirements, the proration rules of Treasury Regulation Sec. 1.167(l)-1(h)(6) and the consistency rules of IRC Section 168(i)(9)(B) are applied. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated.

Note 2 - The components of the accumulated deferred income tax balances are detailed on Attachment 6d.

Account 190 - Accumulated Deferred Income Taxes			Amount debit / <credit>
11	Beginning Balance	FF1 234.8.b	-
12	Less: Portion not related to transmission		-
13	Less: Portion not reflected in rate base		-
14	Subtotal: Portion reflected in rate base	Line 11 - line 12 - line 13	-
15	Less: Portion subject to proration	Line 29, Col. D	-
16	Portion subject to averaging	Line 14 - line 15	-
17	Ending Balance	FF1 234.8.c	-
18	Less: Portion not related to transmission		-
19	Less: Portion not reflected in rate base		-
20	Subtotal: Portion reflected in rate base	Line 17 - line 18 - line 19	-
21	Less: Portion subject to proration (before proration)	Line 41 Col. D	-
22	Portion subject to averaging (before averaging)	Line 20 - line 21	-
23	Ending balance of portion subject to proration (prorated)	Line 41 Col. H	-
24	Average balance of portion subject to averaging	(Line 16 + line 22) / 2	-
25	Amount reflected in rate base	Line 23 + line 24	- Enter on line 1

Note 3 - Accumulated deferred income tax activity in account 190 subject to the proration rules relates to taxable contributions in aid of construction, net operating loss carryforwards, regulatory liabilities for excess deferred income taxes and any other amounts subject to the Section 168 or other normalization requirements.

Account 190 - Accumulated Deferred Income Taxes								(i)	(j)	(k)	(l)	(m)	(n)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	Actual Monthly Activity	Difference between projected monthly and actual monthly activity (See Note 7.)	Preserve projected proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 8.)	Fifty percent of the difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 9.)	Fifty percent of actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 10.)	Balance reflecting proration or averaging (See Note 11.)
Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month-end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit>	Prior Month Col. (h) + Current Month Col. (g)						
						(c) X (e) X (f)							
28								NA	NA	NA	NA	NA	-
29	December 31, 2020	NA	-	NA	365	NA	NA	-	-	-	-	-	-
30	January 2021	-	-	335	365	-	-	-	-	-	-	-	-
31	February 2021	-	-	307	365	-	-	-	-	-	-	-	-
32	March 2021	-	-	276	365	-	-	-	-	-	-	-	-
33	April 2021	-	-	246	365	-	-	-	-	-	-	-	-
34	May 2021	-	-	215	365	-	-	-	-	-	-	-	-
35	June 2021	-	-	185	365	-	-	-	-	-	-	-	-
36	July 2021	-	-	154	365	-	-	-	-	-	-	-	-
37	August 2021	-	-	123	365	-	-	-	-	-	-	-	-
38	September 2021	-	-	93	365	-	-	-	-	-	-	-	-
39	October 2021	-	-	62	365	-	-	-	-	-	-	-	-
40	November 2021	-	-	32	365	-	-	-	-	-	-	-	-
41	December 2021	-	-	1	365	-	-	-	-	-	-	-	-
42	Total	-						-	-				

Account 281 - Accumulated Deferred Income Taxes			Amount debit / <credit>
44	Beginning Balance	FF1 272.8.b	-
45	Less: Portion not related to transmission		-
46	Less: Portion not reflected in rate base		-
47	Subtotal: Portion reflected in rate base	Line 44 - line 45 - line 46	-
48	Less: Portion subject to proration	Line 62 Col. D	-
49	Portion subject to averaging	Line 47 - line 48	-
50	Ending Balance	FF1 273.8.k	-
51	Less: Portion not related to transmission		-
52	Less: Portion not reflected in rate base		-
53	Subtotal: Portion reflected in rate base	Line 50 - line 51 - line 52	-
54	Less: Portion subject to proration (before proration)	Line 74 Col. D	-
55	Portion subject to averaging (before averaging)	Line 53 - line 54	-
56	Ending balance of portion subject to proration (prorated)	Line 74 Col. H	-
57	Average balance of portion subject to averaging	(Line 49 + line 55) / 2	-
58	Amount reflected in rate base	Line 56 + line 57	- Enter on line 2

Note 4 - Accumulated deferred income tax activity in account 281 subject to the proration rules relates differences between depreciation methods and lives for public utility property and any other amounts subject to the Section 168 or other normalization requirements.

Account 281 - Accumulated Deferred Income Taxes								(i)	(j)	(k)	(l)	(m)	(n)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	Actual Monthly Activity	Difference between projected monthly and actual monthly activity (See Note 7.)	Preserve projected proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 8.)	Fifty percent of the difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 9.)	Fifty percent of actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 10.)	Balance reflecting proration or averaging (See Note 11.)
Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month-end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit>	Prior Month Col. (h) + Current Month Col. (g)						
						(c) X (e) X (f)							
61								NA	NA	NA	NA	NA	-
62	December 31, 2020	NA	-	NA	365	NA	NA	-	-	-	-	-	-
63	January 2021	-	-	335	365	-	-	-	-	-	-	-	-
64	February 2021	-	-	307	365	-	-	-	-	-	-	-	-
65	March 2021	-	-	276	365	-	-	-	-	-	-	-	-
66	April 2021	-	-	246	365	-	-	-	-	-	-	-	-
67	May 2021	-	-	215	365	-	-	-	-	-	-	-	-
68	June 2021	-	-	185	365	-	-	-	-	-	-	-	-
69	July 2021	-	-	154	365	-	-	-	-	-	-	-	-
70	August 2021	-	-	123	365	-	-	-	-	-	-	-	-
71	September 2021	-	-	93	365	-	-	-	-	-	-	-	-
72	October 2021	-	-	62	365	-	-	-	-	-	-	-	-
73	November 2021	-	-	32	365	-	-	-	-	-	-	-	-
74	December 2021	-	-	1	365	-	-	-	-	-	-	-	-
75	Total	-						-	-				

76	Account 282 - Accumulated Deferred Income Taxes			Amount debit / <credit>
77	Beginning Balance	FF1 274.2.b		-
78	Less: Portion not related to transmission			-
79	Less: Portion not reflected in rate base			-
80	Subtotal: Portion reflected in rate base	Line 77 - line 78 - line 79		-
81	Less: Portion subject to proration	Line 95 Col. D		-
82	Portion subject to averaging	Line 80 - line 81		-
83	Ending Balance	FF1 275.2.k		-
84	Less: Portion not related to transmission			-
85	Less: Portion not reflected in rate base			-
86	Subtotal: Portion reflected in rate base	Line 78 - line 79 - line 80		-
87	Less: Portion subject to proration (before proration)	Line 107 Col. D		-
88	Portion subject to averaging (before averaging)	Line 81 - line 82		-
89	Ending balance of portion subject to proration (prorated)	Line 107 Col. H		-
90	Average balance of portion subject to averaging	(Line 82 + line 88) / 2		-
91	Amount reflected in rate base	Line 89 + line 90		- Enter on line 3

Note 5 - Accumulated deferred income tax activity in account 282 subject to the proration rules relates differences between depreciation methods and lives for public utility property and any other amounts subject to the Section 168 or other normalization requirements.

Account 282 - Accumulated Deferred Income Taxes														
(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month- end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit>	Prior Month Col. (h) + Current Month Col. (g)		Actual Monthly Activity	Difference between projected monthly and actual monthly activity (See Note 7.)	Preserve projected proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 8.)	Fifty percent of the difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 9.)	Fifty percent of actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 10.)	Balance reflecting proration or averaging (See Note 11.)
94						(c) X (e) X (f)								
95	December 31,	2020	NA	-	NA	365	NA	-	NA	NA	NA	NA	NA	-
96	January	2021	-	-	335	365	-	-	-	-	-	-	-	-
97	February	2021	-	-	307	365	-	-	-	-	-	-	-	-
98	March	2021	-	-	276	365	-	-	-	-	-	-	-	-
99	April	2021	-	-	246	365	-	-	-	-	-	-	-	-
100	May	2021	-	-	215	365	-	-	-	-	-	-	-	-
101	June	2021	-	-	185	365	-	-	-	-	-	-	-	-
102	July	2021	-	-	154	365	-	-	-	-	-	-	-	-
103	August	2021	-	-	123	365	-	-	-	-	-	-	-	-
104	September	2021	-	-	93	365	-	-	-	-	-	-	-	-
105	October	2021	-	-	62	365	-	-	-	-	-	-	-	-
106	November	2021	-	-	32	365	-	-	-	-	-	-	-	-
107	December	2021	-	-	1	365	-	-	-	-	-	-	-	-
108	Total		-						-	-	-	-	-	-

109	Account 283 - Accumulated Deferred Income Taxes			Amount debit / <credit>
110	Beginning Balance	FF1 276.9.b		-
111	Less: Portion not related to transmission			-
112	Less: Portion not reflected in rate base			-
113	Subtotal: Portion reflected in rate base	Line 110 - line 111 - line 112		-
114	Less: Portion subject to proration	Line 128 Col. D		-
115	Portion subject to averaging	Line 113 - line 114		-
116	Ending Balance	FF1 277.9.k		-
117	Less: Portion not related to transmission			-
118	Less: Portion not reflected in rate base			-
119	Subtotal: Portion reflected in rate base	Line 111 - line 112 - line 113		-
120	Less: Portion subject to proration (before proration)	Line 135 Col. D		-
121	Portion subject to averaging (before averaging)	Line 114 - line 115		-
122	Ending balance of portion subject to proration (prorated)	Line 135 Col. H		-
123	Average balance of portion subject to averaging	(Line 110 + line 116) / 2		-
124	Amount reflected in rate base	Line 117 + line 118		- Enter on line 4

Note 6 - Accumulated deferred income tax activity in account 283 subject to the proration rules relates differences between depreciation methods and lives for public utility property and any other amounts subject to the Section 168 or other normalization requirements.

126	Account 283 - Accumulated Deferred Income Taxes														
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
	Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month- end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit>	Forecasted Prorated Month- end Balance debit / <credit>	Actual Monthly Activity	Difference between projected monthly and actual monthly activity (See Note 7.)	Preserve projected proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 8.)	Fifty percent of the difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 9.)	Fifty percent of actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 10.)	Balance reflecting proration or averaging (See Note 11.)	
							(c) X (e) X (f)	Prior Month Col. (h) + Current Month Col. (g)							
127															
128	December 31,	2020	NA	-	NA	365	NA	NA	NA	NA	NA	NA	NA	-	
129	January	2021	-	-	335	365	-	-	-	-	-	-	-	-	
130	February	2021	-	-	307	365	-	-	-	-	-	-	-	-	
131	March	2021	-	-	276	365	-	-	-	-	-	-	-	-	
132	April	2021	-	-	246	365	-	-	-	-	-	-	-	-	
133	May	2021	-	-	215	365	-	-	-	-	-	-	-	-	
134	June	2021	-	-	185	365	-	-	-	-	-	-	-	-	
135	July	2021	-	-	154	365	-	-	-	-	-	-	-	-	
136	August	2021	-	-	123	365	-	-	-	-	-	-	-	-	
137	September	2021	-	-	93	365	-	-	-	-	-	-	-	-	
138	October	2021	-	-	62	365	-	-	-	-	-	-	-	-	
139	November	2021	-	-	32	365	-	-	-	-	-	-	-	-	
140	December	2021	-	-	1	365	-	-	-	-	-	-	-	-	
141	Total		-						-	-	-	-	-	-	

Note 7 - Column J is the difference between actual monthly and projected monthly activity (Column I minus Column C). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (i.e., the amount of projected activity that did not occur) and a positive in Column J represents under-projection (i.e., the excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (i.e., the excess of actual activity over projected activity) and a positive in Column J represents over-projection (i.e., the amount of projected activity that did not occur).

Note 8 - Column K preserves the effects of ADIT proration from the projected revenue requirement when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J indicates that ADIT activity was over-projected, enter Column G x [Column I / Column C]. If Column J indicates that ADIT activity was under-projected, enter the amount from Column G and complete Column L. In other situations, enter zero.

Note 9 - Column L applies when (1) Column J indicates that ADIT activity was under-projected AND (2) actual monthly and projected monthly activity are either both increases or both decreases. Enter 50 percent of the amount from Column J. In other situations, enter zero. The ADIT activity in column L is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly ADIT activity.

Note 10 - Column M applies when (1) projected monthly activity was an increase while actual monthly activity was a decrease OR (2) projected monthly activity was a decrease while actual monthly activity was an increase. Enter 50 percent of the amount of actual monthly activity (Col I). In other situations, enter zero. The ADIT activity in column M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly ADIT activity.

Note 11 - Column N is computed by adding the prorated monthly ADIT activity, if any, from Column K to the portion of monthly ADIT activity, if any, from Column L or M to the balance at the end of the prior month.

LS Power Grid New York, LLC
Attachment 6d - Accumulated Deferred Income Taxes (ADIT) Detail Worksheet
Actual Annual Transmission Revenue Requirement (True-up Adjustment)
For the 12 months ended 12/31/2021

	Actual amount - beginning of year 2021	Actual amount during the year 2021	Actual amount - end of year 2021	Explanation
Composite income tax rate	26.61%	26.61%	26.61%	
Account 190 (+ = debit for DTA/DTL amounts)				
<i>Included in rate base and subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Included in rate base but not subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Excluded from rate base</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
Total Temporary Differences - account 190	-	-	-	
Total DTA / <DTL> - account 190	-	-	-	
Account 281 (+ = debit for DTA/DTL amounts)				
<i>Included in rate base and subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Included in rate base but not subject to proration</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
<i>Excluded from rate base</i>				
Item 1	-	-	-	
Item 2	-	-	-	
Subtotal of temporary differences	-	-	-	
DTA / <DTL> for such temporary differences	-	-	-	
Total Temporary Differences - account 281	-	-	-	
Total DTA / <DTL> - account 281	-	-	-	

Account 282 (+ = debit for DTA/DTL amounts)***Included in rate base and subject to proration***

Tax depreciation	-	-	-
Book depreciation of tax basis	-	-	-
Item 3	-	-	-
Item 4	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Included in rate base but not subject to proration

Item 1	-	-	-
Item 2	-	-	-
Item 3	-	-	-
Item 4	-	-	-
Item 5	-	-	-
Item 6	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Excluded from rate base

AFUDC-equity accrual	-	-	-
AFUDC-equity - book depreciation	-	-	-
Item 3	-	-	-
Item 4	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Total Temporary Differences - account 282	-	-	-
DTA / <DTL> - account 282	-	-	-

Account 283 (+ = debit for DTA/DTL amounts)***Included in rate base and subject to proration***

Item 1	-	-	-
Item 2	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Included in rate base but not subject to proration

Item 1	-	-	-
Item 2	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Excluded from rate base

Item 1	-	-	-
Item 2	-	-	-
Subtotal of temporary differences	-	-	-
DTA / <DTL> for such temporary differences	-	-	-

Total Temporary Differences - account 283	-	-	-
DTA / <DTL> - account 283	-	-	-

LS Power Grid New York, LLC
Attachment 7 - Depreciation and Amortization Rates
For the 12 months ended 12/31/2021

Line	Account Number	FERC Account	Rate (Annual)Percent (Notes A and B)
TRANSMISSION PLANT			
1	350.2	Land Rights	1.43% *
2	352	Structures and Improvements	2.82% *
3	353	Station Equipment	2.69% *
4	354	Towers and Fixtures	1.67% *
5	355	Poles and Fixtures	2.28% *
6	356	Overhead Conductor and Devices	2.61% *
7	357	Underground Conduit	1.98% **
8	358	Underground Conductor and Devices	2.30% **
9	359	Roads and Trails	1.43% *
GENERAL PLANT			
10	391	Office Furniture & Equipment	12.50% *
11	391.1	Computer Hardware	12.50% *
12	392	Transportation Equipment	10.00% *
13	393	Stores Equipment	12.50% *
14	397	Communication Equipment	25.00% *
INTANGIBLE PLANT			
15	301	Organization	1.85% *
16	302	Franchises and Consents	1.85% *
17	303	Computer Software	6.67% *
18	303.1	Contributions in Aid of Construction	Note C

Notes

A * Taken directly from affiliate Cross Texas Transmission, LLC as approved by the Public Utility Commission of Texas in Docket No. 43950.

** Based on a proxy depreciation rate as supported in Section 205 filing.

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

C In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying plant booked to the accounts shown in lines 1-9 above and the weighted average depreciation rate will be used to amortize the CIAC. The life of a facility subject to a CIAC will be equivalent to the depreciation rate calculated above, i.e., $100\% \div \text{depreciation rate} = \text{life}$ in years. The estimated life of the facility or rights associated with the facility will not change over the life of a CIAC without prior FERC approval.

Line No.

The purposes of this portion of the worksheet are to:

- describe legislation resulting in remeasurement of ADIT accounts,
- explain how any ADIT accounts were re-measured,
- explain the excess or deficient ADIT contained therein.

Indicate the accounting for any excess or deficient amounts in Accounts 182.3 (Other Regulatory Assets) and 254 (Other Regulatory Liabilities), reconcile the amount of each deficit ADIT determined as a result of each specific change in tax law (i.e., unrecovered regulatory assets and unfunded regulatory liabilities comprising the Rate Base Adjustment Mechanism) as of the beginning and end of the current test period.

- indicate whether each excess or deficient ADIT amount is protected (i.e., subject to the normalization rules) or unprotected (i.e., not subject to the normalization rules),
- indicate the amount of amortization of the excess or deficient ADIT returned or recovered through rates (i.e., the Income Tax Allowance Adjustment Mechanism) during the current period,
- indicate the accounts to which the excess or deficient ADIT are amortized,
- indicate the method or period of the excess or deficient ADIT being returned or recovered through rates, and
- describe the method of amortization each excess or deficient ADIT amount.

Note 1a - The Tax Cuts and Jobs Act (Public Law No. 115-97) was enacted on December 22, 2017. The TCJA reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. The composite tax rates used for the remeasurement of ADIT balances are:

	Historical	New
Federal income tax rate	35%	21%
State income tax rate	7%	7%
Composite federal/state income tax rate	39.55%	26.53%
Tax gross-up factor	1.65426	1.36110

Summary of re-measurement of ADIT resulting from the 2017 decrease in federal income tax rate

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)								
Account	Balance Prior to Change in Law	Portion Affecting Rate Base	Balance Re-measured after Change in Law	Portion Affecting Rate Base Re-measured after Change in Law	Debit or <Credit>-to ADIT Affecting Rate Base	Debit or <Credit>-to Account 182.3	Portion of Debit or <Credit>-to Account 182.3 Affecting Rate Base	Debit or <Credit>-to Account 254	Portion of Debit or <Credit>-to Account 254 Affecting Rate Base	ADIT on Regulatory Asset or Liability Account 190 or 283	ADIT on Regulatory Asset or Liability Affecting Rate Base Account 190 or 283	Debit or <Credit>-to Account 410.1	Debit or <Credit>-to Account 411.1	Debit or <Credit>-to Account 410.2	Debit or <Credit>-to Account 411.2		
190																	
281 (enter negative)																	
282 (enter negative)																	
283 (enter negative)																	
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Summary of entry related to ADIT affecting rate base																	
Effect on rate base prior to re-measuremen		-									-						
Effect on rate base after re-measurement					-		-		-		-						

Deferred tax assets and liabilities are adjusted (increased or decreased) for the effect of the changes in tax law (including tax rates) in the period that the change is enacted. Adjustments are recorded in the appropriate deferred tax balance sheet accounts (Accounts 190, 281, 282 and 283) based on the nature of the temporary difference and the related classification requirements of the accounts. If as a result of action or expected action by a regulator, it is probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to customers through future rates, a regulatory asset or liability is recognized in Account 182.3 (Other Regulatory Assets), or Account 254 (Other Regulatory Liabilities), as appropriate, for that probable future rate reduction or increase. If the change in tax law or rates is not probable, the deferred tax asset or liability is recorded in Accounts 190 and 281 (Deferred Tax Assets) or Accounts 282 and 283 (Deferred Tax Liabilities) prior to the change in tax law. If it is not probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to customers through future rates, tax expense is recognized in Account 410.2 (Provision for Deferred Income Taxes, Other Income or Deductions) or tax benefit is recognized in Account 411.2 (Provision for Deferred Income Taxes, Other Income or Deductions).

	<u>Projected Revenue Requirement</u>	<u>Actual Revenue Requirement (True-up)</u>
Account	Amount	Amount
182.3 (debit or <credit-)		
254 (debit or <credit-)		
Total Excess / Deficient ADIT	-	-

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			Balance at Beginning of Year - Projected	Remeasureme nt of ADIT - Projected (Note 3)	Annual Amortization - Projected (Note 4)	Other Adjustments - Projected (Note 5)	Balance at End of Year - Projected (d)+(e)+(f)+(g)	Whether subject to normalization rules	Amortization period and method
Description (+ = debit, < = credit)									
Federal rate decrease (2017) - affecting rate base							-	Protected	
Federal rate decrease (2017) - affecting rate base							-	Unprotected	
Federal rate decrease (2017) - not affecting rate base							-	Unprotected	
Item 2									
Total for account 182.3			-	-	-	-	-		
Federal rate decrease (2017) - affecting rate base							-	Protected	
Federal rate decrease (2017) - affecting rate base							-	Unprotected	
Federal rate decrease (2017) - not affecting rate base							-	Unprotected	
Item 2									
Total for account 254			-	-	-	-	-		
Total excess or deficient ADIT			-	-	-	-	-		

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			Annual Amortization from Table Above	Debit or <Credit> to Account 410.1	Debit or <Credit> to Account 411.1	Debit or <Credit> to Account 410.2	Debit or <Credit> to Account 411.2	Debit or <Credit> to Account 190	Debit or <Credit> to Account 283
Description (= debit, <= credit)									
Federal rate decrease (2017) - affecting rate base			-	-	-	-	-	-	-
Federal rate decrease (2017) - affecting rate base			-	-	-	-	-	-	-
Federal rate decrease (2017) - not affecting rate base			-	-	-	-	-	-	-
Item 2			-	-	-	-	-	-	-
Total for account 182.3			-	-	-	-	-	-	-
Federal rate decrease (2017) - affecting rate base			-	-	-	-	-	-	-
Federal rate decrease (2017) - affecting rate base			-	-	-	-	-	-	-
Federal rate decrease (2017) - not affecting rate base			-	-	-	-	-	-	-
Item 2			-	-	-	-	-	-	-
Total for account 254			-	-	-	-	-	-	-
Total amortization and offsetting entries			-	-	-	-	-	-	-

Note 4 - The amortization of the excess and/or deficient ADIT recorded in Account 254 (Other Regulatory Liabilities) and/or Account 182.3 (Other Regulatory Assets) is recorded with offsetting entries to Account 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) or Account 411.1 (Provision for Deferred Income Taxes – Credit, Utility Operating Income), as appropriate. In addition, the deferred tax asset related to Account 254 or the deferred tax liability related to Account 182.3 is adjusted, as appropriate. This activity is summarized in the table "Income Tax Allowance Mechanism - Projected". The annual amortization in the tables above reflects tax gross-up and is stated at the revenue requirement level.

Note 6a - Certain excess deferred taxes pertaining to the Tax Cuts and Jobs Act are subject to (protected by) the normalization requirements of Act Section 13001(d).

63	Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances - Actual									
64	(a)	(b)	(c)	(d) Balance at Beginning of Year - Projected	(e) Remeasureme nt of ADIT - Actual (Note 7)	(f) Annual Amortization - Actual (Note 8)	(g) Other Adjustments - Actual (Note 9)	(h) Balance at End of Year - Projected (d)+(e)+(f)+(g)	(i) Whether subject to normalization rules	(j)
65	Description (+ = debit, < = credit)									Amortization period and method
66	Federal rate decrease (2017) - affecting rate base							-	Protected	Remaining depreciable lives (ranging from 25-35 years) using the average rate assumption method
67	Federal rate decrease (2017) - affecting rate base							-	Unprotected	10 years, straight-line (2021-2030)
68	Federal rate decrease (2017) - not affecting rate base							-	Unprotected	Adjustment of the regulatory asset resulting from after-tax accounting for AFUDC-equity existing prior to the change in tax law - remaining depreciable lives (ranging from 25-35 years), straight-line
69	Item 2									
70	Total for account 182.3			-	-	-	-	-		
71	Federal rate decrease (2017) - affecting rate base							-	Protected	Remaining depreciable lives (ranging from 25-35 years) using the average rate assumption method
72	Federal rate decrease (2017) - affecting rate base							-	Unprotected	10 years, straight-line (2021-2030)
73	Federal rate decrease (2017) - not affecting rate base							-	Unprotected	Adjustment of the regulatory asset resulting from after-tax accounting for AFUDC-equity existing prior to the change in tax law - remaining depreciable lives (ranging from 25-35 years), straight-line
74	Item 2									
75	Total for account 254			-	-	-	-	-		
76	Total excess or deficient ADIT			-	-	-	-	-		

76	Income Tax Allowance Mechanism - Actual									
77	(a)	(b)	(c)	(d)	(e)	(f)				
				Annual	Debit or	Debit or	Debit or	Debit or	Debit or	Debit or
				Amortization	<Credit> to	<Credit> to	<Credit> to	<Credit> to	<Credit> to	<Credit> to
					Account 410.1	Account 411.1	Account 410.2	Account 411.2	Account 190	Account 283
78	Description (+ = debit, < = credit)									
79	Federal rate decrease (2017) - affecting rate base				-					
80	Federal rate decrease (2017) - affecting rate base				-					
81	Federal rate decrease (2017) - not affecting rate base				-					
82	Item 2									
83	Total for account 182.3				-	-	-	-	-	-
84	Federal rate decrease (2017) - affecting rate base				-					
85	Federal rate decrease (2017) - affecting rate base				-					
86	Federal rate decrease (2017) - not affecting rate base				-					
87	Item 2									
88	Total for account 254				-	-	-	-	-	-
89	Total amortization and offsetting entries				-	-	-	-	-	-
90					-					

- 91 **Note 7** - A change in tax law did not occur with respect to the service period.
- 92 **Note 8** - The amortization of the excess and/or deficient ADIT recorded in Account 254 (Other Regulatory Liabilities) and/or Account 182.3 (Other Regulatory Assets) is recorded with offsetting entries to Account 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) or Account 411.1 (Provision for Deferred Income Taxes – Credit, Utility Operating Income), as appropriate. In addition, the deferred tax asset related to Account 254 or the deferred tax liability related to Account 182.3 is adjusted, as appropriate. This activity is summarized in the table "Income Tax Allowance Mechanism - Projected." The annual amortization in the tables above reflects tax gross-up and is stated at the revenue requirement level.
- 93 **Note 9** - Re-estimates of the effects of a prior change in tax law did not occur during the period.
- 94 **Note 10a** - Certain excess deferred taxes pertaining to the Tax Cuts and Jobs Act are subject to (protected by) the normalization requirements of Act Section 13001(d).

LS POWER GRID NEW YORK CORPORATION I FORMULA RATE IMPLEMENTATION PROTOCOLS

6.10.6.2.2 Formula Rate Implementation Protocols

The formula rate template (“Formula Rate Template” or “Template”) and the following procedures (“Protocols”) together comprise the filed rate (“Formula Rate”) of LS Power Grid New York Corporation I (“LSPG-NY”) for transmission revenue requirement determinations under the ISO OATT. LSPG-NY shall follow the instructions specified in the Formula Rate to annually calculate its actual net adjusted revenue requirement 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 LSPG-NY’s Net Adjusted Revenue Requirement upon the effective date for incorporation into the ISO OATT through an appropriate filing with the Commission under Section 205 of the Federal Power Act (“FPA”).

Section 1. Annual Projection

- A. On or before September 30 preceding the first Rate Year and each subsequent Rate Year thereafter, LSPG-NY shall determine its projected Net Adjusted Revenue Requirement for the upcoming Rate Year in accordance with its Formula Rate (“Annual Projection”). The Annual Projection shall include the True-up Adjustment described and defined in Section 2, if applicable.
- B. *Posting and Notice of the Annual Projection.* LSPG-NY shall cause its Annual Projection to be posted in both a Portable Document Format (PDF) and fully-functioning Excel format at a publicly accessible location on the ISO website. Such posting shall include (i) all inputs in sufficient detail to identify the components of LSPG-NY’s Annual Projections, and (ii) explanations of the bases for the projections and input data. If the date for making such posting of the Annual Projection should fall on a weekend or a holiday recognized by FERC, then the

posting shall be made no later than the next business day. Within ten (10) days of posting the projected Net Adjusted Revenue Requirement, LSPG-NY shall provide notice of such posting to the Service List. As used in these protocols, "Service List" shall mean (i) the email list of the ISO OATT Transmission Customers maintained by 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 email address to LSPG-NY.

For the determination of the initial Rate Year's projected Net Adjusted Revenue Requirement, balances for capital costs reflected in the Formula Rate Template that subsequently use a 13 month average 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. The remaining inputs used in the Formula Rate Template- will be developed in accordance with the Formula Rate Template.

- C. *Revisions to the Annual Projection.* If LSPG-NY makes changes in the Annual Projection for a given Rate Year, LSPG-NY shall cause such revised Annual Projection to be promptly posted at a publicly accessible location on the ISO website and distribute notice to 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, 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.
- D. *Review and Challenge of the Annual Projection.* 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.

E. The projected Net Adjusted Revenue Requirement shall:

1. Include a workable, data-populated Formula Rate Template and underlying work papers in native format with all formulas and links intact;
2. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and work papers for data that are used in the projected Net Adjusted Revenue Requirement;
3. Provide sufficient information to enable interested persons to replicate the calculation of the projected Net Adjusted Revenue Requirement;
4. Provide a work paper demonstrating compliance with the cost containment commitments set forth in the Formula Rate Template;
5. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
 - a. Identify any Accounting Changes, including:
 - i. the initial implementation of an accounting standard or policy;
 - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - iii. correction of errors and prior period adjustments that impact the projected Net Adjusted Revenue Requirement calculation;
 - iv. the implementation of new estimation methods or policies that change prior estimates; and
 - v. changes to income tax elections;
 - b. Identify items included in the projected Net Adjusted Revenue Requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);
 - c. Identify any reorganization or merger transaction during the previous year and

explain the effect of the accounting for such transaction(s) on inputs to the projected Net Adjusted Revenue Requirement; and

- d. Provide, for each item identified pursuant to items in Section 1.E.5.a-c of these Protocols, a narrative explanation of the individual impact of such changes on the projected Net Adjusted Revenue Requirement.

F. *Joint Informational Meeting.* Transmission Owners with transmission projects that utilize a regional or inter-regional cost sharing mechanism shall endeavor to hold a joint informational meeting to enable all interested parties to understand how those Transmission Owners are implementing their formula rates for cost recovery of such projects (“Joint Informational Meeting”). Notice of the Joint Informational Meeting, including the time, date, and location, shall be posted on the LSPG-NY website and distributed to the Service List no less than seven (7) days prior to such meeting, and the Transmission Owners shall provide remote access to Joint Informational Meetings to allow all interested parties the opportunity to remotely participate in such meetings. LSPG-NY will participate in Joint Informational Meetings once it begins development of a project for which costs are to be regionally or inter-regionally allocated.

Section 2. Calculation of True-Up Adjustment

- A. LSPG-NY will calculate the amount of under-or-over-collection of its actual Net Revenue Requirement 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 the True-Up Adjustment over/under recovery as determined in Section 2.B and the Interest on the True-Up Adjustment over/under recovery as determined in Section 2.C.
- B. *Calculation of the True-Up Adjustment.* To determine any over or under recovery, LSPG-NY’s projected Net Revenue Requirement collected during the previous Rate Year will be compared to LSPG-NY’s actual Net Revenue Requirement for the previous Rate Year. LSPG-NY shall

calculate its actual Net Revenue Requirement for the previous Rate Year in accordance with LSPG-NY's Formula Rate and based upon: (i) LSPG-NY's FERC Form No. 1 for that same Rate Year; (ii) any FERC orders specifically applicable to LSPG-NY's calculation of its annual revenue requirement; (iii) the books and records of LSPG-NY (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. Notwithstanding anything to the contrary herein, 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.

- C. *Interest.* Interest on any True-up Adjustment over/under recovery of the actual Net Revenue Requirement shall be calculated in accordance with the Formula Rate true-up worksheet.

Section 3. Annual Update

- A. On or before June 30 following each Rate Year, LSPG-NY shall calculate its actual Net Adjusted Revenue Requirement including the True-up Adjustment, as described in Section 2, for each Rate Year ("Annual Update").
- B. *Posting and Notice of the Annual Update.* No later than June 30 following each Rate Year, LSPG-NY shall cause its Annual Update to be posted in both a PDF and fully functioning Excel format at a publicly accessible location on the ISO website. Within ten (10) days of

such posting, LSPG-NY shall provide notice of such posting to the Service List. The date on which the last of the events listed in this Section 3.B occurs shall be that year's "Publication Date." If the date for making such posting of the Annual Update should fall on a weekend or a holiday recognized by FERC, then the posting shall be due the next business day. In addition, within ten (10) days of the Publication Date the Annual Update shall be submitted as an informational filing with the FERC.

C. The Annual Update for the Rate Year shall:

1. Include a workable data-populated Formula Rate Template and underlying work papers in native format with all formulas and links intact;
2. Be based on LSPG-NY's FERC Form No. 1 for the prior calendar year;
3. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and work papers for data that are used in the Annual Update that are not otherwise available in FERC Form No. 1. It is the intent of the formula rate, including the supporting explanations and allocations described therein, that each input to the formula rate will be either taken directly from FERC Form No. 1 or reconcilable to FERC Form No. 1 by the application of clearly identified and supported information. If the referenced form is superseded, the successor form(s) shall be utilized and supplemented as necessary to provide equivalent information as that provided in the superseded form. If the referenced form(s) is (are) discontinued, equivalent information as that provided in the discontinued form(s) shall be utilized;
4. Provide sufficient information to enable interested persons to replicate the calculation of the Annual Update results from FERC Form No. 1;
5. Provide a work paper demonstrating compliance with the cost containment commitments set forth in the Formula Rate Template;
6. Identify any changes in the formula references (page and line numbers) to FERC Form No. 1;

7. Identify all material adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to FERC Form No. 1 and any adjustments not shown in FERC Form No. 1;
8. Provide underlying data for formula rate inputs that provide greater granularity than is required for FERC Form No. 1;
9. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
 - a. Identify any Accounting Changes, including
 - i. the initial implementation of an accounting standard or policy;
 - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - iii. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation;
 - iv. the implementation of new estimation methods or policies that change prior estimates; and
 - v. changes to income tax elections;
 - b. Identify items included in the Annual Update at an amount other than on a historic cost basis (e.g., fair value adjustments);
 - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the Annual Update; and
 - d. Provide, for each item identified pursuant to items 3.C.9.a-c of these Protocols, a narrative explanation of the individual impact of such changes on the True-Up Adjustment.

10. 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).
- D. *Annual Update Meeting.* No less than twenty (20) business days and no more than thirty (30) business days after June 30, LSPG-NY shall hold an open meeting among interested persons (“Annual Update Meeting”) in order for LSPG-NY to explain its Annual Update and to provide interested persons an opportunity to seek information and clarifications regarding the Annual Update. No less than seven (7) days prior to such Annual Update Meeting, LSPG-NY shall cause notice to be posted on the ISO’s website of the time, date, and location of the Annual Update Meeting and LSPG-NY shall provide notice of such meeting to the Service List.
- E. Example – Timeline for 2022 Annual Update: On or before September 30, 2021, LSPG-NY will determine the projected Net Adjusted Revenue Requirement for the 2022 Rate Year, which is expected to be the first year that costs are recovered from Transmission Customers under the Formula Rate. LSPG-NY will post the Annual Projection for the 2022 Rate Year in accordance with Section 1 above. LSPG-NY will not determine a True-up Adjustment or post an Annual Update on June 30, 2022 if no costs have been recovered under the Formula Rate during 2021. On or before September 30, 2022, LSPG-NY will post the Annual Projection for the 2023 Rate Year. On or before June 30, 2023, LSPG-NY will post its first Annual Update, calculating the True-up Adjustment for the 2022 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 2024 Rate Year posted on or before September 30, 2023. The Annual Update posted on or before June 30, 2023 will be subject to the customer review and challenge procedures described in Sections 4 and 5 of these Protocols.

Section 4. Annual Review Procedures

The Annual Update and Annual Projection for each Rate Year shall be subject to the following review procedures (“Annual Review Procedures”):

- A. *Information Request Deadline.* interested parties shall have up to one hundred twenty (120) calendar days after the Publication Date (unless such period is extended with the written consent of LSPG-NY or by FERC order) to serve reasonable information requests on LSPG-NY as described in Section 4.B.
- B. *Limitations on Scope.* Such information and document requests shall be limited to what is necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual Update or Annual Projection fails to include data properly recorded in accordance with these protocols; (3) the proper application of the Formula Rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual Update or Annual Projection; (5) the prudence of actual costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula. The information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.
- C. *Responses to Information Requests.* LSPG-NY shall make a good faith effort to respond to information and document requests 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.
- D. *Public Availability of Information Requests and Responses.* LSPG-NY will cause to be posted on the ISO website all information requests from interested parties and LSPG-NY’s response(s) to such requests; except, however, if responses to information and document requests include material deemed by LSPG-NY to be confidential information, such information will not be

publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by LSPG-NY and the requesting party.

- E. *Privilege.* LSPG-NY shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege in any subsequent FERC proceeding addressing LSPG-NY's Annual Update or Annual Projection.

Section 5. Challenge Procedures

- A. *Informal Challenge Deadlines.* interested persons shall have until 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 LSPG-NY or by FERC order), 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 LSPG-NY in writing of any specific challenges that fall within the parameters as defined in the Limitations on Scope in Section 5.G of these Protocols ("Informal Challenge"). Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual Update or Annual Projection shall bar pursuit of such issue with respect to that Annual Update or Annual Projection, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual Update or Annual Projection
- B. *Contents, Scope, and Response.* An interested party submitting an Informal Challenge to LSPG-NY must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge. LSPG-NY shall respond to any Informal Challenge within twenty (20) business days of notification of such challenge. LSPG-NY, and where applicable, the Transmission Provider, shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If

LSPG-NY disagrees with such challenge, LSPG-NY will provide the interested person(s) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information.

- C. *Public Availability of Informal Challenges.* LSPG-NY will cause to be posted at a publicly-accessible location on the ISO website all Informal Challenges from interested persons and LSPG-NY's response(s) to such Informal Challenges; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by LSPG-NY to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by LSPG-NY and the requesting party.
- D. *Remedies.* Any changes or adjustments to the Annual Update or Annual Projection resulting from the Informal Challenge process that are agreed to by LSPG-NY will be reported in the informational filing required pursuant to Section 3 of these Protocols. Any such changes or adjustments agreed to by LSPG-NY on or before December 1 will be reflected in the projected Net Adjusted Revenue Requirement for the upcoming Rate Year. Any changes or adjustments agreed to by LSPG-NY after December 1 will be reflected in the following year's Annual Update.
- E. *Formal Challenge Deadlines.* Any interested persons may file a challenge with the FERC ("Formal Challenge") contesting some action or inaction by LSPG-NY with respect to the Annual Update or Annual Projection, and shall do so no later than sixty (60) calendar days following the end of the Review Period (unless such date is extended with the written consent of LSPG-NY to continue efforts to resolve the Informal Challenge). A Formal Challenge shall be filed in the same docket as LSPG-NY's informational filing discussed in Section 3 of these Protocols. LSPG-NY shall respond to the Formal Challenge by submitting any response to FERC within thirty (30) calendar days of the date of the filing of the Formal Challenge, and LSPG-NY shall serve on the filing party(ies) and the Service List by electronic service on the

date of such filing. A party may not pursue a Formal Challenge on a specific issue if that party did not submit an Informal Challenge on the issue during the applicable Review Period.

- F. *Contents of Formal Challenges.* Formal Challenges shall be filed pursuant to these Protocols. All information and correspondence produced by LSPG-NY pursuant to these Protocols may be included in any Formal Challenge or other FERC proceeding relating to the Formula Rate, subject to any applicable confidentiality and Critical Energy Infrastructure Information restrictions. Formal Challenges shall be filed pursuant to these Protocols and shall satisfy all of the following requirements.

- (1) A Formal Challenge shall:
 - (a) Clearly identify the action or inaction which is alleged to violate the filed Formula Rate Template or Protocols;
 - (b) Explain how the action or inaction violates the Formula Rate or Protocols;
 - (c) Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
 - (i) the extent or effect of an Accounting Change;
 - (ii) whether the Annual Update or Annual Projection fails to include data properly recorded in accordance with these Protocols;
 - (iii) the proper application of the Formula Rate and procedures in the Protocols;
 - (iv) the accuracy of data and consistency with the formula rate of the charges shown in the Annual Update or Annual Projection;
 - (v) the prudence of actual costs and expenditures;
 - (vi) the effect of any change to the underlying Uniform System of Accounts or FERC Form 1; or
 - (vii) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate.

- (d) Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the action or inaction;
 - (e) State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - (f) State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - (g) Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
 - (h) State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.
- (2) *Service.* Any person filing a Formal Challenge must serve a copy of the Formal Challenge on LSPG-NY. Service to LSPG-NY must be simultaneous with filing at the Commission. Simultaneous service can be accomplished by electronic mail in accordance with § 385.2010(f)(3) of FERC's regulations, facsimile, express delivery, or messenger. The party filing the Formal Challenge shall serve the individual listed as the contact person on LSPG-NY's Informational Filing required under Section 3 of these Protocols.
- G. *Limitations on Scope.* Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual Update or Annual Projection fails to include data properly recorded in accordance with these Protocols; (3) the proper application of the formula rate and procedures in these Protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual Update or Annual Projection; (5) the prudence of actual costs and expenditures; (6) LSPG-NY's compliance with the cost containment commitments reflected in

the Formula Rate; (7) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or (8) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

- H. *Burden.* In any Formal Challenge proceeding initiated by FERC concerning a given year's Annual Update or Accounting Changes, LSPG-NY shall bear the burden, consistent with section 205 of the FPA, of proving that it has correctly applied the terms of the formula rate consistent with these Protocols, and that it followed the applicable requirements and procedures in these Protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- I. *Reservation of Rights under FPA Sections 205 and 206.* Except as specifically provided in these Protocols and subject to terms of certain Offer of Settlement and Stipulations filed with FERC in setting LSPG-NY's Formula Rate, nothing herein shall be deemed to limit in any way the right of LSPG-NY to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, to change the formula rate or any of its inputs (including, but not limited to, an application seeking changes to the Formula Rate or any of the stated value inputs requiring a Section 205 filing under these Protocols including, but not limited to, return on equity and depreciation rates), or the right of any interested persons of the Commission to seek such changes pursuant to Section 206 of the FPA and the regulations thereunder.
- J. Any interested party seeking changes to the application of the formula rate due to a change in the Uniform System of Accounts or FERC Form No. 1, shall first raise the matter with LSPG-NY before pursuing a Formal Challenge.

Section 6. Changes to the Annual Update or Annual Projection

Except as provided in Sections 4 and 5 of these Protocols, any changes to the data inputs, including but not limited to revisions to LSPG-NY's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual Update or Annual Projection, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the Annual Projection for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in these Protocols.

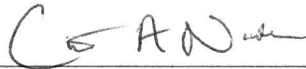
UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

LS POWER GRID NEW YORK)
CORPORATION I)

Docket No. ER20-__-000

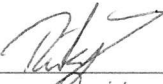
AFFIDAVIT

CHRISTOPHER A. NAGLE, being duly sworn, deposes and states: that the Direct Testimony of CHRISTOPHER A. NAGLE was prepared by him or under his direct supervision, that the statements contained therein and the Exhibits attached thereto are true and correct to the best of his knowledge and belief, and that he adopts such prepared testimony as his direct testimony in this proceeding.



Christopher A. Nagle

Subscribed and sworn before me this 19 day of December, 2019

/s/ 

Name: Ricky Flores-Ayala
Notary Public State Of: DC
My commission expires: 05/14/23



RICKY FLORES-AYALA
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 14, 2023