

## **ATTACHMENT B**

**Redlined version of Sections 14.1 and 14.2.1 to Attachment H to the NYISO OATT showing changes from the clean version that was submitted as part of the Amended Compliance Filing**

## **14.1 Transmission Service Charge (“TSC”)**

### **14.1.1 Applicability of the Transmission Service Charge to Wholesale Customers**

Each month, each wholesale Transmission Customer shall pay to the appropriate Transmission Owner the applicable Wholesale Transmission Service Charge (“Wholesale TSC”) calculated in accordance with Section 14.1.2.1 of this Attachment. The TSC shall apply to Transmission Service:

14.1.1.1 from one or more Interconnection Points between the NYCA and another Control Area to one or more Interconnection Points between the NYCA and another Control Area (“Wheels Through”); provided, however, that the TSC shall not apply to Wheels Through scheduled with the ISO to destinations within the New England Control Area provided that the conditions listed in Section 2.7.2.1.4 of this Tariff are satisfied;

14.1.1.2 from the NYCA to one or more Interconnection Points between the NYCA and another Control Area, including transmission to deliver Energy purchased from the LBMP Market and delivered to such a Control Area Interconnection Point (“Exports”); provided, however, that the TSC shall not apply to Exports scheduled with the ISO to destinations within the New England Control Area provided that the conditions listed in Section 2.7.2.1.4 of this Tariff are satisfied; or

14.1.1.3 to serve Load within the NYCA; except, the Wholesale TSC shall not apply to:

14.1.1.3.1 a Transmission Owner’s use of its own system to provide bundled retail service to its Native Load Customers pursuant to a retail service tariff on file with

the PSC or, in the case of LIPA, has been approved by the Long Island Power Authority's Board of Trustees;

14.1.1.3.2 Transmission Service pursuant to an Existing Transmission Agreement whereby the otherwise applicable TSC does not apply pursuant to Attachment K; or

14.1.1.3.3 retail Transmission Service pursuant to any tariff or rate schedule of a Transmission Owner that explicitly provides for other transmission charges in lieu of the Wholesale TSC, subject to any applicable provisions of the Federal Power Act.

Each Transmission Owner subject to FERC and/or PSC jurisdiction may file with FERC a separate TSC applicable to retail access in accordance with its retail access program filed with the PSC. To the extent that LIPA's rates for service are established by the Long Island Power Authority's Board of Trustees pursuant to Article 5, Title 1-A of the New York Public Authorities Law, Section 1020-f(u) and 1020-s and are not subject to FERC jurisdiction, this requirement will not apply to LIPA.

## **14.1.2 Wholesale TSC Calculation**

Sections 14.1.2-14.1.6 do not apply to the development of the NYPA TSC, which is described in Section 14.1.7.

### **14.1.2.1 Wholesale TSC Formula**

Each Transmission Owner, except NYPA, shall calculate its TSC applicable to Transmission Service to serve Load within or exiting the NYCA at its Transmission District as follows:

$$\text{WHOLESALE TSC} = \{(\text{RR}\div 12) + (\text{CCC}\div 12) - \text{SR} - \text{ECR} - \text{CRR} - \text{WR} - \text{Reserved}\}/(\text{BU}\div 12).$$

Where:

- RR = The Annual Transmission Revenue Requirement, as stated in Table 1 of this Attachment. Gross Receipts Tax (“GRT”) treatment by each individual company is described in Section 14.1.7. Revenues from grandfathered agreements listed on Attachment H-1 are treated as a revenue credit in the RR;
- CCC = The annual Scheduling, System Control and Dispatch Costs of the individual Transmission Owner (*i.e.*, the transmission component of control center costs) as stated on Table 1 of this Attachment;
- SR = The Transmission Owner’s revenues associated with the sale of certain TCCs, as described in Section 14.1.2.1.1 of this Attachment;
- ECR = The Transmission Owner's share of Net Congestion Rents in a month, calculated pursuant to Attachment N of the OATT;
- CRR = The Transmission Owner's Congestion Payments received from Grandfathered TCCs and Imputed Revenues from Grandfathered Rights from ETA's, the expenses for which are included in the Transmission Owner's Revenue Requirement;
- WR = The Transmission Owner's revenues from external sales (Wheels Through and Export Transactions) not associated with Existing Transmission Agreements included in Attachment L, Tables 18.1, 18.2 and 18.3 and wheeling revenue, associated with OATT reservations extending beyond the start-up of the ISO. (*i.e.*, grandfathered OATT agreements), as described in Section 14.1.2.1.2 of this Attachment;

Reserved = The Transmission Owner's Congestion payments associated with, and value from the sale of ETCNL TCCs and RCRR TCCs, as described in Section 14.1.2.1.3 of this Attachment; and

BU = The Transmission Owner's Billing Units (annual MWh) for the Transmission District (see Table 1 of this Attachment). The Transmission Owner's BU has been adjusted upward to include subtransmission and distribution losses.

#### **14.1.2.1.1 Elements of SR Component**

$$SR = SR_1 + SR_2 + SR_3 + SR_4.$$

SR<sub>1</sub> will equal the revenues from the Direct Sale by the Transmission Owner of Original Residual TCCs, TCCs derived from Existing Transmission Capacity for Native Load, and Grandfathered TCCs associated with ETAs, the expenses for which are included in the Transmission Owner's Revenue Requirements where the Transmission Owner is the Primary Holder of said TCCs. SR<sub>1</sub> for a month in which a Direct Sale is applicable shall equal the total nominal revenue that the Transmission Owner will receive under each applicable TCC sold in a Direct Sale divided by the duration of that TCC (in months).

SR<sub>2</sub> will equal the Transmission Owner's revenues from the Centralized TCC Auctions and Reconfiguration Auctions allocated pursuant to Attachments N. SR<sub>2</sub> includes revenues from: (a) TCCs associated with Residual Transmission Capacity that are sold in the Centralized TCC Auctions and Reconfiguration Auctions; (b) the sale of Grandfathered TCCs associated with ETAs, if the expenses for those ETAs are included in the Transmission Owner's Revenue Requirements; and (c) TCCs derived from Existing Transmission Capacity for Native Load that are sold in the Centralized TCC Auction.

Revenue from TCCs associated with Residual Transmission Capacity includes payments for Original Residual TCCs that the Transmission Owners sell through the Centralized TCC Auctions and the allocation of revenue for other TCCs sold through the Centralized TCC Auctions and Reconfiguration Auctions (per the Facility Flow-Based Methodology described in Attachment N).

SR<sub>3</sub> shall equal the Transmission Owner's share of revenues from the award and renewal of Historic Fixed Price TCCs (including extensions of Historic Fixed Price TCCs awarded pursuant to Section 19.2.1.4 of Attachment M of the OATT), as determined pursuant to Section 20.4 of Attachment N. The share of revenues allocated to a Transmission Owner pursuant to Section 20.4 of Attachment N shall be adjusted after each Centralized TCC Auction and divided equally across the months for which the Historic Fixed Price TCCs (including extensions of Historic Fixed Price TCCs awarded pursuant to Section 19.2.1.4 of Attachment M of the OATT) that were awarded or renewed prior to the relevant Centralized TCC Auction are valid.

Notwithstanding anything to the contrary herein, with respect to the Transmission Owner's share of any revenues for Historic Fixed Price TCCs that took effect on or before November 1, 2016, such revenues (or any portion thereof) shall be accounted for in SR<sub>3</sub> by dividing such revenues (or any portion thereof) equally across the six months of the first Capability Period following the effective date of this provision provided that the NYISO has informed the Transmission Owner of its respective share of such revenues (or any portion thereof) at least two weeks prior to the start of such Capability Period, otherwise such revenues (or any remaining portion thereof) shall be accounted for in SR<sub>3</sub> by dividing such revenues (or any remaining portion thereof) equally across the six months of the Capability Period that follows the first Capability Period following the effective date of this provision.

SR<sub>4</sub> shall equal the Transmission Owner's share of revenues from the initial award and renewal of Non-Historic Fixed Price TCCs, as determined pursuant to Section 20.5 of Attachment N. The share of revenues allocated to a Transmission Owner pursuant to Section 20.5 of Attachment N shall be adjusted after each Centralized TCC Auction and divided equally across the months for which the Non-Historic Fixed Price TCCs that were initially awarded or renewed as part of the relevant Centralized TCC Auction are valid. Notwithstanding anything to the contrary herein, with respect to the Transmission Owner's share of any revenues for Non-Historic Fixed Price TCCs that took effect on or before May 1, 2017, such revenues (or any portion thereof) shall be accounted for in SR<sub>4</sub> by dividing such revenues (or any portion thereof) equally across the six months of the first Capability Period that commences following the effective date of this provision provided that the NYISO has informed the Transmission Owner of its respective share of such revenues (or any portion thereof) at least two weeks prior to the start of such Capability Period, otherwise such revenues (or any remaining portion thereof) shall be accounted for in SR<sub>4</sub> by dividing such revenues (or any remaining portion thereof) equally across the six months of the Capability Period that follows the first Capability Period that commences following the effective date of this provision.

#### **14.1.2.1.2 Elements of the WR Component**

The WR component will equal the sum of: (1) TSC revenues received from new external transactions (Wheels Through and Export Transactions); (2) transmission revenues received under grandfathered OATT agreements and actual revenues under Schedule 1 to the grandfathered OATT agreements, but not under Schedules 2 through 6 to the grandfathered OATT agreements; and (3) any revenues related to pre-OATT grandfathered arrangements if the transmission owner increased its OATT revenue requirement to derive its RR component to

reflect the fact that revenues related to such transactions are at risk due to options available to the customers resulting from the current restructuring, and the customer retains its grandfathered arrangement.

In each subcomponent of the WR component above, the revenues will include the Gross Receipts Tax (“GRT”) when the Transmission Owner has included the GRT in the RR.

#### **14.1.2.1.2.1 Treatment of Schedule 1 Associated with Grandfathered OATT Service**

All customers under grandfathered OATT service agreements must continue to pay the Schedule 1 charge applicable under the individual OATT, absent a settlement to the contrary. The revenues received from Schedule 1 charges paid by grandfathered OATT customers will be treated as revenue credit in the WR component as part of the wheeling revenue associated with OATT reservations extending beyond the start-up of the ISO.

#### **14.1.2.1.3 Elements of the Reserved Component**

$$\text{Reserved} = \text{Reserved}_1 + \text{Reserved}_2 + \text{Reserved}_3 + \text{Reserved}_4$$

$\text{Reserved}_1$  will equal the Transmission Owner's Congestion payments for a month received pursuant to Section 20.2.3 of Attachment N of this Tariff for the Transmission Owner's ETCNL TCCs.

$\text{Reserved}_2$  will equal the Transmission Owner's Congestion payments for a month received pursuant to Section 20.2.3 of Attachment N of this Tariff for the Transmission Owner's RCRR TCCs.

$\text{Reserved}_3$  will equal the value that a Transmission Owner receives for the sale of its ETCNL TCCs in a month, with the value for each ETCNL TCC sold divided equally over the month(s) for which that sold ETCNL TCC is valid.



Reserved<sub>4</sub> will equal the value that a Transmission Owner receives for the sale of its RCRR TCCs in a month, with the value for each RCRR TCC sold divided equally over the month(s) for which that sold RCRR TCC is valid.

The RR, SR and CRR will not include expenses for the Transmission Owner's purchase of TCCs or revenues from the sale of said TCCs or from the collection of Congestion Rents for said TCCs. The ECR, CRR, WR, and Reserved shall be updated prior to the start of each month based on actual data for the calendar month prior to the month in which the adjustment is made (e.g., January actual data will be used in February to calculate the TSC effective in March). The TSC shall not apply to the scheduled quantities physically Curtailed by the ISO.

Each Member System is responsible for calculating: (1) the RR component of its TSC charge; (2) the CCC component of its TSC charge; (3) the SR<sub>1</sub> portion of the SR component of its TSC charge; and (4) the BU component of its TSC charge.

The NYISO is responsible for calculating or providing the information necessary to calculate: (1) the SR<sub>2</sub>, SR<sub>3</sub> and SR<sub>4</sub> portions of the SR component of each Member System's TSC charge based on information provided by the Member System and information derived from ISO operation; (2) the ECR component of each Member System's TSC charge based on information derived from ISO operation; (3) the CRR component of each Member System's TSC charge based on information derived from ISO operation; (4) the Reserved component of each Member System's TSC charge based on information provided by the Member System and information derived from ISO operation; and (5) the WR component of each Member System's TSC charge based on information provided by the Member System and information derived from ISO operation. Any calculations that the ISO is responsible for are subject to review and comment by all affected parties.

The RR term will be updated based on Transmission Owner filings to FERC (or a NYISO filing to FERC on behalf of LIPA) under the FPA. These filings will be made when a Transmission Owner determines that a change to its RR is required under Section 205.

The CCC term will be updated based on Transmission Owner filings to FERC (or a NYISO filing to FERC on behalf of LIPA) under the FPA. These filings will be made when the Transmission Owner determines that a change to the CCC is required.

SR: The revenue from the Direct Sale of TCCs will be determined monthly and will enter the TSC formula through the SR term with a two-month lag (e.g., January actual data will be used in February to calculate the SR term used in the TSC for March). The revenue that a Transmission Owner receives from a TCC sold in a Centralized Auction or Reconfiguration Auction will be divided equally among the month(s) for which the sold TCC is valid. The revenue from these TCCs will enter the TSC formula month-by-month through the SR term with a two-month lag (e.g., January actual data will be used in February to calculate the SR term used in the TSC for March). For Balance of Period Auctions, the ISO shall also provide each Transmission Owner information regarding their respective share of Net Auction Revenues for each month covered by each Balance-of-Period Auction. The ISO is responsible for providing the information necessary to calculate the SR<sub>2</sub>, SR<sub>3</sub> and SR<sub>4</sub> portions of the SR component of each Transmission Owner's TSC. The Transmission Owner will not adjust the information provided by the ISO.

The ECR revenue will be calculated monthly and will enter the TSC formula with a two-month lag (e.g., January actual data will be used in February to calculate the ECR term used in the TSC for March). The ISO is responsible for calculating the ECR component of each Transmission Owner's TSC. The Transmission Owner will not adjust the ISO's calculation.

The CRR revenue will be calculated monthly and will enter the TSC formula with a two-month lag (e.g., January actual data will be used in February to calculate the CRR term used in the TSC for March). Each Transmission Owner will identify for the ISO each ETA (“Identified ETA”), under which the Transmission Owner is a customer, the expenses for which are included in the Transmission Owner’s RR. The ISO shall calculate that Transmission Owner’s Congestion Payments received from Grandfathered TCCs and Imputed Revenues from Grandfathered Rights from the Transmission Owner’s Identified ETAs. If the inclusion of the costs under an Identified ETA in the Transmission Owner’s RR is subject to refund, then the CRR shall be subject to adjustment. If the costs under one or more of the Identified ETAs are removed from the RR and the Transmission Owner is required to recalculate its TSC with the adjusted RR, then in recalculating the TSC, the Transmission Owner shall reverse the portion of the CRR that was attributed to each such ETA. The Transmission Owner shall rebill the customers based on the recalculated TSC. To the extent the Transmission Owner owes a refund to the customer, it shall comply with any applicable refund obligations, including payment of interest to the extent due pursuant to 18 C.F.R. § 35.19a(a)(2)(iii), or its successor. If the reversal of the CRR results in a higher TSC than was charged, the customer shall pay in the time prescribed for payment of TSCs the Transmission Owner the difference between the TSC payments it made and the rebilled amounts, with interest thereon from the dates payments were made to the date that the rebilled amounts are due. Said interest will be calculated in the same manner as interest on over-payments as specified in 18 C.F.R. § 35.19a(a)(2)(iii), or its successor.

The Reserved will be calculated monthly and will enter the TSC formula with a two-month lag (e.g., January actual data will be used in February to calculate the ETCNL TCC term

used in the TSC for March). The ISO is responsible for providing the information necessary to calculate the Reserved Component of each Transmission Owner's TSC.

WR: The revenue that a Transmission Owner collects for new external sales will be calculated monthly and will enter the WR term in the TSC formula with a two-month lag (*i.e.*, January actual data will be used in February to calculate the WR term used in the TSC for March). The ISO is responsible for calculating new external sales subcomponent of the WR component of each Transmission Owner's TSC. The Transmission Owner will not adjust the ISO's calculation. The actual revenue that a Transmission Owner collects for grandfathered OATT service that extends beyond ISO start-up, and revenues related to pre-OATT grandfathered arrangements as provided for under numbers (2) and (3) of Original Sheet No. 214A, will also be calculated monthly and will enter the WR term in the TSC formula based upon the prior month's information. For the first month the credit will be equal to the actual revenues received under those grandfathered agreements to be included in the WR component.

The BU term will be updated based on Transmission Owner filings to FERC (or a NYISO filing to FERC on behalf of LIPA) under the FPA. These filings will be made when the Transmission Owner determines that a change to its BU is required.

#### **14.1.3 Filing and Posting of Wholesale TSCs**

The Transmission Owners shall coordinate with the ISO to update certain components of the Wholesale TSC formula on a monthly basis or Capability Period basis. Each Transmission Owner may update its Wholesale TSC calculation to change its RR, CCC, or BU component value(s). Such updates, however, shall be subject to necessary FERC filings under the FPA. Each Transmission Owner will calculate its monthly Wholesale TSC and provide the ISO with the Wholesale TSC by no later than the fourteenth of each month, for posting on the OASIS to

become effective on the first of the next calendar month. The monthly Wholesale TSCs for each of the Transmission Districts shall be posted on the OASIS by the ISO no later than the fifteenth of each month or as soon thereafter as is reasonably possible but in no event later than the 20th of the month to become effective on the first of the next calendar month.

#### 14.1.4 TSC Calculation Information

The Annual Transmission Revenue Requirements (“RR”); Scheduling, System Control and Dispatch Costs (“CCC”), Billing Units (“BU”) and Rates of the Transmission Owners, except NYPA, for the purpose of calculating the respective Transmission District-based Wholesale TSC are shown in Table 1 below.

**Table 1**  
**Wholesale TSC Calculation Information**

Transmission Owner	Revenue Requirement (RR)	Scheduling System Control and Dispatch Costs (CCC)	Annual Billing Units (BU) MWh	Rate \$/MWh <sup>1</sup>
Central Hudson Gas & Electric Corp.	\$15,326,852	\$1,309,980	4,723,659	\$3.5220
Consolidated Edison Co. of NY, Inc.	\$385,900,000	\$21,000,000	49,984,628	\$8.1405
LIPA	\$105,602,083	\$3,453,343	20,618,939	\$5.2891
New York State Electric & Gas Corporation <sup>2</sup>	\$90,149,075	\$1,633,000	14,817,111	\$6.1943
Niagara Mohawk Power Corporation	See Attachment H, Section 14.1.9	See Attachment H, Section 14.1.9	See Attachment H, Section 14.1.9	See Attachment H, Section 14.1.9
Orange and Rockland Utilities, Inc.	\$21,034,831	\$942,579	3,595,947	\$6.1117
Rochester Gas and Electric Corporation	\$24,242,747	\$583,577	6,967,556	\$3.5631

<sup>1</sup>The rate column represents the unit rate prior to crediting; the actual rate will be determined pursuant to the applicable TSC formula rate.

<sup>2</sup>NYSEG's RR, BU and unit Rate prior to adjustment pursuant to Attachment H, are subject to retroactive modification pursuant to the provisions of the Settlement Agreement approved by the Commission in its March 26, 2004 order issued in Docket No. EL04-56-000. For any Transmission Customer that "opts out" of the Settlement Agreement as described in paragraph 1.E thereof, the applicable NYSEG "RR" shall be \$100,541,739; the "BU" shall be 13,741,901 MWh; and, the "Rate" prior to adjustment pursuant to Attachment H, shall be \$7.4235 effective as of March 1, 2004.

#### **14.1.5 Treatment of Gross Receipts Tax**

##### **14.1.5.1 Central Hudson Gas & Electric Corporation**

Central Hudson's TSC shall be increased by dividing the following surcharge factors into the total of all applicable rates and charges to reflect the New York State GRT (0.94922 in the MTA regions and 0.95750 in the non-MTA regions), which is not specifically provided for in the transmission rate, to the extent such tax is imposed on Central Hudson as a result of the transmission service provided to such Customer. Central Hudson shall make an appropriate filing pursuant to Section 205 of the Federal Power Act to implement any change in the specified tax rate prior to altering the tax rate under this provision.

##### **14.1.5.2 Consolidated Edison Company of New York, Inc.**

The GRT is included in Con Edison's TSC rate. Con Edison will not charge separately for GRT.

##### **14.1.5.3 LIPA**

The GRT is included in LIPA's TSC rate. LIPA will not charge separately for GRT.

##### **14.1.5.4 New York State Electric & Gas Corporation**

The Transmission Customer shall pay an amount sufficient to reimburse NYSEG for any amounts payable by NYSEG as sales, excise, value-added, gross receipts or other applicable taxes with respect to the total amount payable to NYSEG pursuant to the Tariff. The total of all

rates and charges will be divided by the appropriate tax factor listed below, depending upon the geographic location of the Transmission Customer's Point(s) of Delivery

Within the Metropolitan Commuter Transportation District: 0.984583

Not within the Metropolitan Commuter Transportation District: 0.986823

These tax factors incorporate the taxes imposed on the Transmission Provider's electric revenues pursuant to New York law and represents the Franchise Tax on Gross Earnings, the Gross Income Tax, and where applicable the Metropolitan Commuter Transportation District Surcharge.

This Provision shall be effective upon commencement of services under the ISO OATT.

#### **14.1.5.5 Niagara Mohawk Power Corporation**

For the settled Niagara Mohawk TSC rate, the GRT is included in the RR and there will be no separate GRT tax assessed; For the filed Niagara Mohawk TSC rate, GRT initially is included in the RR and there will be no separate GRT assessed; however, this issue with regard to GRT is subject to final Commission action in Docket No. OA96-194-000, including all stipulations executed in connection therewith.

#### **14.1.5.6 Orange and Rockland Utilities, Inc.**

The Transmission Customer's rate will be increased to reflect the gross receipts tax ("GRT") which is not specifically provided for in the transmission rate and ancillary service rates, that a governmental authority may impose on Orange and Rockland as a result of the Transmission Service provided to such Transmission Customer pursuant to Sections 186 and 186-a of the New York Tax Law. The current effective GRT rate for the Section 186-a tax is 3.25% from October 1, 1998 through October 31, 1999 and 2.5% on and after January 1, 2000. The maximum locality rate allowable under state law for each locality is specified below.

However, if the actual locality rate is less than the maximum locality rate permitted under state law, O&R shall charge the actual tax rate levied by the locality. The currently effective GRT rate for the Section 186 tax is .75%.

Airmont	1.0%
Bloomington	1.0%
Chestnut Ridge	1.0%
Goshen	1.0%
Grandview on Hudson	1.0%
Greenwood Lake	1.0%
Harriman	1.0%
Haverstraw	1.0%
Highland Falls	1.0%
Hillburn	1.0%
Kaser	1.0%
Kiryas Joel	1.0%
Middletown	1.0%
Monroe	1.0%
Montebello	1.0%
New Hempstead	1.0%
New Square	1.0%
Nyack	1.0%
Otisville	1.0%
Piermont	1.0%
Pomona	1.0%
Port Jervis	1.0%
Sloatsburg	1.0%
South Nyack	1.0%
Spring Valley	1.0%
Suffern	1.0%
Unionville	1.0%
Upper Nyack	1.0%
Warwick	1.0%
Washingtonville	1.0%
Wesley Hills	1.0%
West Haverstraw	1.0%
Wurtsboro	1.0%

#### **14.1.5.7 Rochester Gas & Electric Corporation**

The Transmission Customer's rate will be increased to reflect the gross receipts tax which is not specifically provided for in the transmission rate and ancillary service rates, that a governmental authority may impose on RG&E as a result of the Transmission Service provided



to such Transmission Customer pursuant to Sections 186 and 186-a of the New York Tax Law.

The currently effective GRT rate for the Section 186-a tax is 3.5% and each locality rate is specified below. The currently effective GRT rate for the Section 186 tax is .75%.

City of Rochester	3.0%
Leroy	1.0%
Manchester	1.0%
Perry	1.0%
Shortsville	1.0%
Warsaw	1.0%
Hilton	1.0%
Pittsford	1.0%
Caledonia	1.0%
Wolcott	1.0%
Avon	1.0%
Leicester	1.0%
Nunda	1.0%
Genesco	1.0%
Mt. Morris	1.0%
Sodus Point	1.0%
Livonia	1.0%
Meridian	1.0%
City of Canandaigua	1.0%
Fairport	1.0%
Brockport	1.0%
Scottsville	1.0%
East Rochester	1.0%

#### **14.1.6 TSC For Retail Access Customers (“RTSC”)**

Customers who apply for unbundled Transmission Service in accordance with the provisions of a Transmission Owner’s retail access program filed with the PSC or, in the case of LIPA, approved by the Long Island Power Authority’s Board of Trustees, will be responsible for paying a retail transmission service charge as detailed in Section 5 of this Tariff.

#### **14.1.7 NYPA Transmission Service Charge**

The NYPA TSC for service to its directly connected Loads (Reynolds Metals, GM-Massena, Town of Massena and the City of Plattsburgh) shall, at the Eligible Customer’s option,

be (a) \$1.30 per kilowatt-month or (b) no more than \$3.75 per MWh; not to exceed \$60.00 per MW Day applied to peak MWh scheduled any hour each day; not to exceed \$300.00 per MW-Week applied to the peak MWh scheduled any hour each week. The TSC applicable to service over the Vermont intertie and the Ontario-Hydro intertie shall be the same as (b); provided, however, that the NYPA TSC shall not apply to service over the Vermont intertie provided that the conditions listed in Section 2.7.2.1.4 of this Tariff are satisfied. The TSC applicable to service over the Hydro-Quebec intertie shall be no more than \$4.62 per MWh; not to exceed \$73.85 per MW-Day applied to peak MWh scheduled each day; not to exceed \$369.23 per MW-Week applied to the peak MWh scheduled any hour each week. NYPA shall coordinate with the ISO to update its TSC. Such updates shall be subject to FERC filings.

#### **14.1.8 Discounting**

Each Transmission Owner may advise the ISO of discounts to its TSC applicable during a specified period to all deliveries to a particular Interconnection between the NYCA and another Control Area. The ISO shall post the discounts on the OASIS for the specified period.

Three principal requirements apply to discounts for Transmission Service as follows: (1) any offer of a discount made by a Transmission Owner must be announced to all Eligible Customers solely by posting on the OASIS; (2) any customer-initiated requests for discounts (including requests for use by a Transmission Owner's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount that the Transmission Owner agrees to and advises the ISO of, the same discounted Transmission Service rate will be offered to all Transmission Customers for the same period for all deliveries to a particular Interconnection

between the NYCA and another Control Area. The ISO will post the discounts on the OASIS for the specified period.

**TABLE 2**  
**Applicable Wholesale TSC for Exports from**  
**New York State, by Transmission Circuit**

Ckt.Id	From/To	kV	From Co./To Ext.	Wholesale TSC Paid
5018	Ramapo / Branchburg	500	O&R/PJM	Con Ed/O&R
398	Pleasant Valley/ Long Mtn	345	CHG&E / NE	Con Ed
B3402	Farragut / Hudson	345	Con Ed / PJM	Con Ed
C3403	Farragut / Hudson	345	Con Ed / PJM	Con Ed
A2253	Goethals / Linden	230	Con Ed / PJM	Con Ed
FE	Smithfield / Falls Village	69	CHG&E/NE	CHG&E
1385	Northport / Norwalk 1	138	LIPA / NE	LIPA
393	Alps / Berkshire	345	NMPC / NE	NMPC
69	So. Ripley / Erie East	230	NMPC / PJM	NMPC
E205W	Rotterdam / Bear Swamp	230	NMPC / NE	NMPC
BP76	Packard / Beck	230	NMPC / OH	NMPC
171	Falconer / Warren	115	NMPC / PJM	NMPC
6	Hoosick / Bennington	115	NMPC / NE	NMPC
7	Whitehall / Blissville	115	NMPC / NE	NMPC
1	Dennison / Rosemont	115	NMPC / HQ	NMPC
2	Dennison / Rosemont	115	NMPC / HQ	NMPC
37-HS	Stolle Road / Homer City	345	NYSEG / PJM	NYSEG
30-HW	Watercure / Homer City	345	NYSEG / PJM	NYSEG
70-EH	Hillside / East Towanda	230	NYSEG / PJM	NYSEG
952	Goudey / Laurel Lake	115	NYSEG / PJM	NYSEG
956	No. Waverly / East Sayre	115	NYSEG / PJM	NYSEG
J	So. Mahwah / Waldwick	345	O&R / PJM	Con Ed/O&R
K	So. Mahwah / Walkwick	345	O&R / PJM	Con Ed/O&R
7040	Massena / Chateaugay	765	NYPA / HQ NYPA	NYPA
PA302	Niagara / Beck A	345	NYPA / OH	NYPA
PA301	Niagara / Beck B	345	NYPA / OH	NYPA
L34P	Moses / St. Lawrence	230	NYPA / OH	NYPA
L33P	Moses / St. Lawrence	230	NYPA / OH	NYPA
PA27	Niagara / Beck	230	NYPA / OH	NYPA
PV-20	Plattsburgh / Grand Isle	115	NYPA / NE	NYPA

<sup>1</sup> All scheduling over the Northport - Norwalk Intertie is conducted by LIPA pursuant to Section 5.7 of this Tariff.

**TABLE 3**  
**Applicable Wholesale TSC for Municipal Utilities,  
Electric Cooperatives and Loads**

Except for those municipal utilities and electric cooperatives that continue to take transmission service under an Existing Transmission Agreement, the following Loads shall be obligated to pay the noted Transmission District - based TSC as applicable in accordance with Section 2.7 of this Tariff.

Load	TSC Paid	Load	TSC Paid	Load	TSC Paid
		Greene	NYSEG	Sherrill	NMPC
		Green Island	NMPC	Silver Springs	NYSEG
		Greenport	LIPA	Skaneateles	NMPC
		Groton	NYSEG	Solvay	NMPC
		Hamilton	NYSEG	Spencerport	RG&E
		Holley	NMPC	Springville	NMPC
		Ilion	NMPC	Steuben	NYSEG
Akron	NMPC	Lake Placid	NMPC	Theresa	NMPC
Andover	NMPC	Little Valley	NMPC	Tupper Lake	NMPC
Angelica	RG&E	Marathon	NYSEG	Watkins Glen	NYSEG
Arcade	NMPC	Mayville	NMPC	Wellsville	NMPC
Bath	NYSEG	Mohawk	NMPC	Westfield	NMPC
Bergen	NMPC	Oneida -Madison	NMPC/ NYSEG	Massena	NYPA
Boonville	NMPC	Otsego	NYSEG	Freeport	LIPA
Brolton	NMPC	Penn Yan	NYSEG	Jamestown	NMPC
Castile	NYSEG	Philadelphia	NMPC	Rockville Ctr.	LIPA
Churchville	NMPC	Plattsburgh	NYPA	Alcoa	(1)
Delaware	NYSEG	Richmondville	NMPC	Reynolds	NYPA
Endicott	NYSEG	Rouses Point	NYSEG	Gen. Motors (Massena, NY)	NYPA
Fairport	NMPC	Salamanca	NMPC	Cornwall	NMPC
Frankfort	NMPC	Sherburne	NYSEG		

Notes: (1) - Load is treated as an entity external to the NYCA.

#### **14.1.9 Niagara Mohawk Power Corporation Wholesale TSC Formula Components RR, CCC and BU and Sources of Data Inputs**

Niagara Mohawk Power Corporation (“NMPC”) will calculate and update each of its RR, CCC, and BU components annually using the formulas for each component contained in

Attachment 1 and in accordance with the update procedures set forth in Section 14.1.9.4. With the exception of forecasted information, the cost data used in the Formula Rate will be cost data from NMPC's annual FERC Form 1, NMPC's Annual Report to the New York State Public Service Commission, or NMPC's official books of record.

#### **14.1.9.1 Definitions**

Capitalized terms used in this calculation will have the following definitions:

##### **Allocation Factors**

14.1.9.1.1 Electric Wages and Salaries Allocation Factor shall be fixed at 0.835.

14.1.9.1.2 Gross Transmission Plant Allocation Factor shall equal the total investment in Transmission Plant in Service, Transmission Related Electric General Plant, Transmission Related Common Plant and Transmission Related Intangible Plant divided by Gross Electric Plant.

14.1.9.1.3 Transmission Wages and Salaries Allocation Factor shall be fixed at 0.13.

14.1.9.1.4 Gross Electric Plant Allocation Factor shall equal Gross Electric Plant divided by the sum of Total Gas Plant, Total Electric Plant, and total Common Plant.

##### **Ratebase and Expense Items**

14.1.9.1.5 Administrative and General Expense shall equal expenses as recorded in FERC Account Nos. 920-935. FERC Account No. 926 shall be adjusted by reversing the adjustment to the deferred pension costs booked per the NYPSC Statement of Policy for Accounting and Ratemaking Treatment for Pension and Post-Retirement Benefits Other than Pensions. In addition, Administrative and

General Expenses shall exclude the actual Post-Employment Benefits Other than Pensions (“PBOP”) expenses included in FERC Account No. 926, and shall add back the FERC accepted Post Employment Benefit Other than Pensions of \$88,644,000 annually or \$7,387,000 per month or any other amount subsequently approved by FERC under Section 205 or 206 of the Federal Power Act.

14.1.9.1.6 Amortization of Investment Tax Credits shall equal credits as recorded in FERC Account No. 420, per 18 C.F.R. Parts 101 (Electric) and 201 (Gas).

14.1.9.1.7 Amortization of Debt Discount Expense shall equal expenses as recorded in FERC Account No. 428.

14.1.9.1.8 Amortization of Loss on Reacquired Debt shall equal expenses as recorded in FERC Account No. 428.1.

14.1.9.1.9 Amortization of Premium on Debt –Credit shall equal the expenses as recorded in FERC Account 429.

14.1.9.1.10 Amortization of Gain on Reacquired Debt--Credit shall equal the expenses as recorded in FERC Account No. 429.1.

14.1.9.1.11 Common Plant shall equal the balance of plant recorded in FERC Account Nos. 389-399. Common Plant shall be defined as the plant common to NMPC’s gas and electric functions per 18 C.F.R. Parts 101 (Electric) and 201 (Gas).

14.1.9.1.12 Common Plant Depreciation Expense shall equal the common plant depreciation expenses as recorded in FERC Account No. 403, 404 and 405 associated with Common Plant per 18 C.F.R. Parts 101 (Electric) and 201 (Gas).

14.1.9.1.13 Common Plant Depreciation Reserve shall equal the common plant depreciation reserve balance as recorded in FERC Account No. 108 associated with Common Plant per 18 C.F.R. Parts 101 (Electric) and 201 (Gas).

14.1.9.1.14 Depreciation Expense for Transmission Plant in Service shall equal depreciation expenses as recorded in FERC Account No. 403, 404 and 405 calculated using the depreciation rates set forth in the following table:

### **Depreciation Rates**

<u>FERC Account/NMPC Internal Account No.</u>		<u>Annual Rate</u>
<b><u>Transmission Plant</u></b>		
350	Land –Rights of Way and Easements	1.32
352	Structures and Improvements	2.42
353	Station Equipment	2.53
353.55	Station Equipment – EMS	4.20
354	Towers and Fixtures	1.80
355	Poles and Fixtures	2.23
356	Overhead Conductors and Devices	1.69
357	Underground Conduit	1.24
358	Underground Conductors and Devices	1.59
359	Roads and Trails	1.33
<b><u>Electric General Plant</u></b>		
390	Structures and improvements	2.51
391.01	Office furniture, equipment	4.55
391.20	Office furniture equipment	
	(Data Processing Equipment)	20.00
392.22	Transportation Equipment	3.33
394	Tools, shop, garage equipment	4.55
395	Laboratory equipment	4.55
396	Power operated equipment	4.55

397.01	Communication equipment – Radio	4.55
397.02	Communication equipment – Telephone	12.50
397.50 &.60	Communication equipment – Network	4.55
398.01	Power and Supervisory Control	4.55

#### **Common General Plant**

390	Structures and improvements	2.57
391.10	Office furniture and equipment	4.55
391.21	Data Processing Equipment	20.00
392.21	Transportation Equipment – Aircraft	7.50
393	Stores equipment	4.55
394	Tools, shop and garage equipment	4.55
395	Laboratory equipment	4.55
396	Power operated equipment	4.55
397.10	Communication equipment – Radio	4.55
397.20	Communication equipment – Telephone	12.50
397.30	Communication equipment – Network	4.55
398	Miscellaneous equipment	4.55
398.10	Power and Supervisory Control	4.55

#### **Electric Distribution Plant – Large Meters**

370.30	Large Meters Installation – Bare Costs	5.05
370.35	Large Meters – Installation Costs	5.05

#### **Intangible Plant**

302	Franchises and Consents	2.38
303	Miscellaneous Intangible Assets	14.29

14.1.9.1.15 Distribution Plant shall equal the plant balance as recorded in FERC

Account Nos. 360 – 374.



- 14.1.9.1.16 Equity AFUDC Component of Depreciation Expense shall equal the activity recorded in FERC Account No. 419.1.
- 14.1.9.1.17 Electric Environmental Remediation Expense shall be the environmental remediation expense as recorded in FERC Account 930.2.
- 14.1.9.1.18 Electric General Plant shall equal the plant balance recorded in FERC Account Nos. 389-399. Electric General Plant shall be defined as the general plant associated with NMPC's electric function.
- 14.1.9.1.19 Electric General Plant Depreciation Expense shall equal general plant depreciation expenses as recorded in FERC Account No. 403, 404 and 405 associated with Electric General Plant.
- 14.1.9.1.20 Electric General Plant Depreciation Reserve shall equal the general plant depreciation reserve balance as recorded in FERC Account No. 108 associated with Electric General Plant.
- 14.1.9.1.21 Electric Property Insurance shall equal property insurance recorded in FERC Account No. 924.
- 14.1.9.1.22 Electric Research and Development Expense shall equal research and development expenses as recorded in FERC Account No. 930.2.
- 14.1.9.1.23 Gain on Reacquired Debt shall equal the balance as recorded in FERC Account No. 257.
- 14.1.9.1.24 Gross Electric Plant shall equal Total Electric Plant plus an allocation of Common Plant determined by multiplying Common Plant by the Electric Wages and Salaries Allocation Factor.

- 14.1.9.1.25 Gross Plant (Gas & Electric) shall equal Total Gas Plant plus Total Electric Plant plus Total Common Plant.
- 14.1.9.1.26 Gross Transmission Investment shall equal the total of Transmission Plant in Service, Transmission Related Electric General Plant, Transmission Related Common Plant and Transmission Related Intangible Plant.
- 14.1.9.1.27 Intangible Electric Plant shall equal the balance of plant recorded in FERC Account Nos. 301-303. Intangible Electric Plant shall be defined as the intangible plant associated with NMPC's electric functions.
- 14.1.9.1.28 Intangible Electric Plant Depreciation Expense shall equal the intangible electric plant depreciation expenses as recorded in FERC Account No. 403, 404 and 405 associated with Intangible Electric Plant.
- 14.1.9.1.29 Intangible Electric Plant Depreciation Reserve shall equal the intangible plant depreciation reserve balance as recorded in FERC Account No. 108 associated with Intangible Electric Plant.
- 14.1.9.1.30 Loss on Reacquired Debt shall equal the loss on reacquired debt as recorded in FERC Account No. 189.
- 14.1.9.1.31 Materials and Supplies shall equal materials and supplies balance as recorded in FERC Account No. 154 per 18 C.F.R. Parts 101 (Electric) and 201 (Gas).
- 14.1.9.1.32 Payroll Taxes shall equal the electric payroll tax expenses related to FICA and federal and state unemployment as recorded in FERC Account 408.1.
- 14.1.9.1.33 Plant Held for Future Use shall equal the balance as recorded in FERC Account No. 105 for transmission uses within 5 years.

- 14.1.9.1.34 Prepayments shall equal prepayment balance as recorded in FERC Account No. 165 per 18 C.F.R. Parts 101 (Electric) and 201 (Gas) less prepaid state and Federal income taxes.
- 14.1.9.1.35 Real Estate Tax Expenses shall equal electric real estate tax expense as recorded in FERC Account 408.1.
- 14.1.9.1.36 Regulatory Assets and Liabilities shall equal state and federal regulatory asset balances in FERC Account Nos. 182.3 and 254, assets and liabilities solely related to [excess and deficient ADIT associated with changes in federal, state or local tax rates, Other FAS109 assets or liabilities](#), and excess AFUDC.
- 14.1.9.1.37 Total Accumulated Deferred Income Taxes shall equal the sum of deferred tax balances recorded in FERC Account Nos. 281 - 283 plus accumulated deferred investment tax credits as reflected in FERC Account No. 255, minus the deferred tax balance in FERC Account No. 190. Total Accumulated Deferred Income Taxes shall exclude the specifically identified generation-related stranded cost deferred taxes.
- 14.1.9.1.38 Total Electric Plant shall equal the sum of Transmission Plant, Distribution Plant, Electric General Plant and Intangible Electric Plant.
- 14.1.9.1.39 Total Gas Plant shall equal the plant balance recorded in 18 C.F.R. Part 201, FERC Account Nos. 301-399. Total Gas Plant shall exclude Common Plant.
- 14.1.9.1.40 Transmission Depreciation Reserve shall equal electric transmission plant related depreciation reserve balance as recorded in FERC Account No. 108, plus Transmission Related General Plant Accumulated Depreciation, Transmission

Related Amortization of Other Utility Plant, and Common Plant Accumulated Depreciation associated with Gross Electric Plant.

- 14.1.9.1.41 Transmission Operation and Maintenance Expense shall equal the sum of electric expenses as recorded in FERC Account Nos. 560 and 562-574 which shall include Transmission Support Payments, but shall exclude expenses incurred pursuant to agreements entered into with generators or other similar resources for the purpose of supporting transmission reliability that do not qualify as Transmission Support Payments.
- 14.1.9.1.42 Transmission Plant shall equal the gross plant balance as recorded in FERC Account Nos. 350-359.
- 14.1.9.1.43 Transmission Related Bad Debt Expense shall equal Bad Debt Expense as reported in FERC Account 904 related to NMPC's wholesale transmission billing.
- 14.1.9.1.44 Unamortized Discount on Long-Term Debt shall equal the balance in FERC Account No. 226.
- 14.1.9.1.45 Wholesale Metering Investment shall equal the gross plant investment associated with any Revenue or Remote Terminal Unit ("RTU") meters and associated equipment connected to an internal or external tie at voltages equal to or greater than 23 kV. The gross plant investment shall be determined by multiplying the number of such existing wholesale meters recorded in FERC Account No. 370.3 and in blanket metering accounts by the average cost of the meters plus the average costs of installation. To the extent future gross plant investment for Wholesale Metering can be specifically identified, actual gross meter costs will be used.

14.1.9.1.46 Amortization of Regulatory Assets and Liabilities shall equal credits and expenses as recorded in FERC account 411.1 or 410.1 solely related to excess and deficient ADIT~~FAS 109 balances~~ associated with changes in federal, state or local tax rates,~~and other FERC approved amortization of FAS 109 assets or liabilities.~~

### **Forecast and True-up Related Terms**

14.1.9.1.47 Forecast Period shall mean the calendar year immediately following the calendar year for which the most recent FERC Form 1 data is available, as of the beginning of the Update Year.

14.1.9.1.48 Forecasted Transmission Plant Additions (“FTPA”) shall mean the sum of:

14.1.9.1.48.1 NMPC’s actual Transmission Plant additions during the first quarter (January 1 through March 31) of the Forecast Period; and

14.1.9.1.48.2 NMPC’s forecasted transmission investment for the Forecast Period less the amount (i), divided by 2.

14.1.9.1.49 Interest on refunds, surcharges, or adjustments, as applicable, shall mean interest calculated in accordance with the methodology specified in the Commission’s regulations at 18 C.F.R. § 35.19a (a) (2) (iii) (or as such provision may be renumbered in the future).

14.1.9.1.50 Actual Transmission Revenue Requirement shall mean the current Historical Transmission Revenue Requirement (as defined in Attachment 1).

14.1.9.1.51 Actual Scheduling, System Control and Dispatch cost shall mean the most recently established CCC (as defined in Attachment 1).

- 14.1.9.1.52 Actual Billing Units shall mean the most recently established BU (as defined in Attachment 1).
- 14.1.9.1.53 Prior Year Transmission Revenue Requirement shall equal RR less Annual True-Up (“ATU”), as defined in Attachment 1, for the most recently ended calendar year as of the beginning of the Update Year.
- 14.1.9.1.54 Prior Year Scheduling, System Control and Dispatch shall equal the CCC, as defined in Attachment 1, for the prior calendar year.
- 14.1.9.1.55 Prior Year Billing Units shall equal the BU, as defined in Attachment 1, for the prior calendar year.
- 14.1.9.1.56 Prior Year Unit Rate shall equal the sum of RR, as defined in Attachment 1, for the most recently ended Prior Year Revenue Requirement and the Prior Year Scheduling, System Control and Dispatch divided by the Prior Year Billing Units.
- 14.1.9.1.57 Annual Update shall mean the calculation of the RR, CCC, and BU components with Data Inputs for an Update Year in accordance with Section 14.1.9.4.
- 14.1.9.1.58 Data Input shall mean any data required for the calculation of RR, CCC and BU, in accordance with the Formula Rate.
- 14.1.9.1.59 Formal Challenge shall mean a challenge presented in accordance with Section 14.1.9.4.3.2.
- 14.1.9.1.60 Informational Filing shall mean the filing that NMPC makes in accordance with Section 14.1.9.4 to establish the Annual Update for an Update Year.

- 14.1.9.1.61 Interested Party shall mean a person that is (i) a party to FERC Docket No. ER08-552, (ii) the New York State Public Service Commission; (iii) a transmission customer under this Tariff that pays charges based on the Formula Rate during the calendar year prior to the submission of the Informational Filing; or (iv) a state regulatory authority having jurisdiction over the retail electric rates of such a transmission customer, provided that such regulatory authority or such customer notifies NMPC of that fact no later than 30 days prior to the Publication Date. An Interested Person includes employees of or consultants to such person.
- 14.1.9.1.62 Material Accounting Change shall mean an accounting policy or practice, including, but not limited to, a policy or practice affecting the allocation of costs or revenues, employed by NMPC during an Update Year that differs from the corresponding policy or practice in effect during any of the three previous calendar years which change affects any Data Input for the Update Year by \$1.0 million or more, as compared to the previous calendar year.
- 14.1.9.1.63 Preliminary Challenge shall mean a challenge presented by an Interested Party in accordance with Section 14.1.9.4.2.1.
- 14.1.9.1.64 Publication Date shall be the date of an Informational Filing for an Update Year.
- 14.1.9.1.65 Review Period shall be the period ending one-hundred and fifty (150) days after the Publication Date, unless extended in accordance with Section 14.1.9.4.2.1.
- 14.1.9.1.66 Formula Rate shall be the formulas set forth in Attachment 1.

14.1.9.1.67 Update Year shall be the period from July 1 of a given calendar year through June 30 of the subsequent calendar year for a particular Annual Update.

14.1.9.1.68 Transmission Support Payments shall be expenses accepted by FERC for inclusion in the Historical Transmission Revenue Requirement pursuant to agreements entered into with generators or other similar resources for the purpose of supporting transmission reliability that have been submitted to FERC for review. Pursuant to the settlement agreement accepted by FERC in Docket No. ER14-543, Transmission Support Payments shall include the costs incurred by Niagara Mohawk pursuant to the reliability support services agreements entered into between Niagara Mohawk and Dunkirk Power, LLC on July 12, 2012 and March 4, 2013, including the costs of extending the March 4, 2013 agreement through the end of 2015, less a sum total of \$35 million.

All references to FERC accounts in the above definitions are references to 18 C.F.R. Part 101, unless specifically noted otherwise. In the event that the above-referenced FERC accounts are renumbered, renamed, or otherwise modified, the above sections shall be deemed amended to incorporate such renumbered, renamed, modified or additional accounts.

#### **14.1.9.2 Calculation of RR**

The RR component shall equal the (a) Historical Transmission Revenue Requirement, plus (b) the Forecasted Transmission Revenue Requirement which shall exclude the impact of any Transmission Support Payments, plus (c) the Annual True-Up, determined in accordance with the Formula Rate.



### **14.1.9.3 Fixed Formula Inputs**

Formula Rate inputs for (i) the authorized return on common equity (“ROE”), (ii) any cap on the common equity component of the capital structure, (iii) amount and amortization period of extraordinary property losses, (iv) depreciation and/or amortization rates, (v) PBOP expenses, and (vi) the electric wages and salaries allocation factor and transmission wages and salaries allocation factor shall be stated values until changed by the FERC pursuant to Section 205 or Section 206 of the Federal Power Act. An application under Section 205 or 206 or a proceeding initiated by FERC sua sponte under Section 206 to modify any of these stated values under the Formula Rate other than the ROE, the cap on the common equity component of the capital structure or the allocation factors in (vi) shall not be deemed to open for review other components of the Formula Rate.

### **14.1.9.4 Annual Update Process**

#### **14.1.9.4.1 Annual Updates**

14.1.9.4.1.1 On or before June 14th of each year, NMPC shall recalculate its RR, CCC, and BU components, applying the Data Inputs called for in the Formula Rate to produce the Annual Update for the upcoming Update Year, and:

14.1.9.4.1.1.1 shall post such Annual Update and a “workable” excel file containing that year’s Annual Update on the NYISO’s Internet website;

14.1.9.4.1.1.2 shall file such Annual Update with the FERC as the Informational Filing. The submission of such Informational Filing with FERC shall not require any action by the agency; and

14.1.9.4.1.1.3 shall serve the Annual Update electronically on all Interested Parties.

14.1.9.4.1.2 If the date for making the Informational Filing should fall on a weekend or a holiday recognized by the FERC, then the posting/filing shall coincide with the NYISO posting requirement for July rates.

14.1.9.4.1.3 The Annual Update for the Update Year:

14.1.9.4.1.3.1 shall use the Data Inputs specified in NMPC's Formula Rate, and therefore, to the extent specified in NMPC's Formula Rate, be based upon NMPC's FERC Form No. 1 data for the most recent calendar year; to the extent specified in NMPC's Formula Rate, be based upon the books and records of NMPC consistent with FERC accounting policies, and, to the extent specified in NMPC's Formula Rate, be based on projections for the upcoming calendar year;

14.1.9.4.1.3.2 shall provide supporting documentation for Data Inputs in the form of the data provided in Attachment C to the Offer of Settlement dated April 6, 2009, in Docket No. ER08-552; and, with respect to Billing Units, shall include monthly documents in PDF format with redacted names and revised reference numbers for each entity to protect confidentiality, showing the Billing Units for each month of the most recently completed calendar billing year (the six-month updated BUs), including NMPC's Transmission Owner Load ("TOL"), consisting of metered loads for the December through November timeframe showing the calendar billing year BUs reported to the NYISO by NMPC. The total MWh of generation (including load modifiers) and net interchange for each NMPC transmission zone will be displayed. National Grid will also provide a document as a "workable" Excel file summarizing the TOL for disputed station service, High Load Factor Fitzpatrick and any other entity excluded from the Billing Units

calculation in Attachment 1, Schedule 6.12, of the Formula Rate. The summary will be labeled to show the reason for exclusion, consistent with the definition of Billing Units and will reconcile to the totals shown on Attachment 1, Schedule 6.12.

14.1.9.4.1.3.3 shall provide notice of and describe all Material Accounting Changes, which description shall include an explanation of the purpose for and the circumstances giving rise to the Material Accounting Change, including references to any relevant orders, policies or notices of the Securities and Exchange Commission, the FERC or a retail regulator, which explanation may incorporate by reference any applicable disclosure statements filed with any such agency;

14.1.9.4.1.3.4 shall provide notice of the date and location of the meeting to be held in accordance with Section 14.1.9.4.2.2;

14.1.9.4.1.3.5 shall be subject to challenge and review only in accordance with the procedures set forth in this Section 14.1.9.4, provided that such procedures shall not preclude investigation of the Annual Update by FERC, including through hearing procedures;

14.1.9.4.1.3.6 shall not seek to modify NMPC's Formula Rate and shall not be subject to challenge by an Interested Party seeking to modify NMPC's Formula Rate (i.e., all such modifications to the Formula Rate will require, as applicable, a Federal Power Act Section 205 or Section 206 proceeding), provided that an Interested Party may propose for consideration a change to the Formula Rate, as provided in Section 14.1.9.4.3.5;

14.1.9.4.1.3.7 shall include a list of the email addresses of Interested Parties upon which the Annual Update was served; and

14.1.9.4.1.3.8 shall provide a description of, and workpapers for, any correction of an error discovered by NMPC that affects the calculation of any charges under the Formula Rate during a prior year within the period applicable under Section 14.1.9.4.4.

14.1.9.4.1.4 The fixed Formula Rate inputs set forth in Section 14.1.9.3 shall not be subject to adjustment in an Annual Update.

#### **14.1.9.4.2 Annual Review Procedures**

Each Annual Update shall be subject to the following review procedures:

14.1.9.4.2.1 Any Interested Party shall have up to one hundred fifty (150) days after the Publication Date (unless such period is extended with the written consent of NMPC) to review the calculations and to notify NMPC in writing of any specific challenges to the accuracy of any Data Input in the Annual Update or the conformance of any such Data Input with the requirements of the Formula Rate (“Preliminary Challenge”); provided, however, that each Interested Party shall make a good faith effort to submit Preliminary Challenges at the earliest practicable date so that they may be resolved as soon as possible, and provide NMPC with a non-binding list of potential Preliminary Challenges it may present, based on its review of the Annual Update and on responses to information requests provided to that point, within ninety (90) days of the Publication Date. Any Preliminary Challenge shall be posted on the NYISO’s internet website and

served by electronic service on all Interested Parties by the next business day following the date it is provided to NMPC.

14.1.9.4.2.2 Within thirty (30) days of the Publication Date, NMPC shall hold a meeting open to all Interested Parties, at which meeting: (a) NMPC shall present and explain the Annual Update; (b) NMPC shall respond to questions from Interested Parties, to the extent such questions can be answered immediately; and (c) Interested Parties shall identify any areas of potential Preliminary Challenges, to the extent they have identified them at the time of the meeting.

14.1.9.4.2.3 Interested Parties shall have up to one hundred thirty (130) days after each annual Publication Date (unless such period is extended with the written consent of NMPC) to serve reasonable information requests on NMPC; provided, however, that the Interested Parties shall make a good faith effort to submit consolidated sets of information requests that limit the number and overlap of questions to the extent practicable. Such information requests may be directed to matters relevant to the accuracy of the Data Inputs included in the Annual Update and the conformance of those Data Inputs with the requirements of the corresponding provisions of the Formula Rate, including: (a) the reasons for any change in a Data Input from the corresponding Data Input in an earlier Annual Update; (b) the reasons for any change in a Data Input based on actual costs from the corresponding Data Input based on a cost projection in an earlier Annual Update; (c) any reports or other materials provided to fulfill the requirements of a state or federal regulatory agency that explain the basis for projected or actual costs reflected in a Data Input; and (d) the impact of any Material Accounting

Change identified in the Annual Update on the charges produced by the Formula Rate.

14.1.9.4.2.4 NMPC shall make a good faith effort to respond to information requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. NMPC may give reasonable priority to responding to requests that satisfy the practicable coordination and consolidation provision of Section 14.1.9.4.2.3, above. NMPC's responses to information requests shall not be entitled to protection as privileged settlement communications; provided, however, that: (a) any communications between NMPC and any Interested Party in connection with efforts to negotiate a resolution of a Preliminary Challenge or Formal Challenge shall be entitled to such protection; (b) if NMPC's response to an information request contains proprietary or trade secret information or critical energy infrastructure information, NMPC and the Interested Party or Parties receiving such information shall enter into a confidentiality agreement materially similar to the model protective order used by the FERC to protect the confidentiality of such information; and (c) nothing herein shall require NMPC to provide information that is protected by the attorney-client privilege, the attorney work product doctrine, or any other legally recognized privilege.

#### **14.1.9.4.3 Resolution of Challenges**

14.1.9.4.3.1 NMPC and the Interested Parties shall negotiate in good faith throughout the Review Period to attempt to resolve any Preliminary Challenges.

14.1.9.4.3.2 If NMPC and any Interested Party or Parties have not resolved any Preliminary Challenge to the Annual Update within the Review Period, an

Interested Party shall have an additional twenty-one (21) days (unless such period is extended with the written consent of NMPC to continue efforts to resolve a Preliminary Challenge) to present the subject matter of the Preliminary Challenge to the FERC as a Formal Challenge, which shall be served on NMPC and all other Interested Parties by electronic service on the date of such filing and posted on the NYISO's internet website, however, there shall be no need to make a Formal Challenge or to await conclusion of the time periods in Section 14.1.9.4.2 if the FERC already has initiated a proceeding to investigate the Annual Update. By no later than five (5) business days after the end of the Review Period, NMPC shall apprise Interested Parties of the resolution of all Preliminary Challenges that have been resolved and of the impact of the resolution of all such Preliminary Challenges on the Annual Update. Within an additional fifteen (15) business days, NMPC shall submit a supplement to its Informational Filing to the FERC, with electronic service upon the Interested Parties, reflecting the impact of all successfully resolved Preliminary Challenges.

14.1.9.4.3.3 Any response by NMPC to a Formal Challenge must be submitted to the FERC within twenty-one (21) days of the date of the filing of the Formal Challenge, and shall be posted on the NYISO's Internet website and served on all Interested Parties by electronic service on the date of such filing.

14.1.9.4.3.4 In any proceeding initiated by the FERC concerning the Annual Update or in response to a Formal Challenge, NMPC shall bear the burden of proving that the Data Inputs in that year's Annual Update are correct and conform to the terms of the Formula Rate and refunds or adjustments may be made, in either case with

interest, to charges collected under the Formula Rate if the FERC concludes that the Data Inputs are incorrect or do not conform to the terms of the Formula Rate. In all other respects, any such proceeding shall be governed by the rules and requirements applicable to proceedings under Section 206 of the Federal Power Act.

14.1.9.4.3.5 An Interested Party may propose that resolution of a Preliminary Challenge or Formal Challenge concerning a Material Accounting Change necessitates changes to the Formula Rate to ensure that the resulting charges, including the effect of the Material Accounting Change, are just and reasonable. If NMPC agrees to such a proposed change to the Formula Rate to resolve a Preliminary Challenge, NMPC shall file the change to the Formula Rate with the FERC for approval pursuant to Section 205 of the Federal Power Act. If NMPC does not agree to such a proposed change, the Interested Party may file the proposed change with the FERC for approval pursuant to Section 206 of the Federal Power Act concurrent with its submission of a Formal Challenge; provided that if FERC approves the proposed change, the change to the Formula Rate shall take effect as of the beginning of the Update Year during which the Section 206 filing is made, and refunds or surcharges shall be made, in either case with interest, to charges under the Formula Rate after the beginning of such Update Year to reflect the proposed change.

14.1.9.4.3.6 Nothing herein shall be deemed to limit in any way the right of NMPC to file unilaterally, pursuant to Section 205 of the Federal Power Act and the regulations thereunder, changes to NMPC's Formula Rate (including changes in



connection with any incentive mechanism) or any of its Data Inputs (including, but not limited to, any fixed Data Inputs) or the right of any other party to file for such changes pursuant to Section 206 of the Federal Power Act and the regulations thereunder. All parties reserve all rights to challenge, or take any position in response to, any such filing by any other party.

#### **14.1.9.4.4 Changes to Data Inputs**

14.1.9.4.4.1 Any changes to the Data Inputs for an Annual Update, including but not limited to revisions resulting from any FERC proceeding to consider the Annual Update, or as a result of the procedures set forth herein, shall take effect as of the beginning of the Update Year and the impact of such changes shall be incorporated into the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19(a)) in the Annual Update for the next effective Update Year. This mechanism shall apply in lieu of mid-Update Year adjustments and any refunds or surcharges, except that, if an error in a Data Input is discovered and agreed upon within the Review Period, the impact of such change shall be incorporated prospectively into the charges produced by the Formula Rate during the remainder of the year preceding the next effective Update Year, in which case the impact reflected in subsequent charges shall be reduced accordingly.

14.1.9.4.4.2 The impact of an error affecting a Data Input on charges collected during the Formula Rate during the five (5) years prior to the Update Year in which the error was first discovered shall be corrected by incorporating the impact of the error on the charges produced by the Formula Rate during the five-year period

into the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19(a)) in the Annual Update for the next effective Update Year. Charges collected before the five-year period shall not be subject to correction.

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

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

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Capital Structure	Schedule 8
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System Dispatch Expense - Component CCC	Schedule 11
Billing Units - Component BU	Schedule 12
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(Excess)/Deficient ADIT Worksheet	Schedule 14

Calculation of RR

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

Historical Transmission Revenue Requirement (Historical TRR)

Line No.

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

Shading denotes an input

		Year		
Line No.				
1	14.1.9.2 (b) <b>FORECASTED TRANSMISSION REVENUE REQUIREMENTS</b>			
2	Forecasted TRR shall equal (1) the Forecasted Transmission Plant Additions (FTPA) multiplied by the Adjusted Annual (AFTRRF), plus (2) Forecasted ADIT Adjustment (FADITA), plus (3) the Mid-Year Trend			
3	Adjustment (MYTA), less (4) Transmission Support Payments (TSP), plus (5) the Tax Rate Adjustment (TRA), less (6) Other Billing Adjustments (OBA) as shown in the following formula:			
4				
5	Forecasted TRR = (FTPA * AFTRRF) + FADITA + MYTA - TSP + TRA - OBA			
6				
7		<u>Period</u>	<u>Reference</u>	<u>Source</u>
8				
9				
10	(1) FORECASTED TRANSMISSION PLANT ADDITIONS (FTPA)	\$0		Workpaper 8, Section I, Line 16
11	Adjusted Annual Transmission Revenue Requirement Factor (AFTRRF)	#DIV/0!		Line 78
12	Sub-Total (Lines 10*11)	#DIV/0!		
13				
14	(2) FORECASTED ADIT ADJUSTMENT (FADITA)			
15	The Forecasted ADIT Adjustment (FADITA) shall equal the Forecasted ADIT (FADIT)			
16	multiplied by the Cost of Capital Rate, where:			
17				
18	Forecasted ADIT(FADIT) shall equal the projected change in Accumulated Deferred Income Taxes from the most recently			
19	concluded calendar year related to accelerated depreciation and associated with Transmission Plant for the			
20	Forecasted Period calculated in accordance with Treasury regulation Section 1.167(1)-1(h)(6).			
21				
22	Forecasted ADIT (FADIT)	#DIV/0!		Schedule 13, Line 24
23	Cost of Capital Rate	#DIV/0!		Schedule 8, Line 62
24	Forecasted ADIT Adjustment (FADITA)	#DIV/0!		Line 22 * Line 23
25				
26	(3) MID YEAR TREND ADJUSTMENT (MYTA)			
27	The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between			
28	(i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period,			

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

63	Depreciation Expense	(B)	#DIV/0!	Schedule 1, Line 11
64	Property Tax Expense	(C)	#DIV/0!	Schedule 1, Line 12
65	Total Expenses (Lines 62 thru 64)		#DIV/0!	
66	Transmission Plant	(a)	#DIV/0!	Schedule 6, Page 1, Line 12
67	Annual Forecast Transmission Revenue Requirement Factor (Lines 65/ Line 66)		#DIV/0!	
68				
69	Adjustment to FTRRF to reflect removal of ADIT that is subject to normalization			
70	Transmission Related ADIT Balance at year-end		#DIV/0!	Schedule 7, Line 6, Column L
71	Less: Accumulated Deferred Inv. Tax Cr (255)		#DIV/0!	Schedule 7, Line 5, Column L
72	Net Transmission ADIT Balance at year-end		#DIV/0!	Line 70 - Line 71
73	Cost of Capital Rate		#DIV/0!	Schedule 8, Line 62
74	Total Return and Income Taxes Associated with ADIT Balance at year-end		#DIV/0!	Line 72 * Line 73
75				
76	Annual Forecast Transmission Revenue Requirement Factor (FTRRF)		#DIV/0!	Line 67
77	Less: Incremental Annual Forecast Transmission Revenue Requirement Factor Adjustment for ADIT		#DIV/0!	Line 74 / Line 66
78	Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF)		#DIV/0!	Line 76 - Line 77

Attachment H Section 14.1.9.2 (c)

Line No.	Year		Source:	
1				
2	14.1.9.2(d)	The Annual True-Up (ATU) shall equal (1) the difference between the Actual Transmission Revenue Requirement and the Prior Year		
3		Transmission Revenue Requirement, plus (2) the difference between the Actual Scheduling, System Control and Dispatch costs		
4		and Prior Year Scheduling, System Control and Dispatch costs, plus (3) the difference between the Prior Year Billing Units and the Actual Year		
5		Billing Units multiplied by the Prior Year Unit Rate, plus (4) Interest on the net differences.		
6				
7	(1)	Revenue Requirement (RR) of rate effective July 1 of prior year	\$0	Schedule 4, Line 1, Col (d)
8		Less: Annual True-up (ATU) from rate effective July 1 of prior year	\$0	Schedule 4, Line 1, Col (c)
9		Prior Year Transmission Revenue Requirement	\$0	Line 7 - Line 8
10				
11		Actual Transmission Revenue Requirement	#DIV/0!	Schedule 4, Line 2, Col (a)
12		Difference	#DIV/0!	Line 11 - Line 9
13				
14	(2)	Prior Year Scheduling, System Control and Dispatch costs (CCC)	\$0	Schedule 4, Line 1, Col (e)
15		Actual Scheduling, System Control and Dispatch costs (CCC)	\$0	Schedule 4, Line 2, Col (e)
16		Difference	\$0	Line 15 - Line 14
17				
18	(3)	Prior Year Billing Units (MWH)	\$0	Schedule 4, Line 1, Col (f)
19		Actual Billing Units	-	Schedule 4, Line 2, Col (f)
20		Difference	-	Line 18 - Line 19
21		Prior Year Indicative Rate	#DIV/0!	Schedule 4, Line 1, Col (g)
22		Billing Unit True-Up	#DIV/0!	Line 20 * Line 21
23				
24		Total Annual True-Up before Interest	#DIV/0!	(Line 12 + Line 16 + Line 22)
25				
26	(4)	Interest	#DIV/0!	Line 57, Column 9
27				
28		Annual True-up RR Component	#DIV/0!	(Line 24 + Line 26)
29				
30	Interest Calculation per 18 CFR § 35.19a			
31	(1)	(2)	(3)	(4)
32	Quarters	Annual	Accrued Prin	Monthly
33		Interest	& Int. @ Beg	(Over)/Under
34		Rate (a)	Of Period	Recovery
35				
36	3rd QTR		0	92
37	July	0.00%	#DIV/0!	31
38	August	0.00%	#DIV/0!	31
39	September	0.00%	#DIV/0!	30
40				



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

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

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

Niagara Mohawk Power Corporation

Wholesale TSC Calculation Information

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line No.		Historical Transmission Revenue Requirement (Historical TRR)	Forecasted Transmission Revenue Requirement	Annual True Up	Revenue Requirement (RR)	Scheduling System Control and Dispatch Costs (CCC)	Annual Billing Units (BU) MWh	Rate \$/MWh (*)
1	Prior Year Rates Effective _____	-	-	-	-	-	-	#DIV/0!
	Current Year Rates Effective July 1,							
2	_____	#DIV/0!	#DIV/0!		#DIV/0!	-	-	#DIV/0!
3	Increase/(Decrease)							#DIV/0!
4	Percentage Increase/(Decrease)							#DIV/0!
1.)	Information directly from Niagara Mohawk Prior Year Informational Filing							
2.)								
(a)	Schedule 1, Line 24							
(b)	Schedule 2, Line 49							
(c)	Schedule 3, Line 28							
(d)	Attachment H, Section 14.1.9.2 The RR Component shall equal Col (a) Historical Transmission Revenue Requirement plus Col (b) the Forecasted Transmission Revenue Requirement which shall exclude Transmission Support Payments, plus Col (c) the Annual True-Up plus Col (c) the Annual True-Up							
(e)	Schedule 11, Line 21 - Annual Scheduling, System Control and Dispatch Costs. (i.e. the Transmission Component of control center costs) as recorded in FERC Account 561 and its associated sub-accounts from the prior calendar year excluding any NY Independent System Operator (NYISO) system control and load dispatch expenses already recovered under Schedule 1 of the NYISO Tariff.							
(f)	Schedule 12, line 17 - Billing Units shall be the total Niagara Mohawk load as reported to the NYISO for the calendar year prior to the Forecast Period, including the load for customers taking service under Niagara Mohawk's TSC rate. The total Niagara Mohawk load will be adjusted to exclude (i) load associated with wholesale transactions being revenue credited through the WR, CRR, SR, ECR, and Reserved components of Attachment H of the NYISO TSC rate including Niagara Mohawk's external sales, load associated with grandfathered OATT agreements, and any load related to pre-OATT grandfathered agreements; (ii) load associated with transactions being revenue credited under Historical TRR Component J; and (iii) load associated with netted station service.							
(g)	(Col (d) + Col (e)) / Col (f)							

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

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

30	Gross Plant in Service (Gas & Electric)	-	Sum of Lines 27-Lines 29
31			
32	Percent Allocation	<u><u>#DIV/0!</u></u>	Line 25 / Line 30

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

Line No.

1	14.1.9.2 (a) <u>Transmission Investment Base</u>			
2				
3	A.1. Transmission Investment Base shall be defined as (a) Transmission Plant in Service, plus (b) Transmission Related Electric General Plant, plus			
4	(c) Transmission Related Common Plant, plus (d) Transmission Related Intangible Plant, plus (e) Transmission Related Plant Held for Future Use, less			
5	(f) Transmission Related Depreciation Reserve, less (g) Transmission Related Accumulated Deferred Taxes, plus (h)			
6	Transmission Regulatory Assets and Liabilities, plus (i) Transmission Related Prepayments, plus (j) Transmission Related Materials and Supplies,			
7	plus (k) Transmission Related Cash Working Capital.			
8				
9				
10	Description	Reference	Year	Reference
11		Section:		
12	Transmission Plant in Service	(a)	#DIV/0!	Schedule 6, page 2, line 3, column 5
13	General Plant	(b)	\$0	Schedule 6, page 2, line 5, column 5
14	Common Plant	(c)	\$0	Schedule 6, page 2, line 10, column 5
15	Intangible Plant	(d)	\$0	Schedule 6, page 2, line 15, column 5
16	Plant Held For Future Use	(e)	\$0	Schedule 6, page 2, line 19, column 5
17	Total Plant (Sum of Line 12 - Line 16)		#DIV/0!	
18				
19	Accumulated Depreciation	(f)	#DIV/0!	Schedule 6, page 2, line 29, column 5
20	Accumulated Deferred Income Taxes	(g)	#DIV/0!	Schedule 7, line 6, column 5
21	Transmission Regulatory Assets and Liabilities	(h)	#DIV/0!	Schedule 7, line 11, column 5
22	Net Investment (Sum of Line 17 -Line 21)		#DIV/0!	
23				
24	Prepayments	(i)	#DIV/0!	Schedule 7, line 15, column 5
25	Materials & Supplies	(j)	#DIV/0!	Schedule 7, line 21, column 5
26	Cash Working Capital	(k)	\$0	Schedule 7, line 28, column 5
27				
28	Total Investment Base (Sum of Line 22 - Line 26)		#DIV/0!	

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

Year

$$(2) \quad (3) = (1)^*(2) \quad (4) \quad (5) = (3)^*(4)$$

### Definition

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

Transmission Plant Held for Future Use                      \$0

Transmission Accumulated  
Depreciation

Transmission Accum. Depreciation

General Plant Accum. Depreciation                      100.00%                      \$0                      13.00%                      (c)                      \$0

Common Plant Accum Depreciation                      83.50%                      (a)                      \$0                      13.00%                      (c)                      \$0

Amortization of Other Utility Plant                      100.00%                      \$0                      13.00%                      (c)                      \$0

Wholesale Meters                      #DIV/0!

Total Depreciation (Sum of Line 24 - Line 28)

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



#DIV/0!

\$0

#DIV/0!  
#DIV/0!

Workpaper  
10                      14.1.9.2(a)A.1.(e)

FF1 219.25b                      14.1.9.2(a)A.1.(f)  
FF1 219.28b  
FF1 356.1 end of year balance  
FF1 200.21c  
Workpaper 1

Transmission Related Plant Held  
for Future Use shall equal  
the balance in Plant Held for  
Future Use associated with  
property planned to be used for  
transmission service within  
five years.

Transmission Related  
Depreciation Reserve shall  
equal the  
balance of: (i) Transmission  
Depreciation Reserve, plus (ii)  
the product of Electric General  
Plant Depreciation Reserve  
multiplied by the Transmission  
Wages and Salaries  
Allocation Factor, plus (iii) the  
product of Common Plant  
Depreciation Reserve multiplied  
by the Electric Wages and  
Salaries Allocation Factor and  
further multiplied by the  
Transmission Wages and  
Salaries Allocation Factor plus  
(iv)  
the product of Intangible  
Electric Plant Depreciation  
Reserve  
multiplied by the Transmission  
Wages and Salaries  
Allocation Factor plus (v)  
depreciation reserve associated  
with  
the Wholesale Metering  
Investment.

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

Attachment 1  
Schedule 7

Attachment H Section 14.1.9.2 (a) A. 1.

Shading denotes an input

		Year						
Line No.		(1) Total	(2) Allocation Factor	(3) = (1)*(2) Electric Allocated	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1/PSC Report Reference for col (1)	Definition
1	<u>Transmission Accumulated Deferred Taxes</u>							
2	Accumulated Deferred Taxes (281-282)		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 275.2k	14.1.9.2(a)A.1.(g) Transmission Related Accumulated Deferred Income Taxes shall equal the electric balance of Total Accumulated Deferred Income Taxes (FERC Accounts 190, 55,281, 282, and 283 net of stranded costs), multiplied by the Gross Transmission Plant Allocation Factor.
3	Accumulated Deferred Taxes (283)	\$0	100.00%	\$0	#DIV/0! (d)	#DIV/0!	Workpaper 2, Line 5	
4	Accumulated Deferred Taxes (190)		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 234.8c	
5	Accumulated Deferred Inv. Tax Cr (255)		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 267.8h	
6	Total (Sum of Line 2 - Line 5)			\$0		#DIV/0!		
7								
8	<u>Transmission Regulatory Assets and Liabilities</u>							
9	Excess AFUDC		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 232 lines 20,25	14.1.9.2(a)A.1.(h) Transmission Related Regulatory Assets and Liabilities shall equal: (i) the balance of Regulatory Assets net of Regulatory Liabilities assigned to Transmission plus (ii) the electric balance of Regulatory Assets net of Regulatory Liabilities multiplied by the Gross Transmission Plant Allocation Factor.
10								
11	FAS 109	\$0	100.00%	\$0	#DIV/0! (d)	#DIV/0!	Schedule 14, line 8 3c, column 3Q	
12								
13	<u>Excess (Deficient) ADIT – Tax Rate Changes</u>	\$0	100.00%	\$0	100.00%	\$0	Schedule 14, line 2, column Q	
14	Total (Line 9 + Line 10)	\$0		\$0		#DIV/0!		
15								
16	<u>Transmission Prepayments</u>						FF1 111.57c	14.1.9.2(a)A.1.(i) Transmission Related Prepayments shall be the product of Prepayments excluding Federal and State taxes multiplied by the Gross Electric Plant Allocation Factor and further multiplied by the Gross Transmission Plant Allocation Factor.
17	Less: Prepaid State and Federal Income Tax						FF1 263 lines 2 & 7 (h)	
18	Total Prepayments (Line 13 + Line 14)	\$0	#DIV/0! (b)	#DIV/0!	#DIV/0! (d)	#DIV/0!		
19								
20	<u>Transmission Material and Supplies</u>							14.1.9.2(a)A.1.(j) Transmission Related Materials and Supplies shall equal: (i) the balance of Materials and Supplies assigned to Transmission plus (ii) the product of Material and Supplies assigned to Construction multiplied by the Gross Electric Plant Allocation Factor and further multiplied by Gross Transmission Plant Allocation Factor.
21	Trans. Specific O&M Materials and Supplies					\$0	FF1 227.8c	
22	Construction Materials and Supplies		#DIV/0! (b)	#DIV/0!	#DIV/0! (d)	#DIV/0!	FF1 227.5c	
23	Total (Line 19 + Line 20)					#DIV/0!		
24								
25	<u>Cash Working Capital</u>							14.1.9.2(a)A.1.(k) Transmission Related Cash Working Capital shall be an allowance equal to the product of: (i) 12.5% (45 days/ 360 days = 12.5%) multiplied by (ii) Transmission Operation and Maintenance Expense.
26	Operation & Maintenance Expense					\$0	Schedule 9, Line 23	
27						0.1250	x 45 / 360	



\$0
-----

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

Shading denotes an input

Year

Line No.

1

The Cost of Capital Rate shall equal the proposed Weighted Costs of Capital plus Federal Income Taxes and State Income Taxes.

2

The Weighted Costs of Capital will be calculated for the Transmission Investment Base using NMPC’s actual capital structure and will equal the sum of (i), (ii), and (iii) below:

3

4

(i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of NMPC’s long-term debt outstanding during the year and the sum of (a) the ratio of actual long-term debt to total capital at year-end; and

5

(b) the extent, if any, by which the ratio of NMPC’s actual common equity to total capital at year-end exceeds fifty percent (50%). Long term debt shall be defined as the average of the beginning of the year and end of year balances of the following: long term debt less the unamortized

6

Discounts on Long-Term Debt less the unamortized Loss on Reacquired Debt plus unamortized Gain on Reacquired Debt. Cost to maturity of NMPC’s long-term debt shall be defined as the cost of long term debt included in the debt discount expense and

7

any loss or gain on reacquired debt.

8

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of NMPC’s preferred stock then outstanding and the ratio of actual preferred stock to total capital at year-end;

9

10

(iii) the return on equity component shall be the product of the allowed return on equity of 10.3% and the ratio of NMPC’s actual common equity to total capital at year-end, provided that such ratio

11

shall not exceed fifty percent (50%).

		CAPITALIZATION	Source:	CAPITALIZATION RATIOS	COST OF CAPITAL	Source:	WEIGHTED COST OF CAPITAL	EQUITY PORTION
			Workpaper 6, Line			Workpaper 6,		
17	(i) Long-Term Debt	\$0	16b	#DIV/0!	#DIV/0!	Line 17c	#DIV/0!	
18	(ii) Preferred Stock		FF1 112.3c	#DIV/0!	#DIV/0!	Workpaper 6, Line 24d	#DIV/0!	#DIV/0!
19	(iii) Common Equity		FF1 112.16c - FF1 112.3,12,15c	#DIV/0!	10.30%		#DIV/0!	#DIV/0!
20								
21	Total Investment Return	\$0		#DIV/0!			#DIV/0!	#DIV/0!



58			
59	Transmission Investment		
60	Base	#DIV/0!	Schedule 6, page 1 of 2, Line 28
61	Cost of Capital		
62	Rate	#DIV/0!	Line 53
63	= Investment Return	<hr/>	
64	and Income Taxes	<u>#DIV/0!</u>	Line 60 X Line 62

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

Attachment 1  
Schedule 9

Attachment H Section 14.1.9.2

Year

Shading denotes an input

Line No.	(1) Total	(2) Allocation Factor	(3) = (1)*(2) <u>Electric</u> Allocated	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	FERC Form 1/ PSC Report Reference for col (1)	Definition
<u>Depreciation Expense</u>							
1	Transmission Depreciation				\$0	FF1 336.7f	14.1.9.2.B. Transmission Related Depreciation Expense shall equal the sum of: (i) Depreciation Expense for Transmission Plant in Service, plus (ii) the product of Electric General Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Allocation Factor plus (iii) Common Plant Depreciation Expense multiplied by the Electric Wages and Salaries Allocation Factor, further multiplied by the Transmission Wages and Salaries Allocation Factor plus (iv) Intangible Electric Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Factor plus (v) depreciation expense associated with the Wholesale Metering Investment.
2	General Depreciation	100.0000%	\$0	13.0000% (c)	\$0	FF1 336.10f	
3	Common Depreciation	83.5000% (a)	\$0	13.0000% (c)	\$0	FF1 356.1	
4	Intangible Depreciation	100.0000%	\$0	13.0000% (c)	\$0	FF1 336.1f	
5	Wholesale Meters				#DIV/0!	Workpaper 1	
6	Total (Line 1+2+3+4+5)				#DIV/0!		
7							
8							
9							
10							
11							
12	<u>Real Estate Taxes</u>	100.0000%	\$0	#DIV/0! (d)	#DIV/0!	FF1 263.25i	14.1.9.2.C. Transmission Related Real Estate Tax Expense shall equal the electric Real Estate Tax Expenses multiplied by the Gross Transmission Plant Allocation Factor.
13							
14							
15							
16	<u>Amortization of Investment Tax Credits</u>	#DIV/0! (b)	#DIV/0!	#DIV/0! (d)	#DIV/0!	FF1 117.58c	14.1.9.2.D. Transmission Related Amortization of Investment Tax Credits shall equal the product of Amortization of Investment Tax Credits multiplied by the Gross Electric Plant Allocation Factor and further multiplied by the Gross Transmission Plant Allocation Factor.
17							
18							
19							
20	<u>Transmission Operation and Maintenance</u>						
21	Operation and Maintenance				\$0	FF1 321.112b	14.1.9.2.E. Transmission Operation and Maintenance Expense shall equal the sum of electric expenses as recorded in FERC Account Nos. 560, 562-574.
22	less Load Dispatching - #561				\$0	FF1 321.84-92b	
23	O&M (Line 21 - Line 22)	\$0			\$0		
24							
25	<u>Transmission Administrative and General</u>						14.1.9.2.F. Transmission Related Administrative and General Expenses shall equal the product of electric Administrative and General Expenses, excluding the sum of Electric Property Insurance, Electric Research and
26	Total Administrative and General					FF1 323.197b	
27	less Property Insurance (#924)					FF1 323.185b	
28	less Pensions and Benefits (#926)					FF1 323.187b	Development Expense and Electric Environmental Remediation Expense,
29	less: Research and Development Expenses (#930)	\$0				Workpaper 12	and 50% of the NYPSC Regulatory Expense
30	Less: 50% of NY PSC Regulatory Expense					50% of Workpaper 15	multiplied by the Transmission Wages and Salaries Allocation Factor,
	Less: 18a Charges (Temporary Assessment						
31						Workpaper 15	

32	less: Environmental Remediation Expense	\$0					Workpaper 11	plus the sum of Electric Property Insurance multiplied by the Gross
33	Subtotal (Line 26-27-28-29-30-31-32)	\$0	100.0000%	\$0	13.0000% (c)	\$0		Transmission Plant Allocation Factor, plus transmission-specific Electric
34	PLUS Property Insurance alloc. using Plant Allocation	\$0	100.0000%	\$0	#DIV/0! (d)	#DIV/0!	Line 27	
35	PLUS Pensions and Benefits	\$88,644,000	100.0000%	\$88,644,000	13.0000% (c)	\$11,523,720	Workpaper 3	Research and Development Expense, and transmission-specific
36	PLUS Transmission-related research and development	\$0				\$0	Workpaper 12	Electric Environmental Remediation Expense. In addition, Administrative
37	PLUS Transmission-related Environmental Expense	\$0				\$0	Workpaper 11	and General Expenses shall exclude the actual Post-Employment
38	Total A&G (Line 33+34+35+36+37)	\$88,644,000		\$88,644,000		#DIV/0!		Benefits Other than Pensions ("PBOP") included in FERC Account 926,
39								and shall add back in the amounts shown on Workpaper 3, page 1,
40	<u>Payroll Tax Expense</u>							or other amount subsequently approved by FERC under Section 205 or 206.
41	Federal Unemployment						FF1 263.4i	14.1.9.2.G. Transmission Related Payroll Tax Expense shall equal the product of
42	FICA						FF1 263.3i	electric Payroll Taxes multiplied by the Transmission Wages and
43	State Unemployment						FF1 263.9i	Salaries Allocation Factor.
44	Total (Line 41+42+43)	\$0	100.0000%	\$0	13.0000% (b)	\$0		
45								
46	Amortization of (Excess)/ Deficient ADIT	\$0	100.0000%	\$0	#DIV/0! (d)	#DIV/0!	-Schedule 14, line 52, column K	14.1.9.2.H Transmission related Amortization of Regulatory Assets and Liabilities shall equal the product of the electric transmission-specific Amortization of Regulatory Assets and Liabilities multiplied by the Gross Transmission Plant Allocation Factor
Allocation Factor Reference								
(a) Schedule 5, line 1								
(b) Schedule 5, line 32								
(c) Schedule 5, line 3								
(d) Schedule 5, line 19								

Year

Attachment H Section 14.1.9.2 (a)

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

(b) List of Items excluded from the Revenue Requirement



Niagara Mohawk Power Corporation  
System, Control, and Load Dispatch Expenses (CCC)

Attachment H, Section  
14.1.9.5

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

Line No.					
1	<u>Scheduling and Dispatch Expenses</u>			<u>Year</u>	<u>Source</u>
2					
3	Accounts	561	Load Dispatching		FF1 321.84b
4	Accounts	561.1	Reliability		FF1 321.85b
5	Accounts	561.2	Monitor and Operate Transmission System		FF1 321.86b
6	Accounts	561.3	Transmission Service and Schedule		FF1 321.87b
7	Accounts	561.4	Scheduling System Control and Dispatch		FF1 321.88b
8	Accounts	561.5	Reliability, Planning and Standards Development		FF1 321.89b
9	Accounts	561.6	Transmission Service Studies		FF1 321.90b
10	Accounts	561.7	Generation Interconnection Studies		FF1 321.91b
11	Accounts	561.8	Reliability, Planning and Standards Dev. Services		FF1 321.92b
12					
13		Total Load Dispatch Expenses (sum of Lines 3 - 11)			Sum of Lines 3 - 11
14					
15	Less Account 561 directly recovered under Schedule 1 of the NYISO Tariff				
16					
17	Accounts	561.4	Scheduling System Control and Dispatch		Line 7
18	Accounts	561.8	Reliability, Planning and Standards Dev. Services		Line 11
19		Total NYISO Schedule 1			Line 17 + Line 18
20					
21	Total CCC Component				Line 13 - Line 19

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

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

Line No.		<u>SOURCE</u>	
1	Subzone 1		NIMO TOL (transmission owner load)
2	Subzone 2		NIMO TOL (transmission owner load)
3	Subzone 3		NIMO TOL (transmission owner load)
4	Subzone 4		NIMO TOL (transmission owner load)
5	Subzone 29		NIMO TOL (transmission owner load)
6	Subzone 31		NIMO TOL (transmission owner load)
7	Total NIMO Load report to NYISO	0.000	Sum of Lines 1-6
8	LESS: All non-retail transactions		
9	Watertown		FF1 page 329.10.j
10	Disputed Station Service		NIMO TOL (transmission owner load)
11	Other non-retail transactions		All other non-retail transactions (Sum of 300,000 series PTID's from TOL)
12	Total Deductions	0.000	Sum of Lines 9 - 11
13	PLUS: TSC Load		
14	NYMPA Muni's, Misc. Villages, Jamestown (X1)		FF1 page 329.17.j
15	NYPA Niagara Muni's (X2)		FF1 page 329.1.j
16	Total additions	0.000	Sum of Lines 14 -15
17	Total Billing Units	0.000	Line 7 - Line 12 + Line 16

Shading denotes an input

Line No.	Description	Amount	
1	Transmission Related ADIT Balance at year-end		Schedule 7, Line 6, Column L
2	Less: Accumulated Deferred Inv. Tax Cr (255)		Schedule 7, Line 5, Column L
3	Net Transmission ADIT Balance at year-end (a)		Line 1 - Line 2
4			
5	Forecasted Transmission Related ADIT balance		Internal Records
6			
7	Change in ADIT		Line 5 - Line 3
8			
9	Monthly Change in ADIT		Line 7 / 12 Months
10			

	(A) Month	(B) Remaining Days	(C) = (B)/ Line 17 (B) IRS Proration %	(D) = Line 9 *(C) Prorated ADIT
11				
12	Month 1		100.00%	-
13	Month 2		100.00%	-
14	Month 3		100.00%	-
15	Month 4		100.00%	-
16	Month 5		100.00%	-
17	Month 6		100.00%	-
18	Month 7		#DIV/0! %	-
19	Month 8		#DIV/0! %	-
20	Month 9		#DIV/0! %	-
21	Month 10		#DIV/0! %	-
22	Month 11		#DIV/0! %	-
23	Month 12		#DIV/0! %	-
24	Total Prorated ADIT Change (Sum of 12 through 23)		\$ -	
	(a) The balance in Line 1, Total Transmission ADIT Balance at year-end, shall equal such ADIT that is subject to the normalization rules prescribed by the IRS and the net of the amounts recorded in FERC Account Nos. 281-283 and 190.			

to Schedule 2, Line 22

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

Shading denotes an input. Cells are  
Shaded Yellow

(A) (B) (C) (D) = Sum (A) + (B) + (C)  
(E) (F) (G) (H) (I) (J) (K) = Sum (H), (I) & (J)

		Beginning Balance-20 Year End Unamortized (Excess)/Deficient ADIT (e)					Amortization Periods (f)			Amount Amortization Expensed (e) (g)				
Line No.	Description	FERC Account No. (a)	Ref	Protected	Unprotected	Tax-g Gross-u Up (j)	Balance Total	Protected	Unprotected	Ref	FERC Account No. (g)	Protected	Unprotected	Total Amortization
ELECTRIC Transmission (EXCESS)/DEFICIENT ADIT - TAX RATE CHANGES														
Property														
1a			(b)					-ARAM	-ARAM	-(f)				
1 []			(c)-[]			-	-	-ARAM	-ARAM	-(f)				-
2	Total (Sum Lines 1a thru 1[]) (d) Property net of NOL (d)			-	-	-	-					-	-	-
Electric and Gas FAS 109/(Excess) Deficient ADIT														
3a	Other (excess)/deficient ADIT - Electric Distribution		(i)											
3b	Other (excess)/deficient ADIT - Gas Distribution		(i)											
3c	FAS 109 - Electric		(k)											
3d	FAS 109 - Gas													
3[]														
4	Total (Sum Lines 3a thru 3[]) (b)													
5	TOTAL Electric and Gas FAS 109/(Excess) Deficient ADIT (Line 2 + Line 4)													
6	Deficient ADIT - Regulatory Asset Account 182.3			FF 1 Page 232 b										
7	Excess ADIT - Regulatory Liability Account 254			FF1 Page 278 b										
8	Deficient/(Excess) Deferred Income Tax Regulatory Asset/(Liability) (Line 6 + Line 7)													
Non-Property														
3a			(b)						10-years					

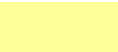
3-[]		(e), []		-	-			-	-
4	Total Non-Property (d)			-	-			-	-
5	TOTAL Electric (Excess)/Deficient ADIT—Tax Rate Changes (Line 2 + Line 4)			-	-			-	-
<b>ELECTRIC (EXCESS)/DEFICIENT ADIT—OTHER CHANGES</b>									
6a		(f)							
6-[]		(e), []							
7	TOTAL Electric (Excess)/Deficient ADIT—Other Changes (d)								
8	TOTAL Electric (Excess)/Deficient ADIT (Line 5 + Line 7)								
<b>GAS (EXCESS)/DEFICIENT ADIT</b>									
9a									
9-[]									
10	TOTAL Gas (Excess)/Deficient ADIT (d)								
11	TOTAL FAS 109 (Line 8 + Line 10)								
12	FF1 Balance			-FF1, Page 232. ____ b					
13	FF1 Balance			-FF1, Page 278. ____ b					
14	Total (Line 12 + Line 13)								

Notes:

- (a) The affected ADIT accounts were remeasured by comparing ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 at the current Federal, State & Local Income Tax rate to ADIT balances at historical Federal, State & Local Income Tax rates. The difference between the two represents the excess or deficient ADIT. Refer to Schedule 14(a).
- (b) Relates to the Federal Income Tax Rate Cchange ~~per~~associated with the 2017 Tax Cuts and Jobs Act.
- (c) Niagara Mohawk Power Corporation may add or remove sublines and notes explaining them without a FPA Section 205 filing~~to explain items listed under 1[], 3[], 6 [] and 9 [] without modifying the formula.~~
- (d) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. ~~Niagara Mohawk Power Corporation may add or remove sublines without a FPA Section 205 filing.~~
- (e) Enter credit balances as negatives.
- (f) Deficient/(excess) ADIT balances will be amortized as follows: "Protected property-related" = ARAM, "unprotected property-related" = 31 yrs, all other unprotected deficient/(excess) ADIT balances = 10 yrs.~~Average~~  
~~Rate Assumption Method~~
- (g) ~~(Excess)/d~~Deficient ADIT ~~is to be~~ amortized to Account 410.1; FERC Excess ADIT is amortized to Account 411.1. or 410
- (h) Other changes to (excess)/deficient ~~ADIT balances~~ due to the conclusion of IRS audits during applicable periods affected by a change in federal, state or local tax rates, the establishment of new (excess)/deficient ADIT due to future tax rate changes and. ~~Other changes may also include~~ classification changes between ~~the~~ protected and unprotected categories due to the passage of time~~deferred amortization to maintain rate base neutrality until amortization is approved by the State and Federal Regulatory commissions~~
- (i) Amounts approved for recovery in Niagara Mohawk Power Corporation Distribution rates per PSC approved dockets.
- (j) Tax gross up ~~rate~~ calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period.
- (k) Other Electric Transmission and Distribution FAS 109 balances

(l) [Niagara Mohawk Power Company will add footnotes below to identify excess or deficient ADIT from future Federal, State and Local income tax rate changes.](#)

(m) [□](#)



For costs in 20

Page 2 of 2

~~Shading denotes an input~~ cells are Shaded Yellow

$$(\overline{\text{TR}})$$

**20 Year Ending Balance- Unamortized (Excess)/Deficient ADIT (e)**

## Reference



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6a	FF1 Page 232 f	-	Company Records
6-17	FF1 Page 278 f	-	Company Records
78		-	
8		-	
9a		-	Company Records
9-1		-	Company Records
10		-	
11		-	
12	-FF1, Page 232. __f	-	
13	-FF1, Page 278. __f	-	
14		-	



|

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

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

Notes:

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

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

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