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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Niagara Mohawk Power Corporation Attachment 1

Calculation of RR Pursuant to Attachment H, Section 14.1.9.2 Year Schedule 1

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 Historical Transmission Revenue Requirement (Historical TRR)

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) Transmission Related

4 Real Estate Tax Expense, (D) Transmission Related Amortization of Investment Tax Credits, (E) Transmission Operation and Maintenance Expense,

5 (F) Transmission Related Administrative and General Expenses, (G) Transmission Related Payroll Tax Expense, (H) Amortization of Transmission Regulatory Assets

6 and Liabilities, (I) Billing Adjustments, and (J) Transmission Related Bad Debt Expense less (K) Revenue Credits, (L) Transmission Rents,

7 and (M) Project Specific Revenue Requirement Credits, all determined for the most recently ended calendar year as of the beginning of the update year.

8 Reference

9 Section: 0

10 Return and Associated Income Taxes (A) #DIV/0! Schedule 8, Line 64

11 Transmission-Related Depreciation Expense (B) #DIV/0! Schedule 9, Line 6, column 5

12 Transmission-Related Real Estate Taxes (C) #DIV/0! Schedule 9, Line 12, column 5

13 Transmission - Related Investment Tax Credit (D) #DIV/0! Schedule 9, Line 16, column 5 times minus 1

14 Transmission Operation & Maintenance Expense (E) $0 Schedule 9, Line 23, column 5

15 Transmission Related Administrative & General Expense (F) #DIV/0! Schedule 9, Line 38, column 5

16 Transmission Related Payroll Tax Expense (G) $0 Schedule 9, Line 44, column 5

17 Amortization of Transmission Regulatory Assets and Liabilities (H) #DIV/0! Schedule 9, Line 46, column 5

18 Sub-Total (sum of Lines 10 - Line 17) #DIV/0!

19

20 Billing Adjustments (I) $0 Schedule 10, Line 1

21 Bad Debt Expenses (J) $0 Schedule 10, Line 4

22 Revenue Credits (K) $0 Schedule 10, Line 7

23 Transmission Rents (L) $0 Schedule 10, Line 15

24 Project Specific Revenue Requirement Credits (M) #DIV/0! Schedule 10, Line 18

25

Total Historical Transmission Revenue Requirement (Sum of Line 18 through Line

26 24) #DIV/0!

Niagara Mohawk Power Corporation Attachment 1

Forecasted Transmission Revenue Requirement Schedule 2

Attachment H, Section 14.1.9.2

Year

Shading denotes an input

Line No.

1 14.1.9.2 (b) FORECASTED TRANSMISSION REVENUE REQUIREMENTS

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 Period Reference Source

8

9

10 (1) FORECASTED TRANSMISSION PLANT ADDITIONS (FTPA) $0 Workpaper 8, Section I, Line 16

11 Adjusted Annual Transmission Revenue Requirement Factor #DIV/0! Line 76

(AFTRRF)

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 $0 Workpaper 9A

Transmission Revenue Requirement

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 #DIV/0!

+ Line 31 - Line 34 - Line 35 + Line 41-Line 47)

50

51 14.1.9.2(c) ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR

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 Derivation 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 #DIV/0!

(Lines 65/ Line 66)

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 2

!

71 Cost of Capital Rate #DIV/0! Schedule 8, Line 62

72 Total Return and Income Taxes Associated with ADIT Balance at #DIV/0! Line 70 \* Line 71

year-end

73

74 Annual Forecast Transmission Revenue Requirement Factor (FTRRF) #DIV/0! Line 67

75 Less: Incremental Annual Forecast Transmission Revenue #DIV/0! Line 72/ Line 66

Requirement Factor Adjustment for ADIT

76 Adjusted Annual Forecast Transmission Revenue Requirement Factor #DIV/0! Line 74 - Line 75

(AFTRRF)

Niagara Mohawk Power Corporation Attachment 1

Annual True-up (ATU) Schedule 3

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) (5) (6) (7) (8) (9)

32 Quarters Annual Accrued Prin Monthly Days Accrued Prin Accrued

33 Interest & Int. @ Beg (Over)/Under in Period & Int. @ End Int. @ End

34 Rate (a) Of Period Recovery Period (b) Days Multiplier Of Period Of Period

35

36 3rd QTR 0 92 92 1.0000 $0 $0

37 July 0.00% #DIV/0! 31 92 1.0000 #DIV/0! #DIV/0!

38 August 0.00% #DIV/0! 31 61 1.0000 #DIV/0! #DIV/0!

39 September 0.00% #DIV/0! 30 30 1.0000 #DIV/0! #DIV/0!

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](http://www.ferc.gov/legal/acct-matts/interest-rates.asp/)

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

Attachment 1
Schedule 4

Niagara Mohawk Power Corporation

Wholesale TSC Calculation Information

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

Historical

Transmission Forecasted Scheduling

Revenue Transmission Revenue System Control Annual Billing

Requirement Revenue Requirement and Dispatch Units (BU)

Line No. (Historical TRR) Requirement Annual True Up (RR) Costs (CCC) 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 26

(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.

Niagara Mohawk Power Corporation Attachment 1

Allocation Factors - As calculated pursuant to Section 14.1.9.1 Schedule 5

Year

Shading denotes an input

Line

No.

Description Amount Source Definition

1 14.1.9.1 1. Electric Wages and Salaries Factor 83.5000% Fixed per settlement Docket ER08-552

2

3 14.1.9.1 3. Transmission Wages and Salaries Allocation Factor 13.0000% Fixed per settlement Docket ER08-552

4
5
6
7

8 14.1.9.1 2. Gross Transmission Plant Allocation Factor

Gross Transmission Plant Allocation Factor shall equal the

9 Transmission Plant in Service #DIV/0! Schedule 6, Page 2, Line 3, Col 5 total investment in

Transmission Plant in Service, Transmission Related Electric

10 Plus: Transmission Related General $0 Schedule 6, Page 2, Line 5, Col 5 General Plant,

Transmission Related Common Plant and Transmission

11 Plus: Transmission Related Common $0 Schedule 6, Page 2, Line 10, Col 5 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 204-207.104g

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. Gross Electric Plant Allocation Factor

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 200-201.8d, minus 4d

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 #DIV/0! Line 25 / Line 30

Attachment 1
Schedule 6

Niagara Mohawk Power Corporation Page 1 of 2

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) Transmission Investment Base

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!

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of Transmission Facilities Schedule 6

Transmission Investment Base (Part 1 of 2) Page 2 of 2

Attachment H Section 14.1. 9.2 (a) A. 1.

Year

Shading denotes an input

(2) (3) = (1)\*(2) (4) (5) = (3)\*(4)

FERC Form

Line (1) Allocation Electric Allocation Transmission 1/PSC Report

Reference for

No. Total Factor Allocated Factor Allocated col (1) Definition

FF1 204- Transmission Plant in Service shall

1 Transmission Plant 207.58g 14.1.9.2(a)A.1.(a) equal the

balance of total investment in

2 Wholesale Meter Plant #DIV/0! Workpaper 1 Transmission Plant

plus Wholesale Metering

3 Total Transmission Plant in Service (Line 1+ Line 2) #DIV/0! Investment.

4

FF1 204- Transmission Related Electric

5 General Plant 100.00% $0 13.00% (c) $0 207.99g 14.1.9.2(a)A.1.(b) General Plant shall

equal the balance of investment

6 in Electric General

Plant multiplied by the

7 Transmission Wages and

8 Salaries Allocation Factor.

9

FF1 200-201. Transmission Related Common

10 Common Plant 83.50% (a) $0 13.00% (c) $0 8h 14.1.9.2(a)A.1.(c) Plant shall equal Common

Plant multiplied by the Electric

11 Wages and Salaries

Allocation Factor and further

12 multiplied by the

Transmission Wages and

13 Salaries Allocation Factor.

14

FF1 204- Transmission Related Intangible

15 Intangible Plant 100.00% - 13.00% (c) $0 207.5g 14.1.9.2(a)A.1.(d) Plant shall equal Intangible

Electric Plant multiplied by the

16 Transmission Wages and

17 Salaries Allocation Factor.

18

Workpaper Transmission Related Plant Held

19 Transmission Plant Held for Future Use $0 $0 10 14.1.9.2(a)A.1.(e) for Future Use shall equal

the balance in Plant Held for

20 Future Use associated with

property planned to be used for

21 transmission service within

22 five years.

Transmission Accumulated

23 Depreciation

Transmission Related

Depreciation Reserve shall

24 Transmission Accum. Depreciation $0 FF1 219.25b 14.1.9.2(a)A.1.(f) equal the

balance of: (i) Transmission

25 General Plant Accum.Depreciation 100.00% $0 13.00% (c) $0 FF1 219.28b Depreciation Reserve, plus (ii)

the product of Electric General

26 Common Plant Accum Depreciation 83.50% (a) $0 13.00% (c) $0 FF1 200-201.22h Plant Depreciation Reserve

multiplied by the Transmission

27 Amortization of Other Utility Plant 100.00% $0 13.00% (c) $0 FF1 200-201.21c Wages and Salaries

Allocation Factor, plus (iii) the

28 Wholesale Meters #DIV/0! #DIV/0! Workpaper 1 product of Common Plant

Depreciation Reserve multiplied

29 Total Depreciation (Sum of Line 24 - Line 28) #DIV/0! by the Electric Wages and

Salaries Allocation Factor and

30 further multiplied by the

Transmission Wages and

Salaries Allocation Factor plus

31 (iv)

the product of Intangible
Electric Plant Depreciation

32 Reserve

multiplied by the Transmission

33 Wages and Salaries

Allocation Factor plus (v)

depreciation reserve associated

34 with

the Wholesale Metering

35 Investment.

36

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

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of Transmission Facilities Schedule 7

Transmission Investment Base ( Part 2 of 2)

Attachment H Section 14.1.9.2 (a) A. 1.

Shading denotes an input Year

(2) (3) = (1)\*(2) (5) = (3)\*(4)

Line (1) Allocation Electric (4) Transmission FERC Form 1/PSC Report

No. Total Factor Allocated Allocation Factor Allocated Reference for col (1) Definition

Transmission Accumulated Deferred Taxes

1 Accumulated Deferred Taxes (281) 100.00% $0 #DIV/0! (d #DIV/0! FF1 272-273 Line 2k 14.1.9.2(a)A.1.(g) Transmission Related Accumulated Deferred Income Taxes

2 Accumulated Deferred Taxes (282) 100.00% $0 #DIV/0! (d) #DIV/0! Schedule 13(a) AADIT, Line 3

3 Accumulated Deferred Taxes (283) $0 100.00% $0 #DIV/0! (d) #DIV/0! Workpaper 2, Line 5 shall equal the electric balance of Total Accumulated Deferred

4 Accumulated Deferred Taxes (190) 100.00% $0 #DIV/0! (d) #DIV/0! FF1 234.8c Income Taxes (FERC Accounts 190, 55,281, 282, and 283 net of

5 Accumulated Deferred Inv. Tax Cr (255) 100.00% $0 #DIV/0! (d) #DIV/0! FF1 266-267.8h stranded costs), multiplied by the Gross Transmission Plant

6 Total (Sum of Line 2 - Line 5) $0 #DIV/0! Allocation Factor.

7 Transmission Regulatory Assets and Liabilities

8 Excess AFUDC 100.00% $0 #DIV/0! (d) #DIV/0! FF1 232 lines\_ f 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.

9 FAS 109 $0 100.00% $0 #DIV/0! (d) #DIV/0! Schedule 14, line 3a, column Q

10 Excess (Deficient) ADIT - Tax Rate Changes $0 100.00% $0 100.00% $0 Schedule 14, line 2, column Q

11 Total (Line 8 + Line 9 + Line 10) $0 $0 #DIV/0!

12

13 Transmission Prepayments FF1 110-111.57c 14.1.9.2(a)A.1.(i) Transmission Related Prepayments shall be the product of

14 Less: Prepaid State and Federal Income Tax FF1 262-263 \_ k Prepayments excluding Federal and State taxes multiplied by

15 Total Prepayments (Line 13 + Line 14) $0 #DIV/0! (b) #DIV/0! #DIV/0! (d) #DIV/0! the Gross Electric Plant Allocation Factor and further

16 multiplied by the Gross Transmission Plant Allocation Factor.

17

18 Transmission Material and Supplies 14.1.9.2(a)A.1.(j) Transmission Related Materials and Supplies shall equal: (i)

19 Trans. Specific O&M Materials and Supplies $0 FF1 227.8c the balance of Materials and Supplies assigned to

20 Construction Materials and Supplies #DIV/0! (b) #DIV/0! #DIV/0! (d) #DIV/0! FF1 227.5c Transmission plus (ii) the product of Material and Supplies

21 Total (Line 19 + Line 20) #DIV/0! assigned to Construction multiplied by the Gross Electric

22 Plant Allocation Factor and further multiplied by Gross

23 Transmission Plant Allocation Factor.

24

25 Cash Working Capital 14.1.9.2(a)A.1.(k) Transmission Related Cash Working Capital shall be an

26 Operation & Maintenance Expense $0 Schedule 9, Line 23 allowance equal to the product of: (i) 12.5% (45 days/ 360 days = 12.5%)

27 0.1250 x 45 / 360 multiplied by (ii) Transmission Operation and Maintenance Expense.

28 Total (Line 26 \* Line 27) $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

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of Transmission Facilities Schedule 8

Cost of Capital Rate

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%).

12

13 WEIGHTED

14 CAPITALIZATION COST OF COST OF EQUITY

15 CAPITALIZATION Source: RATIOS CAPITAL Source: CAPITAL PORTION

16

Workpaper 6, Line Workpaper 6,

17 (i) Long-Term Debt $0 16b #DIV/0! #DIV/0! Line 17c #DIV/0!

Workpaper 6,

18 (ii) Preferred Stock FF1 112-113.3c #DIV/0! #DIV/0! Line 24d #DIV/0! #DIV/0!

FF1 112-113.16c - FF1

19 (iii) Common Equity 112-113.3,12,15c #DIV/0! 10.30% #DIV/0! #DIV/0!

20

Total Investment

21 Return $0 #DIV/0! #DIV/0! #DIV/0!

22
23
24
25

26 Federal Income Federal Income

14.1.9.2.2.(b) Tax shall equal = ( A + [ B / C] X Tax Rate )

27 Federal Income

( 1 - Tax Rate )

28

29 where A is the sum of the preferred stock component and the return on equity component, each as determined in Sections (a)(ii) and for the ROE set forth in (a)(iii)

above, B is the Equity AFUDC component of Depreciation Expense for

30 Transmission Plant in Service as defined at Section 14.1.9.1.16 (FF1 117.38c), and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line

28.

31

32 =

( #DIV/0! +( $0 ) / #DIV/0! X )

33 ( 1 - 0 )

34

35 = #DIV/0!

36

37

38 State Income State

Tax shall = Federal Income Income Tax

14.1.9.2.2.(c) equal ( A + [ B / C] + Tax Rate ) X Rate

39 State Income

( 1 - Tax Rate )

40

41 where A is the sum of the preferred stock component and the return on equity component as determined in (a)(ii) and (a)(iii) above , B is the Equity AFUDC

component of Depreciation Expense for Transmission Plant in

42 Service as defined at Section 14.1.9.1.16 above, and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line 28.

43

44

45

= #DIV/0 + $ #DIV/

46 ( ! ( 0 ) / 0! + #DIV/0! ) X

47 ( 1 - 0 )

48

49 = #DIV/0!

50
51
52

(a)+(b)+(c) Cost of

53 Capital Rate = #DIV/0!

54
55

14.1.9.2(a) A. Return and Associated Income Taxes shall equal the product of the

56 Transmission Investment Base and the Cost of Capital Rate

57

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

64 and Income Taxes #DIV/0! Line 60 X Line 62

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of Transmission Facilities Schedule 9

Transmission Expenses

Attachment H Section 14.1.9.2 Year

Shading denotes an input

(2) (3) = (1)\*(2) (5) = (3)\*(4) FERC Form 1/

Line (1) Allocation Electric (4) Transmission PSC Report

No. Total Factor Allocated Allocation Factor Allocated Reference for col (1) Definition

Depreciation Expense

1 Transmission Depreciation $0 FF1 336-337.7f 14.1.9.2.B. Transmission Related Depreciation Expense shall equal the sum of:

2 General Depreciation 100.0000% $0 13.0000% (c) $0 FF1 336-337.10f (i) Depreciation Expense for Transmission Plant in Service, plus (ii)

3 Common Depreciation 83.5000% (a) $0 13.0000% (c) $0 FF1 356 the product of Electric General Plant Depreciation Expense multiplied

4 Intangible Depreciation 100.0000% $0 13.0000% (c) $0 FF1 336-337.1f by the Transmission Wages and Salaries Allocation Factor plus (iii)

5 Wholesale Meters #DIV/0! Workpaper 1 Common Plant Depreciation Expense multiplied by the Electric

6 Total (Line 1+2+3+4+5) #DIV/0! Wages and Salaries Allocation Factor, further multiplied by the

7 Transmission Wages and Salaries Allocation Factor plus (iv)

8 Intangible Electric Plant Depreciation Expense multiplied by the

9 Transmission Wages and Salaries Factor plus (v) depreciation

10 expense associated with the Wholesale Metering Investment.

11

12 Real Estate Taxes 100.0000% $0 #DIV/0! (d) #DIV/0! FF1 262-263 \_ l 14.1.9.2.C. Transmission Related Real Estate Tax Expense shall equal the

13 electric Real Estate Tax Expenses multiplied by the Gross

14 Transmission Plant Allocation Factor.

15

16 Amortization of Investment Tax Credits #DIV/0! (b) #DIV/0! #DIV/0! (d) #DIV/0! FF1 114-117.58c 14.1.9.2.D. Transmission Related Amortization of Investment Tax Credits shall

17 equal the product of Amortization of Investment Tax Credits multiplied

18 by the Gross Electric Plant Allocation Factor and further multiplied by

19 the Gross Transmission Plant Allocation Factor.

20 Transmission Operation and Maintenance

21 Operation and Maintenance $0 FF1 320-323.112b 14.1.9.2.E. Transmission Operation and Maintenance Expense shall equal

22 less Load Dispatching - #561 $0 FF1 320-323.85-92b the sum of electric expenses as recorded in

23 O&M (Line 21 - Line 22) $0 $0 FERC Account Nos. 560, 562-574.

24

25 Transmission Administrative and General Transmission Related Administrative and General Expenses shall

26 Total Administrative and General FF1 320-323.197b equal the product of electric Administrative and General Expenses,

27 less Property Insurance (#924) FF1 320-323.185b excluding the sum of Electric Property Insurance, Electric Research and

28 less Pensions and Benefits (#926) FF1 320-323.187b Development Expense and Electric Environmental Remediation Expense,

29 less: Research and Development Expenses $0 Workpaper 12

(#930) 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 $0 100.0000% $0 #DIV/0! (d) #DIV/0! Line 27

Allocation Research and Development Expense, and transmission-specific

35 PLUS Pensions and Benefits $88,644,000 100.0000% $88,644,000 13.0000% (c) $11,523,720 Workpaper 3 Electric Environmental Remediation Expense. In addition, Administrative

36 PLUS Transmission-related research and $0 $0 Workpaper 12

development and General Expenses shall exclude the actual Post-Employment

37 PLUS Transmission-related Environmental $0 $0 Workpaper 11

Expense Benefits Other than Pensions ("PBOP") included in FERC Account 926,

38 Total A&G (Line 33+34+35+36+37) $88,644,000 $88,644,000 #DIV/0! and shall add back in the amounts shown on Workpaper 3, page 1,

39 or other amount subsequently approved by FERC under Section 205 or 206.

40 Payroll Tax Expense 14.1.9.2.G. Transmission Related Payroll Tax Expense shall equal the product of

41 Federal Unemployment FF1 262-263.12I electric Payroll Taxes multiplied by the Transmission Wages and

42 FICA FF1 262-263.17I Salaries Allocation Factor.

43 State Unemployment FF1 262-263.13I

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 2, column 14.1.9.2.H Transmission related Amortization of Regulatory Assets and Liabilities shall

J equal the transmission-specific Amortization of Regulatory Assets and

Liabilities

Allocation Factor Reference

(a) Schedule 5, line 1

(b) Schedule 5, line 32

(c) Schedule 5, line 3

(d) Schedule 5, line 19

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of Transmission Facilities Schedule 10

Billing Adjustments, Revenue Credits, Rental Income

Year

Attachment H Section 14.1.9.2 (a)

Shading denotes an input

Line (1)

No. Description Total Source Definition

1 Billing Adjustments Workpaper 16 14.1.9.2.I. Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4 below.

2 ( ) indicates a refund or a reduction to the revenue requirement on Schedule 1.

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; (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, and (d) any revenues associated with Schedule 15a

13 transmission projects not charged under this TSC rate.

14

15 Transmission Rents $0 Workpaper 7 14.1.9.2.L. Transmission Rents shall equal all Transmission-related rental income recorded in FERC

16 account 454.615

17

18 Project Specific Revenue Requirement Credit #DIV/0! Schedule 15a Line 17 14.1.9.2.M. Project Specific Revenue Requirement Credit shall equal the Base Revenue Requirement associated

with transmission projects not charged under this TSC rate.

19

20 14.1.9.4(d)

21 1 Any changes to the Data Inputs for an Annual Update, including but not limited to

22 revisions resulting from any FERC proceeding to consider the Annual Update, or

23 as a result of the procedures set forth herein, shall take effect as of the beginning

24 of the Update Year and the impact of such changes shall be incorporated into the

25 charges produced by the Formula Rate (with interest determined in accordance

26 with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update

27 Year. This mechanism shall apply in lieu of mid-Update Year adjustments and

28 any refunds or surcharges, except that, if an error in a Data Input is discovered

29 and agreed upon within the Review Period, the impact of such change shall be

30 incorporated prospectively into the charges produced by the Formula Rate during

31 the remainder of the year preceding the next effective Update Year, in which case

32 the impact reflected in subsequent charges shall be reduced accordingly.

33 2 The impact of an error affecting a Data Input on charges collected during the

34 Formula Rate during the five (5) years prior to the Update Year in which the error

35 was first discovered shall be corrected by incorporating the impact of the error on

36 the charges produced by the Formula Rate during the five-year period into the

37 charges produced by the Formula Rate (with interest determined in accordance

38 with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update

39 Year. Charges collected before the five-year period shall not be subject to correction.

(b) List of Items excluded from the Revenue Requirement

Attachment 1
Schedule 11

Niagara Mohawk Power Corporation Page 1 of 1

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 Scheduling and Dispatch Expenses Year Source

2

3

4 Accounts 561.1 Reliability FF1 320-323.85b

5 Accounts 561.2 Monitor and Operate Transmission System FF1 320-323.86b

6 Accounts 561.3 Transmission Service and Schedule FF1 320-323.87b

7 Accounts 561.4 Scheduling System Control and Dispatch FF1 320-323.88b

8 Accounts 561.5 Reliability, Planning and Standards Development FF1 320-323.89b

9 Accounts 561.6 Transmission Service Studies FF1 320-323.90b

10 Accounts 561.7 Generation Interconnection Studies FF1 320-323.91b

11 Accounts 561.8 Reliability, Planning and Standards Dev. Services FF1 320-323.92b

12

13 Total Load Dispatch Expenses (sum of Lines 4 - 11) Sum of Lines 4 - 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

Attachment 1
Schedule 12

Niagara Mohawk Power Corporation Page 1 of 1

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. SOURCE

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 328-330.\_.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 328-330. \_.j

15 NYPA Niagara Muni's (X2) FF1 page 328-330. \_.j

16 Total additions 0.000 Sum of Lines 14 -15

17 Total Billing Units 0.000 Line 7 - Line 12 + Line 16

Niagara Mohawk Power Corporation Attachment 1

Forecasted Accumulated Deferred Income Taxes (FADIT) Schedule 13

Page 1 of 1

Shading denotes an input

Line

No. Description Amount

1 Electric ADIT Balance at year-end FF1 Page 274-275.2k

2 Transmission Plant (PL) Allocator Schedule 5, Line 19

3 Transmission Related ADIT Balance at year-end Line 1 x 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

(B)

(A) Remaining (C) = (B)/ Line 17 (B) (D) = Line 9 \*(C)

11 Month Days IRS Proration % Prorated ADIT

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) $ - to Schedule 2, Line 22

(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 No. 282.

Niagara Mohawk Power Corporation Attachment 1

Actual Accumulated Deferred Income Taxes (AADIT) Schedule 13(a)

Page 1 of 1

Shading denotes an input

Line (A) (B)

No. Description Amount Reference

1 Total ADIT Balance at prior year-end (Enter Credit) (b) (c) FF1 Page 274-275.2b

2 Prorated Actual ADIT Activity Line 16(G)

3 Total Prorated ADIT Balance at year-end (Line 1 + Line 2)

(C) (D) (E) (F) = (E) / Line 17(E) (G) = (D) x (F)

Month Actual Monthly Change in ADIT Remaining Days IRS Proration % Prorated ADIT

4 Month 1 $ 335 91.7808% $ Internal Records

5 Month 2 $ 307 84.1096% $ Internal Records

6 Month 3 $ 276 75.6164% $ Internal Records

7 Month 4 $ 246 67.3973% $ Internal Records

8 Month 5 $ 215 58.9041% $ Internal Records

9 Month 6 $ 185 50.6849% $ Internal Records

10 Month 7 $ 154 42.1918% $ Internal Records

11 Month 8 $ 123 33.6986% $ Internal Records

12 Month 9 $ 93 25.4795% $ Internal Records

13 Month 10 $ 62 16.9863% $ Internal Records

14 Month 11 $ 32 8.7671% $ Internal Records

15 Month 12 $ 1 0.2740% $ Internal Records

16 Total Prorated Actual ADIT Activity (Sum Lines 6 thru 17) $

17 Number of Days in the Year 365

Notes:

(a) Enter credit balances as negatives.

(b) The balance in Line 1, Total ADIT Balance at year-end, shall equal such ADIT that is subject to the normalization rules prescribed by the IRS.

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of

Transmission Facilities

(Excess)/Deficient ADIT Worksheet Schedule 14

For Costs in 20\_\_

Page 1 of 2

Input Cells are Shaded Yellow

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

+ (B) +

(C)

20\_\_ Year End Unamortized (Excess)/Deficient ADIT (e) Amortization Periods (f) Amortization Expense (e ) (g)

FERC FERC Total

Line Account 12/31/20\_ Account Amortizati

No. Description No. (a) Ref Protected Unprotected Gross-Up (i) \_ Balance Protected Unprotected No. (g) Protected Unprotected Gross-Up (i) on

Transmission (EXCESS)/DEFICIENT ADIT -

TAX RATE CHANGES

1a (b)

- - - -

1 [] (c)

- - - -

2 Total (Sum Lines1a thru 1[]) (d)

- - - - - - - -

Electric FAS 109/(Excess) Deficient ADIT

3a FAS 109 - Electric (j)

3[]

4 Total (Sum Lines 3a thru 3[]) (d)

5 TOTAL Electric FAS 109/(Excess)

Deficient ADIT (Line 2 + Line 4)

6 Deficient ADIT - Regulatory Asset FF 1 Page

Account 182.3 232 b

7 Excess ADIT - Regulatory Liability FF1 Page

Account 254 278 b

8 Deficient/(Excess) Deferred Income Tax

Regulatory Asset/(Liability) (Line 6 +
Line 7)

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 change 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.

(d) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter.

(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.

(g) Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1.

(h) Other changes to (excess)/deficient ADIT 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 classification changes between protected and unprotected categories due to the passage of time.

(i) Tax gross up calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period.

(j) Other Electric Transmission and Distribution FAS 109 balances

(k) Niagara Mohawk Power Company will add footnotes below to identify excess or deficient ADIT from future Federal, State and

Local income tax rate changes.

(l) []

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of

Transmission Facilities

(Excess)/Deficient ADIT Worksheet Schedule 14

For costs in 20\_\_

Page 2 of 2

Input cells are Shaded Yellow

(N) = (A) - (G) - (O) = (B) - (H) -

(K) (L) (M) (K) (L) (P)=(C)-(I)-(M) (Q)= (N) + (O) + (P) (R)

Other Adjustments (e) (h) 20\_\_ Year End Unamortized (Excess)/Deficient ADIT (e)

Line

No. Protected Unprotected Gross-Up(i) Protected Unprotected Gross-Up (i) 12/31/20\_\_ Balance Reference

1a

- - - - -

1 []

- - - - -

2

- - - - - - -

3a

3b

3c

- - - -

3d

3 []

- - - -

4

- - - - - - -

5

- - - - - - -

6 FF1 Page 232 f

-

7 FF1 Page 278 f

8

-

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\_\_

(A) (B) = (A)\* \_\_\_% (C) = (A)\* \_\_\_% (D) = (B) - (C) (E) (F) = (E)\* \_\_\_\_\_% (G) = (E)\*\_\_\_\_% (H) = (F) - (G) (I) = (D) + (H) (J) (K) = (I) - (J)

Gross Temporary Gross Temporary

Difference (Excess)/ Difference (Excess)/ Total (Excess)/ Adjustments 20\_\_ (Excess)/

FERC Fiscal Year Ended Deficient ADIT Fiscal Year Ended Deficient ADIT Deficient ADIT Post Deficient ADIT

Line Account March 31, 20\_\_ (a) due to Rate March 31, 20\_\_ (a) due to Rate due to Rate Remeasurement due to Rate

No. Description No. (d) ADIT @ \_\_% ADIT @ \_\_% Change (d) ADIT @ \_\_\_\_\_% (c) ADIT @ \_\_\_\_% Change Change (d) 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.

Niagara Mohawk Power Corporation

Project Specific Revenue Requirement Calculation Smart Path Connect

Shading denotes an input

Line

No. Description

1 Project Gross Plant In-Service

2 CWIP

Project - Related Depreciation and Amortization Reserves (Enter
3 Credit)

4 Project - Related Accumulated Deferred Income Taxes (Enter Credit)

5 Project - Related (Excess) Deficient ADIT

6 Project - Related Prepayments

7 Project - Related Materials & Supplies

8 Project - Related Cash Working Capital

9 Net Investment Base

10 Project Specific Investment Base excl CWIP Return and Asso. Taxes

11 Project - Related Depreciation Expense

12 Project - Related Amortization of (Excess) Deficient ADIT

13 Project - Related Real Estate Taxes

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ /\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Amount Source

- Workpaper \_

- Workpaper \_

- Workpaper \_

- Workpaper \_

- Schedule 15c \_ Line 2Q

#DIV/0! (Line 1/ Schedule 5 Line 13 ) \* Schedule 7 Line 15 Column (5)

#DIV/0! (Line 1/ Schedule 5 Line 13 ) \* Schedule 7 Line 21 Column (5)

#DIV/0! (Line 1/ Schedule 5 Line 13 ) \* Schedule 7 Line 28 Column (5)

#DIV/0! Sum lines 1 through 8

#DIV/0! Schedule 15b Line 24

- Workpaper \_

- Schedule 15c \_ Line 2J

- Workpaper \_

Attachment 1
Schedule 15a \_

Page 1 of 1

Definitions

Project Gross Plant In-Service will be the total capital investment for the project included in
Transmission Plant In Service plus an allocation of Transmission allocated General, Common
and Intangible Plant based on the ratio of project specific transmission plant to Transmission
Plant.

Authorized by FERC Order \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project-related depreciation and amortization reserve shall equal the accumulated credit of Project - Related Depreciation Expense net of any applicable retirements, cost of removal or salvage adjustments associated with the project.

Project - Related Accumulated Deferred Income Taxes shall equal ADIT calculated based on cost, accumulated book depreciation and accumulated tax depreciation.

Project - Related (Excess) Deficient ADIT shall be the unamortized excess or deficient ADIT balance related specifically to the project as per Schedule 15c.

Project - Related Prepayments shall equal the ratio of Project Gross Plant In-Service to Gross Transmission Investments times Transmission Related Prepayments

Project - Related Materials & Supplies shall equal the ratio of Project Gross Plant In-Service to Gross Transmission Investments times Transmission Related Materials & Supplies

Project - Related Cash Working Capital shall equal the ratio of Project Gross Plant In-Service to Gross Transmission Investments times Transmission Related Cash Working Capital

Project-related depreciation expense will be determined based on application of the current FERC approved depreciation accrual rates per Section 14.1.9.1.14 of Attachment H of the NYISO OATT on a utility account basis to the Project Gross Plant In-service.

Project - Related Amortization of (Excess) Deficient ADIT shall be the annual amortized excess or deficient ADIT balance related specifically to the project as identified in Schedule 15c Project Specific (Excess) Deficient ADIT.

Project related portion of Transmission Related Real Estate Tax Expense as determined based on the taxable value of the investment and the applicable property tax rate.

Project - Related Operation and Maintenance Expense shall be based on charges to project-
specific work orders. Operation & maintenance costs that cannot be directly attributed to a
project will be allocated to a project based on the ratio of the Project Gross Plant In-service to

14 Project - Related Operation & Maintenance Expense -

15 Project Allocated Administrative & General Expense #DIV/0!

-

16 Billing Adjustments

Workpaper \_

(Line 1/ Schedule 5 Line 13) \* (Schedule 9 Line 38 Column (5) + Schedule 9 Line 44 Column (5))

Workpaper \_

Gross Transmission Investments.

Project Allocated Administrative and General Expense shall equal the ratio of Project Gross Plant In-Service to Gross Transmission Investment times the sum of Transmission Related Administrative and General Expenses and Transmission Related Payroll Tax Expense.

Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4

17 Base Revenue Requirement #DIV/0! Sum lines 10 through 16

Project Specific Investment Base CWIP Return and Associated Taxes shall be the Return and Associated Income Taxes related to authorized CWIP included in ratebase

18 Project Specific Investment Base CWIP Return and Asso. Taxes #DIV/0! Schedule 15b Line 25

-

19 Cost Containment Adjustment Schedule 15e Line 23 Authorized by FERC Order \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

20 Billing Adjustments - Workpaper \_ Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4

21 Non-Base Revenue Requirement #DIV/0! Sum lines 18 through 20

22

23 Annual True-up including Interest #DIV/0! Line 35

24

25 Total Project Specific Revenue Requirement #DIV/0! Sum line 17 + 21 + 23

Annual True-up and Interest Calculation

26 ISO Revenues Received - WP5 Line \_

27 Less: Prior Year True-up incl Interest - Workpaper \_

28 Adjusted ISO Revenues - Sum Lines 26 and 27

29

30 Actual Revenue Requirement (a) #DIV/0! Line 17 + 21

31 (Over) Under recovery #DIV/0! Line 30 - Line 28

32

33 Interest #DIV/0! Line 64, Column (9)

34

35 Annual True-up including interest #DIV/0! Line 31 + Line 33

36

37 Interest Calculation per 18 CFR Section 35.19a

38 (1) (2) (3) (4) (5) (6) (7) (8) (9)

39 Quarters Annual Accrued Prin Monthly Days Accrued Prin Accrued

40 Interest & Int. @ Beg (Over)/Under in Period & Int. @ End Int. @ End

41 Rate (b) Of Period Recovery Period (b) Days Multiplier Of Period Of Period

42

43 3rd QTR ‘\_ 0.00% 0 92 92 1.0000 $0 $0

44 July 0.00% #DIV/0! 31 92 1.0000 #DIV/0! #DIV/0!

45 August 0.00% #DIV/0! 31 61 1.0000 #DIV/0! #DIV/0!

46 September 0.00% #DIV/0! 30 30 1.0000 #DIV/0! #DIV/0!

47

48 4th QTR ‘\_ 0.00% #DIV/0! 92 92 1.0000 #DIV/0! #DIV/0!

49 October 0.00% #DIV/0! 31 92 1.0000 #DIV/0! #DIV/0!

50 November 0.00% #DIV/0! 30 61 1.0000 #DIV/0! #DIV/0!

51 December 0.00% #DIV/0! 31 31 1.0000 #DIV/0! #DIV/0!

52

53 1st QTR ‘\_ 0.00% #DIV/0! 91 91 1.0000 #DIV/0! #DIV/0!

54 January 0.00% #DIV/0! 31 91 1.0000 #DIV/0! #DIV/0!

55 February 0.00% #DIV/0! 28 60 1.0000 #DIV/0! #DIV/0!

56 March 0.00% #DIV/0! 31 31 1.0000 #DIV/0! #DIV/0!

57

58 2nd QTR ‘\_ 0.00% #DIV/0! 91 91 1.0000 #DIV/0! #DIV/0!

59 April 0.00% #DIV/0! 30 91 1.0000 #DIV/0! #DIV/0!

60 May 0.00% #DIV/0! 31 61 1.0000 #DIV/0! #DIV/0!

61 June 0.00% #DIV/0! 30 30 1.0000 #DIV/0! #DIV/0!

62

63

64 Total (Over)/Under Recovery #DIV/0! #DIV/0! #DIV/0!

(a) First year revenue requirement to be prorated based on in-service date of project or FERC approval of CWIP recovery

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

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

Niagara Mohawk Power Corporation Attachment 1

Project Return and Associated Income Taxes Schedule 15b

Smart Path Connect Page 37 of 41

Shading denotes an input

Cost of Capital rate will equal the cost of capital rate calculated using the Weighted Costs of Capital as defined in Section 14.1.9.2.2 (i), (ii) and (iii) of

Cost Of Capital Attachment H of the OATT.

(a) (b) (d)

CAPITALIZATION (c) WEIGHTED COST OF (e)

Line CAPITALIZATION RATIOS COST OF CAPITAL CAPITAL EQUITY PORTION Source:

1

2 LONG TERM DEBT $0 #DIV/0! #DIV/0! #DIV/0! Schedule 8 Line 17

3 PREFERRED STOCK $0 #DIV/0! #DIV/0! #DIV/0! #DIV/0! Schedule 8 Line 18

4 COMMON EQUITY $0 #DIV/0! 10.30% #DIV/0! #DIV/0! Schedule 8 Line 19

5

6 TOTAL INVESTMENT RETURN $0 #DIV/0! #DIV/0! #DIV/0! Line 2 + Line 3 + Line 4

7

8

9 Federal Income Tax

10 Equity WACC #DIV/0! Line 6(e)

11 Federal Income Tax Rate 0.00% Schedule 8 Line 32

12 Federal Income Tax #DIV/0! (Line 10\*Line 11)/(1-Line 11)

13

14 State Income Tax

15 State Income Tax Rate 0.00% Schedule 8 Line 46

16 State Income Tax #DIV/0! (Line 10 + Line 12)\*Line 15/(1- Line 15)

17

18 Cost of Capital Rate #DIV/0! Line 6(d) + Line 12+ Line 16

19 Project Specific Investment Base excl CWIP #DIV/0! Schedule 15a Line 9 - Line 2

20 Project Specific Investment Base CWIP -- Schedule 15a Line 2

21 Total Investment Base #DIV/0!

22

23 Return and Associated Taxes

24 Project Specific Investment Base excl CWIP Return and Asso. Taxes #DIV/0! Line 19 \* Line 18

25 Project Specific Investment Base CWIP Return and Asso. Taxes #DIV/0! Line 20 \* Line 18

26

27 Total Return and Associated Income Taxes #DIV/0! Sum Line 24 + 25

Notes: Enter credit balances as negatives.

Niagara Mohawk Power Corporation Attachment 1

Annual Revenue Requirements of Transmission Facilities Schedule 15c

Page 1 of 2

Smart Path Connect (Excess)/Deficient ADIT Worksheet\_ For Costs in 20\_\_

Input Cells are Shaded Yellow

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

+ (B) +

(C)

20\_\_ Year End Unamortized (Excess)/Deficient ADIT (d) Amortization Periods (e) Amortization Expense (d ) (f)

FERC FERC

Line Account 12/31/20\_ Account Gross-Up Total

No. Description No. (a) Protected Unprotected Gross-Up (h) \_ Balance Protected Unprotected No. (f) Protected Unprotected (h) Amortization

Project -related (Excess)/Deficient ADIT - Tax Rate Changes

1a

- - - -

1 [ ] (b)

- - - -

2 Total (Sum Lines1a thru 1 [ ] ) (c) -

- - - - - - -

Notes:

(a) The affected ADIT accounts were remeasured by comparing Project Specific ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 at the current Federal, State & Local Income Tax rate to Project Specific

ADIT balances at historical Federal, State & Local Income Tax rates. The difference between the two represents the excess or deficient ADIT recorded to Account 254 or Account 182.3, respectively. Amounts reflected on this schedule are
a subset of total Transmission Related (Excess) Deficient ADIT shown on Schedule 14. Refer to Schedule 14 for the reconciliation of Total Transmission Related (Excess) Deficient ADIT to FF1 Page 232 for Account 182.3 and FF1 Page
278 for Account 254.

(b) Niagara Mohawk Power Corporation may add or remove sublines and notes explaining them without a FPA Section 205 filing.

(c) Total equals the sum of sublines a through [ ], where [ ] is the last subline denoted by a letter.

(d) Enter credit balances as negatives.

(e) 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.

(f) Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1.

(g) Other changes to (excess)/deficient ADIT 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 classification changes between protected and unprotected categories due to the passage of time.

(h) Tax gross up calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period.

(i) Niagara Mohawk Power Company will add footnotes below to identify excess or deficient ADIT from future Federal, State and

Local income tax rate changes.

(j) [ ]

Niagara Mohawk Power Corporation Annual Revenue Attachment 1

Requirements of Transmission Facilities Schedule 15c

Page 2 of 2

Smart Path Connect (Excess)Deficient ADIT Worksheet:\_ For costs in 20\_

Input cells are Shaded Yellow

(N) = (A) - (G) - (O) = (B) - (H) -

(K) (L) (M) (K) (L) (P)=(C)-(I)-(M) (Q)= (N) + (O) + (P) (R)

Other Adjustments (d) (g) 20\_\_ Year End Unamortized (Excess)/Deficient ADIT (d)

Line

No. Protected Unprotected Gross-Up (h) Protected Unprotected Gross-Up (h) 12/31/20\_\_ Balance Reference

1a Internal Records

- - - - -

1 [ ]

- - - - -

2

Niagara Mohawk Power Corporation

Annual Revenue Requirements of Transmission Facilities

Project Specific (Excess)/Deficient ADIT Remeasurement Worksheet: Smart Path Connect \_\_\_\_
 Schedule 15(d) - Remeasurement Support

For Costs in the Year of 20\_\_

(A) (B) = (A)\* \_\_\_% (C) = (A)\* \_\_\_% (D) = (B) - (C) (E) (F) = (E)\* \_\_\_\_\_% (G) = (E)\*\_\_\_\_% (H) = (F) - (G) (I) = (D) + (H) (J) (K) = (I) - (J)

Gross Temporary Gross Temporary

Difference (Excess)/ Difference (Excess)/ Total (Excess)/ Adjustments 20\_\_ (Excess)/

FERC Fiscal Year Ended Deficient ADIT Fiscal Year Ended Deficient ADIT Deficient ADIT Post Deficient ADIT

Line Account March 31, 20\_\_ (a) due to Rate March 31, 20\_\_ (a) due to Rate due to Rate Remeasurement due to Rate

No. Description No. (d) ADIT @ \_\_% ADIT @ \_\_% Change (d) ADIT @ \_\_\_\_\_% (c) ADIT @ \_\_\_\_% Change Change (d) 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.

Niagara Mohawk Power Corporation Attachment 1

Smart Path Connect Cost Containment Adjustment Schedule 15e

Under the cost containment mechanism for the Smart Path Connect (“SPC”) project (“SPC Project” or “Project”), where “Eligible Project Costs” exceed the “Cost Cap,” NMPC will earn no ROE on 20% of the equity portion of the actual costs that exceed the Cost Cap. NMPC will remain eligible to recover the depreciation and debt costs on its share of all actual Project-related costs.

The Cost Cap for the SPC Project is $481.8 million.

Eligible Project Costs are defined as all capital costs incurred to develop, construct, and place the SPC Project into service, excluding “Third Party Costs” and “Unforeseeable Costs” in excess of 2.5% of the Cost Cap.

Third Party Costs include: (i) interconnection and network upgrade costs resulting from the ISO evaluation process; (ii) property taxes; and (iii) any increased costs, i.e., costs incurred related to the rescheduling of outages or to the relocation of utility assets, which are beyond the ability of NMPC to control or mitigate.

Unforeseeable Costs are defined in terms of costs that NMPC could not have reasonably anticipated at the time the estimate was submitted to the NYPSC as part of the Article VII application process. Unforeseeable Costs include the following:

UC 1 - Costs associated with material modifications to the routing or scope of work of the Project that results from a NYPSC order, negotiation, or settlement agreement within the siting process, or are imposed or required by any other governmental

agency. For the avoidance of doubt, foreseeable obligations, as included in NMPC’s Article VII Application to the New York Public Service Commission for the SPC Project, or non-material obligations imposed upon NMPC as a normal part of the siting process, shall not be deemed to be Unforeseeable Costs

UC 2 - Costs associated with changes in applicable laws and regulations, or interpretations thereof by governmental agencies UC 3 - Costs incurred as a result of orders of courts or action, or inaction, by governmental agencies;

UC 4 - Costs related to destruction, damage, interruption, suspension, or interference of or with the Project caused by landslides, lightning, earthquakes, hurricanes, tornadoes, severe weather, fires, explosions, floods, epidemics, pandemics, acts of public enemy, acts of terrorism, wars, blockades, riots, rebellions, sabotage, insurrections, environmental contamination or damage, or strike or otherwise unavailability of skilled labor, provided that (i) the cause was not reasonably within the control of NMPC, (ii) NMPC made reasonable efforts to avoid or minimize the adverse impacts of any of the above-listed events, and (iii) NMPC took reasonable steps to expeditiously resolve the event after it occurred;
UC 5 - Steel cost escalation that is greater than the “Handy Whitman Construction Cost Index” applied to steel costs in determining the Cost Cap; and

UC 6 - Total actual Project cost escalation, excluding steel costs, that are greater than 150% of the Handy Whitman Construction Cost Index applied to non-steel costs in determining the Cost Cap.

Line No. Amount Source Definitions

1 Cost Cap 481,800,000 As defined in Docket \_\_\_\_\_\_\_\_\_\_\_\_\_

Eligible Project Costs

2 Total Capital Costs - Schedule 15a Line 1

3 Less: Third Party Costs (enter credit)

4 Interconnection and network upgrade costs resulting from the ISO evaluation process Internal Records

5 Property taxes Internal Records

Any increased costs, i.e., costs incurred related to the rescheduling of outages or to the

6 relocation of utility assets, which are beyond the ability of NMPC to control or mitigate Internal Records

7 Total Third Party Costs - Sum lines 4 to 6

Only Unforeseeable Costs that exceed 2.5% of the Cost Cap will be excluded from Eligible

8 Less: Unforeseeable Costs (enter credit) Project Costs, exempted from application of the Cost Cap, and recovered under the SPC-FC.

9 UC 1 Internal Records

10 UC 2 Internal Records

11 UC 3 Internal Records

12 UC 4 Internal Records

13 UC 5 Internal Records

14 UC 6 Internal Records

15 Total Unforeseeable Costs - Sum lines 9 to 14

16 Total Eligible Project Costs - Line 2 + Line 7 + Line 15

17 Amount in excess (below) Cost Cap Line 16 less Line 1

18 % eligible for ROE reduction 20% As defined in Docket \_\_\_\_\_\_\_\_\_\_\_\_\_

19 Equity Return Portion Schedule 15b Line 6 (e)

20 FIT Schedule 15b Line 12 (a)

21 SIT Schedule 15b Line 16 (a)

22 Total Base Cost of Capital Adjustment Sum lines 19 to Line 21

23 Cost Containment Adjustment If line 17 > 0 then -line 17\* line 18\* line 22