**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**

**Calculation of RR Pursuant to Attachment H, Section 14.1.9.2**

**Attachment 1**

**Schedule 1**

Year

**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

2

**Historical Transmission Revenue Requirement (Historical TRR)**

3

4

5

6

7

8

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

Real Estate Tax Expense, (D) Transmission Related Amortization of Investment Tax Credits, (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 less (K) Revenue Credits, (L) Transmission Rents,

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

Reference

9

*Section:*

(A)

(B)

(C)

(D)

(E)

(F)

(G)

(H)

**0**

10

11

12

13

14

15

16

17

Return and Associated Income Taxes

Transmission-Related Depreciation Expense

Transmission-Related Real Estate Taxes

Transmission - Related Investment Tax Credit

Transmission Operation & Maintenance Expense

Transmission Related Administrative & General Expense

Transmission Related Payroll Tax Expense

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

Schedule 8, Line 64

Schedule 9, Line 6, column 5

Schedule 9, Line 12, column 5

Schedule 9, Line 16, column 5 times minus 1

Schedule 9, Line 23, column 5

Schedule 9, Line 38, column 5

Schedule 9, Line 44, column 5

Schedule 9, Line 46, column 5

$0

$0

#DIV/0!

Amortization of Transmission Regulatory Assets and Liabilities

#DIV/0!

#DIV/0!

18

Sub-Total (sum of Lines 10 - Line 17)

19

20

21

22

23

24

25

Billing Adjustments

Bad Debt Expenses

Revenue Credits

Transmission Rents

(I)

(J)

(K)

(L)

$0

$0

$0

$0

Schedule 10, Line 1

Schedule 10, Line 4

Schedule 10, Line 7

Schedule 10, Line 15

Schedule 10, Line 18

Project Specific Revenue Requirement Credits

(M)

#DIV/0!

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

24)

26

#DIV/0!



**Niagara Mohawk Power Corporation**

**Forecasted Transmission Revenue Requirement**

**Attachment H, Section 14.1.9.2**

**Attachment 1**

**Schedule 2**

**Year**

Shading denotes an input

Line No.

1

2

14.1.9.2 (b) **FORECASTED TRANSMISSION REVENUE REQUIREMENTS**

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

4

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:

5

Forecasted TRR = (FTPA \* AFTRRF) + FADITA + MYTA - TSP + TRA - OBA

6

7

Period

Reference

Source

8

9

10

11

(1) FORECASTED TRANSMISSION PLANT ADDITIONS (FTPA)

Adjusted Annual Transmission Revenue Requirement Factor

(AFTRRF)

$0

#DIV/0!

Workpaper 8, Section I, Line 16

Line 76

12

13

14

15

Sub-Total (Lines 10\*11)

#DIV/0!

(2)

FORECASTED ADIT ADJUSTMENT (FADITA)

The Forecasted ADIT Adjustment (FADITA) shall equal the

Forecasted ADIT (FADIT)

16

17

18

multiplied by the Cost of Capital Rate, where:

Forecasted ADIT(FADIT) shall equal the projected change in

Accumulated Deferred Income Taxes from the most recently

concluded calendar year related to accelerated depreciation and

associated with Transmission Plant for the

Forecasted Period calculated in accordance with Treasury regulation

Section 1.167(1)-1(h)(6).

19

20

21

22

23

24

25

26

27

Forecasted ADIT (FADIT)

Cost of Capital Rate

Forecasted ADIT Adjustment (FADITA)

#DIV/0!

#DIV/0!

#DIV/0!

Schedule 13, Line 24

Schedule 8, Line 62

Line 22 \* Line 23

(3) MID YEAR TREND ADJUSTMENT (MYTA)

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

34

(4) TRANSMISSION SUPPORT PAYMENTS (TSP)

Less Impact of Transmission Support Payments on Historical

Transmission Revenue Requirement

Less: Other Billing Adjustments - Dunkirk Settlement ER14-543-000

$0

Workpaper 9A

Schedule 10

35

36

37

38

**$0**

(5) TAX RATE ADJUSTMENT (TRA)

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

42

43

44

Tax Rate Adjustment (TRA)

**$0**

(6) OTHER BILLING ADJUSTMENTS (OBA)

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

48

49

Other Billing Adjustments (OBA)

**$0**

Schedule 10, Line 1

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

54

55

56

57

58

59

60

61

Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF) shall equal the difference between the Annual Forecast

Transmission Revenue Requirement Factor (FTRRF) and the quotient of (1) Cost of Capital Rate multiplied by the Transmission Related

Accumulated Deferred Taxes less Accumulated Deferred Inv. Tax Cr (255) for the most recently concluded calendar year,

and (ii) the year-end Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).

The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C),

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).

Derivation of Annual Forecast Transmission Revenue Requirement

Factor (FTRRF)

62

Investment Return and Income Taxes

(A)

#DIV/0!

Schedule 1, Line 10



63

64

65

66

67

Depreciation Expense

Property Tax Expense

Total Expenses (Lines 62 thru 64)

Transmission Plant

Annual Forecast Transmission Revenue Requirement Factor

(Lines 65/ Line 66)

(B)

(C)

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

Schedule 1, Line 11

Schedule 1, Line 12

(a)

Schedule 6, Page 1, Line 12

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

72

Cost of Capital Rate

Total Return and Income Taxes Associated with ADIT Balance at

year-end

#DIV/0!

#DIV/0!

Schedule 8, Line 62

Line 70 \* Line 71

73

74

75

Annual Forecast Transmission Revenue Requirement Factor (FTRRF)

Less: Incremental Annual Forecast Transmission Revenue

Requirement Factor Adjustment for ADIT

#DIV/0!

#DIV/0!

Line 67

Line 72/ Line 66

76

Adjusted Annual Forecast Transmission Revenue Requirement Factor

(AFTRRF)

#DIV/0!

Line 74 - Line 75

**Niagara Mohawk Power Corporation**

**Annual True-up (ATU)**

**Attachment 1**

**Schedule 3**

**Attachment H Section 14.1.9.2 (c)**

Line No.

1

**Year**

**Source:**

2

3

4

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

Transmission Revenue Requirement, plus (2) the difference between the Actual Scheduling, System Control and Dispatch costs

and Prior Year Scheduling, System Control and Dispatch costs, plus (3) the difference between the Prior Year Billing Units and the Actual Year

Billing Units multiplied by the Prior Year Unit Rate, plus (4) Interest on the net differences.

5

6

7

8

9

(1) Revenue Requirement (RR) of rate effective July 1 of prior year

Less: Annual True-up (ATU) from rate effective July 1 of prior year

Prior Year Transmission Revenue Requirement

$0

$0

$0

Schedule 4, Line 1, Col (d)

Schedule 4, Line 1, Col (c)

Line 7 - Line 8

10

11

12

13

14

15

16

17

18

19

20

21

Actual Transmission Revenue Requirement

Difference

#DIV/0!

#DIV/0!

Schedule 4, Line 2, Col (a)

Line 11 - Line 9

(2) Prior Year Scheduling, System Control and Dispatch costs (CCC)

Actual Scheduling, System Control and Dispatch costs (CCC)

Difference

$0

$0

$0

Schedule 4, Line 1, Col (e)

Schedule 4, Line 2, Col (e)

Line 15 - Line 14

(3) Prior Year Billing Units (MWH)

Actual Billing Units

$0

-

-

Schedule 4, Line 1, Col (f)

Schedule 4, Line 2, Col (f)

Line 18 - Line 19

Difference

Prior Year Indicative Rate

#DIV/0!

#DIV/0!

Schedule 4, Line 1, Col (g)

22

23

24

25

26

27

28

29

Billing Unit True-Up

Total Annual True-Up before Interest

(4) Interest

Line 20 \* Line 21

#DIV/0!

#DIV/0!

#DIV/0!

(Line 12 + Line 16 + Line 22)

Line 57, Column 9

Annual True-up RR Component

(Line 24 + Line 26)

30

Interest Calculation per 18 CFR § 35.19a

31

32

33

34

35

36

37

38

39

40

(1)

Quarters

(2)

(3)

(4)

Monthly

(Over)/Under

Recovery

(5)

Days

in

(6)

(7)

(8)

(9)

Annual

Interest

Rate (a)

Accrued Prin

& Int. @ Beg

Of Period

Accrued Prin

& Int. @ End

Of Period

Accrued

Int. @ End

Of Period

Period

Days

Period (b)

Multiplier

3rd QTR

July

August

September

0

92

31

31

30

92

92

61

30

1.0000

1.0000

1.0000

1.0000

$0

$0

0.00%

0.00%

0.00%

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!



41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

4th QTR

October

November

December

#DIV/0!

#DIV/0!

#DIV/0!

92

31

30

31

92

92

61

31

1.0000

1.0000

1.0000

1.0000

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

0.00%

0.00%

0.00%

#DIV/0!

#DIV/0!

#DIV/0!

1st QTR

January

February

March

91

31

28

31

91

91

60

31

1.0000

1.0000

1.0000

1.0000

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

0.00%

0.00%

0.00%

#DIV/0!

#DIV/0!

#DIV/0!

2nd QTR

April

May

91

30

31

30

91

91

61

30

1.0000

1.0000

1.0000

1.0000

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

0.00%

0.00%

0.00%

#DIV/0!

#DIV/0!

#DIV/0!

June

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



**Attachment 1**

**Schedule 4**

**Niagara Mohawk Power Corporation**

**Wholesale TSC Calculation Information**

(a)

(b)

(c)

(d)

(e)

(f)

(g)

Historical

Transmission

Revenue

Requirement

(Historical TRR)

-

Forecasted

Transmission

Revenue

Requirement

-

Scheduling

System Control

and Dispatch

Costs (CCC)

-

Revenue

Requirement

Annual Billing

Units (BU)

MWh

Line No.

Annual True Up

-

(RR)

-

Rate $/MWh (\*)

#DIV/0!

1

2

Prior Year Rates Effective \_\_\_\_\_\_\_\_

Current Year Rates Effective July 1,

\_\_\_\_\_\_\_

-

#DIV/0!

#DIV/0!

#DIV/0!

-

-

#DIV/0!

3

4

Increase/(Decrease)

Percentage Increase/(Decrease)

#DIV/0!

#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**

**Allocation Factors - As calculated pursuant to Section 14.1.9.1**

**Attachment 1**

**Schedule 5**

**Year**

Shading denotes an input

Line

No.

Description

Amount

Source

Definition

Fixed per settlement Docket ER08-552

Fixed per settlement Docket ER08-552

1

2

3

4

5

6

7

8

14.1.9.1 1. **Electric Wages and Salaries Factor**

**83.5000%**

**13.0000%**

14.1.9.1 3. **Transmission Wages and Salaries Allocation Factor**

14.1.9.1 2. **Gross Transmission Plant Allocation Factor**

Transmission Plant in Service

Gross Transmission Plant Allocation Factor shall equal the

total investment in

Transmission Plant in Service, Transmission Related Electric

General Plant,

9

#DIV/0!

$0

Schedule 6, Page 2, Line 3, Col 5

Schedule 6, Page 2, Line 5, Col 5

10

Plus: Transmission Related General

Transmission Related Common Plant and Transmission

Related Intangible Plant

divided by Gross Electric Plant.

11

12

13

14

15

16

17

18

19

Plus: Transmission Related Common

Plus: Transmission Related Intangible Plant

Gross Transmission Investment

$0

$0

#DIV/0!

Schedule 6, Page 2, Line 10, Col 5

Schedule 6, Page 2, Line 15, Col 5

Sum of Lines 9 - 13

Total Electric Plant

Plus: Electric Common

Gross Electric Plant in Service

FF1 204-207.104g

Schedule 6, Page 2, Line 10, Col 3

Line 15 + Line 16

$0

$0

**Percent Allocation**

**#DIV/0!**

Line 13 / Line 17

20

21 14.1.9.1 4. **Gross Electric Plant Allocation Factor**

22

23

24

25

26

27

28

29

Total Electric Plant in Service

Plus: Electric Common Plant

Gross Electric Plant in Service

$0

$0

$0

Line 15

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

Schedule 6, Page 2, Line 10, Col 3

Line 23 + Line 24

Total Gas Plant in Service

Total Electric Plant in Service

Total Common Plant in Service

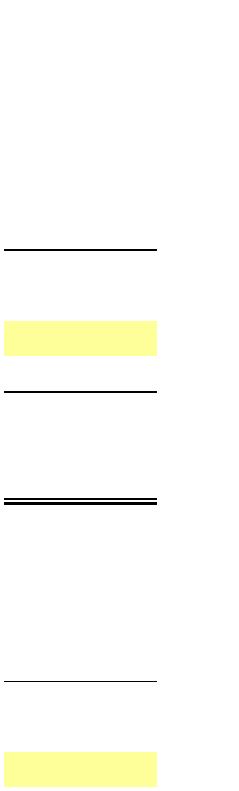
FF1 200-201.8d, minus 4d

Line 15

Schedule 6, Page 2, Line 10, Col 1

$0

$0



30

31

32

Gross Plant in Service (Gas & Electric)

-

Sum of Lines 27-Lines 29

Line 25 / Line 30

**Percent Allocation**

**#DIV/0!**



**Attachment 1**

**Schedule 6**

**Page 1 of 2**

**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

2

3

4

5

6

7

8

9

14.1.9.2 (a) Transmission Investment Base

A.1. Transmission Investment Base shall be defined as (a) Transmission Plant in Service, plus (b) Transmission Related Electric General Plant, plus

(c) Transmission Related Common Plant, plus (d) Transmission Related Intangible Plant, plus (e) Transmission Related Plant Held for Future Use, less

(f) Transmission Related Depreciation Reserve, less (g) Transmission Related Accumulated Deferred Taxes, plus (h)

Transmission Regulatory Assets and Liabilities, plus (i) Transmission Related Prepayments, plus (j) Transmission Related Materials and Supplies,

plus (k) Transmission Related Cash Working Capital.

10

11

Description

Reference

*Section:*

**Year**

Reference

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Transmission Plant in Service

General Plant

(a)

(b)

(c)

(d)

(e)

#DIV/0!

Schedule 6, page 2, line 3, column 5

Schedule 6, page 2, line 5, column 5

Schedule 6, page 2, line 10, column 5

Schedule 6, page 2, line 15, column 5

Schedule 6, page 2, line 19, column 5

$0

$0

$0

$0

Common Plant

Intangible Plant

Plant Held For Future Use

Total Plant (Sum of Line 12 - Line 16)

#DIV/0!

Accumulated Depreciation

(f)

(g)

(h)

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

Schedule 6, page 2, line 29, column 5

Schedule 7, line 6, column 5

Accumulated Deferred Income Taxes

Transmission Regulatory Assets and Liabilities

Net Investment (Sum of Line 17 -Line 21)

Schedule 7, line 11, column 5

Prepayments

(i)

(j)

#DIV/0!

#DIV/0!

Schedule 7, line 15, column 5

Schedule 7, line 21, column 5

Schedule 7, line 28, column 5

Materials & Supplies

Cash Working Capital

(k)

$0

Total Investment Base (Sum of Line 22 - Line 26)

#DIV/0!



**Niagara Mohawk Power Corporation**

**Attachment 1**

**Schedule 6**

**Page 2 of 2**

**Annual Revenue Requirements of Transmission Facilities**

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

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

**Year**

Shading denotes an input

(2)

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

Electric

(4)

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

Transmission

Allocated

FERC Form

1/PSC Report

Reference for

col (1)

Line

No.

(1)

Allocation

Factor

Allocation

Factor

Total

Allocated

Definition

FF1 204-

207.58g

Transmission Plant in Service shall

14.1.9.2(a)A.1.(a) equal the

1

2

Transmission Plant

balance of total investment in

Transmission Plant

plus Wholesale Metering

Investment.

Wholesale Meter Plant

#DIV/0!

#DIV/0!

Workpaper 1

3

4

Total Transmission Plant in Service (Line 1+ Line 2)

FF1 204-

207.99g

Transmission Related Electric

14.1.9.2(a)A.1.(b) General Plant shall

5

6

General Plant

100.00%

$0

13.00% (c)

$0

equal the balance of investment

in Electric General

Plant multiplied by the

Transmission Wages and

Salaries Allocation Factor.

7

8

9

FF1 200-201.

8h

Transmission Related Common

14.1.9.2(a)A.1.(c) Plant shall equal Common

10 Common Plant

83.50% (a)

$0

13.00% (c)

$0

Plant multiplied by the Electric

Wages and Salaries

Allocation Factor and further

multiplied by the

11

12

Transmission Wages and

Salaries Allocation Factor.

13

14

FF1 204-

207.5g

Transmission Related Intangible

14.1.9.2(a)A.1.(d) Plant shall equal Intangible

15 Intangible Plant

100.00%

-

13.00% (c)

$0

Electric Plant multiplied by the

Transmission Wages and

Salaries Allocation Factor.

16

17



18

Workpaper

10

Transmission Related Plant Held

14.1.9.2(a)A.1.(e) for Future Use shall equal

19 Transmission Plant Held for Future Use

$0

$0

the balance in Plant Held for

Future Use associated with

property planned to be used for

transmission service within

five years.

20

21

22

Transmission Accumulated

23 Depreciation

Transmission Related

Depreciation Reserve shall

14.1.9.2(a)A.1.(f) 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

24 Transmission Accum. Depreciation

25 General Plant Accum.Depreciation

26 Common Plant Accum Depreciation

27 Amortization of Other Utility Plant

28 Wholesale Meters

$0

$0

$0

$0

FF1 219.25b

100.00%

$0

$0

$0

13.00% (c)

13.00% (c)

13.00% (c)

FF1 219.28b

83.50% (a)

100.00%

FF1 200-201.22h

FF1 200-201.21c

Workpaper 1

Allocation Factor, plus (iii) the

product of Common Plant

Depreciation Reserve multiplied

by the Electric Wages and

#DIV/0!

#DIV/0!

#DIV/0!

29 Total Depreciation (Sum of Line 24 - Line 28)

Salaries Allocation Factor and

further multiplied by the

Transmission Wages and

Salaries Allocation Factor plus

(iv)

30

31

the product of Intangible

Electric Plant Depreciation

Reserve

multiplied by the Transmission

Wages and Salaries

Allocation Factor plus (v)

depreciation reserve associated

with

32

33

34

the Wholesale Metering

Investment.

35

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**

**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**

(2)

Allocation

Factor

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

Electric

Allocated

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

Transmission

Allocated

Line

No.

(1)

Total

(4)

FERC Form 1/PSC Report

Reference for col (1)

Allocation Factor

Definition

Transmission Accumulated Deferred Taxes

1

2

3

4

5

6

Accumulated Deferred Taxes (281)

Accumulated Deferred Taxes (282)

Accumulated Deferred Taxes (283)

Accumulated Deferred Taxes (190)

Accumulated Deferred Inv. Tax Cr (255)

Total (Sum of Line 2 - Line 5)

100.00%

100.00%

100.00%

100.00%

100.00%

$0

$0

$0

$0

$0

$0

#DIV/0! (d

#DIV/0! (d)

#DIV/0! (d)

#DIV/0! (d)

#DIV/0! (d)

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

FF1 272-273 Line 2k

Schedule 13(a) AADIT, Line 3

Workpaper 2, Line 5

FF1 234.8c

14.1.9.2(a)A.1.(g)

Transmission Related Accumulated Deferred Income Taxes

$0

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.

FF1 266-267.8h

7

8

Transmission Regulatory Assets and Liabilities

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

10

11

FAS 109

$0

$0

$0

100.00%

100.00%

$0

$0

$0

#DIV/0! (d)

100.00%

#DIV/0!

$0

#DIV/0!

Schedule 14, line 3a, column Q

Schedule 14, line 2, column Q

Excess (Deficient) ADIT – Tax Rate Changes

Total (Line 8 + Line 9 + Line 10)

12

13

14

15

Transmission Prepayments

Less: Prepaid State and Federal Income Tax

Total Prepayments (Line 13 + Line 14)

FF1 110-111.57c

FF1 262-263 \_ k

14.1.9.2(a)A.1.(i)

14.1.9.2(a)A.1.(j)

Transmission Related Prepayments shall be the product of

Prepayments excluding Federal and State taxes multiplied by

the Gross Electric Plant Allocation Factor and further

$0

#DIV/0! (b)

#DIV/0! (b)

#DIV/0! #DIV/0! (d)

#DIV/0! #DIV/0! (d)

#DIV/0!

16

17

18

19

20

21

multiplied by the Gross Transmission Plant Allocation Factor.

Transmission Material and Supplies

Trans. Specific O&M Materials and Supplies

Construction Materials and Supplies

Total (Line 19 + Line 20)

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

$0 FF1 227.8c

#DIV/0!

#DIV/0!

FF1 227.5c

22

23

24

25

26

Plant Allocation Factor and further multiplied by Gross

Transmission Plant Allocation Factor.

Cash Working Capital

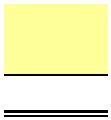
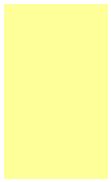
Operation & Maintenance Expense

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%)

$0 Schedule 9, Line 23



27

28

0.1250 x 45 / 360

$0

multiplied by (ii) Transmission Operation and Maintenance Expense.

Total (Line 26 \* Line 27)

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**

**Annual Revenue Requirements of Transmission Facilities**

**Cost of Capital Rate**

**Attachment 1**

**Schedule 8**

Shading denotes an input

**Year**

Line

No.

1

2

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

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

(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

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

5

6

7

8

any loss or gain on reacquired debt.

(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

shall not exceed fifty percent (50%).

11

12

13

14

15

16

WEIGHTED

CAPITALIZATION

RATIOS

COST OF

CAPITAL

COST OF

CAPITAL

EQUITY

PORTION

CAPITALIZATION

Source:

Source:

Workpaper 6, Line

16b

Workpaper 6,

Line 17c

Workpaper 6,

Line 24d

17

18

(i)

(ii)

(iii)

Long-Term Debt

Preferred Stock

Common Equity

$0

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

10.30%

#DIV/0!

#DIV/0!

#DIV/0!

FF1 112-113.3c

FF1 112-113.16c - FF1

112-113.3,12,15c

#DIV/0!

#DIV/0!

19

20

Total Investment

Return

21

$0

#DIV/0!

#DIV/0!

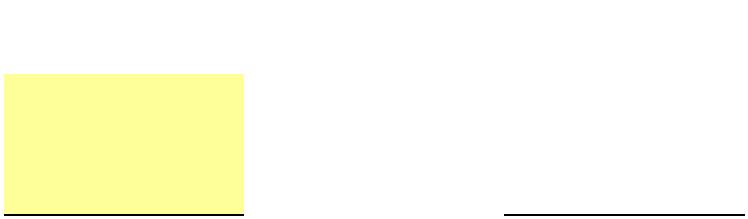
#DIV/0!

22

23

24

25



26

27

28

Federal Income

14.1.9.2.2.(b) Tax shall equal

Federal Income

Tax Rate

Federal Income

Tax Rate

=

(

A +

[

B

1

**/**

C]

X

-

)

)

(

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

31

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.

32

=

(

#DIV/0!

1

+( $0

**) /**

#DIV/0!

X

-

)

)

33

34

(

0

35

=

#DIV/0!

36

37

38

State Income

Tax shall

14.1.9.2.2.(c) equal

State

Income Tax

Rate

=

(

Federal Income

Tax Rate

State Income

Tax Rate

A +

[

B

**/**

C]

+

-

)

X

39

40

(

1

)

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

43

44

45

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.

=

(

#DIV/0

!

+

(

$

0

#DIV/

0!

46

47

48

**) /**

+

-

#DIV/0!

0

)

)

X

(

1

49

=

#DIV/0!

#DIV/0!

50

51

52

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

Capital Rate

53

=

54

55

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

**Transmission Investment Base and the Cost of Capital Rate**

56

57



58

59

Transmission

Investment

60 Base

61

Cost of Capital

62 Rate

63

#DIV/0!

#DIV/0!

#DIV/0!

Schedule 6, page 1 of 2, Line 28

Line 53

= Investment Return

64 and Income Taxes

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

(2)

Allocation

Factor

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

Electric

Allocated Allocation Factor

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

Transmission

Allocated

FERC Form 1/

PSC Report

Reference for col (1)

Line

No.

(1)

Total

(4)

Definition

Depreciation Expense

Transmission Depreciation

General Depreciation

Common Depreciation

Intangible Depreciation

Wholesale Meters

1

2

3

4

$0

$0

$0

$0

#DIV/0!

#DIV/0!

FF1 336-337.7f

FF1 336-337.10f

FF1 356

FF1 336-337.1f

Workpaper 1

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)

100.0000%

83.5000% (a)

100.0000%

$0

$0

$0

13.0000% (c)

13.0000% (c)

13.0000% (c)

5

6

Total (Line 1+2+3+4+5)

7

8

9

10

11

Intangible Electric Plant Depreciation Expense multiplied by the

Transmission Wages and Salaries Factor plus (v) depreciation

expense associated with the Wholesale Metering Investment.

12 Real Estate Taxes

100.0000%

#DIV/0! (b)

$0

#DIV/0! (d)

#DIV/0!

#DIV/0!

FF1 262-263 \_ l

FF1 114-117.58c

14.1.9.2.C.

14.1.9.2.D.

Transmission Related Real Estate Tax Expense shall equal the

13

14

15

electric Real Estate Tax Expenses multiplied by the Gross

Transmission Plant Allocation Factor.

16 Amortization of Investment Tax Credits

#DIV/0! #DIV/0! (d)

Transmission Related Amortization of Investment Tax Credits shall

17

18

19

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.

20

Transmission Operation and Maintenance

Operation and Maintenance

less Load Dispatching - #561

O&M (Line 21 - Line 22)

21

22

23

$0

$0

$0

FF1 320-323.112b

FF1 320-323.85-92b

14.1.9.2.E. Transmission Operation and Maintenance Expense shall equal

the sum of electric expenses as recorded in

$0

$0

FERC Account Nos. 560, 562-574.

24

25

26

27

Transmission Administrative and General

Total Administrative and General

less Property Insurance (#924)

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

FF1 320-323.197b

FF1 320-323.185b

28

29

less Pensions and Benefits (#926)

less: Research and Development Expenses

(#930)

FF1 320-323.187b

Workpaper 12

Development Expense and Electric Environmental Remediation Expense,

and 50% of the NYPSC Regulatory Expense

30

31

Less: 50% of NY PSC Regulatory Expense

Less: 18a Charges (Temporary Assessment

50% of Workpaper 15

Workpaper 15

multiplied by the Transmission Wages and Salaries Allocation Factor,



32

33

34

less: Environmental Remediation Expense

Subtotal (Line 26-27-28-29-30-31-32)

PLUS Property Insurance alloc. using Plant

Allocation

$0

Workpaper 11

Line 27

plus the sum of Electric Property Insurance multiplied by the Gross

Transmission Plant Allocation Factor, plus transmission-specific Electric

$0 100.0000%

$0 100.0000%

$0

$0

13.0000% (c)

#DIV/0! (d)

$0

#DIV/0!

Research and Development Expense, and transmission-specific

35

36

PLUS Pensions and Benefits

PLUS Transmission-related research and

development

$88,644,000 100.0000%

$0

$88,644,000 13.0000% (c)

$11,523,720

$0

Workpaper 3

Workpaper 12

Electric Environmental Remediation Expense. In addition, Administrative

and General Expenses shall exclude the actual Post-Employment

37

PLUS Transmission-related Environmental

Expense

$0

$0

Workpaper 11

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

and shall add back in the amounts shown on Workpaper 3, page 1,

38

Total A&G (Line 33+34+35+36+37)

$88,644,000

$88,644,000

#DIV/0!

39

40

41

42

43

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

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

electric Payroll Taxes multiplied by the Transmission Wages and

Salaries Allocation Factor.

Payroll Tax Expense

Federal Unemployment

FICA

FF1 262-263.12I

FF1 262-263.17I

FF1 262-263.13I

State Unemployment

44

Total (Line 41+42+43)

$0 100.0000%

$0 100.0000%

$0

$0

13.0000% (b)

#DIV/0! (d)

$0

45

46

Amortization of (Excess)/ Deficient ADIT

#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**

**Annual Revenue Requirements of Transmission Facilities**

**Billing Adjustments, Revenue Credits, Rental Income**

**Attachment 1**

**Schedule 10**

**Year**

Attachment H Section 14.1.9.2 (a)

Shading denotes an input

Line

(1)

No.

Description

Total

Source

Definition

1

2

3

4

5

6

7

8

Billing Adjustments

Bad Debt Expense

Revenue Credits

Workpaper 16

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.

$0

$0

Workpaper 4

Workpaper 5

14.1.9.2.J. Transmission Related Bad Debt Expense shall equal

Bad Debt Expense as reported in Account 904 related to NMPC's wholesale transmission billing.

14.1.9.2.K. Revenue Credits shall equal all Transmission revenue recorded in FERC account 456

excluding (a) any NMPC revenues already reflected in the WR, CRR, SR, ECR and Reserved

components in Attachment H of the NYISO TSC rate; (b) any revenues associated

with expenses that have been excluded from NMPC’s revenue requirement; (c) any

revenues associated with transmission service provided under this TSC rate, for which the

load is reflected in the calculation of BU, and (d) any revenues associated with Schedule 15a

transmission projects not charged under this TSC rate.

9

10

11

12

13

14

15

16

17

18

Transmission Rents

$0

Workpaper 7

14.1.9.2.L. Transmission Rents shall equal all Transmission-related rental income recorded in FERC

account 454.615

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

21

22

23

24

25

26

27

28

29

30

31

32

33

34

14.1.9.4(d)

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. § 38.19(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

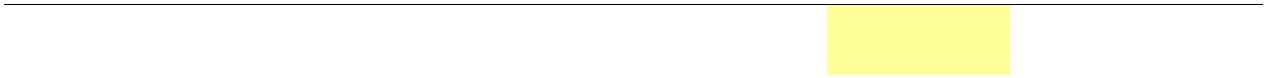
the remainder of the year preceding the next effective Update Year, in which case

the impact reflected in subsequent charges shall be reduced accordingly.

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

2



35

36

37

38

39

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. § 38.19(a)) in the Annual Update for the next effective Update

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

(b)

List of Items excluded from the Revenue Requirement

**Attachment 1**

**Schedule 11**

**Page 1 of 1**

**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

**Scheduling and Dispatch Expenses**

**Year**

**Source**

2

3

4

Accounts

Accounts

Accounts

Accounts

Accounts

Accounts

Accounts

Accounts

561.1

561.2

561.3

561.4

561.5

561.6

561.7

561.8

Reliability

FF1 320-323.85b

FF1 320-323.86b

FF1 320-323.87b

FF1 320-323.88b

FF1 320-323.89b

FF1 320-323.90b

FF1 320-323.91b

FF1 320-323.92b

5

Monitor and Operate Transmission System

Transmission Service and Schedule

Scheduling System Control and Dispatch

Reliability, Planning and Standards Development

Transmission Service Studies

6

7

8

9

10

11

12

Generation Interconnection Studies

Reliability, Planning and Standards Dev. Services

13

14

15

16

17

18

19

20

21

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

Sum of Lines 4 - 11

Less Account 561 directly recovered under Schedule 1 of the NYISO Tariff

Accounts

Accounts

561.4

561.8

Scheduling System Control and Dispatch

Line 7

Reliability, Planning and Standards Dev. Services

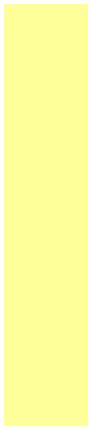
Line 11

Total NYISO Schedule 1

Line 17 + Line 18

Total CCC Component

Line 13 - Line 19



**Attachment 1**

**Schedule 12**

**Page 1 of 1**

**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.

**SOURCE**

1

Subzone 1

NIMO TOL (transmission owner load)

NIMO TOL (transmission owner load)

NIMO TOL (transmission owner load)

NIMO TOL (transmission owner load)

NIMO TOL (transmission owner load)

NIMO TOL (transmission owner load)

2

3

4

5

6

Subzone 2

Subzone 3

Subzone 4

Subzone 29

Subzone 31

7

Total NIMO Load report to NYISO

**0.000**

**0.000**

Sum of Lines 1-6

8

9

LESS: All non-retail transactions

Watertown

FF1 page 328-330.\_.j

10

11

12

Disputed Station Service

Other non-retail transactions

Total Deductions

NIMO TOL (transmission owner load)

All other non-retail transactions (Sum of 300,000 series PTID's from TOL)

Sum of Lines 9 - 11

13

14

15

16

PLUS: TSC Load

NYMPA Muni's, Misc. Villages, Jamestown (X1)

NYPA Niagara Muni's (X2)

Total additions

FF1 page 328-330. \_.j

FF1 page 328-330. \_.j

Sum of Lines 14 -15

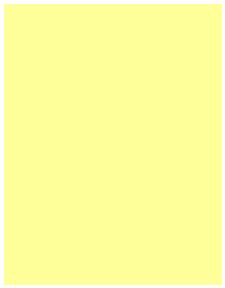
**0.000**

**0.000**

17

Total Billing Units

Line 7 - Line 12 + Line 16



**Niagara Mohawk Power Corporation**

**Attachment 1**

**Schedule 13**

**Page 1 of 1**

**Forecasted Accumulated Deferred Income Taxes (FADIT)**

Shading denotes an input

**Line**

**No.**

**Description**

**Amount**

1

Electric ADIT Balance at year-end

Transmission Plant (PL) Allocator

FF1 Page 274-275.2k

Schedule 5, Line 19

Line 1 x Line 2

2

3

Transmission Related ADIT Balance at year-end

4

5

Forecasted Transmission Related ADIT balance

Change in ADIT

Internal Records

Line 5 - Line 3

6

7

8

9

Monthly Change in ADIT

Line 7 / 12 Months

10

**(B)**

**(A)**

**Month**

**Remaining**

**Days**

**(C) = (B)/ Line 17 (B)**

**IRS Proration %**

**(D) = Line 9 \*(C)**

**Prorated ADIT**

11

12

Month 1

100.00%

-

13

14

Month 2

Month 3

100.00%

100.00%

-

-

15

16

Month 4

Month 5

100.00%

100.00%

-

-

17

18

19

20

21

22

23

Month 6

Month 7

Month 8

Month 9

Month 10

Month 11

Month 12

100.00%

#DIV/0! %

#DIV/0! %

#DIV/0! %

#DIV/0! %

#DIV/0! %

#DIV/0! %

-

-

-

-

-

-

-

24

Total Prorated ADIT Change (Sum of 12 through 23)

$

-

to Schedule 2, Line 22

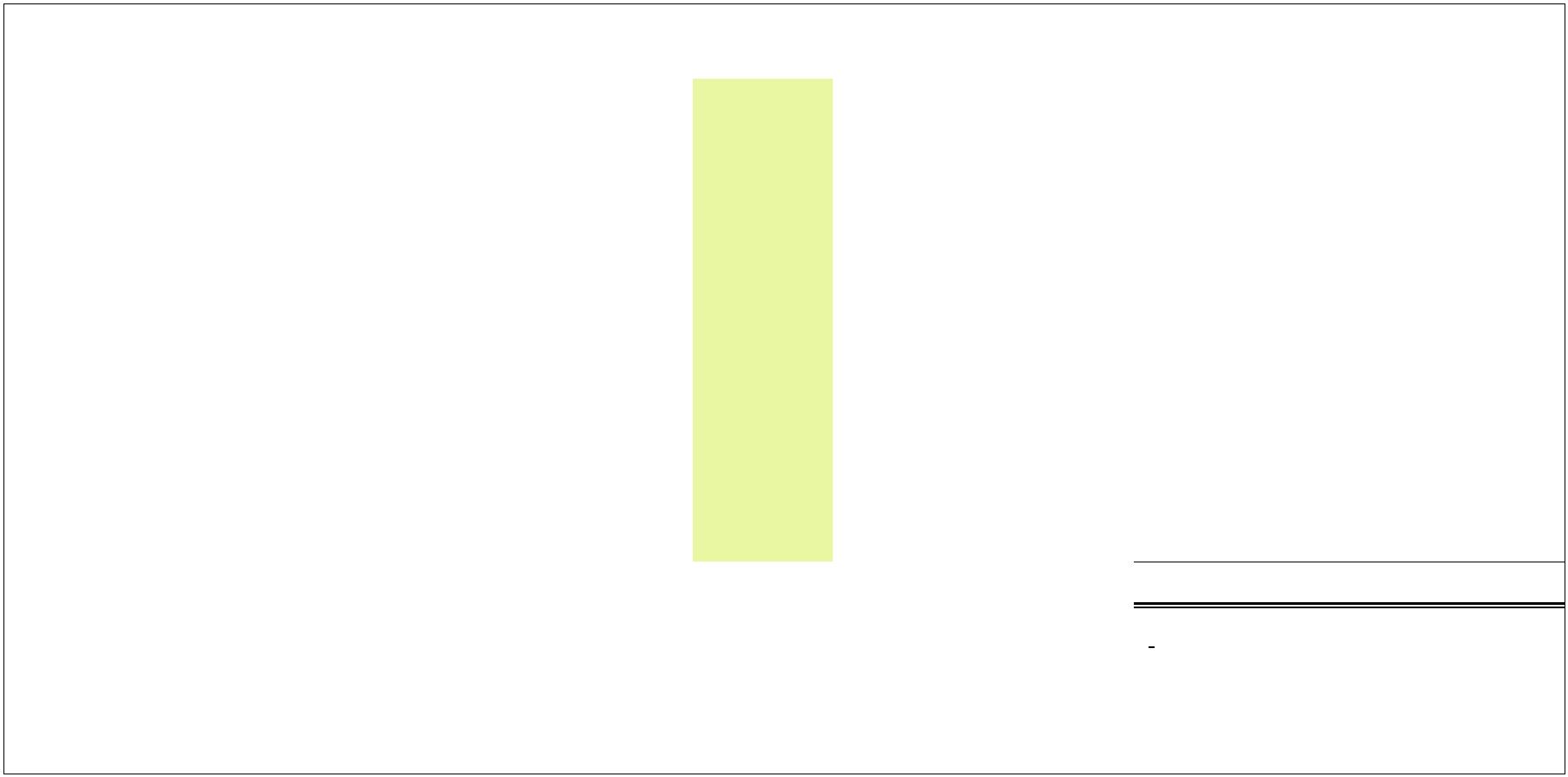
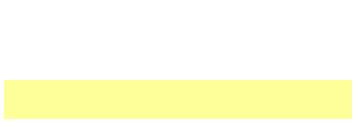
(a) The balance in Line 1, Total Transmission ADIT

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**

**Actual Accumulated Deferred Income Taxes (AADIT)**

**Attachment 1**

**Schedule 13(a)**

**Page 1 of 1**

Shading denotes an input

**Line**

**No.**

(A)

**Amount**

(B)

**Reference**

**Description**

1

2

3

Total ADIT Balance at prior year-end (Enter Credit) (b)

(c)

FF1 Page 274-275.2b

Line 16(G)

Prorated Actual ADIT Activity

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

5

Month 1

Month 2

$

$

335

307

91.7808% $

84.1096% $

Internal Records

Internal Records

6

Month 3

$

276

75.6164% $

Internal Records

7

8

Month 4

Month 5

$

$

246

215

67.3973% $

58.9041% $

Internal Records

Internal Records

9

Month 6

Month 7

$

$

185

154

50.6849% $

42.1918% $

Internal Records

Internal Records

10

11

Month 8

$

123

33.6986% $

Internal Records

12

13

Month 9

$

$

93

62

25.4795% $

16.9863% $

Internal Records

Internal Records

Month 10

14

15

Month 11

Month 12

$

$

32

1

8.7671% $

0.2740% $

$

Internal Records

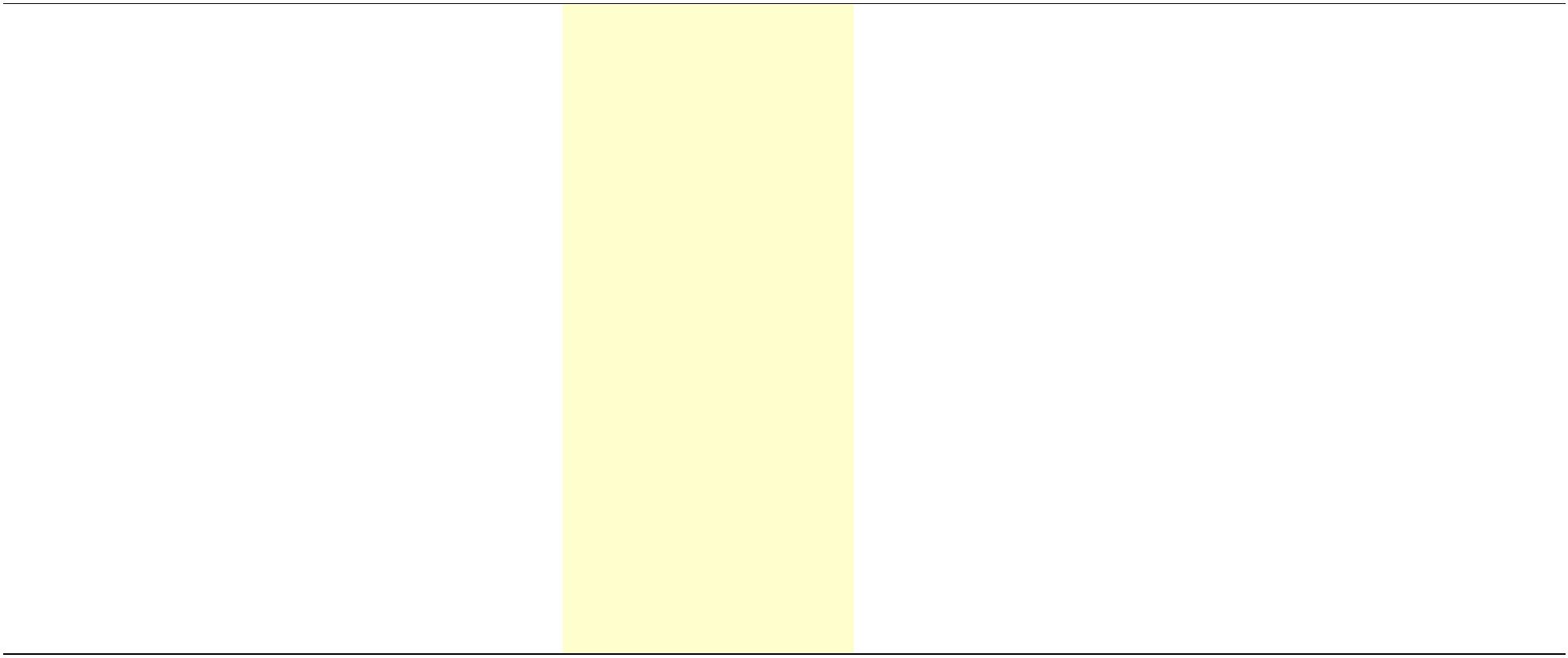
Internal Records

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**

**Annual Revenue Requirements of**

**Transmission Facilities**

**Attachment 1**

**(Excess)/Deficient ADIT Worksheet**

**For Costs in 20\_\_**

**Schedule 14**

**Page 1 of 2**

Input Cells are Shaded Yellow

(A)

(B)

( C)

(D) = (A)

+ (B) +

(C)

( E)

(F)

(G)

(H)

(I)

(J)

**20\_\_ Year End Unamortized (Excess)/Deficient ADIT (e)**

**Amortization Periods (f)**

**Amortization Expense (e ) (g)**

**FERC**

**Account**

**No. (a)**

**FERC**

**Account**

**No. (g)**

**Total**

**Amortizati**

**on**

**Line**

**No.**

**12/31/20\_**

**\_ Balance**

**Description**

**Ref**

**Protected**

**Unprotected**

**Gross-Up (i)**

**Protected**

**Unprotected**

**Protected**

**Unprotected**

**Gross-Up (i)**

**Transmission (EXCESS)/DEFICIENT ADIT -**

**TAX RATE CHANGES**

1a

(b)

(c)

-

-

-

-

-

-

-

-

-

-

-

-

1 []

2

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

-

-

-

-

**Electric FAS 109/(Excess) Deficient ADIT**

3a

3[]

4

FAS 109 - Electric

(j)

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

5

**TOTAL Electric FAS 109/(Excess)**

**Deficient ADIT (Line 2 + Line 4)**

6

7

8

Deficient ADIT - Regulatory Asset

Account 182.3

Excess ADIT - Regulatory Liability

Account 254

Deficient/(Excess) Deferred Income Tax

Regulatory Asset/(Liability) (Line 6 +

Line 7)

FF 1 Page

232 b

FF1 Page

278 b

**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).

Relates to the Federal Income Tax Rate change associated with the 2017 Tax Cuts and Jobs Act.

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

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

(b)

(c)

(d)

(e)

(f)

Enter credit balances as negatives.

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.

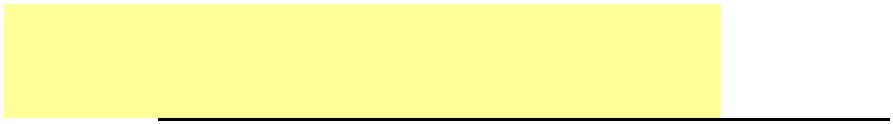
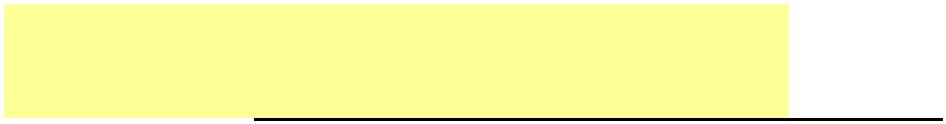
Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1.

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.

(g)

(h)



(i)

(j)

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

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**

**Annual Revenue Requirements of**

**Transmission Facilities**

**Attachment 1**

**(Excess)/Deficient ADIT Worksheet**

**For costs in 20\_\_**

**Schedule 14**

**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

-

-

-

-

-

-

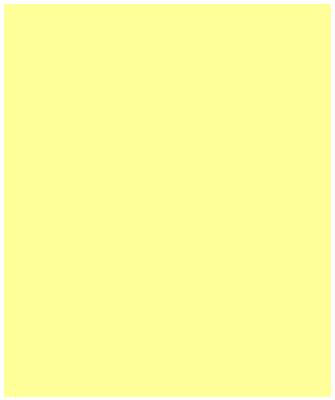
5

-

-

-

-



6

7

8

FF1 Page 232 f

FF1 Page 278 f

-

-



**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**

**Difference**

**Fiscal Year Ended**

**Gross Temporary**

**Difference**

**Deficient ADIT Fiscal Year Ended**

**(Excess)/**

**(Excess)/**

**Deficient ADIT Deficient ADIT**

**due to Rate**

**Change**

**Total (Excess)/**

**Adjustments**

**Post**

**Remeasurement**

**(d)**

**20\_\_ (Excess)/**

**Deficient ADIT**

**due to Rate**

**Change**

**FERC**

**Line**

**No.**

**Account March 31, 20\_\_ (a)**

**due to Rate**

**Change**

**March 31, 20\_\_ (a)**

**(d)**

**due to Rate**

**Change**

**Description**

**No.**

**(d)**

**ADIT @ \_\_%**

**ADIT @ \_\_%**

**ADIT @ \_\_\_\_\_% (c)**

**ADIT @ \_\_\_\_%**

1a

1[ ]

2

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

Total (Sum Lines 1a thru 1[]) (b)

Company records

-

-

-

**Notes:**

(a)

(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.

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.

(c)

**Blended Rate**

**Days**

**Effective Rate**

**Blended Rate**

0.00%

0.00%

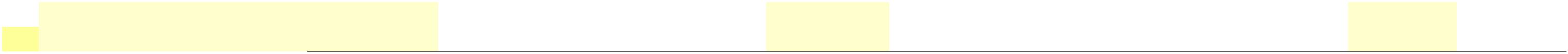
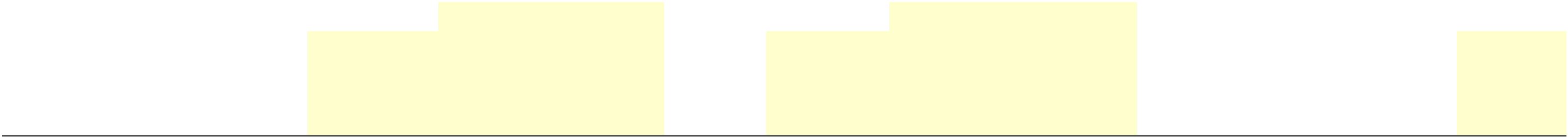
0.00%

(d)

(e)

Enter credit balances as negatives.

Niagara Mohawk Power Company may add footnotes below without a FPA Section 205 filing.



**Niagara Mohawk Power Corporation**

**Attachment 1**

**Project Specific Revenue Requirement Calculation**

**Schedule 15a \_**

**Smart Path Connect**

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

**Page 1 of 1**

Shading denotes an input

**Line**

**No.**

**Description**

**Amount**

**Source**

**Definitions**

Project Gross Plant In-Service will be the total capital investment for the project included in

Transmission Plant In Service plus Electric General and Electric Intangible Plant times the

SPC Allocator percentage for Electric to SPC plus NMPC Common Plant times the SPC

Allocator percentage for Gas+Electric to SPC.

1

2

Project Gross Plant In-Service

-

-

Workpaper \_

Workpaper \_

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

CWIP

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 Depreciation and Amortization Reserves (Enter

Credit)

3

4

-

-

Workpaper \_

Project - Related Accumulated Deferred Income Taxes shall equal ADIT calculated based on

cost, accumulated book depreciation and accumulated tax depreciation.

Project - Related Accumulated Deferred Income Taxes (Enter Credit)

Workpaper \_

Project - Related (Excess) Deficient ADIT shall be the unamortized excess or deficient ADIT

balance related specifically to the project as per Schedule 15c.

5

6

Project - Related (Excess) Deficient ADIT

Project - Related Prepayments

-

Schedule 15c \_ Line 2Q

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

Gross Transmission Investments times Transmission Related Prepayments

#DIV/0!

(Line 1/ Schedule 5 Line 13 ) \* Schedule 7 Line 15 Column (5)

(Line 1/ Schedule 5 Line 13 ) \* Schedule 7 Line 21 Column (5)

Project - Related Materials & Supplies shall equal the ratio of Project Gross Plant In-Service

to Gross Transmission Investments times Transmission Related Materials & Supplies

7

Project - Related Materials & Supplies

#DIV/0!

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

8

9

Project - Related Cash Working Capital

#DIV/0!

#DIV/0!

(Line 1/ Schedule 5 Line 13 ) \* Schedule 7 Line 28 Column (5)

Sum lines 1 through 8

**Net Investment Base**

10

11

Project Specific Investment Base excl CWIP Return and Asso. Taxes

Project - Related Depreciation Expense

#DIV/0!

-

Schedule 15b Line 24

Workpaper \_

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.

12

13

Project - Related Amortization of (Excess) Deficient ADIT

Project - Related Real Estate Taxes

-

-

Schedule 15c \_ Line 2J

Workpaper \_

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

Gross Transmission Investments.

14

15

Project - Related Operation & Maintenance Expense

-

Workpaper \_

Workpaper \_

Project Allocated Administrative and General Expense shall equal the sum of Electric

Administrative and General Expenses, Electric Pension & OPEB Expenses, and Electric

Payroll Tax Expense times the SPC Allocator percentage for Electric to SPC, plus the ratio of

Project Gross Plant In-Service to Gross NMPC Transmission Investment times Transmission

Related Property Insurance and Transmission Related Research & Development expenses.

Project Allocated Administrative & General Expense

Billing Adjustments

#DIV/0!

-

16

17

Workpaper \_

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

**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

19

Project Specific Investment Base CWIP Return and Asso. Taxes

Cost Containment Adjustment

#DIV/0!

-

Schedule 15b Line 25

Schedule 15e Line 23

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

20

21

22

23

24

Billing Adjustments

-

Workpaper \_

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

**Non-Base Revenue Requirement**

#DIV/0!

Sum lines 18 through 20

Annual True-up including Interest

#DIV/0!

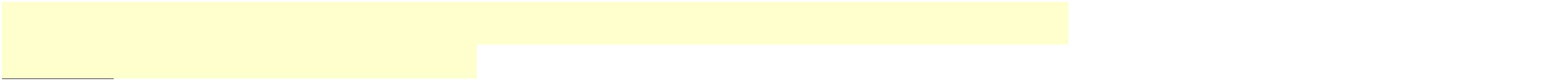
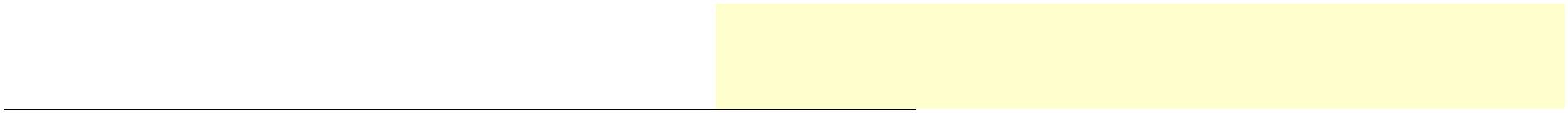
#DIV/0!

Line 35

25

**Total Project Specific Revenue Requirement**

Sum line 17 + 21 + 23



**Annual True-up and Interest Calculation**

26

27

28

29

30

31

32

33

34

35

ISO Revenues Received

Less: Prior Year True-up incl Interest

Adjusted ISO Revenues

-

-

-

WP5 Line \_

Workpaper \_

Sum Lines 26 and 27

Actual Revenue Requirement (a)

(Over) Under recovery

#DIV/0!

#DIV/0!

Line 17 + 21

Line 30 - Line 28

Interest

#DIV/0!

#DIV/0!

Line 64, Column (9)

Line 31 + Line 33

Annual True-up including interest

36

37

Interest Calculation per 18 CFR Section 35.19a

38

(1)

(2)

Annual

(3)

(4)

Monthly

(5)

Days

(6)

(7)

(8)

(9)

Accrued

39 Quarters

Accrued Prin

Accrued Prin

40

Interest

Rate (b)

& Int. @ Beg

Of Period

(Over)/Under

Recovery

in

Period

Days

& Int. @ End

Of Period

Int. @ End

Of Period

41

Period (b)

Multiplier

42

43 3rd QTR ‘\_

44 July

45 August

46 September

47

0.00%

0.00%

0.00%

0.00%

0

92

31

31

30

92

92

61

30

1.0000

1.0000

1.0000

1.0000

$0

$0

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

48 4th QTR ‘\_

49 October

50 November

51 December

52

53 1st QTR ‘\_

54 January

55 February

56 March

57

58 2nd QTR ‘\_

59 April

60 May

61 June

62

0.00%

0.00%

0.00%

0.00%

#DIV/0!

#DIV/0!

#DIV/0!

92

31

30

31

92

92

61

31

1.0000

1.0000

1.0000

1.0000

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

0.00%

0.00%

0.00%

0.00%

91

31

28

31

91

91

60

31

1.0000

1.0000

1.0000

1.0000

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

0.00%

0.00%

0.00%

0.00%

91

30

31

30

91

91

61

30

1.0000

1.0000

1.0000

1.0000

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!



63

64 Total (Over)/U|nder 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

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

**Niagara Mohawk Power Corporation**

**Project Return and Associated Income Taxes**

**Smart Path Connect**

**Attachment 1**

**Schedule 15b**

**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**

**RATIOS**

(c)

**WEIGHTED COST OF**

**CAPITAL**

(e)

**Line**

1

**CAPITALIZATION**

**COST OF CAPITAL**

**EQUITY PORTION**

**Source:**

2

3

4

LONG TERM DEBT

PREFERRED STOCK

COMMON EQUITY

$0

$0

$0

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

#DIV/0!

10.30%

#DIV/0!

#DIV/0!

#DIV/0!

Schedule 8 Line 17

Schedule 8 Line 18

Schedule 8 Line 19

#DIV/0!

#DIV/0!

5

6

TOTAL INVESTMENT RETURN

$0

#DIV/0!

#DIV/0!

#DIV/0!

Line 2 + Line 3 + Line 4

7

8

9

10

11

12

**Federal Income Tax**

Equity WACC

Federal Income Tax Rate

#DIV/0!

Line 6(e)

0.00% Schedule 8 Line 32

(Line 10\*Line 11)/(1-Line 11)

Federal Income Tax

#DIV/0!

13

14

15

16

17

18

**State Income Tax**

State Income Tax Rate

State Income Tax

0.00% Schedule 8 Line 46

(Line 10 + Line 12)\*Line 15/(1- Line 15)

#DIV/0!

#DIV/0!

Cost of Capital Rate

Line 6(d) + Line 12+ Line 16

19

20

21

Project Specific Investment Base excl CWIP

Project Specific Investment Base CWIP

Total Investment Base

#DIV/0!

#DIV/0!

Schedule 15a Line 9 - Line 2

-- Schedule 15a Line 2

22

23

24

25

26

27

Return and Associated Taxes

Project Specific Investment Base excl CWIP Return and Asso. Taxes

Project Specific Investment Base CWIP Return and Asso. Taxes

#DIV/0!

#DIV/0!

Line 19 \* Line 18

Line 20 \* Line 18

**Total Return and Associated Income Taxes**

#DIV/0!

Sum Line 24 + 25

**Notes**: Enter credit balances as negatives.



**Niagara Mohawk Power Corporation**

**Annual Revenue Requirements of Transmission Facilities**

**Attachment 1**

**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)

+ (B) +

(C)

( E)

(F)

(G)

(H)

(I)

(J)

**20\_\_ Year End Unamortized (Excess)/Deficient ADIT (d)**

**Amortization Periods (e)**

**Amortization Expense (d ) (f)**

**FERC**

**Account**

**No. (a)**

**FERC**

**Account**

**No. (f)**

**Line**

**No.**

**12/31/20\_**

**\_ Balance**

**Gross-Up**

**(h)**

**Total**

**Amortization**

**Description**

**Protected Unprotected**

**Gross-Up (h)**

**Protected**

**Unprotected**

**Protected**

**Unprotected**

**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)

(c)

(d)

(e)

(f)

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

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

Enter credit balances as negatives.

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.

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)

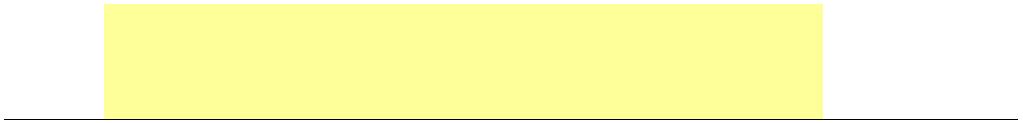
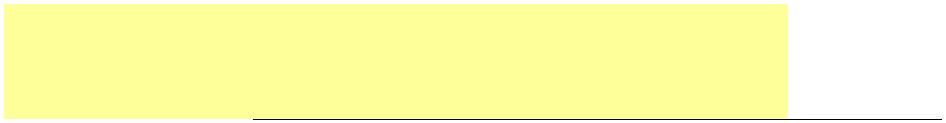
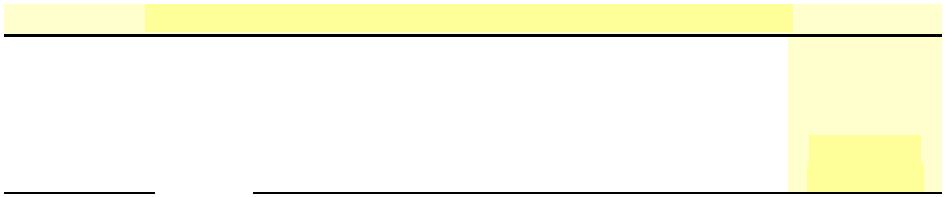
(i)

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

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**

**Requirements of Transmission Facilities**

**Attachment 1**

**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.**

1a

**Protected**

**Unprotected**

**Gross-Up (h)**

**Protected**

**Unprotected**

**Gross-Up (h)**

**12/31/20\_\_ Balance**

**Reference**

Internal Records

-

-

-

-

-

-

-

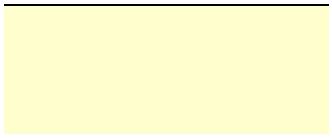
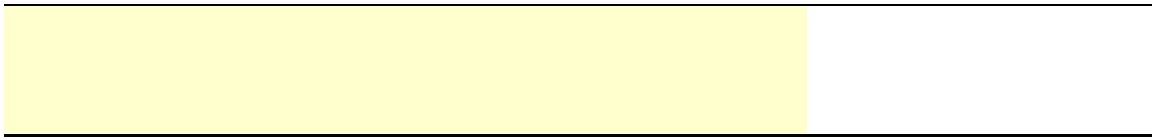
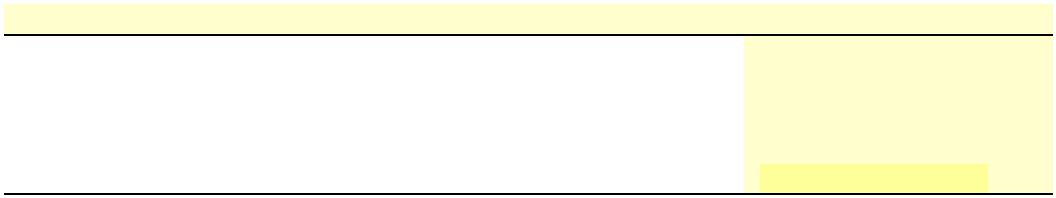
-

-

-

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**

**Difference**

**Fiscal Year Ended**

**Gross Temporary**

**Difference**

**Deficient ADIT Fiscal Year Ended**

**(Excess)/**

**(Excess)/**

**Deficient ADIT Deficient ADIT**

**due to Rate**

**Change**

**Total (Excess)/**

**Adjustments**

**Post**

**Remeasurement**

**(d)**

**20\_\_ (Excess)/**

**Deficient ADIT**

**due to Rate**

**Change**

**FERC**

**Line**

**No.**

**Account March 31, 20\_\_ (a)**

**due to Rate**

**Change**

**March 31, 20\_\_ (a)**

**(d)**

**due to Rate**

**Change**

**Description**

**No.**

**(d)**

**ADIT @ \_\_%**

**ADIT @ \_\_%**

**ADIT @ \_\_\_\_\_% (c)**

**ADIT @ \_\_\_\_%**

1a

1[ ]

2

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

Total (Sum Lines 1a thru 1 [ ] ) (b)

Company records

-

-

-

**Notes:**

(a)

(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.

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.

(c)

**Blended Rate**

**Days**

**Effective Rate**

**Blended Rate**

0.00%

0.00%

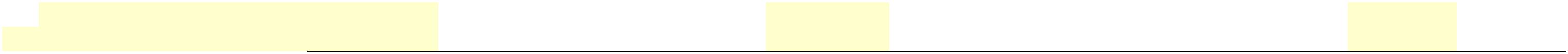
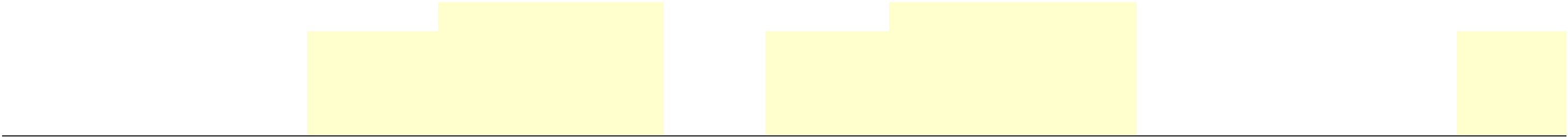
0.00%

(d)

(e)

Enter credit balances as negatives.

Niagara Mohawk Power Company may add footnotes below without a FPA Section 205 filing.



**Niagara Mohawk Power Corporation**

**Smart Path Connect Cost Containment Adjustment**

**Attachment 1**

**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

3

4

5

Total Capital Costs

Less: Third Party Costs (enter credit)

-

-

Schedule 15a Line 1

Interconnection and network upgrade costs resulting from the ISO evaluation process

Property taxes

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

Total Third Party Costs

Internal Records

Internal Records

6

7

Internal Records

Sum lines 4 to 6

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

Project Costs, exempted from application of the Cost Cap, and recovered under the SPC-FC.

8

Less: Unforeseeable Costs (enter credit)

9

UC 1

UC 2

UC 3

UC 4

UC 5

UC 6

Internal Records

Internal Records

Internal Records

Internal Records

Internal Records

Internal Records

Sum lines 9 to 14

10

11

12

13

14

15

Total Unforeseeable Costs

-

-

16

17

18

**Total Eligible Project Costs**

Line 2 + Line 7 + Line 15

Line 16 less Line 1

Amount in excess (below) Cost Cap

% eligible for ROE reduction

20%

As defined in Docket \_\_\_\_\_\_\_\_\_\_\_\_\_

19

20

21

22

Equity Return Portion

FIT

SIT

Schedule 15b Line 6 (e)

Schedule 15b Line 12 (a)

Schedule 15b Line 16 (a)

Sum lines 19 to Line 21

Total Base Cost of Capital Adjustment

23

Cost Containment Adjustment

If line 17 > 0 then -line 17\* line 18\* line 22

