

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

	Year
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Attachment 1

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	<u>Historical Transmission Revenue Requirement (Historical TRR)</u>			
2				
3	14.1.9.2 (a)	Historical TRR shall equal the sum of NMPC's (A) Return and Associated Income Taxes, (B) Transmission Related Depreciation Expense, (C)		
4		Transmission Related Real Estate Tax Expense, (D) Transmission Related Amortization of Investment Tax Credits,		
5		(E) Transmission Operation and Maintenance Expense, (F) Transmission Related Administrative and General Expenses, (G) Transmission		
6		Related Payroll Tax Expense, (H) Billing Adjustments, and (I) Transmission Related Bad Debt Expense less		
7		(J) Revenue Credits, and (K) Transmission Rents, all determined for the most recently ended calendar year as of the beginning of the update year.		
8			Reference	
9			Section:	0
10		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		Sub-Total (sum of Lines 10 - Line 16)		#DIV/0!
18				
19		Billing Adjustments	(H)	\$0 Schedule 10, Line 1
20		Bad Debt Expenses	(I)	\$0 Schedule 10, Line 4
21		Revenue Credits	(J)	\$0 Schedule 10, Line 7
22		Transmission Rents	(K)	\$0 Schedule 10, Line 14
23				
24		Total Historical Transmission Revenue Requirement (Sum of Line 17 -		
25		Line 22)		#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	14.1.9.2 FORECASTED TRANSMISSION REVENUE REQUIREMENTS	
	(b)	
2	Forecasted TRR shall equal (1) the Forecasted Transmission Plant Additions (FTPA) multiplied by the Adjusted Annual (AFTRRF), plus (2) Forecasted ADIT Adjustment (FADITA), plus (3) the Mid-Year Trend	
3	Adjustment (MYTA), less (4) Transmission Support Payments (TSP), plus (5) the Tax Rate Adjustment (TRA), less (6) Other Billing Adjustments (OBA) as shown in the following formula:	
4		
5	Forecasted TRR = (FTPA * AFTRRF) + FADITA + MYTA - TSP + TRA - OBA	
6		
7		
8		
9		
10	(1) FORECASTED TRANSMISSION PLANT ADDITIONS (FTPA)	\$0
11	Adjusted Annual Transmission Revenue Requirement Factor (AFTRRF)	#DIV/0!
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 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	Forecasted ADIT (FADIT)	#DIV/0!
23	Cost of Capital Rate	#DIV/0!
24	Forecasted ADIT Adjustment (FADITA)	#DIV/0!
25		
26	(3) MID YEAR TREND ADJUSTMENT (MYTA)	
27	The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between	
28	(i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period,	
29	and (ii) the Historical TRR Component (E) excluding Transmission	

Support Payments, based on data for the first three months of the year prior to the Forecast Period.

30			
31	Plus Mid-Year Trend Adjustment (MYTA)	\$0	Workpaper 9, line 32, variance column
32			
33	(4) TRANSMISSION SUPPORT PAYMENTS (TSP)		
34	Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement	\$0	Workpaper 9A
35	Less: Other Billing Adjustments - Dunkirk Settlement ER14-543-000	\$0	Schedule 10
36			
37	(5) TAX RATE ADJUSTMENT (TRA)		
38	The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate		
39	and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.		
40			
41	Tax Rate Adjustment (TRA)	\$0	
42			
43	(6) OTHER BILLING ADJUSTMENTS (OBA)		
44	Other Billing Adjustments shall equal any amounts related to the HTRR calculation that are		
45	required to be adjusted in the current year's FTRR to remove the impact on the Update Year		
46			
47	Other Billing Adjustments (OBA)	\$0	Schedule 10, Line 1
48			
49	Forecasted Transmission Revenue Requirement (Line 12 + Line 24 + Line 31 – Line 34 – Line 35 + Line 41-Line 47)	#DIV/0!	
50			
51	14.1.9.2(c) <u>ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR</u>		
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 (Lines 65/ Line 66)		#DIV/0!	
68				
69	Adjustment to FTRRF to reflect removal of ADIT that is subject to normalization			
70	Transmission Related ADIT Balance at year-end		#DIV/0!	Schedule 7, Line 6, Column L
71	Less: Accumulated Deferred Inv. Tax Cr (255)		#DIV/0!	Schedule 7, Line 5, Column L
72	Net Transmission ADIT Balance at year-end		#DIV/0!	Line 70 - Line 71
73	Cost of Capital Rate		#DIV/0!	Schedule 8, Line 62
74	Total Return and Income Taxes Associated with ADIT Balance at year-end		#DIV/0!	Line 72 * Line 73
75				
76	Annual Forecast Transmission Revenue Requirement Factor (FTRRF)		#DIV/0!	Line 67
77	Less: Incremental Annual Forecast Transmission Revenue Requirement Factor Adjustment for ADIT		#DIV/0!	Line 74 / Line 66
78	Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF)		#DIV/0!	Line 76 - Line 77

Niagara Mohawk Power Corporation

Annual True-up (ATU)

Attachment 1

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)
32	Quarters	Annual	Accrued Prin
33		Interest	& Int. @ Beg
34		Rate (a)	Of Period
35			
36	3rd QTR		0
37	July	0.00%	#DIV/0!
38	August	0.00%	#DIV/0!
39	September	0.00%	#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>

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

**Attachment 1
Schedule 4**

Niagara Mohawk Power Corporation

Wholesale TSC Calculation Information

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

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

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
1	14.1.9.1 1. <u>Electric Wages and Salaries Factor</u>	83.5000%		Fixed per settlement Docket ER08-552
2				
3	14.1.9.1 3. <u>Transmission Wages and Salaries Allocation Factor</u>	13.0000%		Fixed per settlement Docket ER08-552
4				
5				
6				
7				
8	14.1.9.1 2. <u>Gross Transmission Plant Allocation Factor</u>			
9	Transmission Plant in Service	#DIV/0!	Schedule 6, Page 2, Line 3, Col 5	Gross Transmission Plant Allocation Factor shall equal the total investment in
10	Plus: Transmission Related General	\$0	Schedule 6, Page 2, Line 5, Col 5	Transmission Plant in Service, Transmission Related Electric General Plant,
11	Plus: Transmission Related Common	\$0	Schedule 6, Page 2, Line 10, Col 5	Transmission Related Common Plant and Transmission Related Intangible Plant
12	Plus: Transmission Related Intangible Plant	\$0	Schedule 6, Page 2, Line 15, Col 5	divided by Gross Electric Plant.
13	Gross Transmission Investment	#DIV/0!	Sum of Lines 9 - 13	
14				
15	Total Electric Plant		FF1 207.104g	
16	Plus: Electric Common	\$0	Schedule 6, Page 2, Line 10, Col 3	
17	Gross Electric Plant in Service	\$0	Line 15 + Line 16	
18				
19	Percent Allocation	#DIV/0!	Line 13 / Line 17	
20				
21	14.1.9.1 4. <u>Gross Electric Plant Allocation Factor</u>			
22				
23	Total Electric Plant in Service	\$0	Line 15	Gross Electric Plant Allocation Factor shall equal
24	Plus: Electric Common Plant	\$0	Schedule 6, Page 2, Line 10, Col 3	Gross Electric Plant divided by the sum of Total Gas Plant,
25	Gross Electric Plant in Service	\$0	Line 23 + Line 24	Total Electric Plant, and Total Common Plant
26				
27	Total Gas Plant in Service		FF1 201.8d	
28	Total Electric Plant in Service	\$0	Line 15	
29	Total Common Plant in Service	\$0	Schedule 6, Page 2, Line 10, Col 1	
30	Gross Plant in Service (Gas & Electric)	-	Sum of Lines 27-Lines 29	

31			
32	Percent Allocation	<u>#DIV/0!</u>	Line 25 / Line 30

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

Line No.

1 14.1.9.2 (a) 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) Transmission Related
6 Regulatory Assets net of Regulatory Liabilities, plus (i) Transmission Related Prepayments, plus (j) Transmission Related Materials and Supplies,
7 plus (k) Transmission Related Cash Working Capital.
8
9

Description	Reference	Year	Reference
	<i>Section:</i>		
Transmission Plant in Service	(a)	#DIV/0!	Schedule 6, page 2, line 3, column 5
General Plant	(b)	\$0	Schedule 6, page 2, line 5, column 5
Common Plant	(c)	\$0	Schedule 6, page 2, line 10, column 5
Intangible Plant	(d)	\$0	Schedule 6, page 2, line 15, column 5
Plant Held For Future Use	(e)	\$0	Schedule 6, page 2, line 19, column 5
Total Plant (Sum of Line 12 - Line 16)		#DIV/0!	
Accumulated Depreciation	(f)	#DIV/0!	Schedule 6, page 2, line 29, column 5
Accumulated Deferred Income Taxes	(g)	#DIV/0!	Schedule 7, line 6, column 5
Other Regulatory Assets	(h)	#DIV/0!	Schedule 7, line 11, column 5
Net Investment (Sum of Line 17 -Line 21)		#DIV/0!	
Prepayments	(i)	#DIV/0!	Schedule 7, line 15, column 5
Materials & Supplies	(j)	#DIV/0!	Schedule 7, line 21, column 5
Cash Working Capital	(k)	\$0	Schedule 7, line 28, column 5
Total Investment Base (Sum of Line 22 - Line 26)		#DIV/0!	

Niagara Mohawk Power Corporation
Annual Revenue Requirements of Transmission Facilities
Transmission Investment Base (Part 1 of 2)
Attachment H Section 14.1. 9.2 (a) A. 1.

Attachment 1
Schedule 6
Page 2 of 2

Year									
Shading denotes an input									
Line	(1)	(2)	(3) = (1)*(2)	(4)	(5) = (3)*(4)	FERC Form 1/PSC Report Reference for col (1)		Definition	
No.	Total	Allocation Factor	Electric Allocated	Allocation Factor	Transmission Allocated				
1 <u>Transmission Plant</u>						FF1 207.58g	14.1.9.2(a)A.1.(a)	Transmission Plant in Service shall equal the balance of total investment in Transmission Plant plus Wholesale Metering Investment.	
2 Wholesale Meter Plant					#DIV/0!	Workpaper 1			
3 Total Transmission Plant in Service (Line 1+ Line 2)					#DIV/0!				
4									
5 <u>General Plant</u>		100.00%	\$0	13.00%	(c) \$0	FF1 207.99g	14.1.9.2(a)A.1.(b)	Transmission Related Electric General Plant shall equal the balance of investment in Electric General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.	
6									
7									
8									
9									
10 <u>Common Plant</u>		83.50%	(a) \$0	13.00%	(c) \$0	FF1 201. 8h	14.1.9.2(a)A.1.(c)	Transmission Related Common Plant shall equal Common Plant multiplied by the Electric Wages and Salaries Allocation Factor and further multiplied by the Transmission Wages and Salaries Allocation Factor.	
11									
12									
13									
14									
15 <u>Intangible Plant</u>		100.00%	-	13.00%	(c) \$0	FF1 205.5g	14.1.9.2(a)A.1.(d)	Transmission Related Intangible Plant shall equal Intangible Electric Plant multiplied by the Transmission Wages and Salaries Allocation Factor.	
16									
17									
18									

19	<u>Transmission Plant Held for Future Use</u>	\$0					<u>\$0</u>	Workpaper 10	14.1.9.2(a)A.1.(e)	Transmission Related Plant Held for Future Use shall equal the balance in Plant Held for Future Use associated with property planned to be used for transmission service within five years.
20										
21										
22										
	<u>Transmission Accumulated</u>									
23	<u>Depreciation</u>									
24	Transmission Accum. Depreciation						\$0	FF1 219.25b	14.1.9.2(a)A.1.(f)	Transmission Related Depreciation Reserve shall equal the
25	General Plant Accum.Depreciation		100.00%	\$0	13.00%	(c)	\$0	FF1 219.28b		balance of: (i) Transmission Depreciation Reserve, plus (ii)
26	Common Plant Accum Depreciation		83.50%	(a)	\$0	13.00%	(c)	\$0	FF1 356.1 end of year balance	the product of Electric General Plant Depreciation Reserve
27	Amortization of Other Utility Plant		100.00%		\$0	13.00%	(c)	\$0	FF1 200.21c	multiplied by the Transmission Wages and Salaries
28	Wholesale Meters	#DIV/0!					<u>#DIV/0!</u>	Workpaper 1		Allocation Factor, plus (iii) the product of Common Plant
29	Total Depreciation (Sum of Line 24 - Line 28)						<u>#DIV/0!</u>			Depreciation Reserve multiplied by the Electric Wages and
30										Salaries Allocation Factor and further multiplied by the
31										Transmission Wages and Salaries Allocation Factor plus
32										(iv) the product of Intangible
33										Electric Plant Depreciation Reserve
34										multiplied by the Transmission Wages and Salaries
35										Allocation Factor plus (v) depreciation reserve associated
36										with the Wholesale Metering Investment.
	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									

Annual Revenue Requirements of Transmission Facilities
Transmission Investment Base (Part 2 of 2)

Schedule 7

Attachment H Section 14.1.9.2 (a) A. 1.

Shading denotes an input

		Year					FERC Form 1/PSC Report		Definition
Line No.		(1) Total	(2) Allocation Factor	(3) = (1)*(2) Electric Allocate d	(4) Allocation Factor	(5) = (3)*(4) Transmission Allocated	Reference for col (1)		
1	<u>Transmission Accumulated Deferred Taxes</u>								
2	Accumulated Deferred Taxes (281-282)		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 275.2k	14.1.9.2(a)A.1.(g)	Transmission Related Accumulated Deferred Income Taxes
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 267.8h		stranded costs), multiplied by the Gross Transmission Plant
6	Total (Sum of Line 2 - Line 5)			<u>\$0</u>		<u>#DIV/0!</u>			Allocation Factor.
7									
8	<u>Other Regulatory Assets</u>								
9	FAS 109 (Asset Account 182.3)		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 232 lines 2,20,25,31	14.1.9.2(a)A.1.(h)	Transmission Related Regulatory Assets shall be Regulatory
10	FAS 109 (Liability Account 254)		100.00%	\$0	#DIV/0! (d)	#DIV/0!	FF1 278lines 1& 29(f)		Assets net of Regulatory Liabilities multiplied by the Gross
11	Total (Line 9 + Line 10)	<u>\$0</u>		<u>\$0</u>		<u>#DIV/0!</u>			Transmission Plant Allocation Factor.
12									
13	<u>Transmission Prepayments</u>						FF1 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 263 lines 2 &7 (h)		Prepayments excluding Federal and State taxes multiplied by
15	Total Prepayments (Line 13 + Line 14)	<u>\$0</u>	#DIV/0! (b)	<u>#DIV/0!</u>	#DIV/0! (d)	<u>#DIV/0!</u>			the Gross Electric Plant Allocation Factor and further
16									multiplied by the Gross Transmission Plant Allocation Factor.
17									
18	<u>Transmission Material and Supplies</u>							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)					<u>#DIV/0!</u>			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		
29				
30	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 **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

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

26 Federal Income Tax shall equal = (A + [B / C] X Federal Income Tax Rate)

14.1.9.2.2.(b)

$$\frac{\text{Federal Income Tax Rate}}{1 - \text{Federal Income Tax Rate}}$$

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 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.

$$= \frac{\left(\frac{\text{\#DIV/0!}}{1} + (\$0) \right) / \frac{\text{\#DIV/0!}}{-0} \times \text{Federal Income Tax Rate}}{\text{\#DIV/0!}}$$

$$\text{14.1.9.2.2.(c) State Income Tax shall equal} = \frac{\left(\frac{\text{A} + \left[\frac{\text{B}}{\text{C}} \right] + \frac{\text{Federal Income Tax Rate}}{\text{State Income Tax Rate}} \right) \times \text{State Income Tax Rate}}{1 - \frac{\text{Federal Income Tax Rate}}{\text{State Income Tax Rate}}}$$

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 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.

$$= \frac{\left(\frac{\text{\#DIV/0!}}{1} + \frac{\$0}{0} \right) / \frac{\text{\#DIV/0!}}{-0} + \frac{\text{\#DIV/0!}}{0} \times \text{Federal Income Tax Rate}}{\text{\#DIV/0!}}$$

$$\text{(a)+(b)+(c) Cost of Capital Rate} = \frac{\text{\#DIV/0!}}{\text{\#DIV/0!}}$$

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

	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
Annual Revenue Requirements of Transmission Facilities
Transmission Expenses

Attachment 1
Schedule 9

Attachment H Section 14.1.9.2

Year

Shading denotes an input

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

								Expense,
29	less: Research and Development Expenses (#930)	\$0				Workpaper 12		
30	Less: 50% of NY PSC Regulatory Expense					50% of Workpaper 15		and 50% of the NYPSC Regulatory Expense multiplied by the Transmission Wages and Salaries Allocation Factor,
31	Less: 18a Charges (Temporary Assessment)					Workpaper 15		
32	less: Environmental Remediation Expense	\$0				Workpaper 11		plus the sum of Electric Property Insurance multiplied by the Gross
33	Subtotal (Line 26-27-28-29-30-31-32)	\$0	100.0000 %	\$0	13.0000% (c)	\$0		Transmission Plant Allocation Factor, plus transmission-specific Electric
34	PLUS Property Insurance alloc. using Plant Allocation	\$0	100.0000 %	\$0	#DIV/0! (d)	#DIV/0!	Line 27	
35	PLUS Pensions and Benefits	\$88,644,000	100.0000 %	\$88,644,000	13.0000% (c)	\$11,523,720	Workpaper 3	Research and Development Expense, and transmission-specific Electric Environmental Remediation Expense. In addition, Administrative
36	PLUS Transmission-related research and development	\$0				\$0	Workpaper 12	
37	PLUS Transmission-related Environmental Expense	\$0				\$0	Workpaper 11	and General Expenses shall exclude the actual Post-Employment 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	<u>Payroll Tax Expense</u>							14.1.9.2.G. Transmission Related Payroll Tax Expense shall equal the product of
41	Federal Unemployment					FF1 263.4i		electric Payroll Taxes multiplied by the Transmission Wages and Salaries Allocation Factor.
42	FICA					FF1 263.3i		
43	State Unemployment					FF1 263.9i		
44	Total (Line 41+42+43)	\$0	100.0000 %	\$0	13.0000% (b)	\$0		

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

33 the charges produced by the Formula Rate during the five-year period into the
34 charges produced by the Formula Rate (with interest determined in accordance
35 with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update
36 Year. Charges collected before the five-year period shall not be subject to correction.

(b)	List of Items excluded from the Revenue Requirement	Reason
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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.				<u>Year</u>	<u>Source</u>
1	<u>Scheduling and Dispatch Expenses</u>				
2					
3	Accounts	561	Load Dispatching		FF1 321.84b
4	Accounts	561.1	Reliability		FF1 321.85b
5	Accounts	561.2	Monitor and Operate Transmission System		FF1 321.86b
6	Accounts	561.3	Transmission Service and Schedule		FF1 321.87b
7	Accounts	561.4	Scheduling System Control and Dispatch		FF1 321.88b
8	Accounts	561.5	Reliability, Planning and Standards Development		FF1 321.89b
9	Accounts	561.6	Transmission Service Studies		FF1 321.90b
10	Accounts	561.7	Generation Interconnection Studies		FF1 321.91b
11	Accounts	561.8	Reliability, Planning and Standards Dev. Services		FF1 321.92b
12					
13	Total Load Dispatch Expenses (sum of Lines 3 - 11)				Sum of Lines 3 - 11
14					
15	Less Account 561 directly recovered under Schedule 1 of the NYISO Tariff				
16					
17	Accounts	561.4	Scheduling System Control and Dispatch		Line 7
18	Accounts	561.8	Reliability, Planning and Standards Dev. Services		Line 11
19	Total NYISO Schedule 1				Line 17 + Line 18
20					
21	Total CCC Component				Line 13 - Line 19

Niagara Mohawk Power Corporation

Billing Units - MWH

Attachment H, Section 14.1.9.6

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

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

Niagara Mohawk Power Corporation
Forecasted Accumulated Deferred Income Taxes (FADIT)

Attachment 1
Schedule 13
Page 1 of 1

Shading denotes an input

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

	(A) Month	(B) Remaining Days	(C) = (B)/ Line 17 (B) IRS Proration %	(D) = Line 9 *(C) Prorated ADIT	
11	Month 1		100.00%	-	
12	Month 2		100.00%	-	
13	Month 3		100.00%	-	
14	Month 4		100.00%	-	
15	Month 5		100.00%	-	
16	Month 6		100.00%	-	
17	Month 7		#DIV/0! %	-	
18	Month 8		#DIV/0! %	-	
19	Month 9		#DIV/0! %	-	
20	Month 10		#DIV/0! %	-	
21	Month 11		#DIV/0! %	-	
22	Month 12		#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 Nos. 281-283 and 190.			-	