

**36      Attachment DD - Rules to Allocate the Cost of NY Transco LLC Transmission  
Facilities and Formula Rates**

## **36.1 Overview**

### **36.1.1 Cost Allocation**

The purpose of Section 36.2 is to provide for the allocation of costs to be recovered through the Transco Facilities Charge (“TFC”) described in Section 6.13 of Schedule 13 of the ISO OATT for the following New York Transco, LLC (“NY Transco”) projects, each of which has been approved by the New York Public Service Commission on November 4, 2013, in Case No. 12-E-0503 (the “Transmission Owner Transmission Solutions” or “TOTS” projects): (1) the Second Ramapo-to-Rock Tavern 345-kV Line Project; (2) the Marcy South Series Compensation and Fraser-to-Coopers Corners Reconductoring Project; and (3) the Staten Island Unbottling Project.<sup>1</sup>

### **36.1.2 Formula Rates**

Section 36.3 provides NY Transco’s formula rate and implementation rules for the formula rate to recover costs related to its projects through the TFC.

<sup>1</sup> Any costs incurred on the forced cooling portion of the Staten Island Unbottling Project after the date of the Commission's order approving the offer of partial settlement in Docket No. ER15-572-000, issued on March 17, 2016, shall not be recovered through the TFC without further order of the Commission.

## **36.2 Attachment 1 to Attachment DD**

### **36.2.1 Allocation Tables**

#### **36.2.1.1 TOTS Projects**

#### **COST ALLOCATION TABLE**

Transmission District	Allocation of Project Costs (%)
Consolidated Edison Co. of NY, Inc.	
Orange and Rockland Utilities, Inc.	63.18
Long Island Power Authority	8.55
Niagara Mohawk Power Corp.	12.16
New York Gas & Electric Corp.	
Rochester Gas and Electric Corp.	10.12
Central Hudson Gas & Electric Corp.	5.99
New York Power Authority	Load is treated the same as all other load serving entities ("LSE") and NYPA as an LSE will pay the same rate as the LSEs in each transmission district.

### **36.3 Attachment 2 to Attachment DD**

#### **36.3.1 Formula Rates**

##### **36.3.1.1 Rate Formula Template**

[Index](#)

Rate Formula Template  
Utilizing FERC Form 1 Data

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

New York Transco LLC

Appendix A	Main body of the Formula Rate
Attachment 1	Detail of the Revenue Credits
Attachment 2	Monthly Plant and Accumulated Depreciation balances
Attachment 3	Cost Support Detail
Attachment 4	Calculations showing the revenue requirement by Investment, including any Incentives,
Attachment 5	Cost of Debt should Construction Financing be Obtained
Attachment 6a and 6b	Detail of the Accumulated Deferred Income Tax Balances
Attachment 7 and 7a	True-Up calculations
Attachment 8	True-Up for the Construction Financing calculations in Attachment 5
Attachment 9	Depreciation Rates
Attachment 10	Workpapers

Formula Rate - Non-Levelized			Rate Formula Template Utilizing FERC Form 1 Data		Projected Annual Transmission Revenue Requirement For the 12 months ended 12/31/	
			New York Transco LLC			
Line No.			(1)	(2)	(3)	Allocated Amount
1	GROSS REVENUE REQUIREMENT	(line 74)		12 months	\$	-
REVENUE CREDITS			Total	Allocator		
2	Total Revenue Credits	Attachment 1, line 6	-	TP 1.0000		-
3	Net Revenue Requirement	(line 1 minus line 2)				-
4	True-up Adjustment	Attachment 7	-	DA 1.00000		-
5	NET ADJUSTED REVENUE REQUIREMENT	(line 3 plus line 4)			\$	-

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data		For the 12 months ended 12/31/	
		New York Transco LLC			
Line No.	(1) RATE BASE:	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
	GROSS PLANT IN SERVICE (Note M)				
6	Production	(Attach 2, line 75)	-	NA	-
7	Transmission	(Attach 2, line 15)	-	TP	1.0000
8	Distribution	(Attach 2, line 30)	-	NA	-
9	General & Intangible	(Attach 2, lines 45 & 60)	-	W/S	-
10	TOTAL GROSS PLANT (sum lines 6-9)	(GP=1 if plant =0)	-	GP=	-
	ACCUMULATED DEPRECIATION & AMORTIZATION (Note M)				
12	Production	(Attach 2, line 151)	-	NA	-
13	Transmission	(Attach 2, line 91)	-	TP	1.0000
14	Distribution	(Attach 2, line 106)	-	NA	-
15	General & Intangible	(Attach 2, lines 121 & 136)	-	W/S	-
16	TOTAL ACCUM. DEPRECIATION (sum lines 12-15)		-		-
	NET PLANT IN SERVICE				
18	Production	(line 6- line 12)	-		-
19	Transmission	(line 7- line 13)	-		-
20	Distribution	(line 8- line 14)	-		-
21	General & Intangible	(line 9- line 15)	-		-
22	TOTAL NET PLANT (sum lines 18-21)	(NP=1 if plant =0)	-	NP=	-
	ADJUSTMENTS TO RATE BASE (Note A)				
24	ADIT	(Attach 6a, line 9)	-	TP	1.0000
25	Account No. 255 (enter negative) (Note F)	(Attach 3, line 153)	-	NP	-
26	CW IP	(Attach 10)	-	DA	-
27	Unfunded Reserves (enter negative)	(Attach 3, line 170a)	-	DA	1.0000
28	Unamortized Regulatory Assets	(Attach 10) (Note L)	-	DA	1.0000
29	Unamortized Abandoned Plant	(Attach 10) (Note K)	-	DA	1.0000
30	TOTAL ADJUSTMENTS (sum lines 24-29)		-		-
31	LAND HELD FOR FUTURE USE	Attachment 10	-	TP	1.0000

32	WORKING CAPITAL (Note C)					
33	CW C	calculated (1/8 * Line 45)	-			-
34	Materials & Supplies (Note B)	(Attach 3, line 189)	-	TP	1.0000	-
35	Prepayments (Account 165 - Note C)	(Attach 3, line 170)	-	GP	-	-
36	TOTAL WORKING CAPITAL (sum lines 33-35)		-			-
37	RATE BASE (sum lines 22, 30, 31, & 36)		-			-

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/

(1)		(2)	New York Transco LLC (3)		(4)	(5)
		Form No. 1 Page, Line, Col.	Company Total		Allocator	Transmission (Col 3 times Col 4)
38	O&M					
39	Transmission	321.112.b	-		TP= 1.0000	-
40	Less Accounts 565, 561 and 561.1 to 561.8	321.96.b & 84.b to 92.b	-		TP= 1.0000	-
41	A&G	323.197.b	-		W/S -	-
42	Less EPRI & Reg. Comm. Exp. & Other Ad.	(Note D & Attach 3, line 171)	-		DA -	-
43	Plus Transmission Related Reg. Comm. Exp.	(Note D & Attach 3, line 172)	-		TP= 1.0000	-
44	PBOP expense adjustment	(Attach 3, line 243)	-		TP= 1.0000	-
44a	Less Account 566	321.97.b	-		DA -	-
44b	Amortization of Regulatory Assets	(Attach 10, line 2)	-		DA -	-
44c	Account 566 excluding amort. of Reg Assets	(line 44a less line 44b)	-		DA -	-
45	TOTAL O&M (sum lines 39, 41, 43, 44, 44b, 44c)	less lines 40 & 42, 44a) (Note D)	-			-
46	DEPRECIATION EXPENSE					
47	Transmission	336.7.f (Note M)	-		TP= 1.0000	-
48	General and Intangible	336.1.f + 336.10.f (Note M)	-		W/S -	-
49	Amortization of Abandoned Plant	(Attach 3, line 155) (Note K)	-		DA 1.0000	-
50	TOTAL DEPRECIATION (Sum lines 47-49)		-			-
51	TAXES OTHER THAN INCOME TAXES (Note E)					
52	LABOR RELATED					
53	Payroll	263...i (enter FN1 line #)	-		W/S -	-
54	Highway and vehicle	263...i (enter FN1 line #)	-		W/S -	-
55	PLANT RELATED					
56	Property	263...i (enter FN1 line #)	-		GP -	-
57	Gross Receipts	263...i (enter FN1 line #)	-		NA -	-
58	Other	263...i (enter FN1 line #)	-		GP -	-
59	TOTAL OTHER TAXES (sum lines 53-58)		-			-
60	INCOME TAXES	(Note F)				
61	$T = 1 - ((1 - \text{SIT}) * (1 - \text{FIT})) / ((1 - \text{SIT}) * \text{FIT} * p)) * (1 - n) =$					
62	$\text{CIT} = (T / (1 - T)) * (1 - (W \cdot \text{CLTD} / R)) =$					
63	where W CLTD=(line 91) and R= (line 94)					
64	and FIT, SIT, p, & n are as given in footnote F.					
65	$1 / (1 - T) = (T \text{ from line 61})$					
66	Amortized Investment Tax Credit (Attachment 4, line 14)		-			-
67	Income Tax Calculation = line 62 * line 71 * (1-n)		-			-
68	ITC adjustment (line 65 * line 66 * (1- n))		-		NP -	-
69	Total Income Taxes	(line 67 plus line 68)	-			-
70	RETURN					
71	[ Rate Base (line 37) * Rate of Return (line 94)]		-		NA -	-
72	Rev Requirement before Incentive Projects (sum lines 45, 50, 59, 69, 71)		-			-
73	Incentive Return and Income Tax on Authorized Projects (Attach 4, line 67, col h & j)		-		DA 100%	-
74	Total Revenue Requirement (sum lines 72 & 73)		-			-

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/

New York Transco LLC SUPPORTING  
CALCULATIONS AND NOTES

75	TRANSMISSION PLANT INCLUDED IN RTO RATES		
76	Total transmission plant	(line 7, column 3)	-
77	Less transmission plant excluded from RTO rates	(Note H)	-

78	Less transmission plant included in OATT Ancillary Services (Note H)	(Attachment 3, line 175)					-	
79	Transmission plant included in RTO rates (line 76 less lines 77 & 78)						-	
80	Percentage of transmission plant included in RTO Rates (line 79 divided by line 76) [If line 76 equal zero, enter 1]				TP=		1.0000	
81	W AGES & SALARY ALLOCATOR (W &S) (Note I)	Form 1 Reference	\$	TP	Allocation			
82								
83	Production	354.20.b	-	0.00	-			
84	Transmission	354.21.b	-	1.00	-			
85	Distribution	354.23.b	-	0.00	-			
86	Other	354.24,25,26.b	-	0.00	-	W &S Allocator (\$ / Allocation)		
87	Total (sum lines 83-86) [TP equals 1 if there are no wages & salaries]		-	0.00	-	=		WS
88	RETURN (R) (Note J)							
89								
90	Long Term Debt	(Attach 3, lines 249 & 270 or Attach 5) (Note G)	\$	%	Cost	W eighted		
91	Preferred Stock	(Attachment 3, lines 251 & 273)	-	-	-	-	=W CLTD	
92			-	-	-	-		
93	Common Stock	(Attachment 3, line 257)	-	-	9.50%	-		
94	Total (sum lines 91-93)		-			-	=R	
Development of Base Carrying charge and Summary of Incentive and Non-Incentive Investments								
					(a)	(b)		(c)
					Non-Incentive Investments from Attachment 4 (Note N)	Incentive Investments from Attachment 4 (Note N)	Row Numbers	Total
95	Net Transmission Plant in Service	Source of Total Column (Attachment 4, lines 66, 66a...., column b)			-	-	-	-
96	CW IP in Rate Base	(Line 26)			-	-	-	-
97	Unamortized Abandoned Plant	(Line 29)			-	-	-	-
98	Regulatory Assets	(Line 28)			-	-	-	-
99	Development of Base Carrying charge and Summary of Incentive and Non-Incentive Investments (Sum of lines 95 to 98)				-	-	-	-
100	Return and Taxes	(Sum lines 69 & 71)						-
101	Total Revenue Credits	(Line 2)						-
102	Base Carrying Charge (used in Attach 4, Line 65)	(Line 100 - Line 101)/ Line 99						-



Formula Rate - Non-Levelized

**SUPPORTING CALCULATIONS AND NOTES**  
Rate Formula Template  
Utilizing FERC Form 1 Data  
  
**New York Transco LLC**

For the 12 months ended 12/31/

Note  
Letter

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)  
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

# NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

- A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. The formula uses the stated average of the beginning and end of year balances to prorate ADIT to comply with IRS normalization rules. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.
- B Identified in Form 1 as being only transmission related.
- C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission  
Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111
- line 57 in the Form 1. D Line 42 removes EPRI Annual Membership Dues listed in Form 1 at 353...f (enter FN1 line #),
- any EPRI Lobbying expenses included in line 42 of the template and all Regulatory Commission Expenses itemized at 351.h  
Line 42 removes all advertising included in Account 930.1, except safety, education or out-reach related advertising  
Line 42 removes all EEI and EPRI research, development and demonstration expenses and NY Transco will not participate in EEI or EPRI.  
Line 43 reflects all Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized at 351.h  
Line 38 or Line 41 and thus Line 45 shall include any NYISO charges other than penalties, including but not limited to administrative costs. E Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
- Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- F The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, multiplied by (1/(1-T)).
- |                  |       |   |
|------------------|-------|---|
| Inputs Required: | FIT = | -   |
|                  | SIT=  | - (State Income Tax Rate or Composite SIT from Attach 3)        |
|                  | p =   | - (percent of federal income tax deductible for state purposes) |
|                  | n=    | - (not for profit entity ownership percentage)                  |
- For each Rate Year (including both Annual Projections and True-Up Adjustments) the statutory income tax rates utilized in the Formula Rate shall reflect the weighted average rates actually in effect during the Rate Year. For example, if the statutory tax rate is 10% from January 1 through June 30, and 5% from July 1 through December 31, such rates would be weighted 181/365 and 184/365, respectively, for a non-leap year.
- G The cost of debt is determined using the internal rate of return methodology shown on Attachment 5 once project financing is obtained. Prior to obtaining project financing, an interest rate of 3.85% from Table 4 of Attachment 5 will be used and will not be trued up. Attachment 5 contains an estimate of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Appendix A.  
After the completion of construction, the cost of debt will be calculated pursuant to Attachment 3
- H Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services.  
For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- I Enter dollar amounts
- J ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC under FPA Section 205 or 206.  
The capital structure will be the actual capital structure up to 53% equity. Lines 93 will be capped at 53% equity. If the actual equity ratio exceeds 53%, the common stock ratio will be reset to 53% and the debt ratio will be equal to 1 minus sum of the preferred stock ratio and common stock ratio.
- K Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Company must submit a Section 205 filing to recover the cost of abandoned plant. Any such filing to recover the cost of an abandoned plant item shall be made no later than 180 days after the date that Company formally declares such plant item abandoned.
- L Unamortized Regulatory Assets, consisting of all expenses incurred but not included in CWIP prior to the date the rate is charged to customers, is included at line 28  
Carrying costs equal to the weighted cost of capital on the balance of the regulatory asset will accrue until the rate is charged to customers
- M Balances exclude Asset Retirement Costs
- N Non-incentive investments are investments without ROE incentives and incentive investments are investments with ROE incentives

**Attachment 1 - Revenue Credit Workpaper\***  
**New York Transco LLC**

<b>Account 454 - Rent from Electric Property (300.19.b)</b>	Notes 1 & 3	
1 Rent from FERC Form No. 1		-
<b>Account 456 (including 456.1) (300.21.b and 300.22.b)</b>	Notes 1 & 3	
2 Other Electric Revenues (Note 2)		-
3 Professional Services		-
4 Revenues from Directly Assigned Transmission Facility Charges (Note 2)		-
5 Rent or Attachment Fees associated with Transmission Facilities		-
6 Total Revenue Credits	Sum lines 2-5 + line 1	-

Note 1 All revenues booked to Account 454 that are derived from cost items classified as transmission-related will be included as a revenue credit. All revenues booked to Account 456 (includes 456.1) that are derived from cost items classified as transmission-related, and are not derived from rates under this transmission formula rate will be included as a revenue credit. Work papers will be included to properly classify revenues booked to these accounts to the transmission function. A breakdown of all Account 454 revenues by subaccount will be provided below, and will be used to derive the proper calculation of revenue credits. A breakdown of all Account 456 revenues by subaccount and customer will be provided and tabulated below, and will be used to develop the proper calculation of revenue credits.

Note 2

If the facilities associated with the revenues are not included in the formula, the revenue is shown below, but not included in the total above and explained in the Attachment 3.

Note 3 All Account 454 and 456 Revenues must be itemized below					
Line No.					
1	Account 456		<u>TOTAL</u>	<u>NY-ISO</u>	<u>Other 1</u>
1a	Transmission Service	-	-	-	-
...		-	-	-	-
1x					
2	Trans. Fac. Charge	-	-	-	-
	Trans Studies	-	-	-	-
3	Total	-	-	-	-
4	Less:				
5	Revenue for Demands in Divisor	-	-	-	-
6	<b>Sub Total Revenue Credit</b>	-	-	-	-
7	Prior Period Adjustments	-	-	-	-
8	Total	-	-	-	-
9	Account 454	\$			
9a	Joint pole attachments - telephone	-			
9b	Joint pole attachments - cable	-			
9c	Underground rentals	-			
9d	Transmission tower wireless rentals	-			
9e	Misc non-transmission rentals	-			
9f		-			
9g		-			
...					
9x		-			
10	Total	-			

**Attachment 2 - Cost Support  
New York Transco LLC**

**Plant in Service Worksheet**

1	31		c	c
2		<u>Calculation of Transmission Plant</u>	h	t
3		<u>In Service</u>	A	o
4		D	p	b
5		e	r	e
6		c	i	r
7		e	l	N
8		m		o
9		b	M	v
10		e	a	e
11		r	y	m
12		J	J	b
13		a	u	e
14		n	n	r
15		u	e	D
16		a		e
17		r	J	c
18		y	u	e
19		F	l	m
20		e	y	b
21		b	August	e
22		r	S	r
23		u	e	<b>Transmission Plant In Service</b>
24		a	p	
25		r	t	<u>Calculation of Distribution Plant In Service</u>
26		y	e	D
27			m	e
28		M	b	c
29		a	e	e
30		r	r	m
			O	b
				e

ly	Source (Less ARO, see Note M)	Year	Balance
August			
September	p206.58.b	2016	-
October	company records	2016	-
November	company records	2016	-
December	company records	2016	-
<b>Distribution Plant In Service</b>	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2015	-
<u>Calculation of Intangible Plant In Service</u>	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	p207.58.g	2016	-
	(sum lines 2-14) /13		-
	Source (Less ARO, see Note M)		
	p206.75.b	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	company records	2016	-
	p207.75.g	2016	-
	(sum lines 17-29) /13		-
	Source (Less ARO, see Note M)		

Enter  
Amount of Docket Nos. for  
Transmission CIACs Transmission CIACs

32	December	p204.5.b	2016	-	-
33	January	company records	2016	-	-
34	February	company records	2016	-	-
35	March	company records	2016	-	-
36	April	company records	2016	-	-
37	May	company records	2016	-	-
38	June	company records	2016	-	-
39	July	company records	2016	-	-
40	August	company records	2016	-	-
41	September	company records	2016	-	-
42	October	company records	2016	-	-
43	November	company records	2016	-	-
44	December	p205.5.g	2016	-	-
45	<b>Intangible Plant In Service</b>	(sum lines 32-44) /13		-	-
46	<b><u>Calculation of General Plant In Service</u></b>	Source (Less ARO, see Note M)			
47	December	p206.99.b	2016	-	
48	January	company records	2016	-	
49	February	company records	2016	-	
50	March	company records	2016	-	
51	April	company records	2016	-	
52	May	company records	2016	-	
53	June	company records	2016	-	
54	July	company records	2016	-	
55	August	company records	2016	-	
56	September	company records	2016	-	
57	October	company records	2016	-	
58	November	company records	2016	-	
59	December	p207.99.g	2016	-	
60	<b>General Plant In Service</b>	(sum lines 47-59) /13		-	
61	<b><u>Calculation of Production Plant In Service</u></b>	Source (Less ARO, see Note M)			
62	December	p204.46b	2016	-	
63	January	company records	2016	-	
64	February	company records	2016	-	
65	March	company records	2016	-	
66	April	company records	2016	-	

67  
68  
69

May  
June  
July

company records  
company records  
company records

2016  
2016  
2016

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70	August	company records	2016	-
71	September	company records	2016	-
72	October	company records	2016	-
73	November	company records	2016	-
74	December	p205.46.g	2016	-
75	<b>Production Plant In Service</b>	(sum lines 62-74) /13		-
76	<b><u>Total Plant In Service</u></b>	(sum lines 15, 30, 45, 60, & 75)		-

### Accumulated Depreciation Worksheet

77	<b><u>Calculation of Transmission Accumulated Depreciation</u></b>	Source (Less ARO, see Note M)	Year	Balance
78	December	Prior year p219.25.b	2016	-
79	January	company records	2016	-
80	February	company records	2016	-
81	March	company records	2016	-
82	April	company records	2016	-
83	May	company records	2016	-
84	June	company records	2016	-
85	July	company records	2016	-
86	August	company records	2016	-
87	September	company records	2016	-
88	October	company records	2016	-
89	November	company records	2016	-
90	December	p219.25.b	2016	-
91	<b>Transmission Accumulated Depreciation</b>	(sum lines 78-90) /13		-
92	<b><u>Calculation of Distribution Accumulated Depreciation</u></b>	Source (Less ARO, see Note M)		
93	December	Prior year p219.26.b	2016	-
94	January	company records	2016	-
95	February	company records	2016	-
96	March	company records	2016	-
97	April	company records	2016	-
98	May	company records	2016	-
99	June	company records	2016	-

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

100	July	company records	2016	-
101	August	company records	2016	-
102	September	company records	2016	-

103	October	company records	2016	-	
104	November	company records	2016	-	
105	December	p219.26.b	2016	-	
106	<b>Distribution Accumulated Depreciation</b>	(sum lines 93-105) /13		-	
107	<b><u>Calculation of Intangible Accumulated Amortization</u></b>	Source (Less ARO, see Note M)			Amount of
108	December	Prior year p200.21.c	2016	-	-
109	January	company records	2016	-	-
110	February	company records	2016	-	-
111	March	company records	2016	-	-
112	April	company records	2016	-	-
113	May	company records	2016	-	-
114	June	company records	2016	-	-
115	July	company records	2016	-	-
116	August	company records	2016	-	-
117	September	company records	2016	-	-
118	October	company records	2016	-	-
119	November	company records	2016	-	-
120	December	p200.21.c	2016	-	-
121	<b>Accumulated Intangible Amortization</b>	(sum lines 108-120) /13		-	-
122	<b><u>Calculation of General Accumulated Depreciation</u></b>	Source (Less ARO, see Note M)			
123	December	Prior year p219.28.b	2016	-	
124	January	company records	2016	-	
125	February	company records	2016	-	
126	March	company records	2016	-	
127	April	company records	2016	-	
128	May	company records	2016	-	
129	June	company records	2016	-	
130	July	company records	2016	-	
131	August	company records	2016	-	
132	September	company records	2016	-	
133	October	company records	2016	-	
134	November	company records	2016	-	
135	December	p219.28.b	2016	-	
136	<b>Accumulated General Depreciation</b>	(sum lines 123-135) /13		-	

137  
138  
139

**Calculation of Production Accumulated Depreciation**

Source (Less ARO, see Note M)

December

p219.20:24.b (prior year)

2016

-

January

company records

2016

-

140	February	company records	2016	-
141	March	company records	2016	-
142	April	company records	2016	-
143	May	company records	2016	-
144	June	company records	2016	-
145	July	company records	2016	-
146	August	company records	2016	-
147	<del>September</del>	<del>company records</del>	<del>2016</del>	<del>-</del>
148	October	company records	2016	-
149	November	company records	2016	-
150	December	p219.20 thru 219.24.b	2016	-
151	<b>Production Accumulated Depreciation</b>	(sum lines 138-150) /13		-

152      **Total Accumulated Depreciation and Amortization**      (sum lines 91, 106, 121, 136, & 151)      -

**Attachment 3 - Cost Support  
New York Transco LLC**

**Details**

Numbering continues from Attachment 2			Beginning of Year	End of Year	Average	Balance	
153	Account No. 255 (enter negative from FERC Form No. 1)	266.8 and 267.8	-	-		-	
154	Unamortized Abandoned Plant (recovery of abandoned plant requires a FERC order approving the amount and recovery period)	Attachment 10, line 4, col. (y)				-	Amortization Expense
155	Amortization of Abandoned Plant	Attachment 10, line 4, col. (h)					-
156	Prepayments (Account 165) (Prepayments exclude Prepaid Pension Assets)		Year	Balance			
157	December	111.57.d	-	-			
158	January	company records	-	-			
159	February	company records	-	-			
160	March	company records	-	-			
161	April	company records	-	-			
162	May	company records	-	-			
163	June	company records	-	-			
164	July	company records	-	-			
165	August	company records	-	-			
166	September	company records	-	-			
167	October	company records	-	-			
168	November	company records	-	-			
169	December	111.57.c	-	-			
			-	-			
			-	-			
			-	-			
			-	-			
170	<b>Prepayments</b>	(sum lines 157-169) /13		-			

**Reserves**

170a	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Amount	Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account	Enter 1 if the accrual account is included in the formula rate, enter (0) if the accrual account is NOT included in the formula rate	Enter the percentage paid for by customers, 1 less the percent associated with an offsetting liability on the balance sheet	Allocation (Plant or Labor Allocator)	Amount Allocated, col. c x col. d x col. e x col. f x col. g
Reserve 1		-	-	-	-		-
Reserve 2		-	-	-	-	-	-
Reserve 3		-	-	-	-	-	-
Reserve 4		-	-	-	-	-	-
...		-	-	-	-	-	-
...		-	-	-	-	-	-
Total							-

All unfunded reserves will be listed above, specifically including (but not limited to) all subaccounts for FERC Account Nos. 228.1 through 228.4. "Unfunded reserve" is defined as an accrued balance (1) created and increased by debiting an expense which is included in this formula rate (column (e)), using the same allocator in column (g) as used in the formula to allocate the amounts in the corresponding expense account) (2) in advance of an anticipated expenditure related to that expense (3) that is not deposited in a restricted account (e.g., set aside in an escrow account, see column (d)) with the earnings thereon retained within that

account. Where a given reserve is only partially funded through accruals collected from customers, only the balance funded by customer collections shall serve as a rate base credit, see column (f). The source of monthly balance data is company records.

[illegible]

Category	Value
Category 1	75%

Allocated General & Common Expenses							
171	EPRI and EEI Dues to be excluded from the formula rate	EPRI Dues p353._f (enter FN1 line #)	-				
Regulatory Expense Related to Transmission Cost Support							
Directly Assigned A&G			Form 1 Amount	Transmission Related	Other	Details*	
172	Regulatory Commission Exp Account 928	p323.189.b	-	-	-		
* insert case specific detail and associated assignments here							
Multi-state Workpaper							

Income Tax Rates  
Weighting

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

New York

1

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

State 2

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

State 3

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

State 4

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

State 5

**Weighed Average**

173	SIT=State Income Tax Rate or Composite	0.0710	0.07
	Multiple state rates are weighted based on the state apportionment factors on the state income tax returns and the number of days in the year that the rates are effective (see Note F)		

**Safety Related and Education and Out Reach Cost Support**

		Form 1 Amount	Safety Related, Education, Siting & Outreach Related	Other	Details
<b>Directly Assigned A&amp;G</b>					
174	General Advertising Exp Account 930.1	company records		-	
	Safety advertising consists of any advertising whose primary purpose is to educate the recipient as to what is safe or is not safe. Education advertising consists of any advertising whose primary purpose is to educate the recipient as about transmission related facts or issues Outreach advertising consists of advertising whose primary purpose is to attract the attention of the recipient about a transmission related issue Siting advertising consists of advertising whose primary purpose is to inform the recipient about locating transmission facilities Lobbying expenses are not allowed to be included in account 930.1				

**Excluded Plant Cost Support**

		Excluded Transmission Facilities	Transmission plant included in OATT Ancillary Services and not otherwise excluded	Description of the Facilities
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>				
175	Excluded Transmission Facilities	-	-	<b>General Description of the Facilities</b>
	A worksheet will be provided if there are ever any excluded transmission plant or transmission plant in OATT Ancillary Services			
	Add more lines if necessary			

**Materials & Supplies**

			Stores Expense Undistributed p227.16	Transmission Materials & Supplies p227.8	Construction Materials & Supplies p227.5	Total
	Note: for the projection, the prior year's actual balances will be used Form No.1 page					
176	December	Column b	-	-	-	-
177	January	Company Records	-	-	-	-
178	February	Company Records	-	-	-	-
179	March	Company Records	-	-	-	-
180	April	Company Records	-	-	-	-
181	May	Company Records	-	-	-	-

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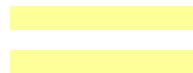
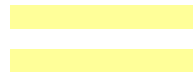
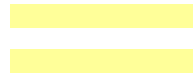
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183	July	Company Records	-	-	-	-
184	August	Company Records	-	-	-	-
185	September	Company Records	-	-	-	-
186	October	Company Records	-	-	-	-
187	November	Company Records	-	-	-	-
188	December	Column c	-	-	-	-
189	Average					-

PBOPs

Details

190	<b>ConEd</b>					
191	Total PBOP expenses		\$	(8,800,000)		
192	Labor dollars		\$	1,444,841,000		
193	Cost per labor dollar		\$	(0.0061)		
194	labor (labor not capitalized) current year	Company Records		-		
195	PBOP Expense for current year			-		
196	PBOP Expense in Account 926 for current year	Company Records		-		
197	PBOP Adjustment for Appendix A, Line 44			-		
198	Lines 191-193 cannot change absent approval or acceptance by FERC in a separate proceeding.					
198	<b>NiMo</b>					
199	Total PBOP expenses		\$	70,883,643		
200	Labor dollars		\$	313,713,746		
201	Cost per labor dollar		\$	0.2260		
202	labor (labor not capitalized) current year	Company Records		-		
203	PBOP Expense for current year			-		
204	PBOP Expense in Account 926 for current year	Company Records		-		
205	PBOP Adjustment for Appendix A, Line 44			-		
206	Lines 199-201 cannot change absent approval or acceptance by FERC in a separate proceeding.					
207	<b>NYSEG</b>					
208	Total PBOP expenses		\$	2,057,829		
209	Labor dollars		\$	187,586,000		
210	Cost per labor dollar		\$	0.0110		
211	labor (labor not capitalized) current year	Company Records		-		
212	PBOP Expense for current year			-		
213	PBOP Expense in Account 926 for current year	Company Records		-		
214	PBOP Adjustment for Appendix A, Line 44			-		
215	Lines 208-210 cannot change absent approval or acceptance by FERC in a separate proceeding.					
216	<b>RGE</b>					
217	Total PBOP expenses		\$	3,561,081		
218	Labor dollars		\$	79,625,000		
219	Cost per labor dollar		\$	0.0447		
220	labor (labor not capitalized) current year	Company Records		-		
221	PBOP Expense for current year			-		
222	PBOP Expense in Account 926 for current year	Company Records		-		
223	PBOP Adjustment for Appendix A, Line 44			-		



225	<b><u>CHG&amp;E</u></b>			
226	Total PBOP expenses		\$	(3,863,900)
227	Labor dollars			108,206,368
228	Cost per labor dollar		\$	(0.0357)
229	labor (labor not capitalized) current year	Company Records		-
230	PBOP Expense for current year			-
231	PBOP Expense in Account 926 for current year	Company Records		-
232	PBOP Adjustment for Appendix A, Line 44			-
233	Lines 226-228 cannot change absent approval or acceptance by FERC in a separate proceeding.			
234	<b><u>New York Transco LLC</u></b>			
235	Total PBOP expenses		\$	-
236	Labor dollars		\$	-
237	Cost per labor dollar			\$0.000
238	labor (labor not capitalized) current year	Company Records		-
239	PBOP Expense for current year			-
240	PBOP Expense in Account 926 for current year	Company Records		-
241	PBOP Adjustment for Appendix A, Line 44			
242	Lines 235-237 cannot change absent approval or acceptance by FERC in a separate proceeding.			
243	PBOP expense adjustment	(sum lines 197, 214, 205, 223, 232, & 241)		-

Attachment 3 - Cost Support																
New York Transco LLC																

Note 1. If and when the Company issues preferred stock, footnote will indicate the authorizing regulatory agency, the docket/case number, and the date of the Note  
2. Interest on Debt to Associated Companies (FERC 430) will be populated with interest related to Long-Term Debt only.

# NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

Project Worksheet  
Attachment 4

Rate Formula Template  
Utilizing Appendix A Data

For the 12 months ended 12/31/

The calculations below calculate that additional revenue requirement for 100 basis points of ROE and 1 percent change in the equity component of the capital structure. These amounts are then used to calculate the actual increase in revenue in the table below (starting on line 66) associated with the actual incentive authorized by the Commission. The use of the 100 basis point calculations do not presume any particular incentive (i.e., 100 basis points) being granted by the Commission.

## Base ROE and Income Taxes Carrying Charge

New York Transco LLC

1	Rate Base	46	Common Stock	(line 5 plus 1% in equity ratio)
		47	Total (sum lines 44-46)	
		48	Line 47 x line 42	
2	BASE RETURN CALCULATION:	49	INCOME TAXES	
		50	$T=1 - \frac{[(1 - \text{SIT}) * (1 - \text{FIT})]}{(1 - \text{SIT} * \text{FIT} * p)}$	= (Appendix A, line 61)
		51	$\text{CIT} = \frac{T}{(1-T)} * (1 - W \text{ CLTD}/R)$	=
3	Long Term Debt			
	(Appendix A, Line 91)			
4	Preferred Stock			
	(Appendix A, Line 92)			
5	Common Stock			
	(Appendix A, Line 93)			
6	Total (sum lines 3-5)			
7	Return multiplied by Rate Base (line 1 * line 6)			
8	INCOME TAXES			
9	$T=1 - \frac{[(1 - \text{SIT}) * (1 - \text{FIT})]}{(1 - \text{SIT} * \text{FIT} * p)}$			= (Appendix A, line 61)
10	$\text{CIT} = \frac{T}{(1-T)} * (1 - W \text{ CLTD}/R)$			=
11	where W CLTD=(line 3) and R= (line 6)			
12	and FIT, SIT & p are as given in footnote F on Appendix A.			
13	$1 / (1 - T) = (T \text{ from line } 9)$			
14	Amortized Investment Tax Credit (266.8) (enter negative)			
15	Income Tax Calculation = line 10 * line 7 * (1-n)			
16	ITC adjustment (line 13 * line 14) * (1-n)			
17	Total Income Taxes (line 15 plus line 16)			
18	Base Return and Income Taxes			
19	Rate Base			
20	Return and Income Taxes at Base ROE			

## 100 Basis Point Incentive ROE and Income Taxes Carrying Charge

21	Rate Base			
22	100 Basis Point Incentive Return impact on			
23	Long Term Debt	(line 3)		
24	Preferred Stock	(line 4)		
25	Common Stock	(line 5 plus 100 basis points)		
26	Total (sum lines 24-26)			
27	100 Basis Point Incentive Return multiplied by Rate Base (line 21 * line 26)			
28	INCOME TAXES			
29	$T=1 - \frac{[(1 - \text{SIT}) * (1 - \text{FIT})]}{(1 - \text{SIT} * \text{FIT} * p)}$			= (Appendix A, line 61)
30	$\text{CIT} = \frac{T}{(1-T)} * (1 - W \text{ CLTD}/R)$			=
31	where W CLTD=(line 23) and R= (line 26)			
32	and FIT, SIT & p are as given in footnote F on Appendix A.			
33	$1 / (1 - T) = (T \text{ from line } 29)$			
34	Amortized Investment Tax Credit (line 14)			
35	Income Tax Calculation = line 30 * line 27 * (1-n)			
36	ITC adjustment (line 33 * line 34) * (1-n)			
37	Total Income Taxes (line 35 plus line 36)			
38	Return and Income Taxes with 100 basis point increase in ROE			
39	Rate Base			
40	Return and Income Taxes with 100 basis point increase in ROE			
41	Difference in Return and Income Taxes between Base ROE and 100 Basis Point Incentive			

## Effect of 1% Increase in the Equity Ratio

42	Rate Base			
43	100 Basis Point Incentive Return			
44	Long Term Debt	(line 3 minus 1% in equity ratio)		
45	Preferred Stock	(line 4)		

# NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

Allocator

Result

\$	%	Cost	Weighted
-	0%	0.00%	0.00%
-	0%	0.00%	0.00%
-	0%	9.50%	0.00%
-			0.00%

-

-

-

-

-

-

-

Sum lines 7 and 17  
Line 1  
Line 18 / line 19

Attachment 4

Result

\$	%	Cost	Weighted
-	0%	0.00%	-
-	0%	0.00%	-
-	0%	10.50%	-
-			-

-

-

-

-

-

-

-

Sum lines 27 and 37  
Line 21  
Line 38 / line 39  
Line 40- Line 20

Results

-

\$	%	Cost	Weighted
-	-1%	0.00%	0.00%
-	0%	0.00%	0.00%
-	1%	9.50%	0.10%
-			0.10%

-

-

-

-

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

52 where  $W_{CLTD} = (\text{line 44})$  and  $R = (\text{line 47})$   
53 and  $FIT$ ,  $SIT$  &  $p$  are as given in footnote F on Appendix A.  
54  $1 / (1 - T) = (T \text{ from line 50})$   
55 Amortized Investment Tax Credit (line 14)

56 Income Tax Calculation = line 51 \* line 48 \* (1-n)  
57 ITC adjustment (line 54 \* line 55) \* (1-n)  
58 Total Income Taxes (line 56 plus line 57)

59	Return and Income Taxes with 1% Increase in the Equity Ratio	Sum lines 48 and 58
60	Rate Base	Line 42
61	Return and Income Taxes with 1% Increase in the Equity Ratio	Line 59 / line 60
62	Difference between Base ROE and 1% Increase in the Equity Ratio	Line 61 - Line 20

Attachment 4

[illegible]

...	9.50%	-	-
...	9.50%	-	-
...	9.50%	-	-
...	9.50%	-	-
...	9.50%	-	-
...	9.50%	-	-
67 Total	9.50%	-	-

67 Total

Check Sum Appendix A Line 3	\$0.00
-----------------------------	--------

Difference (must be zero)

Note: 

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B. Column (II). Gross Plant in Service excludes Regulatory Assets, CW IP, and Abandoned Plant.

C Column (e), for each project with an incentive in column (e), note the docket No. in which FERC granted the incentive

D No incentive or change in the equity percentage in Columns (e) and (i) can be made absent Commisison authorization

Project

TOTs 1 - Ramapo to Rock Tavern

TOTs 2 - Staten Island Unbottling Feeder Split

TOTs 3 - NYSEG's Marcy South Series Comp Fraser to Coopers Corner

Docket No.

ER15-572

ER15-572

ER15-572

Note

Up to \$228 million for the 3 TOTS projects in aggregate

Up to \$228 million for the 3 TOTS projects in aggregate

Up to \$228 million for the 3 TOTS projects in aggregate

**Attachment 5 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology (Note 13)**

New York Transco LLC  
HYPOTHETICAL EXAMPLE


Assumes financing will be a 5 year loan with Origination Fees of \$2.1 million and a Commitments Fee of 0.3% on the undrawn principal. Consistent with GAAP, the Origination Fees and Commitments Fees will be amortized using the standard Internal Rate of Return formula below. Each year, the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount will be updated on this attachment.

Table 1

Total Loan Amount \$ 125,000,000

Table 2

Internal Rate of Return<sup>1</sup> 4.892%

Based on following Financial Formula<sup>2</sup>:

NPV = 0 =

Table 3

Origination Fees	
Underwriting Discount	-
Arrangement Fee	250,000
Upfront Fee	437,500
Rating Agency Fee	-
Legal Fees	-
Total Issuance Expense	1,000,000
	1,687,500

Table 4

	2014	2015	2016	2017	2018	2019	2020
LIBOR Rate	0.64%	1.03%	1.60%	2.13%	2.13%	2.13%	2.13%
Spread	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Interest Rate	2.89%	3.28%	3.85%	4.38%	4.38%	4.38%	4.38%

Table 5

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Year		Capital Expenditures (\$000's)	Principal Drawn In Quarter (\$000's)	Principal Drawn To Date (\$000's)	Interest & Principal (\$000's)	Origination Fees (\$000's)	Commitment & Utilization Fee (\$000's)	Net Cash Flows (\$000's)
				Cumulative Col. D	1/4 * Interest Rate from Line 16 x Col. E prior quarter and Principal repayment	Input in first Qtr of Loan	(line 1/1000 less Col. E prior quarter)*line 13/4 +line 12/4000+line 11/4000	(D-F-G-H)
3/31/2014	Q3	19,350	9,675	9,675		2,100		7,575
6/30/2014	Q4	19,350	9,675	19,350	70		124	9,481
9/30/2014	Q1	19,350	9,675	29,025	141		117	9,418
12/31/2014	Q2	19,350	9,675	38,700	211		109	9,354
3/31/2015	Q3	24,775	12,388	51,088	275		102	12,010
6/30/2015	Q4	24,775	12,388	63,475	418		93	11,876
9/30/2015	Q1	24,775	12,388	75,863	525		84	11,779
12/31/2015	Q2	24,775	12,388	88,250	628		74	11,685
3/31/2016	Q3	23,950	11,975	100,225	723		65	11,187
6/30/2016	Q4	23,950	11,975	112,200	962		56	10,957
9/30/2016	Q1	23,950	11,975	124,175	1,089		47	10,839
12/31/2016	Q2	23,950	11,975	136,150	1,205		38	10,732
3/31/2017	Q3	23,575	11,788	147,938	1,292		29	10,466
6/30/2017	Q4	23,575	11,788	159,725	1,615		20	10,152
9/30/2017	Q1	23,575	11,788	171,513	1,763		11	10,013
12/31/2017	Q2	23,575	11,788	183,300	1,893		3	9,891
3/31/2018	Q3	-	-	183,300	185,280			(185,280)

Notes 1 The IRR is the input to Debt Cost shown on Appendix A, Page 4, Line 91 during the construction period, after obtaining project financing, in accordance with Note G of Appendix A.  
2 The IRR is a discount rate that makes the net present value of a series of cash flows equal to zero. The IRR equation is shown on line 4.

N is the last quarter the loan would be outstanding  
t is each quarter

Ct is the cash flow (Table 5, Col. I in each quarter)

Alternatively the equation can be written as  $0 = C_0 + C_1/(1+IRR) + C_2/(1+IRR)^2 + C_3/(1+IRR)^3 + \dots + C_N/(1+IRR)^N$  and solved for IRR

The Excel™ formula on line 2 is: (round(XIRR(first quarter of loan Col A of Table 5: last quarter of loan Col A of Table 5, first quarter of loan Col I of Table 5, last quarter of loan Col I of Table 5, 8%),4)) The 8% in the above formula is a seed number to ensure the formula produces a positive number.

3. Line 1 reflects the loan amount, the maximum amount that can be drawn on

4. Lines 5 through 13 include the fees associated with the loan. They are estimated based on current bank condition and are updated with the actual fees once the actual fees are known.

5. The estimate of the average 3 month Libor forward rate for the year on line 14 is that published by Bloomberg Finance L.P. during August of the prior year and is trueed-up to actual average 3 month Libor rate for the year under the loan.

6. Table 5, Col. C reflect the capital expenditures in each quarter

7. Table 5, Col. D reflect the amount of the loan that is drawn down in the quarter

8. Table 5, Col. E is the amount of principle drawn down

9. Table 5, Col F calculates the interest on the principle drawn down to date based on the applicable interest on line 16

10. Table 5, Col G is the total origination fees in line 10 and is input in the first quarter that a portion of the loan in drawn

11. Table 5, Col. H is calculated as follows:

(line 1/1000 less Col. E prior quarter)\*line 13/4 +line 12/4000+line 11/4000

Where A = Loan amount in line 1 less the amount drawn down (Table 5, Col. (E)) in the prior quarter

12. The inputs shall be estimated based on the current market conditions and is subject to true up for all inputs, e.g., fees, interest rates, spread, and Table 3 once the amounts are known

13. Prior to obtaining long term debt, the cost of debt, will be 3.28%. If NY Tranco obtains project financing, the long term debt rate will be determined using the methodology in Attachment 5 and Attachment 5 contains a hypothetical example of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Attachment A. After the first project is placed into service, NY Tranco will use the its actual cost of long term debt determined in Attachment 3. The capital structure will be the actual capital structure up to 53% equity.

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[illegible]


The diagram illustrates a layout with two yellow rectangular blocks. The first block, labeled '1', is a large rectangle on the left side. The second block, labeled '2', is a smaller rectangle on the right side. Both blocks are positioned below a horizontal line that spans the width of the diagram.

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

**New York Transco LLC**  
**Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)**  
**Beginning of Year**

Item		Transmission Related	Plant Related	Labor Related	Total	
1	ADIT-282	-	-	-		From Acct. 282 total, below
2	ADIT-283	-	-	-		From Acct. 283 total, below
3	ADIT-190	-	-	-		From Acct. 190 total, below
4	Subtotal	-	-	-		
5	Wages & Salary Allocator					
6	NP		-			
7	Beginning of Year	-	-	-	-	
8	End of year from Attachment 6b, line 7	-	-	-	-	
9	Average of Beginning of Year and End of Year ((7 +8)/2)	-	-	-	-	Enter as negative Appendix A, line 24.

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately. For ADIT directly related to project depreciation or CWIP, the balance must shown in a separate row for each project.

	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
10	ADIT-190						

11a

11b

11c

...

12	Subtotal - p234	-	-	-	-	-	
13	Less FASB 109 Above if not separately removed						
14	Less FASB 106 Above if not separately removed						
15	Total	-	-	-	-	-	

Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**New York Transco LLC**  
**Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)**  
**Beginning of Year**

	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
21	ADIT- 282						

[illegible]


NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

22c						
...						
...						
...						
...						
...						
...						
...						
23	Subtotal - p275	-	-	-	-	-
24	Less FASB 109 Above if not separately removed					
25	Less FASB 106 Above if not separately removed					
26	Total	-	-	-	-	-

Instructions for Account 282:

- 27 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- 28 2. ADIT items related only to Transmission are directly assigned to Column D
- 29 3. ADIT items related to Plant and not in Columns C & D are included in Column E
- 30 4. ADIT items related to labor and not in Columns C & D are included in Column F
- 31 5. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

## New York Transco LLC

**Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)**

[illegible]

Instructions for Account 283:

- 38 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- 39 2. ADIT items related only to Transmission are directly assigned to Column D
- 40 3. ADIT items related to Plant and not in Columns C & D are included in Column E
- 41 4. ADIT items related to labor and not in Columns C & D are included in Column F
- 42 5. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

**New York Transco LLC**  
**Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)**  
**End of Year**

Line		Transmission Related	Plant Related	Labor Related	Total
1	ADIT-282	-	-	-	From Acct. 282 total, below
2	ADIT-283	-	-	-	From Acct. 283 total, below
3	ADIT-190	-	-	-	From Acct. 190 total, below
4	Subtotal	-	-	-	
5	Wages & Salary Allocator			-	
6	NP		-		
7	End of Year ADIT	-	-	-	-

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately. For ADIT directly related to project depreciation or CWIP, the balance must be shown in a separate row for each project.

	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
8	ADIT-190						
9a							
9b							
9c							
...							
...							
...							
...							
...							
...							
...							
10	Subtotal - p234	-	-	-	-	-	
11	Less FASB 109 Above if not separately removed						
12	Less FASB 106 Above if not separately removed						
13	Total	-	-	-	-	-	
14	Instructions for Account 190:						
15	1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C						
16	2. ADIT items related only to Transmission are directly assigned to Column D						
17	3. ADIT items related to Plant and not in Columns C & D are included in Column E						
18	4. ADIT items related to labor and not in Columns C & D are included in Column F						
19	5. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded						

**New York Transco LLC**  
**Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)**  
**End of Year**

A	B	C	D	E	F	G
	Total	Gas, Prod				

1

[illegible]

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NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

20c

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...

22 Less FASB 109 Above if not separately removed

24	Total	.	.	.	.	.
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25 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C

27 3. ADIT items related to Plant and not in Columns C & D are included in Column E

28 4. ADIT items related to labor and not in Columns C & D are included in Column F

29 5. If the item giving rise to the ADIT is not included in the formula, the associated  $A$

**New York Transco LLC**

## Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)

## End of Year

B

D

F

F

**G**

Gas, Prod

30	ADIT-283	Or Other	Transmission	Plant	Labor
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## Related

## Related

31b

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33 Less FASB 109 Above if not separately removed

34 Less FASB 106 Above if not separately removed

34

[illegible]

## NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

- 36 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- 37 2. ADIT items related only to Transmission are directly assigned to Column D
- 38 3. ADIT items related to Plant and not in Columns C & D are included in Column E
- 39 4. ADIT items related to labor and not in Columns C & D are included in Column F
- 40 5. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

2014		2014		2014	
Revenue Requirement Billed (Note 1)		Actual Revenue Requirement (Note 2)		Over (Under) Recovery	
\$0	Less	\$0	Equals	\$0	

Interest Rate on Amount of Refunds or Surcharges		Over (Under) Recovery Plus Interest	Monthly Interest Rate on Attachment 7a 0.2708%	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
An over or under collection will be recovered prorata over year collected, held for one year and returned prorata over next year. If the first year is a partial year, the true-up (over or under recovery per month and interest calculation) will reflect only the number of months for which the rate was charged.							
<b>Calculation of Interest</b>					<b>Monthly</b>		
January	Year 2014	-	0.2708%	12	-	-	-
February	Year 2014	-	0.2708%	11	-	-	-
March	Year 2014	-	0.2708%	10	-	-	-
April	Year 2014	-	0.2708%	9	-	-	-
May	Year 2014	-	0.2708%	8	-	-	-
June	Year 2014	-	0.2708%	7	-	-	-
July	Year 2014	-	0.2708%	6	-	-	-
August	Year 2014	-	0.2708%	5	-	-	-
September	Year 2014	-	0.2708%	4	-	-	-
October	Year 2014	-	0.2708%	3	-	-	-
November	Year 2014	-	0.2708%	2	-	-	-
December	Year 2014	-	0.2708%	1	-	-	-
January through December		-	0.2708%	12	-	-	-
<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>					<b>Monthly</b>		
January	Year 2016	-	0.2708%		-	-	-
February	Year 2016	-	0.2708%		-	-	-
March	Year 2016	-	0.2708%		-	-	-
April	Year 2016	-	0.2708%		-	-	-
May	Year 2016	-	0.2708%		-	-	-
June	Year 2016	-	0.2708%		-	-	-
July	Year 2016	-	0.2708%		-	-	-
August	Year 2016	-	0.2708%		-	-	-
September	Year 2016	-	0.2708%		-	-	-
October	Year 2016	-	0.2708%		-	-	-
November	Year 2016	-	0.2708%		-	-	-
December	Year 2016	-	0.2708%		-	-	-
Total Amount of True-Up Adjustment					\$	-	
Less Over (Under) Recovery					\$	-	
Total Interest					\$	-	

Note 1: Revenue requirements billed is input, source data are the invoices from NYISO. The amounts exclude any true ups or prior period adjustments. Note 2: The actual revenue requirement is input from Attachment 4, line 66, column p. The amounts exclude any true-ups or prior period adjustments. Note 3: This "Example" sheet will be populated with actuals and used in each year's annual true-up calculation.

True-Up Interest Calculation

FERC Quarterly Interest Rate		Pursuant to 18 C.F.R. Section 18 35.19 (a)
1	Qtr 3 (Previous Year)	3.25%
2	Qtr 4 (Previous Year)	3.25%
3	Qtr 1 (Current Year)	3.25%
4	Qtr 2 (Current Year)	3.25%
5	Average of the last 4 quarters (Lines 1-4 / 4)	3.25%
6	Interest Rate Used for True-up adjustment (Note B)	0.0325
7	Monthly Interest Rate for Attachment 7 (Line 6 / 12)	0.0027

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan (Note 1)  
New York Transco LLC

SUMMARY								
Revenue Requirement								
YEAR	Estimated Effective cost of debt used in true up	Final Effective cost of debt for the construction loan:	Based on cost of debt used in prior year true-ups (Note 2)	Based on Actual Final Cost of Debt (Note 3)	Over (Under) Recovery	Monthly FERC Refund Interest Rate applicable over the ATRR period	Total Amount of Construction Loan Related True-Up to be included in rates (Refund)/Owed	
2014	7.18%	6.50%	\$ 2,500,000.00	\$ 2,400,000.00	\$ 100,000.00	0.550%	\$	(148,288.33)
2015	6.8%	6.50%	\$ 5,000,000.00	\$ 5,150,000.00	\$ (150,000.00)	0.560%	\$	209,670.43
2016	7.2%	6.50%	\$ 8,300,000.00	\$ 8,200,000.00	\$ 100,000.00	0.540%	\$	(131,109.09)
2017	7.3%	6.50%	\$ 12,300,000.00	\$ 12,000,000.00	\$ 300,000.00	0.580%	\$	(368,656.73)
2018	*	6.50%	\$ 18,000,000.00	\$ 17,900,000.00	\$ 100,000.00	0.570%	\$	(114,946.28)
2018	**	6.50%	\$ 25,000,000.00	\$ 25,000,000.00	\$ -		\$	(553,329.99)

The Hypothetical Example:

\* Assumes that the construction loan is retired on December 31, 2018

\*\* Assumes that the construction loan IRR on Attachment 5 has an effective rate of 6.5%

Calculation of Applicable Interest Expense for each ATRR period

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Hypothetical Interest Rate	Monthly Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
<b>Calculation of Interest for 2014 True-Up Period</b>						
An over or under collection will be recovered prorata over 2014, held for 2015, 2016, 2017, 2018, and 2019 and returned prorata over 2020						
Monthly						
January Year 2014	-	0.5500%	12.00	-	-	-
February Year 2014	-	0.5500%	11.00	-	-	-
March Year 2014	10,000	0.5500%	10.00	(550)	(10,550)	(10,550)
April Year 2014	10,000	0.5500%	9.00	(495)	(10,495)	(10,495)
May Year 2014	10,000	0.5500%	8.00	(440)	(10,440)	(10,440)
June Year 2014	10,000	0.5500%	7.00	(385)	(10,385)	(10,385)
July Year 2014	10,000	0.5500%	6.00	(330)	(10,330)	(10,330)
August Year 2014	10,000	0.5500%	5.00	(275)	(10,275)	(10,275)
September Year 2014	10,000	0.5500%	4.00	(220)	(10,220)	(10,220)
October Year 2014	10,000	0.5500%	3.00	(165)	(10,165)	(10,165)
November Year 2014	10,000	0.5500%	2.00	(110)	(10,110)	(10,110)
December Year 2014	10,000	0.5500%	1.00	(55)	(10,055)	(10,055)
				(3,025)		(103,025)
Annual						
January through December Year 2015	(103,025)	0.5600%	12.00	(6,923)		(109,948)
January through December Year 2016	(109,948)	0.5400%	12.00	(7,125)		(117,073)
January through December Year 2017	(117,073)	0.5800%	12.00	(8,148)		(125,221)
January through December Year 2018	(125,221)	0.5700%	12.00	(8,565)		(133,786)
January through December Year 2019	(133,786)	0.5700%	12.00	(9,151)		(142,937)
<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>						
Monthly						
January Year 2020	142,937			(815)	(12,357)	(131,395)
February Year 2020	131,395	0.5700%		(749)	(12,357)	(119,786)
March Year 2020	119,786	0.5700%		(683)	(12,357)	(108,112)
April Year 2020	108,112	0.5700%		(616)	(12,357)	(96,371)
May Year 2020	96,371	0.5700%		(549)	(12,357)	(84,563)
June Year 2020	84,563	0.5700%		(482)	(12,357)	(72,687)
July Year 2020	72,687	0.5700%		(414)	(12,357)	(60,744)
August Year 2020	60,744	0.5700%		(346)	(12,357)	(48,733)
September Year 2020	48,733	0.5700%		(278)	(12,357)	(36,653)
October Year 2020	36,653	0.5700%		(209)	(12,357)	(24,505)
November Year 2020	24,505	0.5700%		(140)	(12,357)	(12,287)
December Year 2020	12,287	0.5700%		(70)	(12,357)	0
				(5,351)		
Total Amount of True-Up Adjustment for 2014 ATRR				\$	(148,288)	
Less Over (Under) Recovery				\$	100,000	
Total Interest				\$	(48,288)	

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan  
New York Transco LLC

Calculation of Interest for 2015 True-Up Period

An over or under collection will be recovered prorata over 2015, held for 2016, 2017, 2018, and 2019 and returned prorata over 2020

Monthly						
January Year 2015	(12,500)	0.5600%	12.00	840		13,340
February Year 2015					(12,500)	
March Year 2015					(12,500)	
April Year 2015					(12,500)	
May Year 2015					(12,500)	
June Year 2015					(12,500)	

0.5600% (12,500)	11.00	770	13,270
0.5600% (12,500)	10.00	700	13,200
0.5600%	9.00	630	13,130
0.5600%	8.00	560	13,060
0.5600%	7.00	490	12,990

Project Overview							
Project Name	Project Manager	Project Lead	Project Sponsor	Project Stakeholders	Project Objectives	Project Risks	Project Status
Project Details							
Project Description							
Project Scope							
Project Budget							
Project Timeline							
Project Risks							
Project Status							

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NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

July	Year 2015	(12,500)	0.5600%	6.00	420	12,920
August	Year 2015	(12,500)	0.5600%	5.00	350	12,850
September	Year 2015	(12,500)	0.5600%	4.00	280	12,780
October	Year 2015	(12,500)	0.5600%	3.00	210	12,710
November	Year 2015	(12,500)	0.5600%	2.00	140	12,640
December	Year 2015	(12,500)	0.5600%	1.00	70	12,570
					5,460	155,460

**Annual**

January through December	Year 2016	155,460	0.5400%	12.00	10,074	165,534
January through December	Year 2017	165,534	0.5800%	12.00	11,521	177,055
January through December	Year 2018	177,055	0.5700%	12.00	12,111	189,166
January through December	Year 2019	189,166	0.5700%	12.00	12,939	202,104

**Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months**

January	Year 2020	(202,104)	0.5700%	1,152	17,473	185,784
February	Year 2020	(185,784)	0.5700%	1,059	17,473	169,370
March	Year 2020	(169,370)	0.5700%	965	17,473	152,863
April	Year 2020	(152,863)	0.5700%	871	17,473	136,262
May	Year 2020	(136,262)	0.5700%	777	17,473	119,566
June	Year 2020	(119,566)	0.5700%	682	17,473	102,775
July	Year 2020	(102,775)	0.5700%	586	17,473	85,888
August	Year 2020	(85,888)	0.5700%	490	17,473	68,905
September	Year 2020	(68,905)	0.5700%	393	17,473	51,826
October	Year 2020	(51,826)	0.5700%	295	17,473	34,649
November	Year 2020	(34,649)	0.5700%	197	17,473	17,374
December	Year 2020	(17,374)	0.5700%	99	17,473	(0)
					7,566	

Total Amount of True-Up Adjustment for 2015 ATRR

\$ 209,670

Less Over (Under) Recovery

\$ (150,000)

Total Interest

\$ 59,670

**Calculation of Interest for 2016 True-Up Period**

An over or under collection will be recovered prorata over 2016, held for 2017, 2018 and 2019 and returned prorata over 2020

**Monthly**

January	Year 2016	8,333	0.5400%	12.00	(540)	(8,873)
February	Year 2016	8,333	0.5400%	11.00	(495)	(8,828)
March	Year 2016	8,333	0.5400%	10.00	(450)	(8,783)
April	Year 2016	8,333	0.5400%	9.00	(405)	(8,738)
May	Year 2016	8,333	0.5400%	8.00	(360)	(8,693)
June	Year 2016	8,333	0.5400%	7.00	(315)	(8,648)
July	Year 2016	8,333	0.5400%	6.00	(270)	(8,603)
August	Year 2016	8,333	0.5400%	5.00	(225)	(8,558)
September	Year 2016	8,333	0.5400%	4.00	(180)	(8,513)
October	Year 2016	8,333	0.5400%	3.00	(135)	(8,468)
November	Year 2016	8,333	0.5400%	2.00	(90)	(8,423)
December	Year 2016	8,333	0.5400%	1.00	(45)	(8,378)
					(3,510)	(103,510)

**Annual**

January through December	Year 2017	(103,510)	0.5800%	12.00	(7,204)	(110,714)
January through December	Year 2018	(110,714)	0.5700%	12.00	(7,573)	(118,287)
January through December	Year 2019	(118,287)	0.5700%	12.00	(8,091)	(126,378)

**Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months**

January	Year 2020	126,378	0.5700%	(720)	(10,926)	(116,173)
February	Year 2020	116,173	0.5700%	(662)	(10,926)	(105,909)
March	Year 2020	105,909	0.5700%	(604)	(10,926)	(95,587)
April	Year 2020	95,587	0.5700%	(545)	(10,926)	(85,206)
May	Year 2020	85,206	0.5700%	(486)	(10,926)	(74,766)
June	Year 2020	74,766	0.5700%	(426)	(10,926)	(64,266)
July	Year 2020	64,266	0.5700%	(366)	(10,926)	(53,707)
August	Year 2020	53,707	0.5700%	(306)	(10,926)	(43,087)
September	Year 2020	43,087	0.5700%	(246)	(10,926)	(32,407)
October	Year 2020	32,407	0.5700%	(185)	(10,926)	(21,666)
November	Year 2020	21,666	0.5700%	(123)	(10,926)	(10,864)
December	Year 2020	10,864	0.5700%	(62)	(10,926)	0
					(4,731)	

Total Amount of True-Up Adjustment for 2016 ATRR

\$ (131,109)

Less Over (Under) Recovery

\$ 100,000

Total Interest

\$ (31,109)

**Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan  
New York Transco LLC**

**Calculation of Interest for 2017 True-Up Period**

An over or under collection will be recovered prorata over 2017, held for 2018 and 2019, and returned prorata over 2020

**Monthly**

January	Year 2017	25,000	0.5800%	12.00	(1,740)	(26,740)
February	Year 2017				25,000	
March	Year 2017				25,000	
April	Year 2017				25,000	
May	Year 2017				25,000	
June	Year 2017				25,000	

Year 2017  
Year 2017

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0.5800%	25,000	11.00	(1,595)	(26,595)
0.5800%	25,000	10.00	(1,450)	(26,450)
0.5800%		9.00	(1,305)	(26,305)
0.5800%		8.00	(1,160)	(26,160)
0.5800%		7.00	(1,015)	(26,015)
0.5800%		6.00	(870)	(25,870)
0.5800%		5.00	(725)	(25,725)

NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra

September	Year 2017	25,000	0.5800%	4.00	(580)	(25,580)
October	Year 2017	25,000	0.5800%	3.00	(435)	(25,435)
November	Year 2017	25,000	0.5800%	2.00	(290)	(25,290)
December	Year 2017	25,000	0.5800%	1.00	(145)	(25,145)
					(11,310)	(311,310)
<b>Annual</b>						
January through December	Year 2018	(311,310)	0.5700%	12.00	(21,294)	(332,604)
January through December	Year 2019	(332,604)	0.5700%	12.00	(22,750)	(355,354)
<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>						
<b>Monthly</b>						
January	Year 2020	355,354	0.5700%		(2,026)	(326,658)
February	Year 2020	326,658	0.5700%		(1,862)	(297,796)
March	Year 2020	297,796	0.5700%		(1,697)	(268,774)
April	Year 2020	268,774	0.5700%		(1,532)	(239,585)
May	Year 2020	239,585	0.5700%		(1,366)	(210,229)
June	Year 2020	210,229	0.5700%		(1,199)	(180,706)
July	Year 2020	180,706	0.5700%		(1,030)	(151,015)
August	Year 2020	151,015	0.5700%		(861)	(121,154)
September	Year 2020	121,154	0.5700%		(691)	(91,123)
October	Year 2020	91,123	0.5700%		(519)	(60,921)
November	Year 2020	60,921	0.5700%		(347)	(30,721)
December	Year 2020	30,721	0.5700%		(174)	(30,721)
					(13,303)	0
Total Amount of True-Up Adjustment for 2017 ATRR					\$	(368,657)
Less Over (Under) Recovery					\$	300,000
Total Interest					\$	(68,657)
<b>Calculation of Interest for 2018 True-Up Period</b>						
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020						
<b>Monthly</b>						
January	Year 2018	8,333	0.5700%	12.00	(570)	(8,903)
February	Year 2018	8,333	0.5700%	11.00	(523)	(8,856)
March	Year 2018	8,333	0.5700%	10.00	(475)	(8,808)
April	Year 2018	8,333	0.5700%	9.00	(428)	(8,761)
May	Year 2018	8,333	0.5700%	8.00	(380)	(8,713)
June	Year 2018	8,333	0.5700%	7.00	(333)	(8,666)
July	Year 2018	8,333	0.5700%	6.00	(285)	(8,618)
August	Year 2018	8,333	0.5700%	5.00	(238)	(8,571)
September	Year 2018	8,333	0.5700%	4.00	(190)	(8,523)
October	Year 2018	8,333	0.5700%	3.00	(143)	(8,476)
November	Year 2018	8,333	0.5700%	2.00	(95)	(8,428)
December	Year 2018	8,333	0.5700%	1.00	(48)	(8,381)
					(3,705)	(103,705)
<b>Annual</b>						
January through December	Year 2019	(103,705)	0.5700%	12.00	(7,093)	(110,798)
<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>						
<b>Monthly</b>						
January	Year 2020	110,798	0.5700%		(632)	(101,851)
February	Year 2020	101,851	0.5700%		(581)	(92,853)
March	Year 2020	92,853	0.5700%		(529)	(83,803)
April	Year 2020	83,803	0.5700%		(478)	(74,702)
May	Year 2020	74,702	0.5700%		(426)	(65,549)
June	Year 2020	65,549	0.5700%		(374)	(56,344)
July	Year 2020	56,344	0.5700%		(321)	(47,086)
August	Year 2020	47,086	0.5700%		(268)	(37,776)
September	Year 2020	37,776	0.5700%		(215)	(28,412)
October	Year 2020	28,412	0.5700%		(162)	(18,995)
November	Year 2020	18,995	0.5700%		(108)	(9,525)
December	Year 2020	9,525	0.5700%		(54)	(9,525)
					(4,148)	0
Total Amount of True-Up Adjustment for 2018 ATRR					\$	(114,946)
Less Over (Under) Recovery					\$	100,000
Total Interest					\$	(14,946)

Note 1: This 'Hypothetical Example' sheet will be populated with actuals and used in each year's annual true-up calculation.

Note 2: Enter the revenue requirement from the true-up for that year (Note 2)

Note 3: Enter the revenue requirement from re-running the prior year true-ups with the final cost of debt once all inputs to Attachment 5 are based on actual data.

**Attachment 9 - Depreciation and Amortization  
Rates  
New York Transco LLC**

Account Number	FERC Account	Rate (Annual) Percent
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# **TRANSMISSION PLANT**

1 350.1	Land Rights	1.02
2 352	Structures and Improvements	2.05
3 353	Station Equipment	2.26
4 354	Towers and Fixtures	2.04
5 355	Poles and Fixtures	2.24
6 356	Overhead Conductor and Devices	2.22
7 357	Underground Conduit	2.05
8 358	Underground Conductor and Devices	2.39
9 359	Roads & Trails	1.17
10 <b>PRODUCTION PLANT</b>	All Accounts	0.00
11 <b>DISTRIBUTION PLANT</b>	All Accounts	0.00

# **GENERAL PLANT**

12 390	Structures & Improvements	3.36
13 391	Office Furniture & Equipment	5.24
14 392	Transportation Equipment	9.78
15 393	Stores Equipment	3.91
16 394	Tools, Shop & Garage Equipment	4.68
17 395	Laboratory Equipment	3.75
18 396	Power Operated Equipment	7.62
19 397	Communication Equipment	3.82
20 398	Miscellaneous Equipment	4.55

# **INTANGIBLE PLANT**

21 303	Miscellaneous Intangible Plant	
	5 Yr	20.00
	7 Yr	14.29
	10 Year	10.00
	15 year	6.67
	Transmission facility Contributions in Aid of Construction	Note 1

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

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Note 1: In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying plant booked to the accounts shown in lines 1-7 above and the weighted average depreciation rate will be used to amortize the CIAC. Once determined for a particular CIAC, the rate will not change for that CIAC absent Commission approval.

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									Attachment 10 - Worksheets New York Transco LLC																			
Regulatory Assets		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)
No.	Project Name	Recovery Amnt Approved *	Recovery Period Months *	Monthly Amort Exp (b) / (c)	Amort Periods this year	Current Amort Expense x (e)	% Allocated to Formula Rate (d) / (f)	Amort Exp in Formula Rate** (f) x (g)		Dec. 31	Jan. 31	Feb. 28/29	Mar. 31	Apr. 30	May 31	Jun. 30	Jul. 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Avg Unamortized Balance Sum (i) through (u) / 13	% Approved for Rate Base *	Allocated to Formula Rate (from (g))	Rate Base Balance (v) x (w) x (x)	Project Code	Docket No
1a	-	-	-	-	-	-	-	-	-	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	-	-	-	-	-	-
1b	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1c	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Total Regulatory Asset in Rate Base (sum lines 1a-1c):								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Non-zero values in these columns may only be established per FERC order																												
**All amortizations of the Regulatory Asset are to be booked to Account 566																												
Abandoned Plant		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)
No.	Project Name	Recovery Amnt Approved *	Recovery Period Months *	Monthly Amort Exp (b) / (c)	Amort Periods this year	Current Amort Expense x (e)	% Allocated to Formula Rate (d) / (f)	Amort Exp in Formula Rate (f) x (g)		Dec. 31	Jan. 31	Feb. 28/29	Mar. 31	Apr. 30	May 31	Jun. 30	Jul. 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Avg Unamortized Balance Sum (i) through (u) / 13	% Approved for Rate Base *	Allocated to Formula Rate (from (g))	Rate Base Balance (v) x (w) x (x)	Project Code	Docket No
3a	-	-	-	-	-	-	-	-	-	2014	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	-	-	-	-	-	-
3b	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3c	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Total Abandoned Plant in Rate Base (sum lines 3a-3c):								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Non-zero values in these columns may only be established per FERC order																												
Land Held for Future Use (LHFU)		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)
No.	Subaccount No.	Item Name	Land Held for Future Use and Estimated Date	Dec. 31	Jan. 31	Feb. 28/29	Mar. 31	Apr. 30	May 31	Jun. 30	Jul. 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Average of Columns (d) Through (s)											
5a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5b	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5c	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5d	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5e	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5f	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Total LHFU in rate base (sum lines 5a-5f):				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CWIP in Rate Base		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)
No.	Project Name	job ID	Date	service date	Approval Doc. No.	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	Avg (f) through (r)	% approved for recovery	Rate Base Amnt (s) x (t)						
7a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,892,308	0.0%	-	-	-	-	-	-	-
7b	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
7c	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
7d	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
7e	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
7f	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-

[illegible][illegible]



### **36.3.1.2 Formula Rate Implementation Protocols**

The formula rate template (“Template”) and these Formula Rate Implementation Protocols (“Protocols”) together comprise the filed rate (“Formula Rate”) of NY Transco for transmission revenue requirement determinations under the ISO OATT. NY Transco shall follow the instructions specified in the Formula Rate to calculate annually its Net Adjusted Revenue Requirement, as set forth at page 1, line 5 of the Template (“Net Adjusted Revenue Requirement”). The Net Adjusted Revenue Requirement shall be determined for January 1 to December 31 of a given calendar year (the “Rate Year”). The Formula Rate shall become effective for recovery of NY Transco’s Net Adjusted Revenue Requirement upon the effective date for incorporation into the ISO OATT through an appropriate filing with the Federal Energy Regulatory Commission (“FERC” or “Commission”) under Section 205 of the Federal Power Act (“FPA”).

#### **Section 1. Annual Projection**

- a. No later than September 30 preceding the first Rate Year, and each subsequent Rate Year, NY Transco shall determine its projected Net Adjusted Revenue Requirement for the upcoming Rate Year in accordance with NY Transco’s Formula Rate (“Annual Projection”). The Annual Projection shall include the True-up Adjustment described and defined in Section 2 below, if applicable. NY Transco shall cause an electronic version of the Annual Projection to be posted in both a Portable Document Format and fully-functioning Excel file fully populated with formulas intact at a publicly accessible location on ISO’s internet website.

Such posting shall include (i) all inputs in sufficient detail to identify the components of NY Transco's projected Net Adjusted Revenue Requirement, and

(ii) explanations of the bases for the projections and input data to demonstrate that each input to the formula rate is consistent with the requirements of the formula rate. If the date for making such posting of the Annual Projection should fall on a weekend or a holiday recognized by FERC, then the posting shall be made no later than the next business day. NY Transco shall electronically serve each Annual Projection upon the Service List.<sup>2</sup>

- b. If NY Transco makes changes in the Annual Projection for a given Rate Year, NY Transco shall cause such revised Annual Projection to be promptly posted at a publicly accessible location on the ISO internet website and shall electronically serve a link to the website upon the Service List. Changes posted prior to October 31 of the preceding Rate Year, or the next business day if October 31 is not a business day (or such later date as can be accommodated under the ISO's billing practices), shall be reflected in the Annual Projection for the Rate Year; changes posted after that date will be reflected, as appropriate, in the True-up Adjustment for the Rate Year.
- c. The Annual Projection, including the True-Up Adjustment, for each Rate Year shall be subject to review, challenge, true-up and refunds or surcharges with interest, to the extent and in the manner provided in these Protocols.

<sup>2</sup> As used in these protocols, "Service List" shall include but not be limited to (i) the email list of ISO OATT Transmission Customers maintained by the ISO; (ii) any state regulatory agency with rate jurisdiction over a public utility located within the ISO footprint; and (iii) any consumer advocate agency authorized by state law to review and

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contest the rates for any such public utility, provided such consumer advocate agency requests to be placed on the  
Service List and provides an e-mail address to NY Transco.

## **Section 2. True-up Adjustment**

NY Transco will calculate the amount of under- or over-collection of its actual Net Revenue Requirement, as set forth at page 1, line 3 of the Template during the preceding Rate Year (“True-up Adjustment”) after the FERC Form No. 1 data for that Rate Year has been filed with the Commission. The True-up Adjustment shall be the sum of components a and b, determined in the following manner:

- a. NY Transco’s projected Net Revenue Requirement collected during the previous Rate Year<sup>3</sup> will be compared to NY Transco’s actual Net Revenue Requirement for the previous Rate Year calculated in accordance with NY Transco’s Formula Rate and based upon (i) NY Transco’s FERC Form No. 1 for that same Rate Year, (ii) any FERC orders specifically applicable to NY Transco’s calculation of its annual revenue requirement, (iii) the books and records of NY Transco (which shall be maintained consistent with the FERC Uniform System of Accounts (“USofA”)), (iv) FERC accounting policies and practices applicable to the calculation of annual revenue requirements under formula rates, and (v) any aspects of the ISO OATT and other governing documents that apply to the calculation of annual revenue requirements under individual transmission owner formula rates, to determine any over- or under-recovery (“True-up Adjustment Over/Under Recovery”). NY Transco will include a variance analysis of, at minimum, actual revenue requirement components of rate base, operating and

<sup>3</sup> If the initial year of this rate schedule is a partial year, the initial projected Net Revenue Requirement will be divided by the number of months the Formula Rate is in effect to calculate the monthly projected cost of service to be collected each month of the first year. Similarly, the actual Net Revenue Requirement will be divided by the number of months the rate is in effect to calculate the actual cost of service to be collected each month of the first

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year. The first True-up Adjustment will compare the projected Net Revenue Requirement billed and the actual Net  
Revenue Requirement for that initial Rate Year.

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maintenance expenses, depreciation and amortization expense, taxes, return on rate base, and revenue credits as compared to the corresponding components in the projected revenue requirement that was calculated for the prior Rate Year with an explanation of all changes.

- b. Interest on any True-up Adjustment Over/Under Recovery of the actual Net Revenue Requirement shall be calculated in accordance with the Formula Rate Attachment 7a.

### **Section 3. Annual Update**

- a. On or before June 30 following each Rate Year, NY Transco shall calculate its actual Net Adjusted Revenue Requirement, including the True-up Adjustment as described in Section 2 (“Annual Update”) for such Rate Year, and shall cause such Annual Update to be posted, in both a Portable Document Format and fullyfunctioning Excel format containing the populated template with formula intact for that year’s update, at a publicly accessible location on the ISO internet website, and electronically serve a link to the website upon the Service List. In addition, the Annual Update shall be contemporaneously submitted as an informational filing with the FERC.
- b. If the date for making the Annual Update posting should fall on a weekend or a holiday recognized by the FERC, then the posting shall be due on the next business day.
- c. The date on which the last of the events listed in Section 3.a or 3.b occurs shall be

that year's "Publication Date." Any delay past the date on which the last of the events listed in Section 3.a or 3.b occurs shall result in an equivalent extension of

time for the submission of information requests and challenges, as described in Sections 4 and 5 below.

- d. Together with the posting of the Annual Update, NY Transco shall cause to be posted on the ISO website the time, date and location for a stakeholder meeting including but not limited to (i) any Eligible Customer under the ISO OATT; (ii) any regulatory agency with rate jurisdiction over a public utility located within the ISO footprint; (iii) any consumer advocate authorized by state law to review and contest the rates for any such public utility, or (iv) any party with standing under FPA Section 205 or 206 (collectively, "Interested Persons") in order for NY Transco to explain its Annual Update and to provide Interested Persons an opportunity to seek information and clarifications regarding the Annual Update ("Stakeholder Meeting"). NY Transco shall accommodate interested parties that wish to participate in the Stakeholder Meeting via teleconference or webinar. The Stakeholder Meeting shall be held no less than twenty (20) business days and no more than thirty (30) business days after June 30.
- e. The Annual Update for the Rate Year:
  - (i) Shall provide, via the Formula Rate worksheets, sufficiently detailed supporting documentation for data (and all adjustments thereto or allocations thereof) used in the Formula Rate that are not stated in the FERC Form No. 1 to enable any interested party to replicate the calculation of the Formula Rate.<sup>4</sup>

<sup>4</sup> It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate for purposes of determining the actual Net Adjusted Revenue Requirement for a given Rate Year will be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. If the referenced form is superseded, the successor form(s) shall be utilized and supplemented as necessary to provide equivalent information as that provided in the

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superseded form. If the referenced form is discontinued, equivalent information as that provided in the discontinue  
form shall be utilized.

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- (ii) Shall provide supporting documentation and workpapers for the data used in the Annual Update that are not otherwise available in the FERC Form No. 1, including all adjustments made to the FERC Form No. 1 data in determining formula inputs.
- (iii) Shall include a variance analysis of, at minimum, actual revenue requirement components of rate base, operating and maintenance expenses, depreciation and amortization expense, taxes, return on rate base, and revenue credits as compared to the corresponding components in the projected revenue requirement that was calculated for the prior Annual Update with an explanation of changes.
- (iv) Shall provide notice and a narrative summary of all changes in NY Transco's accounting policies and practices from those in effect for the calendar year upon which the immediately preceding Annual Update was based that affect the Formula Rate or calculation of the Annual Update ("Accounting Change(s)"). Accounting Changes may, among other things, include: (1) the initial implementation of an accounting standard or policy, (2) the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction, (3) corrections of mistakes and prior period adjustments,<sup>5</sup> (4) the implementation of new estimation methods or policies that change prior estimates, and (5) changes to income tax elections. Such notice shall also include (1) those changes that could impact the Formula Rate or the calculations under the Formula Rate within the next three years; and

<sup>5</sup> For purposes of these Protocols, "mistakes" shall mean errors or omissions regarding the values inputted into the Formula Rate template, such as, but not limited to, arithmetic and other inadvertent computational errors, erroneous Form No. 1 references, or the like. Mistakes shall not include matters involving exercise of judgment or substantive

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differences of opinion regarding the derivation of an input that is more properly the subject of the annual review  
process.

- (2) any changes in the ISO OATT from the provisions of the ISO OATT in effect during the calendar year upon which the most recent Net Revenue Requirement was based and that could impact the Formula Rate or the calculations under the Formula Rate within the next three years.
- (v) Shall be subject to review and challenge in accordance with the procedures set forth in Sections 4, 5, and 6 of these Protocols.
  - (vi) Shall be subject to review and challenge in accordance with the procedures set forth in these Protocols with respect to the prudence of any costs and expenditures included for recovery in the Annual Update; provided, however, that nothing in these Protocols is intended to modify the Commission's applicable precedent with respect to the burden of going forward or burden of proof under formula rates in such prudence challenges; and
  - (vii) Shall not seek to modify the Formula Rate and shall not be subject to challenge by any Interested Person seeking to modify the Formula Rate (*i.e.*, any modifications to the Formula Rate will require, as applicable, an FPA Section 205 or Section 206 filing or initiation of a Section 206 investigation).
  - (viii) Shall provide support for any deferred income tax account balances, including any Statement of Financial Accounting Standard Nos. 106 and 109 Adjustments.
  - (ix) Shall identify and provide support for any costs and expenses related to any merger or acquisition of a jurisdictional facility (including, but not limited to, acquisition premiums and goodwill) that have been included in the Annual Update, including a citation to the FERC order approving the recovery of such costs and expenses; otherwise, any such costs that have been reported in the

FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update.

- (x) Shall identify any asset retirement obligations (“ARO”) included in the Annual Update, including a citation to the FERC order approving recovery of the ARO; otherwise, any such items reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update.
- (xi) Shall identify the specific amounts included in the annual Update related to each transmission incentive project, a citation to the proceeding in which FERC granted the incentive, and provide a derivation of the value for each project. (xii)

Shall include a worksheet listing all the errors and corrections agreed to by NY

Transco and any interested parties, or ordered by FERC, related to the previous Rate Year that have been incorporated into the current Annual Update.

- f. The following Formula Rate inputs shall be stated values to be used in the Formula Rate until changed pursuant to an FPA Section 205 or 206 proceeding:
  - (i) rate of return on common equity (“ROE”); (ii) “Post-Employment Benefits other than Pensions” pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for Postretirement Benefits Other Than Pensions (“PBOP”) charges; and (iii) the depreciation and/or amortization rates as set forth in Attachment 9 to the Formula Rate template. No changes may be made to the ROE, capital structure, PBOP expenses, or depreciation and/or amortization rates absent a filing under Sections 205 or 206 of the Federal Power Act.
- g. Example - Timeline for 2015 Annual Update:

On or before September 30 of the first year, NY Transco will determine the projected Net Adjusted Revenue Requirement for the second year, which is expected to be the first year that costs are recovered from ISO customers under the Formula Rate. NY Transco will post the Annual Projection for the second Rate Year in accordance with Section 1 above. NY Transco will not determine a True-up Adjustment or post an Annual Update on August 1 of the second year if no costs have been recovered under the Formula Rate during the first year. On or before September 30 of the second year, NY Transco will post the Annual Projection for the third Rate Year. On or before August 1 of the third year, NY Transco will post its first Annual Update, consisting of the True-up Adjustment for the second Rate Year determined pursuant to Section 2 above. Such True-up Adjustment will be reflected in the Annual Projection of the Net Adjusted Revenue Requirement for the fourth Rate Year posted on or before September 30 of the third year. The Annual Update posted August 1 of the third year will be subject to the customer review and challenge procedures described in Sections 4, 5, and 6 of these Protocols.

#### **Section 4. Annual Review Procedures**

Each Annual Update shall be subject to the following review procedures (“Annual Review Procedures”):

- a. Interested Persons shall have up to the latest of one hundred fifty (150) calendar

days after the Publication Date, thirty (30) calendar days after the receipt of all responses to timely submitted information requests (unless such period is extended with the written consent of NY Transco), or thirty (30) calendar days

after resolution of a dispute that does not result in the production of additional information (“Review Period”), to review the calculations and to notify NY Transco in writing of any specific challenges, including but not limited to challenges related to Accounting Changes and to the Annual Update (“Preliminary Challenge”). Interested persons may challenge through a Preliminary Challenge or a Formal Challenge: (1) whether NY Transco has properly calculated the Annual Update under review (including any corrections pursuant to Section 6); (ii) whether the costs included in the Annual Update are properly recordable and recorded, prudent, reasonable, and incurred according to appropriate procurement methods and cost control methodologies and otherwise consistent with NY Transco’s accounting policies, practices and procedures consistent with the USofA; (iii) whether the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (iv) the effect of Accounting Changes; and (v) whether the Formula Rate has been applied according to its terms, including the procedures in these Protocols. NY Transco shall promptly cause to be posted all Preliminary Challenges at a publicly accessible location on the ISO internet website and a link to the website will be electronically served upon the Service List. Any Formal Challenges are to be filed in the NY Transco’s informational filing dockets.

NY Transco shall respond in writing to a Preliminary Challenge within twenty (20) business days of receipt, and its response shall notify the challenging party of the extent to which NY Transco agrees or disagrees with the challenge. If NY Transco disagrees with the Preliminary Challenge, its response shall

include supporting documentation. NY Transco shall promptly cause to be posted responses to all Preliminary Challenges at a publicly accessible location on the ISO internet website and a link to the website will be electronically served upon the Service List.

- b. Interested Persons shall have up to one hundred twenty (120) calendar days after each annual Publication Date (unless such period is extended with the written consent of NY Transco) to serve reasonable information requests on NY Transco. Information requests shall be limited to what is necessary to determine if: (i) NY Transco has properly calculated the Annual Update under review (including any corrections pursuant to Section 6); (ii) the costs included in the Annual Update are properly recordable and recorded, reasonable, prudent, and incurred according to appropriate procurement methods and cost control methodologies and otherwise consistent with NY Transco's accounting policies, practices and procedures consistent with the USofA; (iii) the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (iv) the effect of Accounting Changes; (v) the Formula Rate has been applied according to its terms, including the procedures in these Protocols; and (vi) any other information that may reasonably have substantive effect on the calculation of the revenue requirement pursuant to the Formula Rate. NY Transco shall cause any information requests received to be posted at a publicly accessible location on the ISO internet website and shall electronically serve a link to the website upon the Service List. The information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.

- c. NY Transco shall make a good faith effort to respond to information requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. In the event an information request is not provided within 10 business days, the parties will mutually agree on an extension of the Review Period.

To the extent NY Transco and any Interested Person(s) are unable to resolve disputes related to information requests submitted in accordance with these Annual Review Procedures, NY Transco or any Interested Person may petition the FERC to appoint an Administrative Law Judge as a discovery master to resolve the discovery dispute(s) in accordance with these Protocols and consistent with the FERC's discovery rules. NY Transco shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege, in any subsequent FERC proceeding addressing NY Transco's Annual True-Up or Projected Net Revenue Requirement.

- d. Failure to pursue an issue through a Preliminary Challenges or to otherwise lodge a Formal Challenge regarding any issue as to a given Annual Update only bars pursuit of such issue with respect to that Annual Update, and in no event shall bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual Update.
- e. If a change made by NY Transco to its accounting policies, practices or procedures, or their application to the Formula Rate, pursuant to Section 3(e)(iv) of these Protocols is found by the FERC to be unjust, unreasonable, and/or unduly discriminatory or preferential, then the calculation of the charges to be assessed

during the Rate Year then under review, and the charges to be assessed during any subsequent Rate Years, including any True-up Adjustments, shall not include such change, but shall include any lawful remedy that may be prescribed by FERC to ensure that the Formula Rate continues to operate in a manner that is just, reasonable, and not unduly discriminatory or preferential.

## **Section 5. Resolution of Challenges**

- a. NY Transco shall appoint a senior representative to attempt to resolve any Preliminary Challenge. If NY Transco and any Interested Person have not resolved any Preliminary Challenge to the Annual Update within sixty (60) calendar days after the end of the Review Period (unless such period is extended with the written consent of NY Transco to continue efforts to resolve the Preliminary Challenge), such Interested Person may, within thirty (30) calendar days thereafter, file a challenge with the FERC ("Formal Challenge"), which shall be served on NY Transco by electronic service on the date of such filing. Subject to any applicable confidentiality and Critical Energy Infrastructure Information restrictions, all information and correspondence produced by NY Transco pursuant to these Protocols may be included in any Formal Challenge or other FERC proceeding relating to the Formula Rate. Failure to raise an issue in a Preliminary Challenge shall not bar an Interested Person from raising that issue in a Formal Challenge.
- b. Any response by NY Transco to a Formal Challenge must be submitted to the FERC within thirty (30) calendar days of the date of the filing of the Formal

Challenge, and NY Transco shall serve on the filing party(ies) and the Service List by electronic service on the date of such filing.

- c. In any proceeding concerning a given year's Annual Update (including corrections) or Accounting Change(s), NY Transco shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the Formula Rate consistent with these Protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- d. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of NY Transco to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, an application seeking changes to the Formula Rate or to any of the stated value inputs requiring a Section 205 filing under these Protocols (including, but not limited to, ROE, depreciation and amortization rates, and PBOPs), or the right of any other party or the Commission to seek such changes pursuant to Section 206 of the FPA and the regulations thereunder.
- e. NY Transco may, at its discretion and at a time of its choosing, make a limited filing pursuant to Section 205 to modify stated values in the Formula Rate for amortization and depreciation rates, or PBOP rates. The sole issue in any such limited Section 205 proceeding shall be whether such proposed change(s) is just and reasonable, and it shall not address other aspects of the Formula Rate.

## **Section 6. Changes to Annual Updates**

If NY Transco determines or concedes that corrections to the Annual Update are required, whether under Sections 4 or 5 of these Protocols, including but not limited to those requiring corrections to its FERC Form No. 1, or input data used for a Rate Year that would have affected the Annual Update for that Rate Year, NY Transco shall promptly notify the Service List, file a correction to the Annual Update with the FERC as an amended informational filing, and cause such information to be posted at a publicly accessible location on the ISO internet website. Such corrections shall be subject to review at the time they are made and shall be reflected in the next Annual Update, with interest. A corrected posting shall reset the deadlines under Section 4 and 5 of the Protocols for Interested Person review and the revised dates shall run from the posting date(s) for each of the corrections. The scope of review shall be limited to the aspects of the Formula Rate affected by the corrections. Interest on any over- or under-recovery due to corrections for preceding True-up Adjustments shall be calculated monthly on such over- or under-recovery from January 1 of the corrected Rate Year through December 31 of the Rate Year in which such over- or under-recovery is reflected ("Correction Period"). The applicable monthly interest rates for the Correction Period for an over-recovery shall be determined in accordance with the Formula Rate true-up worksheet divided by twelve (12) for each month from the beginning of the Correction Period through December 31 of the Rate Year immediately preceding the Rate Year in which such over-recovery is reflected. The applicable monthly interest rates for the Correction Period for an under-recovery shall be the annual interest rate determined in accordance 18 C.F.R § 35.19a divided by twelve (12) for each month from the beginning of the Correction Period through December 31 of the Rate Year immediately preceding the Rate Year in which such under-recovery is reflected.

## **Section 7. Construction Work in Progress**

- a. *Accounting.* For each transmission project for which NY Transco has been authorized by a Commission order to include Construction Work in Progress (“CWIP”) in transmission rate base (“CWIP Project”), NY Transco shall use the following accounting procedures to ensure that it does not recover an Allowance for Funds Used During Construction (“AFUDC”) for such project.
  - (i) NY Transco shall assign each CWIP Project a unique Funding Project Number (“FPN”) for internal cost tracking purposes. For a CWIP Project for which the NY Transco is recovering less than 100% of CWIP in rate base, two FPNs will be assigned, one reflecting the CWIP balance in rate base and the other reflecting the balancing accruing AFUDC. NY Transco will assign FPNs in such a way that an Interested Person can identify that the balances are associated with the same project.
  - (ii) NY Transco shall record actual construction costs to each FPN through work orders that are coded to correspond to the FPN for each CWIP Project. Such work orders shall be segregated from work orders for transmission projects for which the Commission has not authorized NY Transco to include CWIP in rate base.
  - (iii) For each CWIP Project for which NY Transco is allowed to include 100% of CWIP in rate base, NY Transco shall ensure that no AFUDC will be accrued under the associated FPN.
  - (iv) For each CWIP Project, NY Transco shall prepare monthly work order summaries

of costs incurred under the associated FPN. These summaries shall show monthly additions to CWIP and plant in service and shall correspond to amounts recorded

in NY Transco's FERC Form No. 1. NY Transco shall use these summaries as data inputs into the Annual Update calculated pursuant to Section 3 and shall make such work order summaries available upon request pursuant to the review procedures of Section 4.

- (v) When a CWIP Project is, or portion thereof, is placed into service, NY Transco shall deduct from total CWIP the accumulated charges for work orders under the FPN for that project, or portion thereof. The purpose of this control process is to ensure that expenditures are not double counted as both CWIP and as additions to plant.
- (vi) For transmission projects for which the Commission has not authorized NY Transco to include CWIP in rate base, NY Transco shall record AFUDC to be applied to CWIP and capitalized when the project is placed into service.
- b. *Annual Reporting.* For each CWIP Project, NY Transco shall file a report with the Commission at the time of NY Transco's Annual Update that shall include the following information concerning each such project:
  - (i) the actual amount of CWIP recorded for each project;
  - (ii) any amounts recorded in related FERC accounts or subaccounts, such as AFUDC and regulatory liability;
  - (iii) the resulting effect of CWIP on the revenue requirement;
  - (iv) a statement of the current status of each project; and the estimated in-service date for each project.