# 14 Attachment H - Annual Transmission Revenue Requirement for Point-To-Point Transmission Service and Network Integration Transmission Service

14.1 Transmission Service Charge (“TSC”)

14.1.1 Applicability of the Transmission Service Charge to Wholesale Customers

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

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

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

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

14.1.1.3.1 a Transmission Owner’s use of its own system to provide bundled retail service to its Native Load Customers pursuant to a retail service tariff on file with the PSC or, in the case of LIPA, has been approved by the Long Island Power Authority’s Board of Trustees;

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

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

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

14.1.2 Wholesale TSC Calculation

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

14.1.2.1 Wholesale TSC Formula

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

WHOLESALE TSC = {(RR~~:~~12) + (CCC~~:~~12) - SR - ECR - CRR - WR - Reserved}/(BU~~:~~12).

Where:

RR = The Annual Transmission Revenue Requirement, as stated in Table 1 of this Attachment. Gross Receipts Tax (“GRT”) treatment by each individual company is described in Section 14.1.7. Revenues from grandfathered agreements listed on Attachment H-1 are treated as a revenue credit in the RR;

CCC = The annual Scheduling, System Control and Dispatch Costs of the individual Transmission Owner (*i.e.*, the transmission component of control center costs) as stated on Table 1 of this Attachment;

SR = The Transmission Owner’s revenues associated with the sale of certain TCCs, as described in Section 14.1.2.1.1 of this Attachment;

ECR = The Transmission Owner's share of Net Congestion Rents in a month, calculated pursuant to Attachment N of the OATT;

CRR = The Transmission Owner's Congestion Payments received from Grandfathered TCCs and Imputed Revenues from Grandfathered Rights from ETA's, the expenses for which are included in the Transmission Owner's Revenue Requirement;

WR = The Transmission Owner's revenues from external sales (Wheels Through and Export Transactions) not associated with Existing Transmission Agreements included in Attachment L, Tables 18.1, 18.2 and 18.3 and wheeling revenue, associated with OATT reservations extending beyond the start-up of the ISO. (i.e., grandfathered OATT agreements), as described in Section 14.1.2.1.2 of this Attachment;

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

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

**14.1.2.1.1 Elements of SR Component**

SR = SR1 + SR2 + SR3 + SR4.

SR1 will equal the revenues from the Direct Sale by the Transmission Owner of Original Residual TCCs, TCCs derived from Existing Transmission Capacity for Native Load, and Grandfathered TCCs associated with ETAs, the expenses for which are included in the Transmission Owner’s Revenue Requirements where the Transmission Owner is the Primary Holder of said TCCs. SR1 for a month in which a Direct Sale is applicable shall equal the total nominal revenue that the Transmission Owner will receive under each applicable TCC sold in a Direct Sale divided by the duration of that TCC (in months).

SR2 will equal the Transmission Owner's revenues from the Centralized TCC Auctions and Reconfiguration Auctions allocated pursuant to Attachments N. SR2 includes revenues from: (a) TCCs associated with Residual Transmission Capacity that are sold in the Centralized TCC Auctions and Reconfiguration Auctions; (b) the sale of Grandfathered TCCs associated with ETAs, if the expenses for those ETAs are included in the Transmission Owner’s Revenue Requirements; and (c) TCCs derived from Existing Transmission Capacity for Native Load that are sold in the Centralized TCC Auction.

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

SR3 shall equal the Transmission Owner’s share of revenues from the award and renewal of Historic Fixed Price TCCs (including extensions of Historic Fixed Price TCCs awarded pursuant to Section 19.2.1.4 of Attachment M of the OATT), as determined pursuant to Section 20.4 of Attachment N. The share of revenues allocated to a Transmission Owner pursuant to Section 20.4 of Attachment N shall be adjusted after each Centralized TCC Auction and divided equally across the months for which the Historic Fixed Price TCCs (including extensions of Historic Fixed Price TCCs awarded pursuant to Section 19.2.1.4 of Attachment M of the OATT) that were awarded or renewed prior to the relevant Centralized TCC Auction are valid. Notwithstanding anything to the contrary herein, with respect to the Transmission Owner’s share of any revenues for Historic Fixed Price TCCs that took effect on or before November 1, 2016, such revenues (or any portion thereof) shall be accounted for in SR3 by dividing such revenues (or any portion thereof) equally across the six months of the first Capability Period following the effective date of this provision provided that the NYISO has informed the Transmission Owner of its respective share of such revenues (or any portion thereof) at least two weeks prior to the start of such Capability Period, otherwise such revenues (or any remaining portion thereof) shall be accounted for in SR3 by dividing such revenues (or any remaining portion thereof) equally across the six months of the Capability Period that follows the first Capability Period following the effective date of this provision.

SR4 shall equal the Transmission Owner’s share of revenues from the initial award and renewal of Non-Historic Fixed Price TCCs, as determined pursuant to Section 20.5 of Attachment N. The share of revenues allocated to a Transmission Owner pursuant to Section 20.5 of Attachment N shall be adjusted after each Centralized TCC Auction and divided equally across the months for which the Non-Historic Fixed Price TCCs that were initially awarded or renewed as part of the relevant Centralized TCC Auction are valid. Notwithstanding anything to the contrary herein, with respect to the Transmission Owner’s share of any revenues for Non-Historic Fixed Price TCCs that took effect on or before May 1, 2017, such revenues (or any portion thereof) shall be accounted for in SR4 by dividing such revenues (or any portion thereof) equally across the six months of the first Capability Period that commences following the effective date of this provision provided that the NYISO has informed the Transmission Owner of its respective share of such revenues (or any portion thereof) at least two weeks prior to the start of such Capability Period, otherwise such revenues (or any remaining portion thereof) shall be accounted for in SR4 by dividing such revenues (or any remaining portion thereof) equally across the six months of the Capability Period that follows the first Capability Period that commences following the effective date of this provision.

14.1.2.1.2 Elements of the WR Component

The WR component will equal the sum of: (1) TSC revenues received from new external transactions (Wheels Through and Export Transactions); (2) transmission revenues received under grandfathered OATT agreements and actual revenues under Schedule 1 to the grandfathered OATT agreements, but not under Schedules 2 through 6 to the grandfathered OATT agreements; and (3) any revenues related to pre-OATT grandfathered arrangements if the transmission owner increased its OATT revenue requirement to derive its RR component to reflect the fact that revenues related to such transactions are at risk due to options available to the customers resulting from the current restructuring, and the customer retains its grandfathered arrangement.

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

14.1.2.1.2.1 Treatment of Schedule 1 Associated with Grandfathered OATT Service

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

14.1.2.1.3 Elements of the Reserved Component

Reserved = Reserved1 + Reserved2 + Reserved3 + Reserved4

Reserved1 will equal the Transmission Owner's Congestion payments for a month received pursuant to Section 20.2.3 of Attachment N of this Tariff for the Transmission Owner’s ETCNL TCCs.

Reserved2 will equal the Transmission Owner's Congestion payments for a month received pursuant to Section 20.2.3 of Attachment N of this Tariff for the Transmission Owner’s RCRR TCCs.

Reserved3 will equal the value that a Transmission Owner receives for the sale of its ETCNL TCCs in a month, with the value for each ETCNL TCC sold divided equally over the month(s) for which that sold ETCNL TCC is valid.

Reserved4 will equal the value that a Transmission Owner receives for the sale of its RCRR TCCs in a month, with the value for each RCRR TCC sold divided equally over the month(s) for which that sold RCRR TCC is valid.

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

Each Member System is responsible for calculating: (1) the RR component of its TSC charge; (2) the CCC component of its TSC charge; (3) the SR1 portion of the SR component of its TSC charge; and (4) the BU component of its TSC charge.

The NYISO is responsible for calculating or providing the information necessary to calculate: (1) the SR2, SR3 and SR4 portions of the SR component of each Member System's TSC charge based on information provided by the Member System and information derived from ISO operation; (2) the ECR component of each Member System's TSC charge based on information derived from ISO operation; (3) the CRR component of each Member System's TSC charge based on information derived from ISO operation; (4) the Reserved component of each Member System’s TSC charge based on information provided by the Member System and information derived from ISO operation; and (5) the WR component of each Member System’s TSC charge based on information provided by the Member System and information derived from ISO operation. Any calculations that the ISO is responsible for are subject to review and comment by all affected parties.

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

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

SR: The revenue from the Direct Sale of TCCs will be determined monthly and will enter the TSC formula through the SR term with a two-month lag (e.g., January actual data will be used in February to calculate the SR term used in the TSC for March). The revenue that a Transmission Owner receives from a TCC sold in a Centralized Auction or Reconfiguration Auction will be divided equally among the month(s) for which the sold TCC is valid. The revenue from these TCCs will enter the TSC formula month-by-month through the SR term with a two-month lag (e.g., January actual data will be used in February to calculate the SR term used in the TSC for March). For Balance of Period Auctions, the ISO shall also provide each Transmission Owner information regarding their respective share of Net Auction Revenues for each month covered by each Balance-of-Period Auction. The ISO is responsible for providing the information necessary to calculate the SR2, SR3 and SR4 portions of the SR component of each Transmission Owner’s TSC. The Transmission Owner will not adjust the information provided by the ISO.

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

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

The Reserved will be calculated monthly and will enter the TSC formula with a two-month lag (e.g., January actual data will be used in February to calculate the ETCNL TCC term used in the TSC for March). The ISO is responsible for providing the information necessary to calculate the Reserved Component of each Transmission Owner’s TSC.

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

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

14.1.3 Filing and Posting of Wholesale TSCs

The Transmission Owners shall coordinate with the ISO to update certain components of the Wholesale TSC formula on a monthly basis or Capability Period basis. Each Transmission Owner may update its Wholesale TSC calculation to change its RR, CCC, or BU component value(s). Such updates, however, shall be subject to necessary FERC filings under the FPA. Each Transmission Owner will calculate its monthly Wholesale TSC and provide the ISO with the Wholesale TSC by no later than the fourteenth of each month, for posting on the OASIS to become effective on the first of the next calendar month. The monthly Wholesale TSCs for each of the Transmission Districts shall be posted on the OASIS by the ISO no later than the fifteenth of each month or as soon thereafter as is reasonably possible but in no event later than the 20th of the month to become effective on the first of the next calendar month.

14.1.4 TSC Calculation Information

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

Table 1  
Wholesale TSC Calculation Information

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Transmission Owner** | **Revenue Requirement (RR)** | **Scheduling System Control and Dispatch Costs (CCC)** | **Annual Billing Units (BU) MWh** | **Rate $/MWh**1 |
| Central Hudson Gas & Electric Corp. | $15,326,852 | $1,309,980 | 4,723,659 | $3.5220 |
| Consolidated Edison Co. of NY, Inc. | $385,900,000 | $21,000,000 | 49,984,628 | $8.1405 |
| LIPA2 | $203,109,469 | $4,207,517 | 19,512,309 | $10.6249 |
| New York State Electric & Gas Corporation3 | $90,149,075 | $1,633,000 | 14,817,111 | $6.1943 |
| Niagara Mohawk Power Corporation | See Attachment H, Section 14.1.9 | See Attachment H, Section 14.1.9 | See Attachment H, Section 14.1.9 | See Attachment H, Section 14.1.9 |
| Orange and Rockland Utilities, Inc. | $21,034,831 | $942,579 | 3,595,947 | $6.1117 |
| Rochester Gas and Electric Corporation | $24,242,747 | $583,577 | 6,967,556 | $3.5631 |

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

2LIPA and the Villages of Freeport, Greenport, and Rockville Centre (“Long Island Municipals”) agreed that the total discounted monthly Wholesale TSC rates to be billed to the Long Island Municipals during the period from November 1, 2021 through December 31, 2024 are as follows: (1) November 1, 2021 – December 31, 2022: $6.00/MWh; (2) January 1, 2023 – December 31, 2023: $7.00/MWh; and (3) January 1, 2024 – December 31, 2024: $8.00/MWh. Starting January 1, 2025, LIPA’s then effective non-discounted Wholesale TSC rate, as described in Table 1 (including footnote 1 above), shall apply.

3NYSEG’s RR, BU and unit Rate prior to adjustment pursuant to Attachment H, are subject to retroactive modification pursuant to the provisions of the Settlement Agreement approved by the Commission in its March 26, 2004 order issued in Docket No. EL04-56-000. For any Transmission Customer that “opts out” of the Settlement Agreement as described in paragraph 1.E thereof, the applicable NYSEG “RR” shall be $100,541,739; the “BU” shall be 13,741,901 MWh; and, the “Rate” prior to adjustment pursuant to Attachment H, shall be $7.4235 effective as of March 1, 2004.

14.1.5 Treatment of Gross Receipts Tax

14.1.5.1 Central Hudson Gas & Electric Corporation

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

14.1.5.2 Consolidated Edison Company of New York, Inc.

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

14.1.5.3 LIPA

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

14.1.5.4 New York State Electric & Gas Corporation

The Transmission Customer shall pay an amount sufficient to reimburse NYSEG for any amounts payable by NYSEG as sales, excise, value-added, gross receipts or other applicable taxes with respect to the total amount payable to NYSEG pursuant to the Tariff. The total of all rates and charges will be divided by the appropriate tax factor listed below, depending upon the geographic location of the Transmission Customer’s Point(s) of Delivery

Within the Metropolitan Commuter Transportation District: 0.984583

Not within the Metropolitan Commuter Transportation District: 0.986823

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

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

14.1.5.5 Niagara Mohawk Power Corporation

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

14.1.5.6 Orange and Rockland Utilities, Inc.

The Transmission Customer’s rate will be increased to reflect the gross receipts tax (“GRT”) which is not specifically provided for in the transmission rate and ancillary service rates, that a governmental authority may impose on Orange and Rockland as a result of the Transmission Service provided to such Transmission Customer pursuant to Sections 186 and 186-a of the New York Tax Law. The current effective GRT rate for the Section 186-a tax is 3.25% from October 1, 1998 through October 31, 1999 and 2.5% on and after January 1, 2000. The maximum locality rate allowable under state law for each locality is specified below. However, if the actual locality rate is less than the maximum locality rate permitted under state law, O&R shall charge the actual tax rate levied by the locality. The currently effective GRT rate for the Section 186 tax is .75%.

Airmont 1.0%

Bloomingburg 1.0%

Chestnut Ridge 1.0%

Goshen 1.0%

Grandview on Hudson 1.0%

Greenwood Lake 1.0%

Harriman 1.0%

Haverstraw 1.0%

Highland Falls 1.0%

Hillburn 1.0%

Kaser 1.0%

Kiryas Joel 1.0%

Middletown 1.0%

Monroe 1.0%

Montebello 1.0%

New Hempstead 1.0%

New Square 1.0%

Nyack 1.0%

Otisville 1.0%

Piermont 1.0%

Pomona 1.0%

Port Jervis 1.0%

Sloatsburg 1.0%

South Nyack 1.0%

Spring Valley 1.0%

Suffern 1.0%

Unionville 1.0%

Upper Nyack 1.0%

Warwick 1.0%

Washingtonville 1.0%

Wesley Hills 1.0%

West Haverstraw 1.0%

Wurtsboro 1.0%

14.1.5.7 Rochester Gas & Electric Corporation

The Transmission Customer’s rate will be increased to reflect the gross receipts tax which is not specifically provided for in the transmission rate and ancillary service rates, that a governmental authority may impose on RG&E as a result of the Transmission Service provided to such Transmission Customer pursuant to Sections 186 and 186-a of the New York Tax Law. The currently effective GRT rate for the Section 186-a tax is 3.5% and each locality rate is specified below. The currently effective GRT rate for the Section 186 tax is .75%.

City of Rochester 3.0%

Leroy 1.0%

Manchester 1.0%

Perry 1.0%

Shortsville 1.0%

Warsaw 1.0%

Hilton 1.0%

Pittsford 1.0%

Caledonia 1.0%

Wolcott 1.0%

Avon 1.0%

Leicester 1.0%

Nunda 1.0%

Genesco 1.0%

Mt. Morris 1.0%

Sodus Point 1.0%

Livonia 1.0%

Meridian 1.0%

City of Canandaigua 1.0%

Fairport 1.0%

Brockport 1.0%

Scottsville 1.0%

East Rochester 1.0%

14.1.6 TSC For Retail Access Customers (“RTSC”)

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

14.1.7 NYPA Transmission Service Charge

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

14.1.8 Discounting

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

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

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

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

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

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

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

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

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

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

Niagara Mohawk Power Corporation (“NMPC”) will calculate and update each of its RR, CCC, and BU components annually using the formulas for each component contained in Attachment 1 and in accordance with the update procedures set forth in Section 14.1.9.4. With the exception of forecasted information, the cost data used in the Formula Rate will be cost data from NMPC’s annual FERC Form 1, NMPC’s Annual Report to the New York State Public Service Commission, or NMPC’s official books of record.

14.1.9.1 Definitions

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

Allocation Factors

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

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

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

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

Ratebase and Expense Items

14.1.9.1.5 Administrative and General Expense shall equal expenses as recorded in FERC Account Nos. 920-935. FERC Account No. 926 shall be adjusted by reversing the adjustment to the deferred pension costs booked per the NYPSC Statement of Policy for Accounting and Ratemaking Treatment for Pension and Post-Retirement Benefits Other than Pensions. In addition, Administrative and General Expenses shall exclude the actual Post-Employment Benefits Other than Pensions (“PBOP”) expenses included in FERC Account No. 926, and shall add back the FERC accepted Post Employment Benefit Other than Pensions of $88,644,000 annually or $7,387,000 per month or any other amount subsequently approved by FERC under Section 205 or 206 of the Federal Power Act.

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

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

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

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

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

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

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

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

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

**Depreciation Rates**

FERC Account/NMPC Internal Account No. Annual Rate

**Transmission Plant**

350 Land –Rights of Way and Easements 1.32

352 Structures and Improvements 2.42

353 Station Equipment 2.53

353.55 Station Equipment – EMS 4.20

354 Towers and Fixtures 1.80

355 Poles and Fixtures 2.23

356 Overhead Conductors and Devices 1.69

357 Underground Conduit 1.24

358 Underground Conductors and Devices 1.59

359 Roads and Trails 1.33

**Electric General Plant**

390 Structures and improvements 2.51

391.01 Office furniture, equipment 4.55

391.20 Office furniture equipment   
(Data Processing Equipment) 20.00

392.22 Transportation Equipment 3.33

394 Tools, shop, garage equipment 4.55

395 Laboratory equipment 4.55

396 Power operated equipment 4.55

397.01 Communication equipment – Radio 4.55

397.02 Communication equipment – Telephone 12.50

397.50 &.60 Communication equipment – Network 4.55

398.01 Power and Supervisory Control 4.55

**Common General Plant**

390 Structures and improvements 2.57

391.10 Office furniture and equipment 4.55

391.21 Data Processing Equipment 20.00

392.21 Transportation Equipment – Aircraft 7.50

393 Stores equipment 4.55

394 Tools, shop and garage equipment 4.55

395 Laboratory equipment 4.55

396 Power operated equipment 4.55

397.10 Communication equipment – Radio 4.55

397.20 Communication equipment – Telephone 12.50

397.30 Communication equipment – Network 4.55

398 Miscellaneous equipment 4.55

398.10 Power and Supervisory Control 4.55

**Electric Distribution Plant – Large Meters**

370.30 Large Meters Installation – Bare Costs 5.05

370.35 Large Meters – Installation Costs 5.05

**Intangible Plant**

302 Franchises and Consents 2.38

303 Miscellaneous Intangible Assets 14.29

14.1.9.1.15 Distribution Plant shall equal the plant balance as recorded in FERC Account Nos. 360 – 374.

14.1.9.1.16 Equity AFUDC Component of Depreciation Expense shall equal the activity recorded in FERC Account No. 419.1.

14.1.9.1.17 Electric Environmental Remediation Expense shall be the environmental remediation expense as recorded in FERC Account 930.2.

14.1.9.1.18 Electric General Plant shall equal the plant balance recorded in FERC Account Nos. 389-399. Electric General Plant shall be defined as the general plant associated with NMPC’s electric function.

14.1.9.1.19 Electric General Plant Depreciation Expense shall equal general plant depreciation expenses as recorded in FERC Account No. 403, 404 and 405 associated with Electric General Plant.

14.1.9.1.20 Electric General Plant Depreciation Reserve shall equal the general plant depreciation reserve balance as recorded in FERC Account No. 108 associated with Electric General Plant.

14.1.9.1.21 Electric Property Insurance shall equal property insurance recorded in FERC Account No. 924.

14.1.9.1.22 Electric Research and Development Expense shall equal research and development expenses as recorded in FERC Account No. 930.2.

14.1.9.1.23 Gain on Reacquired Debt shall equal the balance as recorded in FERC Account No. 257.

14.1.9.1.24 Gross Electric Plant shall equal Total Electric Plant plus an allocation of Common Plant determined by multiplying Common Plant by the Electric Wages and Salaries Allocation Factor.

14.1.9.1.25 Gross Plant (Gas & Electric) shall equal Total Gas Plant plus Total Electric Plant plus Total Common Plant.

14.1.9.1.26 Gross Transmission Investment shall equal the total of Transmission Plant in Service, Transmission Related Electric General Plant, Transmission Related Common Plant and Transmission Related Intangible Plant.

14.1.9.1.27 Intangible Electric Plant shall equal the balance of plant recorded in FERC Account Nos. 301-303. Intangible Electric Plant shall be defined as the intangible plant associated with NMPC’s electric functions.

14.1.9.1.28 Intangible Electric Plant Depreciation Expense shall equal the intangible electric plant depreciation expenses as recorded in FERC Account No. 403, 404 and 405 associated with Intangible Electric Plant.

14.1.9.1.29 Intangible Electric Plant Depreciation Reserve shall equal the intangible plant depreciation reserve balance as recorded in FERC Account No. 108 associated with Intangible Electric Plant.

14.1.9.1.30 Loss on Reacquired Debt shall equal the loss on reacquired debt as recorded in FERC Account No. 189.

14.1.9.1.31 Materials and Supplies shall equal materials and supplies balance as recorded in FERC Account No. 154 per 18 C.F.R. Parts 101 (Electric) and 201 (Gas).

14.1.9.1.32 Payroll Taxes shall equal the electric payroll tax expenses related to FICA and federal and state unemployment as recorded in FERC Account 408.1.

14.1.9.1.33 Plant Held for Future Use shall equal the balance as recorded in FERC Account No. 105 for transmission uses within 5 years.

14.1.9.1.34 Prepayments shall equal prepayment balance as recorded in FERC Account No. 165 per 18 C.F.R. Parts 101 (Electric) and 201 (Gas) less prepaid state and Federal income taxes.

14.1.9.1.35 Real Estate Tax Expenses shall equal electric real estate tax expense as recorded in FERC Account 408.1.

14.1.9.1.36 Regulatory Assets and Liabilities shall equal state and federal regulatory asset balances in FERC Account Nos. 182.3 and 254, assets and liabilities solely related to excess and deficient ADIT associated with changes in federal, state or local tax rates, Other FAS109 assets or liabilities, and excess AFUDC.

14.1.9.1.37 Total Accumulated Deferred Income Taxes shall equal the sum of deferred tax balances recorded in FERC Account Nos. 281 - 283 plus accumulated deferred investment tax credits as reflected in FERC Account No. 255, minus the deferred tax balance in FERC Account No. 190. Total Accumulated Deferred Income Taxes shall exclude the specifically identified generation-related stranded cost deferred taxes.

14.1.9.1.38 Total Electric Plant shall equal the sum of Transmission Plant, Distribution Plant, Electric General Plant and Intangible Electric Plant.

14.1.9.1.39 Total Gas Plant shall equal the plant balance recorded in 18 C.F.R. Part 201, FERC Account Nos. 301-399. Total Gas Plant shall exclude Common Plant.

14.1.9.1.40 Transmission Depreciation Reserve shall equal electric transmission plant related depreciation reserve balance as recorded in FERC Account No. 108, plus Transmission Related General Plant Accumulated Depreciation, Transmission Related Amortization of Other Utility Plant, and Common Plant Accumulated Depreciation associated with Gross Electric Plant.

14.1.9.1.41 Transmission Operation and Maintenance Expense shall equal the sum of electric expenses as recorded in FERC Account Nos. 560 and 562-574 which shall include Transmission Support Payments, but shall exclude expenses incurred pursuant to agreements entered into with generators or other similar resources for the purpose of supporting transmission reliability that do not qualify as Transmission Support Payments.

14.1.9.1.42 Transmission Plant shall equal the gross plant balance as recorded in FERC Account Nos. 350-359.

14.1.9.1.43 Transmission Related Bad Debt Expense shall equal Bad Debt Expense as reported in FERC Account 904 related to NMPC’s wholesale transmission billing.

14.1.9.1.44 Unamortized Discount on Long-Term Debt shall equal the balance in FERC Account No. 226.

14.1.9.1.45 Wholesale Metering Investment shall equal the gross plant investment associated with any Revenue or Remote Terminal Unit (“RTU”) meters and associated equipment connected to an internal or external tie at voltages equal to or greater than 23 kV. The gross plant investment shall be determined by multiplying the number of such existing wholesale meters recorded in FERC Account No. 370.3 and in blanket metering accounts by the average cost of the meters plus the average costs of installation. To the extent future gross plant investment for Wholesale Metering can be specifically identified, actual gross meter costs will be used.

14.1.9.1.46 Amortization of Regulatory Assets and Liabilities shall equal credits and expenses as recorded in FERC account 411.1 or 410.1 solely related to excess and deficient ADIT associated with changes in federal, state or local tax rates.

Forecast and True-up Related Terms

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

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

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

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

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

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

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

14.1.9.1.52 Actual Billing Units shall mean the most recently established BU (as defined in Attachment 1).

14.1.9.1.53 Prior Year Transmission Revenue Requirement shall equal RR less Annual True-Up (“ATU”), as defined in Attachment 1, for the most recently ended calendar year as of the beginning of the Update Year.

14.1.9.1.54 Prior Year Scheduling, System Control and Dispatch shall equal the CCC, as defined in Attachment 1, for the prior calendar year.

14.1.9.1.55 Prior Year Billing Units shall equal the BU, as defined in Attachment 1, for the prior calendar year.

14.1.9.1.56 Prior Year Unit Rate shall equal the sum of RR, as defined in Attachment 1, for the most recently ended Prior Year Revenue Requirement and the Prior Year Scheduling, System Control and Dispatch divided by the Prior Year Billing Units.

14.1.9.1.57 Annual Update shall mean the calculation of the RR, CCC, and BU components with Data Inputs for an Update Year in accordance with Section 14.1.9.4.

14.1.9.1.58 Data Input shall mean any data required for the calculation of RR, CCC and BU, in accordance with the Formula Rate.

14.1.9.1.59 Formal Challenge shall mean a challenge presented in accordance with Section 14.1.9.4.3.2.

14.1.9.1.60 Informational Filing shall mean the filing that NMPC makes in accordance with Section 14.1.9.4 to establish the Annual Update for an Update Year.

14.1.9.1.61 Interested Party shall mean a person that is (i) a party to FERC Docket No. ER08-552, (ii) the New York State Public Service Commission; (iii) a transmission customer under this Tariff that pays charges based on the Formula Rate during the calendar year prior to the submission of the Informational Filing; or (iv) a state regulatory authority having jurisdiction over the retail electric rates of such a transmission customer, provided that such regulatory authority or such customer notifies NMPC of that fact no later than 30 days prior to the Publication Date. An Interested Person includes employees of or consultants to such person.

14.1.9.1.62 Material Accounting Change shall mean an accounting policy or practice, including, but not limited to, a policy or practice affecting the allocation of costs or revenues, employed by NMPC during an Update Year that differs from the corresponding policy or practice in effect during any of the three previous calendar years which change affects any Data Input for the Update Year by $1.0 million or more, as compared to the previous calendar year.

14.1.9.1.63 Preliminary Challenge shall mean a challenge presented by an Interested Party in accordance with Section 14.1.9.4.2.1.

14.1.9.1.64 Publication Date shall be the date of an Informational Filing for an Update Year.

14.1.9.1.65 Review Period shall be the period ending one-hundred and fifty (150) days after the Publication Date, unless extended in accordance with Section 14.1.9.4.2.1.

14.1.9.1.66 Formula Rate shall be the formulas set forth in Attachment 1.

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

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

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

14.1.9.2 Calculation of RR

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

14.1.9.3 Fixed Formula Inputs

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

14.1.9.4 Annual Update Process

14.1.9.4.1 Annual Updates

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

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

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

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

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

14.1.9.4.1.3 The Annual Update for the Update Year:

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

14.1.9.4.1.3.2 shall provide supporting documentation for Data Inputs in the form of the data provided in Attachment C to the Offer of Settlement dated April 6, 2009, in Docket No. ER08-552; and, with respect to Billing Units, shall include monthly documents in PDF format with redacted names and revised reference numbers for each entity to protect confidentiality, showing the Billing Units for each month of the most recently completed calendar billing year (the six-month updated BUs), including NMPC’s Transmission Owner Load (“TOL”), consisting of metered loads for the December through November timeframe showing the calendar billing year BUs reported to the NYISO by NMPC. The total MWh of generation (including load modifiers) and net interchange for each NMPC transmission zone will be displayed. National Grid will also provide a document as a “workable” Excel file summarizing the TOL for disputed station service, High Load Factor Fitzpatrick and any other entity excluded from the Billing Units calculation in Attachment 1, Schedule 6.12, of the Formula Rate. The summary will be labeled to show the reason for exclusion, consistent with the definition of Billing Units and will reconcile to the totals shown on Attachment 1, Schedule 6.12.

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

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

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

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

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

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

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

14.1.9.4.2 Annual Review Procedures

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

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

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

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

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

14.1.9.4.3 Resolution of Challenges

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

14.1.9.4.3.2 If NMPC and any Interested Party or Parties have not resolved any Preliminary Challenge to the Annual Update within the Review Period, an Interested Party shall have an additional twenty-one (21) days (unless such period is extended with the written consent of NMPC to continue efforts to resolve a Preliminary Challenge) to present the subject matter of the Preliminary Challenge to the FERC as a Formal Challenge, which shall be served on NMPC and all other Interested Parties by electronic service on the date of such filing and posted on the NYISO’s internet website, however, there shall be no need to make a Formal Challenge or to await conclusion of the time periods in Section 14.1.9.4.2 if the FERC already has initiated a proceeding to investigate the Annual Update. By no later than five (5) business days after the end of the Review Period, NMPC shall apprise Interested Parties of the resolution of all Preliminary Challenges that have been resolved and of the impact of the resolution of all such Preliminary Challenges on the Annual Update. Within an additional fifteen (15) business days, NMPC shall submit a supplement to its Informational Filing to the FERC, with electronic service upon the Interested Parties, reflecting the impact of all successfully resolved Preliminary Challenges.

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

14.1.9.4.3.4 In any proceeding initiated by the FERC concerning the Annual Update or in response to a Formal Challenge, NMPC shall bear the burden of proving that the Data Inputs in that year’s Annual Update are correct and conform to the terms of the Formula Rate and refunds or adjustments may be made, in either case with interest, to charges collected under the Formula Rate if the FERC concludes that the Data Inputs are incorrect or do not conform to the terms of the Formula Rate. In all other respects, any such proceeding shall be governed by the rules and requirements applicable to proceedings under Section 206 of the Federal Power Act.

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

14.1.9.4.3.6 Nothing herein shall be deemed to limit in any way the right of NMPC to file unilaterally, pursuant to Section 205 of the Federal Power Act and the regulations thereunder, changes to NMPC’s Formula Rate (including changes in connection with any incentive mechanism) or any of its Data Inputs (including, but not limited to, any fixed Data Inputs) or the right of any other party to file for such changes pursuant to Section 206 of the Federal Power Act and the regulations thereunder. All parties reserve all rights to challenge, or take any position in response to, any such filing by any other party.

14.1.9.4.4 Changes to Data Inputs

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

14.1.9.4.4.2 The impact of an error affecting a Data Input on charges collected during the Formula Rate during the five (5) years prior to the Update Year in which the error was first discovered shall be corrected by incorporating the impact of the error on the charges produced by the Formula Rate during the five-year period into the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19(a)) in the Annual Update for the next effective Update Year. Charges collected before the five-year period shall not be subject to correction.

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

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

**Table of Contents**

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Forecasted Accumulated Deferred Income Taxes (FADIT) Schedule 13

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(Excess)/Deficient ADIT Remeasurement Support Schedule 14(a)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Niagara Mohawk Power Corporation** | | |  |  | | |  |  | | |  |  | | | **Attachment 1** | |
| **Calculation of RR Pursuant to Attachment H, Section 14.1.9.2** | | |  |  | | |  | Year | | |  |  | | | **Schedule 1** | |
|  |  |  |  |  | | |  |  | | |  |  | | |  | |
|  | **Calculation of RR** | |  |  | | |  |  | | |  |  | | |  | |
|  | 14.1.9.2 | The RR component shall equal the (a) Historical Transmission Revenue Requirement plus (b) the Forecasted Transmission Revenue Requirement plus (c) the Annual True-Up, determined in accordance with the formula below. | | | | | | | | | | | | |  | |
|  |  |  |  |  | | |  |  | | |  |  | | |  | |
| **Historical Transmission Revenue Requirement (Historical TRR)** | | |  |  | | |  |  | | |  |  | | |  | |
|  |  |  |  |  | | |  |  | | |  |  | | |  | |
| Line No. | |  |  |  | | |  |  | | |  |  | | |  | |
|  |  |  |  |  | | |  |  | | |  |  | | |  | |
| 1 |  | **Historical Transmission Revenue Requirement (Historical TRR)** | | | | |  |  | | |  |  | | |  | |
| 2 |  |  |  |  | | |  |  | | |  |  | | |  | |
| 3 | 14.1.9.2 (a) | Historical TRR shall equal the sum of NMPC’s (A) Return and Associated Income Taxes, (B) Transmission Related Depreciation Expense, (C) | | | | | | | | | | | | |  | |
| 4 |  | Transmission Related Real Estate Tax Expense, (D) Transmission Related Amortization of Investment Tax Credits, | | | | | | | | | | | | |  | |
| 5 |  | (E) Transmission Operation and Maintenance Expense, (F) Transmission Related Administrative and General Expenses, (G) Transmission | | | | | | | | | | | | |  | |
| 6 |  | Related Payroll Tax Expense, (H) Amortization of Transmission Regulatory Assets and Liabilities, (I) Billing Adjustments, and (J) Transmission Related Bad Debt Expense less | | | | | | | | | | | | |  | |
| 7 |  | (K) Revenue Credits, and (L) Transmission Rents, all determined for the most recently ended calendar year as of the beginning of the update year. | | | | | | | | | | | | |  | |
| 8 |  |  | | |  | Reference | | |  |  | | |  |  | |  | |
| 9 |  |  | | |  | *Section:* | | |  | **0** | | |  |  | |  | |
| 10 |  | Return and Associated Income Taxes | | |  | (A) | | |  | #DIV/0! | | |  | Schedule 8, Line 64 | | | |
| 11 |  | Transmission-Related Depreciation Expense | | |  | (B) | | |  | #DIV/0! | | |  | Schedule 9, Line 6, column 5 | | | |
| 12 |  | Transmission-Related Real Estate Taxes | | |  | (C) | | |  | #DIV/0! | | |  | Schedule 9, Line 12, column 5 | | | |
| 13 |  | Transmission - Related Investment Tax Credit | | |  | (D) | | |  | #DIV/0! | | |  | Schedule 9, Line 16, column 5 times minus 1 | | | |
| 14 |  | Transmission Operation & Maintenance Expense | | |  | (E) | | |  | $0 | | |  | Schedule 9, Line 23, column 5 | | | |
| 15 |  | Transmission Related Administrative & General Expense | | |  | (F) | | |  | #DIV/0! | | |  | Schedule 9, Line 38, column 5 | | | |
| 16 |  | Transmission Related Payroll Tax Expense | | |  | (G) | | |  | $0 | | |  | Schedule 9, Line 44, column 5 | | | |
| 17 |  | Amortization of Transmission Regulatory Assets and Liabilities | | |  | (H) | | |  | #DIV/0! | | |  | Schedule 9, Line 46, column 5 | |  | |
| 18 |  | Sub-Total (sum of Lines 10 - Line 17) | | |  |  | | |  | #DIV/0! | | |  |  | |  | |
| 19 |  |  | | |  |  | | |  |  | | |  |  | |  | |
| 20 |  | Billing Adjustments | | |  | (I) | | |  | $0 | | |  | Schedule 10, Line 1 | | | |
| 21 |  | Bad Debt Expenses | | |  | (J) | | |  | $0 | | |  | Schedule 10, Line 4 | | | |
| 22 |  | Revenue Credits | | |  | (K) | | |  | $0 | | |  | Schedule 10, Line 7 | | | |
| 23 |  | Transmission Rents | | |  | (L) | | |  | $0 | | |  | Schedule 10, Line 14 | | | |
| 24 |  |  | | |  |  | | |  |  | | |  |  | |  | |
| 25 |  | Total Historical Transmission Revenue Requirement (Sum of Line 18 - Line 23) | | | |  | | |  | #DIV/0! | | |  |  | |  | |
|  |  |  | | |  |  | | |  |  | | |  |  | |  | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Niagara Mohawk Power Corporation** | | |  |  |  |  |  | **Attachment 1** |
| **Forecasted Transmission Revenue Requirement** | | | |  |  |  |  | **Schedule 2** |
|  | **Attachment H, Section 14.1.9.2** | |  |  |  |  |  |  |
|  |  |  |  | **Year** | | |  |  |
|  | Shading denotes an input | |  |  |  |  |  |  |
| Line No. | |  |  |  |  |  |  |  |
| 1 | 14.1.9.2 (b) | **FORECASTED TRANSMISSION REVENUE REQUIREMENTS** |  |  |  |  |  |  |
| 2 |  | Forecasted TRR shall equal (1) the Forecasted Transmission Plant Additions (FTPA) multiplied by the Adjusted Annual (AFTRRF), plus (2) Forecasted ADIT Adjustment (FADITA), plus (3) the Mid-Year Trend | | | | | | |
| 3 |  | Adjustment (MYTA), less (4) Transmission Support Payments (TSP), plus (5) the Tax Rate Adjustment (TRA), less (6) Other Billing Adjustments (OBA) as shown in the following formula: | | | | | | |
| 4 |  |  |  |  |  |  |  |  |
| 5 |  | Forecasted TRR = (FTPA \* AFTRRF) + FADITA + MYTA - TSP + TRA - OBA | | | |  |  |  |
| 6 |  |  |  |  |  |  |  |  |
| 7 |  |  | Period | Reference |  |  |  | Source |
| 8 |  |  |  |  |  |  |  |  |
| 9 |  |  |  |  |  |  |  |  |
| 10 | (1) | FORECASTED TRANSMISSION PLANT ADDITIONS (FTPA) |  |  |  | $0 |  | Workpaper 8, Section I, Line 16 |
| 11 |  | Adjusted Annual Transmission Revenue Requirement Factor (AFTRRF) |  |  |  | #DIV/0! |  | Line 76 |
| 12 |  | Sub-Total (Lines 10\*11) |  |  |  | #DIV/0! |  |  |
| 13 |  |  |  |  |  |  |  |  |
| 14 | (2) | FORECASTED ADIT ADJUSTMENT (FADITA) |  |  |  |  |  |  |
| 15 |  | The Forecasted ADIT Adjustment (FADITA) shall equal the Forecasted ADIT (FADIT) |  |  |  |  |  |  |
| 16 |  | multiplied by the Cost of Capital Rate, where: |  |  |  |  |  |  |
| 17 |  |  |  |  |  |  |  |  |
| 18 |  | Forecasted ADIT(FADIT) shall equal the projected change in Accumulated Deferred Income Taxes from the most recently |  |  |  |  |  |  |
| 19 |  | concluded calendar year related to accelerated depreciation and associated with Transmission Plant for the |  |  |  |  |  |  |
| 20 |  | Forecasted Period calculated in accordance with Treasury regulation Section 1.167(1)-1(h)(6). |  |  |  |  |  |  |
| 21 |  |  |  |  |  |  |  |  |
| 22 |  | Forecasted ADIT (FADIT) |  |  |  | #DIV/0! |  | Schedule 13, Line 24 |
| 23 |  | Cost of Capital Rate |  |  |  | #DIV/0! |  | Schedule 8, Line 62 |
| 24 |  | Forecasted ADIT Adjustment (FADITA) |  |  |  | #DIV/0! |  | Line 22 \* Line 23 |
| 25 |  |  |  |  |  |  |  |  |
| 26 | (3) | MID YEAR TREND ADJUSTMENT (MYTA) |  |  |  |  |  |  |
| 27 |  | The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between |  |  |  |  |  |  |
| 28 |  | (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, |  |  |  |  |  |  |
| 29 |  | and (ii) the Historical TRR Component (E) excluding Transmission Support Payments, based on data for the first three months of the year prior to the Forecast Period. |  |  |  |  |  |  |
| 30 |  |  |  |  |  |  |  |  |
| 31 |  | Plus Mid-Year Trend Adjustment (MYTA) |  |  |  | $0 |  | Workpaper 9, line 32, variance column |
| 32 |  |  |  |  |  |  |  |  |
| 33 | (4) | TRANSMISSION SUPPORT PAYMENTS (TSP) |  |  |  |  |  |  |
| 34 |  | Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement |  |  |  | $0 |  | Workpaper 9A |
| 35 |  | Less: Other Billing Adjustments - Dunkirk Settlement ER14-543-000 |  |  |  | **$0** |  | Schedule 10 |
| 36 |  |  |  |  |  |  |  |  |
| 37 | (5) | TAX RATE ADJUSTMENT (TRA) |  |  |  |  |  |  |
| 38 |  | The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate |  |  |  |  |  |  |
| 39 |  | and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period. |  |  |  |  |  |  |
| 40 |  |  |  |  |  |  |  |  |
| 41 |  | Tax Rate Adjustment (TRA) |  |  |  | **$0** |  |  |
| 42 |  |  |  |  |  |  |  |  |
| 43 | (6) | OTHER BILLING ADJUSTMENTS (OBA) |  |  |  |  |  |  |
| 44 |  | Other Billing Adjustments shall equal any amounts related to the HTRR calculation that are |  |  |  |  |  |  |
| 45 |  | required to be adjusted in the current year's FTRR to remove the impact on the Update Year |  |  |  |  |  |  |
| 46 |  |  |  |  |  |  |  |  |
| 47 |  | Other Billing Adjustments (OBA) |  |  |  | **$0** |  | Schedule 10, Line 1 |
| 48 |  |  |  |  |  |  |  |  |
| 49 |  | Forecasted Transmission Revenue Requirement (Line 12 + Line 24 + Line 31 – Line 34 – Line 35 + Line 41-Line 47) |  |  |  | **#DIV/0!** |  |  |
| 50 |  |  |  |  |  |  |  |  |
| 51 | 14.1.9.2(c) | **ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR** | | |  |  |  |  |
| 52 |  |  | | | | | |  |
| 53 |  | Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF) shall equal the difference between the Annual Forecast | | | | | |  |
| 54 |  | Transmission Revenue Requirement Factor (FTRRF) and the quotient of (1) Cost of Capital Rate multiplied by the Transmission Related | | | | | |  |
| 55 |  | Accumulated Deferred Taxes less Accumulated Deferred Inv. Tax Cr (255) for the most recently concluded calendar year, | | | | | |  |
| 56 |  | and (ii) the year-end Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a). | | | | | |  |
| 57 |  |  | | | | | |  |
| 58 |  | The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C), | | | | | |  |
| 59 |  | divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a). | | | | |  |  |
| 60 |  |  |  |  |  |  |  |  |
| 61 |  | Derivation of Annual Forecast Transmission Revenue Requirement Factor (FTRRF) |  |  |  |  |  |  |
| 62 |  | Investment Return and Income Taxes |  | (A) |  | #DIV/0! |  | Schedule 1, Line 10 |
| 63 |  | Depreciation Expense |  | (B) |  | #DIV/0! |  | Schedule 1, Line 11 |
| 64 |  | Property Tax Expense |  | (C) |  | #DIV/0! |  | Schedule 1, Line 12 |
| 65 |  | Total Expenses (Lines 62 thru 64) |  |  |  | #DIV/0! |  |  |
| 66 |  | Transmission Plant |  | (a) |  | #DIV/0! |  | Schedule 6, Page 1, Line 12 |
| 67 |  | Annual Forecast Transmission Revenue Requirement Factor (Lines 65/ Line 66) |  |  |  | #DIV/0! |  |  |
| 68 |  |  |  |  |  |  |  |  |
| 69 |  | Adjustment to FTRRF to reflect removal of ADIT that is subject to normalization |  |  |  |  |  |  |
| 70 |  | Transmission Related ADIT Balance at year-end |  |  |  | #DIV/0! |  | Schedule 7, Line 2 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | ! |  |  |
| 71 |  | Cost of Capital Rate |  |  |  | #DIV/0! |  | Schedule 8, Line 62 |
| 72 |  | Total Return and Income Taxes Associated with ADIT Balance at year-end |  |  |  | #DIV/0! |  | Line 70 \* Line 71 |
| 73 |  |  |  |  |  |  |  |  |
| 74 |  | Annual Forecast Transmission Revenue Requirement Factor (FTRRF) |  |  |  | #DIV/0! |  | Line 67 |
| 75 |  | Less: Incremental Annual Forecast Transmission Revenue Requirement Factor Adjustment for ADIT |  |  |  | #DIV/0! |  | Line 72/ Line 66 |
| 76 |  | Adjusted Annual Forecast Transmission Revenue Requirement Factor (AFTRRF) |  |  |  | #DIV/0! |  | Line 74 - Line 75 |

|  |  |  |  |  |  |
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| **Niagara Mohawk Power Corporation** | | |  |  | **Attachment 1** |
| **Annual True-up (ATU)** | | |  |  | **Schedule 3** |
|  | **Attachment H Section 14.1.9.2 (c)** | |  |  |  |
| Line No. | |  | **Year** |  | **Source:** |
| 1 |  |  |  |  |  |
| 2 | 14.1.9.2(d) | The Annual True-Up (ATU) shall equal (1) the difference between the Actual Transmission Revenue Requirement and the Prior Year | | | |
| 3 |  | Transmission Revenue Requirement, plus (2) the difference between the Actual Scheduling, System Control and Dispatch costs | | | |
| 4 |  | and Prior Year Scheduling, System Control and Dispatch costs, plus (3) the difference between the Prior Year Billing Units and the Actual Year | | | |
| 5 |  | Billing Units multiplied by the Prior Year Unit Rate, plus (4) Interest on the net differences. | | | |
| 6 |  |  |  |  |  |
| 7 | (1) | Revenue Requirement (RR) of rate effective July 1 of prior year | $0 |  | Schedule 4, Line 1, Col (d) |
| 8 |  | Less: Annual True-up (ATU) from rate effective July 1 of prior year | $0 |  | Schedule 4, Line 1, Col (c) |
| 9 |  | Prior Year Transmission Revenue Requirement | $0 |  | Line 7 - Line 8 |
| 10 |  |  |  |  |  |
| 11 |  | Actual Transmission Revenue Requirement | #DIV/0! |  | Schedule 4, Line 2, Col (a) |
| 12 |  | Difference | #DIV/0! |  | Line 11 - Line 9 |
| 13 |  |  |  |  |  |
| 14 | (2) | Prior Year Scheduling, System Control and Dispatch costs (CCC) | $0 |  | Schedule 4, Line 1, Col (e) |
| 15 |  | Actual Scheduling, System Control and Dispatch costs (CCC) | $0 |  | Schedule 4, Line 2, Col (e) |
| 16 |  | Difference | $0 |  | Line 15 - Line 14 |
| 17 |  |  |  |  |  |
| 18 | (3) | Prior Year Billing Units (MWH) | $0 |  | Schedule 4, Line 1, Col (f) |
| 19 |  | Actual Billing Units | - |  | Schedule 4, Line 2, Col (f) |
| 20 |  | Difference | - |  | Line 18 - Line 19 |
| 21 |  | Prior Year Indicative Rate | #DIV/0! |  | Schedule 4, Line 1, Col (g) |
| 22 |  | Billing Unit True-Up | #DIV/0! |  | Line 20 \* Line 21 |
| 23 |  |  |  |  |  |
| 24 |  | Total Annual True-Up before Interest | #DIV/0! |  | (Line 12 + Line 16 + Line 22) |
| 25 |  |  |  |  |  |
| 26 | (4) | Interest | #DIV/0! |  | Line 57, Column 9 |
| 27 |  |  |  |  |  |
| 28 |  | Annual True-up RR Component | #DIV/0! |  | (Line 24 + Line 26) |
| 29 |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 30 |  | Interest Calculation per 18 CFR § 35.19a | | |  |  |  |  |  |  |
| 31 |  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 32 |  | Quarters | Annual | Accrued Prin | Monthly | Days |  |  | Accrued Prin | Accrued |
| 33 |  |  | Interest | & Int. @ Beg | (Over)/Under | in | Period |  | & Int. @ End | Int. @ End |
| 34 |  |  | Rate (a) | Of Period | Recovery | Period (b) | Days | Multiplier | Of Period | Of Period |
| 35 |  |  |  |  |  |  |  |  |  |  |
| 36 |  | 3rd QTR |  | 0 |  | 92 | 92 | 1.0000 | $0 | $0 |
| 37 |  | July | 0.00% |  | #DIV/0! | 31 | 92 | 1.0000 | #DIV/0! | #DIV/0! |
| 38 |  | August | 0.00% |  | #DIV/0! | 31 | 61 | 1.0000 | #DIV/0! | #DIV/0! |
| 39 |  | September | 0.00% |  | #DIV/0! | 30 | 30 | 1.0000 | #DIV/0! | #DIV/0! |
| 40 |  |  |  |  |  |  |  |  |  |  |
| 41 |  | 4th QTR |  | #DIV/0! |  | 92 | 92 | 1.0000 | #DIV/0! | #DIV/0! |
| 42 |  | October | 0.00% |  | #DIV/0! | 31 | 92 | 1.0000 | #DIV/0! | #DIV/0! |
| 43 |  | November | 0.00% |  | #DIV/0! | 30 | 61 | 1.0000 | #DIV/0! | #DIV/0! |
| 44 |  | December | 0.00% |  | #DIV/0! | 31 | 31 | 1.0000 | #DIV/0! | #DIV/0! |
| 45 |  |  |  |  |  |  |  |  |  |  |
| 46 |  | 1st QTR |  | #DIV/0! |  | 91 | 91 | 1.0000 | #DIV/0! | #DIV/0! |
| 47 |  | January | 0.00% |  | #DIV/0! | 31 | 91 | 1.0000 | #DIV/0! | #DIV/0! |
| 48 |  | February | 0.00% |  | #DIV/0! | 28 | 60 | 1.0000 | #DIV/0! | #DIV/0! |
| 49 |  | March | 0.00% |  | #DIV/0! | 31 | 31 | 1.0000 | #DIV/0! | #DIV/0! |
| 50 |  |  |  |  |  |  |  |  |  |  |
| 51 |  | 2nd QTR |  | #DIV/0! |  | 91 | 91 | 1.0000 | #DIV/0! | #DIV/0! |
| 52 |  | April | 0.00% |  | #DIV/0! | 30 | 91 | 1.0000 | #DIV/0! | #DIV/0! |
| 53 |  | May | 0.00% |  | #DIV/0! | 31 | 61 | 1.0000 | #DIV/0! | #DIV/0! |
| 54 |  | June | 0.00% |  | #DIV/0! | 30 | 30 | 1.0000 | #DIV/0! | #DIV/0! |
| 55 |  |  |  |  |  |  |  |  |  |  |
| 56 |  |  |  |  |  |  |  |  |  |  |
| 57 |  | Total (over)/under Recovery | |  | #DIV/0! | (line 24) | #DIV/0! |  |  | #DIV/0! |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  | (a) Interest rates shall be the interest rates as reported on the FERC Website http://www.ferc.gov/legal/acct-matts/interest-rates.asp | | | | | | | |  |
|  |  | (b) For leap years use 29 days in the month of February | | | | | | | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | |  | |  | | | |  | |  | |  | | **Attachment 1** |
|  |  |  | | |  | |  | | | |  | |  | |  | | **Schedule 4** |
|  |  |  | | |  | |  | | | |  | |  | |  | |  |
|  | **Niagara Mohawk Power Corporation** | | | | | | | | | |  | |  | |  | |  |
|  | **Wholesale TSC Calculation Information** | | | | | | | | | |  | |  | |  | |  |
|  |  |  | | | |  | | |  | |  | |  | |  | |  |
|  |  |  | | | |  | | |  | |  | |  | |  | |  |
|  |  | (a) | | | | (b) | | | (c) | | (d) | | (e) | | (f) | | (g) |
| Line No. |  | Historical Transmission Revenue Requirement (Historical TRR) | | | | Forecasted Transmission Revenue Requirement | | | Annual True Up | | Revenue Requirement (RR) | | Scheduling System Control and Dispatch Costs (CCC) | | Annual Billing Units (BU) MWh | | Rate $/MWh (\*) |
| 1 | Prior Year Rates Effective \_\_\_\_\_\_\_\_ | - | | | | - | | | - | | - | | - | | - | | #DIV/0! |
| 2 | Current Year Rates Effective July 1, \_\_\_\_\_\_\_ | #DIV/0! | | | | #DIV/0! | | |  | | #DIV/0! | | - | | - | | #DIV/0! |
|  |  |  | | | |  | | |  | |  | |  | |  | |  |
| 3 | Increase/(Decrease) |  | | | |  | | |  | |  | |  | |  | | #DIV/0! |
| 4 | Percentage Increase/(Decrease) |  | | | |  | | |  | |  | |  | |  | | #DIV/0! |
|  |  |  | | | |  | | |  | |  | |  | |  | |  |
| 1.) | Information directly from Niagara Mohawk Prior Year Informational Filing | | | | | | | |  | |  | |  | |  | |  |
| 2.) |  | |  | |  | | | |  | |  | |  | |  | |  |
| (a) | Schedule 1, Line 24 | |  | |  | | | |  | |  | |  | |  | |  |
| (b) | Schedule 2, Line 49 | |  | |  | | | |  | |  | |  | |  | |  |
| (c) | Schedule 3, Line 28 | |  | |  | | | |  | |  | |  | |  | |  |
| (d) | Attachment H, Section 14.1.9.2 The RR Component shall equal Col (a) Historical Transmission Revenue Requirement plus Col (b) the Forecasted Transmission Revenue Requirement which shall exclude Transmission Support Payments, plus Col (c) the Annual True-Up plus Col (c) the Annual True-Up | | | | | | | | | | | | | | | | |
| (e) | Schedule 11, Line 21 - Annual Scheduling, System Control and Dispatch Costs. (i.e. the Transmission Component of control center costs) as recorded in FERC Account 561 and its associated sub-accounts from the prior calendar year excluding any NY Independent System Operator (NYISO) system control and load dispatch expenses already recovered under Schedule 1 of the NYISO Tariff. | | | | | | | | | | | | | | | | |
| (f) | Schedule 12, line 17 - Billing Units shall be the total Niagara Mohawk load as reported to the NYISO for the calendar year prior to the Forecast Period, including the load for customers taking service under Niagara Mohawk's TSC rate. The total Niagara Mohawk load will be adjusted to exclude (i) load associated with wholesale transactions being revenue credited through the WR, CRR, SR, ECR, and Reserved components of Attachment H of the NYISO TSC rate including Niagara Mohawk's external sales, load associated with grandfathered OATT agreements, and any load related to pre-OATT grandfathered agreements; (ii) load associated with transactions being revenue credited under Historical TRR Component J; and (iii) load associated with netted station service. | | | | | | | | | | | | | | | | |
| (g) | (Col (d) + Col (e)) / Col (f) | | |  |  | | |  | |  | |  | |  | |  | |
|  |  | | |  |  | | |  | |  | |  | |  | |  | |
|  |  | | |  |  | | |  | |  | |  | |  | |  | |
| (\*) | The rate column represents the unit rate prior to adjustments; the actual rate will be determined pursuant to the applicable TSC formula rate. | | | | | | | | | | | | | | | | |
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| **Niagara Mohawk Power Corporation** | | |  |  |  |  |  | **Attachment 1** |
| **Allocation Factors - As calculated pursuant to Section 14.1.9.1** | | | |  |  |  |  | **Schedule 5** |
|  |  |  |  |  |  |  |  |  |
|  |  |  | **Year** | | |  |  |  |
|  |  | Shading denotes an input |  |  |  |  |  |  |
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| Line |  |  |  |  |  |  |  |  |
| No. |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  | Description |  | Amount |  | Source |  | Definition |
|  |  |  |  |  |  |  |  |  |
| 1 | 14.1.9.1 1. | **Electric Wages and Salaries Factor** |  | **83.5000%** |  |  |  | Fixed per settlement Docket ER08-552 |
| 2 |  |  |  |  |  |  |  |  |
| 3 | 14.1.9.1 3. | **Transmission Wages and Salaries Allocation Factor** | | **13.0000%** |  |  |  | Fixed per settlement Docket ER08-552 |
| 4 |  |  |  |  |  |  |  |  |
| 5 |  |  |  |  |  |  |  |  |
| 6 |  |  |  |  |  |  |  |  |
| 7 |  |  |  |  |  |  |  |  |
| 8 | 14.1.9.1 2. | **Gross Transmission Plant Allocation Factor** | | |  |  |  |  |
| 9 |  | Transmission Plant in Service |  | #DIV/0! |  | Schedule 6, Page 2, Line 3, Col 5 |  | Gross Transmission Plant Allocation Factor shall equal the total investment in |
| 10 |  | Plus: Transmission Related General |  | $0 |  | Schedule 6, Page 2, Line 5, Col 5 |  | Transmission Plant in Service, Transmission Related Electric General Plant, |
| 11 |  | Plus: Transmission Related Common |  | $0 |  | Schedule 6, Page 2, Line 10, Col 5 |  | Transmission Related Common Plant and Transmission Related Intangible Plant |
| 12 |  | Plus: Transmission Related Intangible Plant | | $0 |  | Schedule 6, Page 2, Line 15, Col 5 |  | divided by Gross Electric Plant. |
| 13 |  | Gross Transmission Investment |  | #DIV/0! |  | Sum of Lines 9 - 13 |  |  |
| 14 |  |  |  |  |  |  |  |  |
| 15 |  | Total Electric Plant |  |  |  | FF1 204-207.104g |  |  |
| 16 |  | Plus: Electric Common |  | $0 |  | Schedule 6, Page 2, Line 10, Col 3 |  |  |
| 17 |  | Gross Electric Plant in Service |  | $0 |  | Line 15 + Line 16 |  |  |
| 18 |  |  |  |  |  |  |  |  |
| 19 |  | **Percent Allocation** |  | **#DIV/0!** |  | Line 13 / Line 17 |  |  |
| 20 |  |  |  |  |  |  |  |  |
| 21 | 14.1.9.1 4. | **Gross Electric Plant Allocation Factor** |  |  |  |  |  |  |
| 22 |  |  |  |  |  |  |  |  |
| 23 |  | Total Electric Plant in Service |  | $0 |  | Line 15 |  | Gross Electric Plant Allocation Factor shall equal |
| 24 |  | Plus: Electric Common Plant |  | $0 |  | Schedule 6, Page 2, Line 10, Col 3 |  | Gross Electric Plant divided by the sum of Total Gas Plant, |
| 25 |  | Gross Electric Plant in Service |  | $0 |  | Line 23 + Line 24 |  | Total Electric Plant, and Total Common Plant |
| 26 |  |  |  |  |  |  |  |  |
| 27 |  | Total Gas Plant in Service |  |  |  | FF1 200-201.8d, minus 4d |  |  |
| 28 |  | Total Electric Plant in Service |  | $0 |  | Line 15 |  |  |
| 29 |  | Total Common Plant in Service |  | $0 |  | Schedule 6, Page 2, Line 10, Col 1 |  |  |
| 30 |  | Gross Plant in Service (Gas & Electric) |  | - |  | Sum of Lines 27-Lines 29 |  |  |
| 31 |  |  |  |  |  |  |  |  |
| 32 |  | **Percent Allocation** |  | **#DIV/0!** |  | Line 25 / Line 30 |  |  |

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| **Niagara Mohawk Power Corporation** | | |  |  | | |  |  | **Attachment 1**  **Schedule 6**  **Page 1 of 2** | | | | | | |  |
| **Annual Revenue Requirements of Transmission Facilities** | | |  |  | | |  |  |  | | | | | | |
| **Transmission Investment Base (Part 1 of 2)** | | |  |  | | |  |  |  | | | | | | |
| Attachment H, section 14.1.9.2 | | |  |  | | |  |  |  | | | | | | |  |
|  |  |  |  |  | | |  |  |  | | | |  | | |  |
| Line No. |  |  |  |  | | |  |  |  | | | |  | | |  |
| 1 | 14.1.9.2 (a) | Transmission Investment Base |  |  | | |  |  |  | | | |  | | |  |
| 2 |  |  |  |  | | |  |  |  | | | |  | | |  |
| 3 | A.1. | Transmission Investment Base shall be defined as (a) Transmission Plant in Service, plus (b) Transmission Related Electric General Plant, plus | | | | | | | | | | | | | |  |
| 4 |  | (c) Transmission Related Common Plant, plus (d) Transmission Related Intangible Plant, plus (e) Transmission Related Plant Held for Future Use, less | | | | | | | | | | | | | |
| 5 |  | (f) Transmission Related Depreciation Reserve, less (g) Transmission Related Accumulated Deferred Taxes, plus (h) | | | | | | | | | | | | | |
| 6 |  | Transmission Regulatory Assets and Liabilities, plus (i) Transmission Related Prepayments, plus (j) Transmission Related Materials and Supplies, | | | | | | | | | | | | | |
| 7 |  | plus (k) Transmission Related Cash Working Capital. | | | | | | | | | | | | | |
| 8 |  |  |  |  | | |  |  | | |  | |  | | |  |
| 9 |  |  |  |  | | |  |  | | |  | |  | | |  |
| 10 |  | Description | | |  | Reference | | | |  | | **Year** | |  | Reference | | |  |
| 11 |  |  | | |  | *Section:* | | | |  | |  | |  |  | | |  |
| 12 |  | Transmission Plant in Service | | |  | (a) | | | |  | | #DIV/0! | |  | Schedule 6, page 2, line 3, column 5 | | |
| 13 |  | General Plant | | |  | (b) | | | |  | | $0 | |  | Schedule 6, page 2, line 5, column 5 | | |
| 14 |  | Common Plant | | |  | (c) | | | |  | | $0 | |  | Schedule 6, page 2, line 10, column 5 | | |
| 15 |  | Intangible Plant | | |  | (d) | | | |  | | $0 | |  | Schedule 6, page 2, line 15, column 5 | | |
| 16 |  | Plant Held For Future Use | | |  | (e) | | | |  | | $0 | |  | Schedule 6, page 2, line 19, column 5 | | |
| 17 |  | Total Plant (Sum of Line 12 - Line 16) | | |  |  | | | |  | | #DIV/0! | |  |  | | |
| 18 |  |  | | |  |  | | | |  | |  | |  |  | | |  |
| 19 |  | Accumulated Depreciation | | |  | (f) | | | |  | | #DIV/0! | |  | Schedule 6, page 2, line 29, column 5 | | |
| 20 |  | Accumulated Deferred Income Taxes | | |  | (g) | | | |  | | #DIV/0! | |  | Schedule 7, line 6, column 5 | | |
| 21 |  | Transmission Regulatory Assets and Liabilities | | |  | (h) | | | |  | | #DIV/0! | |  | Schedule 7, line 11, column 5 | | |
| 22 |  | Net Investment (Sum of Line 17 -Line 21) | | |  |  | | | |  | | #DIV/0! | |  |  | | |  |
| 23 |  |  | | |  |  | | | |  | |  | |  |  | | |  |
| 24 |  | Prepayments | | |  | (i) | | | |  | | #DIV/0! | |  | Schedule 7, line 15, column 5 | | |
| 25 |  | Materials & Supplies | | |  | (j) | | | |  | | #DIV/0! | |  | Schedule 7, line 21, column 5 | | |
| 26 |  | Cash Working Capital | | |  | (k) | | | |  | | $0 | |  | Schedule 7, line 28, column 5 | | |
| 27 |  |  | | |  |  | | | |  | |  | |  |  | | |  | |
| 28 |  | Total Investment Base (Sum of Line 22 - Line 26) | | |  |  | | | |  | | #DIV/0! | |  |  | | |  | |

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| **Niagara Mohawk Power Corporation** | | | |  |  |  | | | | | | | |  | | |  |  | | | | |  | | | **Attachment 1** | | |
| **Annual Revenue Requirements of Transmission Facilities** | | | |  |  |  | | |  |  | | | | |  | | | **Schedule 6** | | |
| **Transmission Investment Base (Part 1 of 2)** | | | |  |  |  | | |  |  | | | | |  | | | **Page 2 of 2** | | |
|  | Attachment H Section 14.1. 9.2 (a) A. 1. |  | | |  |  | |  |  | | |  | | |  | | | |  |  | |  | |  |  | |  | |
|  |  |  | | |  |  | |  | **Year** | | |  |  | |  |  | | |  | | | | | | |  | | |
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|  | Shading denotes an input |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | | | | | |  | | |
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|  |  |  | | |  | (2) | |  | (3) = (1)\*(2) |  | (4) |  | (5) = (3)\*(4) | |  |  | | |  | | | | | | |  | | |
| Line |  | (1) | | |  | Allocation | |  | Electric |  | Allocation |  | Transmission | |  | FERC Form 1/PSC Report | | |  | | | | | | |  | | |
| No. |  | Total | | |  | Factor | |  | Allocated |  | Factor |  | Allocated | |  | Reference for col (1) | | |  | | | | | | | Definition | | |
|  |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | | | | | |  | | |
| 1 | Transmission Plant |  | | |  |  | |  |  |  |  |  |  | |  | FF1 204-207.58g | | | 14.1.9.2(a)A.1.(a) | | Transmission Plant in Service shall equal the | | | | | | | | |
| 2 | Wholesale Meter Plant |  | | |  |  | |  |  |  |  |  | #DIV/0! | |  | Workpaper 1 | | |  | | balance of total investment in Transmission Plant | | | | | | | | |
| 3 | Total Transmission Plant in Service (Line 1+ Line 2) | | | |  |  | |  |  |  |  |  | #DIV/0! | |  |  | | |  | | plus Wholesale Metering Investment. | | | | | | | | |
| 4 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | |  | | | | | | | | |
| 5 | General Plant |  | | |  | 100.00% | |  | $0 |  | 13.00% | (c) | $0 | |  | FF1 204-207.99g | | | 14.1.9.2(a)A.1.(b) | | Transmission Related Electric General Plant shall | | | | | | | | |
| 6 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | equal the balance of investment in Electric General | | | | | | | | |
| 7 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | Plant multiplied by the Transmission Wages and | | | | | | | | |
| 8 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | Salaries Allocation Factor. | | | | | | | | |
| 9 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | |  | | | | | | | | |
| 10 | Common Plant |  | | |  | 83.50% | | (a) | $0 |  | 13.00% | (c) | $0 | |  | FF1 200-201. 8h | | | 14.1.9.2(a)A.1.(c) | | Transmission Related Common Plant shall equal Common | | | | | | | | |
| 11 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | Plant multiplied by the Electric Wages and Salaries | | | | | | | | |
| 12 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | Allocation Factor and further multiplied by the | | | | | | | | |
| 13 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | Transmission Wages and Salaries Allocation Factor. | | | | | | | | |
| 14 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | |  | | | | | | | | |
| 15 | Intangible Plant |  | | |  | 100.00% | |  | - |  | 13.00% | (c) | $0 | |  | FF1 204-207.5g | | | 14.1.9.2(a)A.1.(d) | | Transmission Related Intangible Plant shall equal Intangible | | | | | | | | |
| 16 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | Electric Plant multiplied by the Transmission Wages and | | | | | | | | |
| 17 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | Salaries Allocation Factor. | | | | | | | | |
| 18 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | |  | | | | | | | | |
| 19 | Transmission Plant Held for Future Use | $0 | | |  |  | |  |  |  |  |  | $0 | |  | Workpaper 10 | | | 14.1.9.2(a)A.1.(e) | | Transmission Related Plant Held for Future Use shall equal | | | | | | | | |
| 20 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | the balance in Plant Held for Future Use associated with | | | | | | | | |
| 21 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | property planned to be used for transmission service within | | | | | | | | |
| 22 |  |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | | five years. | | | | | | | | |
| 23 | Transmission Accumulated Depreciation |  | | |  |  | |  |  |  |  |  |  | |  |  | | |  | |  | | | | | | | | |
| 24 | Transmission Accum. Depreciation |  | | |  |  | |  |  |  |  |  | $0 | |  | FF1 219.25b | | | 14.1.9.2(a)A.1.(f) | | Transmission Related Depreciation Reserve shall equal the | | | | | | | | |
| 25 | General Plant Accum.Depreciation |  | | |  | 100.00% | |  | $0 |  | 13.00% | (c) | $0 | |  | FF1 219.28b | | |  | | balance of: (i) Transmission Depreciation Reserve, plus (ii) | | | | | | | | |
| 26 | Common Plant Accum Depreciation |  | | |  | 83.50% | | (a) | $0 |  | 13.00% | (c) | $0 | |  | FF1 200-201.22h | | | | | the product of Electric General Plant Depreciation Reserve | | | | | | | | |
| 27 | Amortization of Other Utility Plant |  | | |  | 100.00% | |  | $0 |  | 13.00% | (c) | $0 | |  | FF1 200-201.21c | | | |  | multiplied by the Transmission Wages and Salaries | | | | | | | | |
| 28 | Wholesale Meters | #DIV/0! | | |  |  | |  |  |  |  |  | #DIV/0! | |  | Workpaper 1 | | | |  | Allocation Factor, plus (iii) the product of Common Plant | | | | | | | | |
| 29 | Total Depreciation (Sum of Line 24 - Line 28) | | | |  |  | |  |  |  |  |  | #DIV/0! | |  |  | | | |  | Depreciation Reserve multiplied by the Electric Wages and | | | | | | | | |
| 30 |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  | Salaries Allocation Factor and further multiplied by the | | | | | | | | |
| 31 |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  | Transmission Wages and Salaries Allocation Factor plus (iv) | | | | | | | | |
| 32 |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  | the product of Intangible Electric Plant Depreciation Reserve | | | | | | | | |
| 33 |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  | multiplied by the Transmission Wages and Salaries | | | | | | | | |
| 34 |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  | Allocation Factor plus (v) depreciation reserve associated with | | | | | | | | |
| 35 |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  | the Wholesale Metering Investment. | | | | | | | | |
| 36 |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  |  | | | | | | | | |
|  | Allocation Factor Reference | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  |  | | | | | | | | |
|  | (a) Schedule 5, line 1 | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  |  | | | | | | | | |
|  | (b) Schedule 5, line 32 - not used on this Schedule | | | |  |  | |  |  |  |  |  |  | |  |  | | | |  |  | | | | | | | | |
|  | (c) Schedule 5, line 3 | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  |  | | | | | | | | |
|  | (d) Schedule 5, line 19 - not used on this Schedule | | | |  |  | |  |  |  |  |  |  | |  |  | | | |  |  | | | | | | | | |
|  |  | |  | |  |  | |  |  |  |  |  |  | |  |  | | | |  |  | | | | | | | | |
| **Niagara Mohawk Power Corporation** | | | | | | | **Attachment 1** | | | | | | | | | | | | | | | | | | | | |
| **Annual Revenue Requirements of Transmission Facilities** | | | | | | | **Schedule 7** | | | | | | | | | | | | | | | | | | | | |
| **Transmission Investment Base ( Part 2 of 2)** | | | | | | |  | | | | | | | | | | | | | | | | | | | | |

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|  | Attachment H Section 14.1.9.2 (a) A. 1. |  | | |  |  |  | |  | |  | |  |  |
|  | Shading denotes an input |  | | |  | **Year** | | |  | |  | |  |  |
|  |  |  | | |  |  |  | |  | |  | |  |  |
| Line No. |  | (1)  Total | | | (2)  Allocation Factor | (3) = (1)\*(2)  Electric Allocated | (4)  Allocation Factor | | (5) = (3)\*(4)  Transmission Allocated | | FERC Form 1/PSC Report  Reference for col (1) | |  | Definition | |
|  |  |  | | |  |  |  | |  | |  | |  |  | |
|  | Transmission Accumulated Deferred Taxes |  | | |  |  |  | |  | |  | |  |  | |
| 1  2 | Accumulated Deferred Taxes (281)  Accumulated Deferred Taxes (282) |  | | | 100.00%  100.00% | $0  $0 | #DIV/0! (d  #DIV/0! (d) | | #DIV/0!  #DIV/0! | | FF1 272-273 Line 2k  Schedule 13(a) AADIT, Line 3 | | 14.1.9.2(a)A.1.(g) | Transmission Related Accumulated Deferred Income Taxes | |
| 3 | Accumulated Deferred Taxes (283) | $0 | | | 100.00% | $0 | #DIV/0! (d) | | #DIV/0! | | Workpaper 2, Line 5 | |  | shall equal the electric balance of Total Accumulated Deferred | |
| 4 | Accumulated Deferred Taxes (190) |  | | | 100.00% | $0 | #DIV/0! (d) | | #DIV/0! | | FF1 234.8c | |  | Income Taxes (FERC Accounts 190, 55,281, 282, and 283 net of | |
| 5 | Accumulated Deferred Inv. Tax Cr (255) |  | | | 100.00% | $0 | #DIV/0! (d) | | #DIV/0! | | FF1 266-267.8h | |  | stranded costs), multiplied by the Gross Transmission Plant | |
| 6 | Total (Sum of Line 2 - Line 5) |  | | |  | $0 |  | | #DIV/0! | |  | |  | Allocation Factor. | |
|  |  |  | | |  |  |  | |  | |  | |  |  | |
| 7 | Transmission Regulatory Assets and Liabilities |  | | |  |  |  | |  | |  | |  |  | |
| 8 | Excess AFUDC |  | | | 100.00% | $0 | #DIV/0! (d) | | #DIV/0! | | FF1 232 lines\_ f | | 14.1.9.2(a)A.1.(h) | Transmission Related Regulatory Assets and Liabilities shall equal: (i) the balance of Regulatory Assets net of Regulatory Liabilities assigned to Transmission plus (ii) the electric balance of Regulatory Assets net of Regulatory Liabilities multiplied by the Gross Transmission Plant Allocation Factor. | |
| 9 | FAS 109 | $0 | | | 100.00% | $0 | #DIV/0! (d) | | #DIV/0! | | Schedule 14, line 3a, column Q | |  |  | |
| 10 | Excess (Deficient) ADIT – Tax Rate Changes | $0 | | | 100.00% | $0 | 100.00% | | $0 | | Schedule 14, line 2, column Q | |  |  | |
| 11 | Total (Line 8 + Line 9 + Line 10) | $0 | | |  | $0 |  | | #DIV/0! | |  | |  |  | |
| 12 |  |  | | |  |  |  | |  | |  | |  |  | |
| 13 | Transmission Prepayments |  | | |  |  |  | |  | | FF1 110-111.57c | | 14.1.9.2(a)A.1.(i) | Transmission Related Prepayments shall be the product of | |
| 14 | Less: Prepaid State and Federal Income Tax |  | | |  |  |  | |  | | FF1 262-263 \_ k | |  | Prepayments excluding Federal and State taxes multiplied by | |
| 15 | Total Prepayments (Line 13 + Line 14) | $0 | | | #DIV/0! (b) | #DIV/0! | #DIV/0! (d) | | #DIV/0! | |  | |  | the Gross Electric Plant Allocation Factor and further | |
| 16 |  |  | | |  |  |  | |  | |  | |  | multiplied by the Gross Transmission Plant Allocation Factor. | |
| 17 |  |  | | |  |  |  | |  | |  | |  |  | |
| 18 | Transmission Material and Supplies |  | | |  |  |  | |  | |  | | 14.1.9.2(a)A.1.(j) | Transmission Related Materials and Supplies shall equal: (i) | |
| 19 | Trans. Specific O&M Materials and Supplies |  | | |  |  |  | | $0 | | FF1 227.8c | |  | the balance of Materials and Supplies assigned to | |
| 20 | Construction Materials and Supplies |  | | | #DIV/0! (b) | #DIV/0! | #DIV/0! (d) | | #DIV/0! | | FF1 227.5c | |  | Transmission plus (ii) the product of Material and Supplies | |
| 21 | Total (Line 19 + Line 20) |  | | |  |  |  | | #DIV/0! | |  | |  | assigned to Construction multiplied by the Gross Electric | |
| 22 |  |  | | |  |  |  | |  | |  | |  | Plant Allocation Factor and further multiplied by Gross | |
| 23 |  |  | | |  |  |  | |  | |  | |  | Transmission Plant Allocation Factor. | |
| 24 |  |  | | |  |  |  | |  | |  | |  |  | |
| 25 | Cash Working Capital |  | | |  |  |  | |  | |  | | 14.1.9.2(a)A.1.(k) | Transmission Related Cash Working Capital shall be an | |
| 26 | Operation & Maintenance Expense |  | | |  |  |  | | $0 | | Schedule 9, Line 23 | |  | allowance equal to the product of: (i) 12.5% (45 days/ 360 days = 12.5%) | |
| 27 |  |  | | |  |  |  | | 0.1250 | | x 45 / 360 | |  | multiplied by (ii) Transmission Operation and Maintenance Expense. | |
| 28 | Total (Line 26 \* Line 27) |  | | |  |  |  | | $0 | |  | |  |  | |
|  |  |  | | |  |  |  | |  | |  | |  |  | |
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|  | Allocation Factor Reference |  | | |  |  |  | |  | |  | |  |  | |
|  | (a) Schedule 5, line 1 - not used on this Schedule | | |  | |  | |  | |  | |  |  |  | |
|  | (b) Schedule 5, line 32 | |  |  | |  | |  | |  | |  |  |  | |
|  | (c) Schedule 5, line 3 - not used on this Schedule | | |  | |  | |  | |  | |  |  |  | |
|  | (d) Schedule 5, line 19 | |  |  | |  | |  | |  | |  |  |  | |

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| **Niagara Mohawk Power Corporation** | **Attachment 1** |
| **Annual Revenue Requirements of Transmission Facilities** | **Schedule 8** |
| **Cost of Capital Rate** |  |

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|  | Shading denotes an input | **Year** |

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| Line No. |
| 1 | **The Cost of Capital Rate shall equal the proposed Weighted Costs of Capital plus Federal Income Taxes and State Income Taxes.** | |
| 2 |  | The Weighted Costs of Capital will be calculated for the Transmission Investment Base using NMPC’s actual capital structure and will equal the sum of (i), (ii), and (iii) below: |
| 3 |  |  |
| 4 | (i) | the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of NMPC’s long-term debt outstanding during the year and the sum of (a) the ratio of actual long-term debt to total capital at year-end; and |
| 5 |  | (b) the extent, if any, by which the ratio of NMPC's actual common equity to total capital at year-end exceeds fifty percent (50%). Long term debt shall be defined as the average of the beginning of the year and end of year balances of the following: long term debt less the unamortized |
| 6 |  | Discounts on Long-Term Debt less the unamortized Loss on Reacquired Debt plus unamortized Gain on Reacquired Debt. Cost to maturity of NMPC's long-term debt shall be defined as the cost of long term debt included in the debt discount expense and |
| 7 |  | any loss or gain on reacquired debt. |
|  |  |  |
| 8 | (ii) | the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of NMPC’s preferred stock then outstanding and the ratio of actual preferred stock to total capital at year-end; |
| 9 |  |  |
| 10 | (iii) | the return on equity component shall be the product of the allowed return on equity of 10.3% and the ratio of NMPC’s actual common equity to total capital at year-end, provided that such ratio |
| 11 |  | shall not exceed fifty percent (50%). |

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| 12 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13 |  |  |  |  |  |  |  |  |  |  |  |  | WEIGHTED |  |  |
| 14 |  |  |  |  |  |  |  |  | CAPITALIZATION |  | COST OF |  | COST OF |  | EQUITY |
| 15 |  |  |  |  |  |  | CAPITALIZATION | Source: | RATIOS |  | CAPITAL | Source: | CAPITAL |  | PORTION |
| 16 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 17 |  |  |  |  | (i) | Long-Term Debt | $0 | Workpaper 6, Line 16b | #DIV/0! |  | #DIV/0! | Workpaper 6, Line 17c | #DIV/0! |  |  |
| 18 |  |  |  |  | (ii) | Preferred Stock |  | FF1 112-113.3c | #DIV/0! |  | #DIV/0! | Workpaper 6, Line 24d | #DIV/0! |  | #DIV/0! |
| 19 |  |  |  |  | (iii) | Common Equity |  | FF1 112-113.16c - FF1 112-113.3,12,15c | #DIV/0! |  | 10.30% |  | #DIV/0! |  | #DIV/0! |
| 20 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 21 |  |  |  |  |  | Total Investment Return | $0 |  | #DIV/0! |  |  |  | #DIV/0! |  | #DIV/0! |

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| 26 | 14.1.9.2.2.(b) | Federal Income Tax shall equal | = ( | A + | [ | B | **/** | C] | X |  | Federal Income Tax Rate | ) |
| 27 |  | | ( |  |  | 1 |  |  | - |  | Federal Income Tax Rate | ) |
| 28 |  | |  |  |  |  |  |  |  |  |  |  |

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| 29 |  | where A is the sum of the preferred stock component and the return on equity component, each as determined in Sections (a)(ii) and for the ROE set forth in (a)(iii) above, B is the Equity AFUDC component of Depreciation Expense for |
| 30 |  | Transmission Plant in Service as defined at Section 14.1.9.1.16 (FF1 117.38c), and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line 28. |
| 31 |  |  |

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| 32 |  |  | = ( | #DIV/0! | +( | $0 | **) /** |  | #DIV/0! | X |  |  | ) |
| 33 |  | | ( | 1 |  |  |  |  |  | - |  | 0 | ) |
| 34 |  | |  |  |  |  |  |  |  |  |  |  |  |

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| 35 |  | = | #DIV/0! |
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| 38 | 14.1.9.2.2.(c) | State Income Tax shall equal | = ( | A + | [ | B | **/** | C] | + |  | Federal Income Tax Rate | ) X | State Income Tax Rate |
| 39 |  | | ( |  |  | 1 |  |  | - |  | State Income Tax Rate | ) |  |
| 40 |  | |  |  |  |  |  |  |  |  |  |  |  |

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| 41 |  | where A is the sum of the preferred stock component and the return on equity component as determined in (a)(ii) and (a)(iii) above , B is the Equity AFUDC component of Depreciation Expense for Transmission Plant in |
| 42 |  | Service as defined at Section 14.1.9.1.16 above, and C is the Transmission Investment Base as shown at Schedule 6, Page 1 of 2, Line 28. |
| 43 |  |  |
| 44 |  |  |
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| 46 |  |  | = ( | #DIV/0! | + ( | $0 | **) /** |  | #DIV/0! | + |  | #DIV/0! | ) X |  |
| 47 |  | | ( | 1 |  |  |  |  |  | - |  | 0 | ) | |
| 48 |  | |  |  |  |  |  |  |  |  |  |  |  | |

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| 49 |  | = | #DIV/0! |
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| 53 | (a)+(b)+(c) Cost of Capital Rate | | | | | = | | #DIV/0! | | | | |  | | | | |  | |  |  | |
| 54 |  | | | | |  | |  | | | | |  | | | | | |  | |  |  | |
| 55 |  | | | | |  | |  | | | | |  | | | | | |  | |  |  | |
| 56 | **14.1.9.2(a) A. Return and Associated Income Taxes shall equal the product of the Transmission Investment Base and the Cost of Capital Rate** | | | | | | | | | | | | | | | | |
| 57 |  | | |  | | | |  | | | | |  | | |  |  |
| 58 |  | | |  | | | |  | | | | |  | | |  |  |
| 59 |  | | |  | | | |  | | | | |  | | |  |  |
| 60 | Transmission Investment Base | |  | | | | | #DIV/0! | | | | |  | | Schedule 6, page 1 of 2, Line 28 | | | | | | | | | | |
| 61 |  | | | | |  |  | | |  | | |  | |  | | | | | | | | | |  | |  |
| 62 | Cost of Capital Rate | |  | | | | | #DIV/0! | | | | |  | | Line 53 | | | | | | | | | |  | |  |
| 63 |  | | | | | | | |  | |  |  | |  |  | | | | | | | | | |  | |  |
| 64 | = Investment Return and Income Taxes | | | |  | | | #DIV/0! | | | | |  | | Line 60 X Line 62 | | | | | | | | | | | |  |
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| **Niagara Mohawk Power Corporation** | **Attachment 1** | |
| **Annual Revenue Requirements of Transmission Facilities** | **Schedule 9** | |
| **Transmission Expenses** |  |

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|  | Attachment H Section 14.1.9.2 |  |  | | **Year** | | | | |  | | |  | | | |  | |  | | | | | |
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|  | Shading denotes an input | | |  | |  | |  | | |  | | |  | |  | | | |  | |  | | | |
| Line No. |  | | | (1)  Total | | (2)  Allocation Factor | | | (3) = (1)\*(2)  Electric Allocated | | | (4)  Allocation Factor | | | (5) = (3)\*(4)  Transmission Allocated | | | FERC Form 1/  PSC Report  Reference for col (1) | | |  | | Definition | | | |
|  | Depreciation Expense | | |  | |  | | |  | | |  | | |  | | |  | | |  | |  | | | |
| 1 | Transmission Depreciation | | |  | |  | | |  | | |  | | | $0 | | | FF1 336-337.7f | | | 14.1.9.2.B. | | | Transmission Related Depreciation Expense shall equal the sum of: | | | |
| 2 | General Depreciation | | |  | | 100.0000% | | | $0 | | | 13.0000% (c) | | | $0 | | | FF1 336-337.10f | | |  | | | (i) Depreciation Expense for Transmission Plant in Service, plus (ii) | | | |
| 3 | Common Depreciation | | |  | | 83.5000% (a) | | | $0 | | | 13.0000% (c) | | | $0 | | | FF1 356 | | |  | | | the product of Electric General Plant Depreciation Expense multiplied | | | |
| 4 | Intangible Depreciation | | |  | | 100.0000% | | | $0 | | | 13.0000% (c) | | | $0 | | | FF1 336-337.1f | | |  | | | by the Transmission Wages and Salaries Allocation Factor plus (iii) | | | |
| 5 | Wholesale Meters | | |  | |  | | |  | | |  | | | #DIV/0! | | | Workpaper 1 | | |  | | | Common Plant Depreciation Expense multiplied by the Electric | | | |
| 6 | Total (Line 1+2+3+4+5) | | |  | |  | | |  | | |  | | | #DIV/0! | | |  | | |  | | | Wages and Salaries Allocation Factor, further multiplied by the | | | |
| 7 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | Transmission Wages and Salaries Allocation Factor plus (iv) | | | |
| 8 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | Intangible Electric Plant Depreciation Expense multiplied by the | | | |
| 9 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | Transmission Wages and Salaries Factor plus (v) depreciation | | | |
| 10 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | expense associated with the Wholesale Metering Investment. | | | |
| 11 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | |
| 12 | Real Estate Taxes | | |  | | 100.0000% | | | $0 | | | #DIV/0! (d) | | | #DIV/0! | | | FF1 262-263 ­\_ l | | | 14.1.9.2.C. | | | Transmission Related Real Estate Tax Expense shall equal the | | | |
| 13 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | electric Real Estate Tax Expenses multiplied by the Gross | | | |
| 14 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | Transmission Plant Allocation Factor. | | | |
| 15 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | |
| 16 | Amortization of Investment Tax Credits | | |  | | #DIV/0! (b) | | | #DIV/0! | | | #DIV/0! (d) | | | #DIV/0! | | | FF1 114-117.58c | | | 14.1.9.2.D. | | | Transmission Related Amortization of Investment Tax Credits shall | | | |
| 17 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | equal the product of Amortization of Investment Tax Credits multiplied | | | |
| 18 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | by the Gross Electric Plant Allocation Factor and further multiplied by | | | |
| 19 |  | | |  | |  | | |  | | |  | | |  | | |  | | |  | | | the Gross Transmission Plant Allocation Factor. | | | |

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| 20 | Transmission Operation and Maintenance | |  |  |  |  |  |  |  |
| 21 | Operation and Maintenance |  |  |  |  | $0 | FF1 320-323.112b | 14.1.9.2.E. | Transmission Operation and Maintenance Expense shall equal |
| 22 | less Load Dispatching - #561 |  |  |  |  | $0 | FF1 320-323.85-92b |  | the sum of electric expenses as recorded in |
| 23 | O&M (Line 21 - Line 22) | $0 |  |  |  | $0 |  |  | FERC Account Nos. 560, 562-574. |
| 24 |  |  |  |  |  |  |  |  |  |
| 25 | Transmission Administrative and General | |  |  |  |  |  | 14.1.9.2.F. | Transmission Related Administrative and General Expenses shall |
| 26 | Total Administrative and General |  |  |  |  |  | FF1 320-323.197b |  | equal the product of electric Administrative and General Expenses, |
| 27 | less Property Insurance (#924) |  |  |  |  |  | FF1 320-323.185b |  | excluding the sum of Electric Property Insurance, Electric Research and |
|  |  |  |  |  |  |  |  |  |  |
| 28 | less Pensions and Benefits (#926) |  |  |  |  |  | FF1 320-323.187b |  | Development Expense and Electric Environmental Remediation Expense, |
| 29 | less: Research and Development Expenses (#930) | $0 |  |  |  |  | Workpaper 12 |  | and 50% of the NYPSC Regulatory Expense |
| 30  31 | Less: 50% of NY PSC Regulatory Expense  Less: 18a Charges (Temporary Assessment |  |  |  |  |  | 50% of Workpaper 15  Workpaper 15 |  | multiplied by the Transmission Wages and Salaries Allocation Factor, |
| 32 | less: Environmental Remediation Expense | $0 |  |  |  |  | Workpaper 11 |  | plus the sum of Electric Property Insurance multiplied by the Gross |
| 33 | Subtotal (Line 26-27-28-29-30-31-32) | $0 | 100.0000% | $0 | 13.0000% (c) | $0 |  |  | Transmission Plant Allocation Factor, plus transmission-specific Electric |
| 34 | PLUS Property Insurance alloc. using Plant Allocation | $0 | 100.0000% | $0 | #DIV/0! (d) | #DIV/0! | Line 27 |  | Research and Development Expense, and transmission-specific | |
| 35 | PLUS Pensions and Benefits | $88,644,000 | 100.0000% | $88,644,000 | 13.0000% (c) | $11,523,720 | Workpaper 3 |  | Electric Environmental Remediation Expense. In addition, Administrative | |
| 36 | PLUS Transmission-related research and development | $0 |  |  |  | $0 | Workpaper 12 |  | and General Expenses shall exclude the actual Post-Employment | |
| 37 | PLUS Transmission-related Environmental Expense | $0 |  |  |  | $0 | Workpaper 11 |  | Benefits Other than Pensions ("PBOP") included in FERC Account 926, | |
| 38 | Total A&G (Line 33+34+35+36+37) | $88,644,000 |  | $88,644,000 |  | #DIV/0! |  |  | and shall add back in the amounts shown on Workpaper 3, page 1, | |
| 39 |  |  |  |  |  |  |  |  | or other amount subsequently approved by FERC under Section 205 or 206. | |
| 40 | Payroll Tax Expense |  |  |  |  |  |  | 14.1.9.2.G. | Transmission Related Payroll Tax Expense shall equal the product of | |
| 41 | Federal Unemployment |  |  |  |  |  | FF1 262-263.12I |  | electric Payroll Taxes multiplied by the Transmission Wages and |
| 42 | FICA |  |  |  |  |  | FF1 262-263.17I |  | Salaries Allocation Factor. |
| 43 | State Unemployment |  |  |  |  |  | FF1 262-263.13I |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| 44 | Total (Line 41+42+43) | $0 | 100.0000% | $0 | 13.0000% (b) | $0 |  |  |  |
| 45 |  |  |  |  |  |  |  |  |  |
| 46 | Amortization of (Excess)/ Deficient ADIT | $0 | 100.0000% | $0 | #DIV/0! (d) | #DIV/0! | Schedule 14, line 2, column J | 14.1.9.2.H | Transmission related Amortization of Regulatory Assets and Liabilities shall equal the transmission-specific Amortization of Regulatory Assets and Liabilities |
|  | Allocation Factor Reference |  |  |  |  |  |  |  |  |
|  | (a) Schedule 5, line 1 |  |  |  |  |  |  |  |  |
|  | (b) Schedule 5, line 32 |  |  |  |  |  |  |  |  |
|  | (c) Schedule 5, line 3 |  |  |  |  |  |  |  |  |
|  | (d) Schedule 5, line 19 |  |  |  |  |  |  |  |  |

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| **Niagara Mohawk Power Corporation** | | |  | | |  | | | | **Attachment 1** | | | |
| **Annual Revenue Requirements of Transmission Facilities** | | | | | |  | | | | **Schedule 10** | | | |
| **Billing Adjustments, Revenue Credits, Rental Income** | | | | | |  | | | |  | | | |
|  |  |  | | |  | | **Year** | |  | | | |  | | | |
|  | Attachment H Section 14.1.9.2 (a) | | | |  | |  | |  | | | |  | | | |
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|  |  | Shading denotes an input | | |  | |  | |  | | | |  | | | |
| Line  No. |  | Description | | | (1)  Total | | Source | |  | | | | Definition | | | |
|  |  |  | | |  | |  | |  | | | |  | | | |
| 1 |  | Billing Adjustments | | |  | | Workpaper 16 | | 14.1.9.2.I. | | | | Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4 below. | | | |
| 2 |  |  | | |  | |  | |  | | | | ( ) indicates a refund or a reduction to the revenue requirement on Schedule 1. | | | |
| 3 |  |  | | |  | |  | |  | | | |  | | | |
| 4 |  | Bad Debt Expense | | | $0 | | Workpaper 4 | | 14.1.9.2.J. | | | | Transmission Related Bad Debt Expense shall equal | | | |
| 5 |  |  | | |  | |  | |  | | | | Bad Debt Expense as reported in Account 904 related to NMPC's wholesale transmission billing. | | | |
| 6 |  |  | | |  | |  | |  | | | |  | | | |
| 7 |  | Revenue Credits | | | $0 | | Workpaper 5 | | 14.1.9.2.K. | | | | Revenue Credits shall equal all Transmission revenue recorded in FERC account 456 | | | |
| 8 |  |  | | |  | |  | |  | | | | excluding (a) any NMPC revenues already reflected in the WR, CRR, SR, ECR and Reserved | | | |
| 9 |  |  | | |  | |  | |  | | | | components in Attachment H of the NYISO TSC rate; (b) any revenues associated | | | |
| 10 |  |  | | |  | |  | |  | | | | with expenses that have been excluded from NMPC’s revenue requirement; and (c) any | | | |
| 11 |  |  | | |  | |  | |  | | | | revenues associated with transmission service provided under this TSC rate, for which the | | | |
| 12 |  |  | | |  | |  | |  | | | | load is reflected in the calculation of BU. | | | |
| 13 |  |  | | |  | |  | |  | | | |  | | | |
| 14 |  | Transmission Rents | | | $0 | | Workpaper 7 | | 14.1.9.2.L. | | | | Transmission Rents shall equal all Transmission-related rental income recorded in FERC | | | |
| 15 |  |  | | |  | |  | |  | | | | account 454.615 | | | |
| 16 |  |  | | |  | |  | |  | | | |  | | | |
| 17 |  |  | | |  | |  | | 14.1.9.4(d) | | | |  | | | |
| 18 |  |  | | |  | |  | | 1 | | | | Any changes to the Data Inputs for an Annual Update, including but not limited to | | | |
| 19 |  |  | | |  | |  | |  | | | | revisions resulting from any FERC proceeding to consider the Annual Update, or | | | |
| 20 |  |  | | |  | |  | |  | | | | as a result of the procedures set forth herein, shall take effect as of the beginning | | | |
| 21 |  |  | | |  | |  | |  | | | | of the Update Year and the impact of such changes shall be incorporated into the | | | |
| 22 |  |  | | |  | |  | |  | | | | charges produced by the Formula Rate (with interest determined in accordance | | | |
| 23 |  |  | | |  | |  | |  | | | | with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update | | | |
| 24 |  |  | | |  | |  | |  | | | | Year. This mechanism shall apply in lieu of mid-Update Year adjustments and | | | |
| 25 |  |  | | |  | |  | |  | | | | any refunds or surcharges, except that, if an error in a Data Input is discovered | | | |
| 26 |  |  | | |  | |  | |  | | | | and agreed upon within the Review Period, the impact of such change shall be | | | |
| 27 |  |  | | |  | |  | |  | | | | incorporated prospectively into the charges produced by the Formula Rate during | | | |
| 28 |  |  | | |  | |  | |  | | | | the remainder of the year preceding the next effective Update Year, in which case | | | |
| 29 |  |  | | |  | |  | |  | | | | the impact reflected in subsequent charges shall be reduced accordingly. | | | |
| 30 |  |  | | |  | |  | | 2 | | | | The impact of an error affecting a Data Input on charges collected during the | | | |
| 31 |  |  | | |  | |  | |  | | | | Formula Rate during the five (5) years prior to the Update Year in which the error | | | |
| 32 |  |  | | |  | |  | |  | | | | was first discovered shall be corrected by incorporating the impact of the error on | | | |
| 33 |  |  | | |  | |  | |  | | | | the charges produced by the Formula Rate during the five-year period into the | | | |
| 34 |  |  | | |  | |  | |  | | | | charges produced by the Formula Rate (with interest determined in accordance | | | |
| 35 |  |  | | |  | |  | |  | | | | with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update | | | |
| 36 |  |  | | |  | |  | |  | | | | Year. Charges collected before the five-year period shall not be subject to correction. | | | |
|  |  |  | | |  | |  | |  | | |  | | | |
| (b) |  | List of Items excluded from the Revenue Requirement | |  | | | |  | | |  | | | |

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|  | **Niagara Mohawk Power Corporation** | | | | | | |  |  | |  | **Attachment 1**  **Schedule 11**  **Page 1 of 1** |
|  | **System, Control, and Load Dispatch Expenses (CCC)** | | | | | | | |  | |  |  |
|  | Attachment H, Section 14.1.9.5 | | | |  | | |  |  | |  |  |
|  |  | |  | |  | | |  |  | |  |  |
|  |  | | The CCC shall equal the annual Scheduling, System Control and Dispatch Costs (i.e.,  the transmission component of control center costs) as recorded in FERC Account 561 and its associated sub-accounts  using information from the prior calendar year, excluding NYISO system control and load dispatch expense  already recovered under Schedule 1 of the NYISO Tariff. | | | | | | | | | |
| Line No. |  | |  | | | | | | |  |  |  |
| 1 |  | | **Scheduling and Dispatch Expenses** | | | | | | | **Year** |  | **Source** |
| 2 |  | |  |  | | |  | | |  |  |  |
| 3 |  | |  |  | | |  | | |  |  |  |
| 4 |  | | Accounts | 561.1 | | | Reliability | | |  |  | FF1 320-323.85b |
| 5 |  | | Accounts | 561.2 | | | Monitor and Operate Transmission System | | |  |  | FF1 320-323.86b |
| 6 |  | | Accounts | 561.3 | | | Transmission Service and Schedule | | |  |  | FF1 320-323.87b |
| 7 |  | | Accounts | 561.4 | | | Scheduling System Control and Dispatch | | |  |  | FF1 320-323.88b |
| 8 |  | | Accounts | 561.5 | | | Reliability, Planning and Standards Development | | |  |  | FF1 320-323.89b |
| 9 |  | | Accounts | 561.6 | | | Transmission Service Studies | | |  |  | FF1 320-323.90b |
| 10 |  | | Accounts | 561.7 | | | Generation Interconnection Studies | | |  |  | FF1 320-323.91b |
| 11 |  | | Accounts | 561.8 | | | Reliability, Planning and Standards Dev. Services | | |  |  | FF1 320-323.92b |
| 12 |  | |  |  | | |  | | |  |  |  |
| 13 |  | |  | Total Load Dispatch Expenses (sum of Lines 4 - 11) | | | | | |  |  | Sum of Lines 4 - 11 |
| 14 |  | |  |  | | |  | | |  |  |  |
| 15 | Less Account 561 directly recovered under Schedule 1 of the NYISO Tariff | | | | | | | | |  |  |  |
| 16 |  |  | |  | | |  | | |  |  |  |
| 17 |  | Accounts | | 561.4 | | | Scheduling System Control and Dispatch | | |  |  | Line 7 |
| 18 |  | Accounts | | 561.8 | | | Reliability, Planning and Standards Dev. Services | | |  |  | Line 11 |
| 19 |  |  | | Total NYISO Schedule 1 | | | | | |  |  | Line 17 + Line 18 |
| 20 |  |  | |  | | |  | | |  |  |  |
| 21 |  | Total CCC Component | | | | |  | | |  |  | Line 13 - Line 19 |
|  |  |  | | | |  |  | | |  |  |  |

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| **Niagara Mohawk Power Corporation** | | | |  |  | **Attachment 1**  **Schedule 12**  **Page 1 of 1** |  |
| **Billing Units - MWH** | | | | | |  |  |
| Attachment H, Section 14.1.9.6 | | |  |  | |  |  |
|  |  |  |  |  | |  |  |
|  |  | BU shall be the total Niagara Mohawk load as reported to the NYISO for the calendar billing year prior to the Forecast Period, including the load for customers taking service under Niagara Mohawk’s TSC Rate. The total Niagara Mohawk load will be adjusted to exclude (i) load associated with wholesale transactions being revenue credited through the WR, CRR, SR, ECR and Reserved components of Workpaper H of the NYISO TSC rate including Niagara Mohawk’s external sales, load associated with grandfathered OATT agreements, and any load related to pre-OATT grandfathered agreements; (ii) load associated with transactions being revenue credited under Historical TRR Component J; and (iii) load associated with netted station service. | | | | |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Line No. |  |  | | |  |  |  | **SOURCE** |
| 1 |  | Subzone 1 | | |  |  |  | NIMO TOL (transmission owner load) |
| 2 |  | Subzone 2 | | |  |  |  | NIMO TOL (transmission owner load) |
| 3 |  | Subzone 3 | | |  |  |  | NIMO TOL (transmission owner load) |
| 4 |  | Subzone 4 | | |  |  |  | NIMO TOL (transmission owner load) |
| 5 |  | Subzone 29 | | |  |  |  | NIMO TOL (transmission owner load) |
| 6 |  | Subzone 31 | | |  |  |  | NIMO TOL (transmission owner load) |
|  |  |  | | |  |  |  |  |
| 7 |  | Total NIMO Load report to NYISO | | |  | **0.000** |  | Sum of Lines 1-6 |
|  |  |  | | |  |  |  |  |
| 8 |  | LESS: All non-retail transactions | | |  |  |  |  |
| 9 |  | Watertown | | |  |  |  | FF1 page 328-330.\_.j |
| 10 |  | Disputed Station Service | | |  |  |  | NIMO TOL (transmission owner load) |
| 11 |  | Other non-retail transactions | | |  |  |  | All other non-retail transactions (Sum of 300,000 series PTID's from TOL) |
| 12 |  | Total Deductions | | |  | **0.000** |  | Sum of Lines 9 - 11 |
|  |  |  | | |  |  |  |  |
| 13 |  | PLUS: TSC Load | | |  |  |  |  |
| 14 |  | NYMPA Muni's, Misc. Villages, Jamestown (X1) | | |  |  |  | FF1 page 328-330. \_.j |
| 15 |  | NYPA Niagara Muni's (X2) | | |  |  |  | FF1 page 328-330. \_.j |
| 16 |  | Total additions | | |  | **0.000** |  | Sum of Lines 14 -15 |
|  |  |  | | |  |  |  |  |
| 17 |  | Total Billing Units | | |  | **0.000** |  | Line 7 - Line 12 + Line 16 |
|  |  |  | | |  |  |  |  |
|  |  |  | | | | | | |
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| **Niagara Mohawk Power Corporation** | |  |  |  | **Attachment 1** |
| **Forecasted Accumulated Deferred Income Taxes (FADIT)** | |  |  |  | **Schedule 13** |
|  |  |  |  |  | **Page 1 of 1** |
|  | Shading denotes an input |  |  |  |  |
|  |  |  |  |  |  |
| **Line No.** | **Description** |  | **Amount** |  |  |
| 1 | Electric ADIT Balance at year-end |  |  | FF1 Page 274-275.2k |  |
| 2 | Transmission Plant (PL) Allocator |  |  | Schedule 5, Line 19 |  |
| 3 | Transmission Related ADIT Balance at year-end |  |  | Line 1 x Line 2 |  |
| 4 |  |  |  |  |  |
| 5 | Forecasted Transmission Related ADIT balance |  |  | Internal Records |  |
| 6 |  |  |  |  |  |
| 7 | Change in ADIT |  |  | Line 5 - Line 3 |  |
| 8 |  |  |  |  |  |
| 9 | Monthly Change in ADIT |  |  | Line 7 / 12 Months |  |
| 10 |  |  |  |  |  |
| 11 | **(A)  Month** | **(B) Remaining Days** | **(C) = (B)/ Line 17 (B) IRS Proration %** | **(D) = Line 9 \*(C) Prorated ADIT** |  |
| 12 | Month 1 |  | 100.00% | - |  |
| 13 | Month 2 |  | 100.00% | - |  |
| 14 | Month 3 |  | 100.00% | - |  |
| 15 | Month 4 |  | 100.00% | - |  |
| 16 | Month 5 |  | 100.00% | - |  |
| 17 | Month 6 |  | 100.00% | - |  |
| 18 | Month 7 |  | #DIV/0! % | - |  |
| 19 | Month 8 |  | #DIV/0! % | - |  |
| 20 | Month 9 |  | #DIV/0! % | - |  |
| 21 | Month 10 |  | #DIV/0! % | - |  |
| 22 | Month 11 |  | #DIV/0! % | - |  |
| 23 | Month 12 |  | #DIV/0! % | - |  |
| 24 | Total Prorated ADIT Change (Sum of 12 through 23) |  |  | $ - | to Schedule 2, Line 22 |
|  |  |  |  |  |  |
|  | (a) The balance in Line 1, Total Transmission ADIT Balance at year-end, shall equal such ADIT that is subject to the normalization rules prescribed |  |  |  |  |
|  | by the IRS and the net of the amounts recorded in FERC Account No. 282. |  |  |  |  |

**Niagara Mohawk Power Corporation Attachment 1**

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

**Page 1 of 1**

Shading denotes an input

**Line** (A) (B)

**No. Description Amount Reference**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1  2  3 | Total ADIT Balance at prior year-end (Enter Credit) (b)  Prorated Actual ADIT Activity  Total Prorated ADIT Balance at year-end (Line 1 + Line 2) |  |  | |  |  | (c) | | FF1 Page 274-275.2b |
|  |  | | Line 16(G) |
|  | (C) | | (D) (E) | |  | (F) = (E) / Line 17(E) |  | (G) = (D) x (F) |  |
|  | **Month** | | **Actual Monthly Change in ADIT Remaining Days** | |  | **IRS Proration %** |  | **Prorated ADIT** |  |
| 4 | Month 1 | $ |  | 335 |  | 91.7808% | $ |  | Internal Records |
| 5 | Month 2 | $ |  | 307 |  | 84.1096% | $ |  | Internal Records |
| 6 | Month 3 | $ |  | 276 |  | 75.6164% | $ |  | Internal Records |
| 7 | Month 4 | $ |  | 246 |  | 67.3973% | $ |  | Internal Records |
| 8 | Month 5 | $ |  | 215 |  | 58.9041% | $ |  | Internal Records |
| 9 | Month 6 | $ |  | 185 |  | 50.6849% | $ |  | Internal Records |
| 10 | Month 7 | $ |  | 154 |  | 42.1918% | $ |  | Internal Records |
| 11 | Month 8 | $ |  | 123 |  | 33.6986% | $ |  | Internal Records |
| 12 | Month 9 | $ |  | 93 |  | 25.4795% | $ |  | Internal Records |
| 13 | Month 10 | $ |  | 62 |  | 16.9863% | $ |  | Internal Records |
| 14 | Month 11 | $ |  | 32 |  | 8.7671% | $ |  | Internal Records |
| 15 | Month 12 | $ |  | 1 |  | 0.2740% | $ |  | Internal Records |
| 16 | Total Prorated Actual ADIT Activity (Sum Lines 6 thru 17) | |  | |  |  | $ |  |  |
| 17 | Number of Days in the Year | |  |  |  |  |  |  |  |
| 365 |  |

**Notes:**

1. Enter credit balances as negatives.
2. The balance in Line 1, Total ADIT Balance at year-end, shall equal such ADIT that is subject to the normalization rules prescribed by the IRS.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Niagara Mohawk Power Corporation**  **Annual Revenue Requirements of Transmission Facilities** | | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | **Attachment 1** | | | |
| **(Excess)/Deficient ADIT Worksheet** | | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | **Schedule 14** | | | |
| **For Costs in 20\_\_** | | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | **Page 1 of 2** | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  | Input Cells are Shaded Yellow | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | |  | |  | | |  | | (A) | | | | (B) | | ( C) | | (D) = (A) + (B) + (C) | |  | | ( E) | | (F) | |  | |  | | (G) | | (H) | | (I) | | (J) | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | |  | | **20\_\_ Year End Unamortized (Excess)/Deficient ADIT (e)** | | | | | | | | | | | | | | |  | | **Amortization Periods (f)** | | | |  | | **Amortization Expense (e ) (g)** | | | | | | | |  | |
| **Line No.** | **Description** | |  | | **FERC Account No. (a)** | | | **Ref** | | **Protected** | | | | **Unprotected** | | **Gross-Up (i)** | | **12/31/20\_\_ Balance** | |  | | **Protected** | | **Unprotected** | |  | | **FERC Account No. (g)** | | **Protected** | | **Unprotected** | | **Gross-Up (i)** | | **Total Amortization** | |
| **Transmission (EXCESS)/DEFICIENT ADIT - TAX RATE CHANGES** | | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 1a |  | |  | |  | | | (b) | |  | | | |  | | - | | - | |  | |  | |  | |  | |  | |  | |  | | - | | - | |
| 1 [] |  | |  | |  | | | (c) | |  | | | |  | | - | | - | |  | |  | |  | |  | |  | |  | |  | | - | | - | |
| 2 | Total (Sum Lines1a thru 1[]) (d) | |  | |  | | |  | | - | | | | - | | - | | - | |  | |  | |  | |  | |  | | - | | - | | - | | - | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| **Electric FAS 109/(Excess) Deficient ADIT** | | | | | | | | | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 3a | FAS 109 - Electric | |  | |  | | | (j) | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 3[] |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 4 | Total (Sum Lines 3a thru 3[]) (d) | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 5 | **TOTAL Electric FAS 109/(Excess) Deficient ADIT (Line 2 + Line 4)** | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 6 | Deficient ADIT - Regulatory Asset Account 182.3 | |  | |  | | |  | | FF 1 Page 232 b | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 7 | Excess ADIT - Regulatory Liability Account 254 | |  | |  | | |  | | FF1 Page 278 b | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| 8 | Deficient/(Excess) Deferred Income Tax Regulatory Asset/(Liability) (Line 6 + Line 7) | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| **Notes:** | |  | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (a) | | The affected ADIT accounts were remeasured by comparing ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 at the current Federal, State & Local Income Tax rate to ADIT balances at historical Federal, State & Local Income Tax rates. The difference between the two represents the excess or deficient ADIT. Refer to Schedule 14(a). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |
| (b) | | Relates to the Federal Income Tax Rate change associated with the 2017 Tax Cuts and Jobs Act. | | | | | | | | | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (c) | | Niagara Mohawk Power Corporation may add or remove sublines and notes explaining them without a FPA Section 205 filing. | | | | | | | | | | | | | | | | | | | | | | | | |  | |  | |  | |  | |  | |  | |
| (d) | | Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |  | |  | |
| (e) | | Enter credit balances as negatives. | |  | |  | | |  | |  | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (f) | | Deficient/(excess) ADIT balances will be amortized as follows: "Protected property-related" = ARAM, "unprotected property-related" = 31 yrs, all other unprotected deficient/(excess) ADIT balances = 10 yrs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |  | |
| (g) | | Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1. | | | | | | | | | | | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (h) | | Other changes to (excess)/deficient ADIT due to the conclusion of IRS audits during applicable periods affected by a change in federal, state or local tax rates, the establishment of new (excess)/deficient ADIT due to future tax rate changes and classification changes between protected and unprotected categories due to the passage of time. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |
|  | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |
| (i) | | Tax gross up calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period. | | | | | | | | | | | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (j) | | Other Electric Transmission and Distribution FAS 109 balances | | | | | | | | | | | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (k) | | Niagara Mohawk Power Company will add footnotes below to identify excess or deficient ADIT from future Federal, State and Local income tax rate changes. | | | | | | | | | | | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (l) | [] | | | | | | | | | | |  |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  |  | | | | | |  |  | | | |  |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Niagara Mohawk Power Corporation**  **Annual Revenue Requirements of Transmission Facilities** | |  |  |  |  |  |  |  |  | **Attachment 1** |
|  | **(Excess)/Deficient ADIT Worksheet** | |  |  |  |  |  |  |  |  | **Schedule 14** |
|  | **For costs in 20\_\_** | |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | **Page 2 of 2** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Input cells are Shaded Yellow | |  |  |  |  |  |  |  |  |
|  | (K) | (L) | (M) |  |  | (N) = (A) – (G) –(K) | (O) = (B) – (H) – (L) | (P)=(C)-(I)-(M) | (Q)= (N) + (O) + (P) |  | (R) |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Other Adjustments (e) (h)** | | | |  | **20\_\_ Year End Unamortized (Excess)/Deficient ADIT (e)** | | | |  |  |
| **Line No.** | **Protected** | **Unprotected** | **Gross-Up(i)** |  |  | **Protected** | **Unprotected** | **Gross-Up (i)** | **12/31/20\_\_ Balance** |  | **Reference** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1a |  |  | - |  |  | - | - | - | - |  |  |
| 1 [] |  |  | - |  |  | - | - | - | - |  |  |
| 2 | - | - | - |  |  | - | - | - | - |  |  |
| 3a |  |  |  |  |  |  |  |  |  |  |  |
| 3b |  |  |  |  |  |  |  |  |  |  |  |
| 3c |  |  | - |  |  |  | - | - | - |  |  |
| 3d |  |  |  |  |  |  |  |  |  |  |  |
| 3 [] |  |  | - |  |  |  | - | - | - |  |  |
| 4 | - | - | - |  |  | - | - | - | - |  |  |
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| 5 | - | - | - |  |  | - | - | - | - |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 6 |  |  |  |  |  | FF1 Page 232 |  |  | - |  |  |
| 7 |  |  |  |  |  | FF1 Page 278 |  |  |  |  |  |
| 8 |  |  |  |  |  |  |  |  | - |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |

**Niagara Mohawk Power Corporation**

**Annual Revenue Requirements of Transmission Facilities**

**(Excess)/Deficient ADIT Worksheet**

**Schedule 14(a) - Remeasurement Support - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**For Costs in the Year of 20\_\_**

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

**Notes:**

(a) Company records

(b) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. Niagara Mohawk Power Company may add or remove sublines without a FPA Section 205 filing.

(c) When the effective date for an income tax rate change falls within a Company’s fiscal tax year, the income tax rate for such a year shall be the sum of the number of days in each time period times the tax rate for each a period.

|  |  |  |  |
| --- | --- | --- | --- |
| **Blended Rate** | **Days** | **Effective Rate** | **Blended Rate** |
|  |  |  | 0.00% |
|  |  |  | 0.00% |
|  |  |  | 0.00% |

(d) Enter credit balances as negatives.

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

14.2.2 NYPA Transmission Adjustment Charge (“NTAC”)

14.2.2.1 Applicability of the NYPA Transmission Adjustment Charge

Each Billing Period, the ISO shall charge, and each Transmission Customer shall pay, the applicable NYPA Transmission Adjustment Charge (“NTAC”) calculated in accordance with Section 14.2.2.2.1 of this Attachment. The NTAC shall apply to Transmission Service:

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

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

14.2.2.1.3 to serve Load within the NYCA.

In summary, the NTAC will be applied to all Energy Transactions, including internal New York State Loads and Wheels Through and Exports out of the NYCA at a uniform, non-discountable rate.

14.2.2.2 NTAC Calculation

14.2.2.2.1 NTAC Formula

NYPA shall calculate the NTAC applicable to Transmission Service to serve New York State Load, Wheels Through and Exports as follows:

NTAC = {(ATRRNTAC÷12) - (EA) - (IR÷12) - SR - CRN - WR - ECR - NR - NT}/(BU÷12)

Where:

ATRRNTAC = NYPA’s Annual Transmission Revenue Requirement for costs not recoverable through project-specific transmission revenue requirements, which includes the Scheduling, System Control and Dispatch Costs of NYPA’s control center, all as determined in accordance with the Formula Rate Template provided in Section 14.2.3.1 of this Attachment, and as reflected on SCH - Summary, line 11 of the Formula Rate Template;

EA = Monthly Net Revenues from Modified Wheeling Agreements, Facility Agreements and Third Party TWAs, and Deliveries to directly connected Transmission Customers;

SR = SR1 + SR2 + SR3 + SR4

SR1 will equal the revenues from the Direct Sale by NYPA of Original Residual TCCs, and Grandfathered TCCs associated with ETAs, the expenses for which are included in NYPA’s ATRRNTAC where NYPA is the Primary Holder of said TCCs. SR1 for a month in which a Direct Sale is applicable shall equal the total nominal revenue that NYPA will receive under each applicable TCC sold in a Direct Sale divided by the duration of that TCC (in months).

SR2 will equal NYPA’s revenues from the Centralized TCC Auctions and Reconfiguration Auctions allocated pursuant to Attachment N; this includes revenues from: (a) TCCs associated with Residual Transmission Capacity that are sold in the Centralized TCC Auctions and Reconfiguration Auctions; and (b) the sale of Grandfathered TCCs associated with ETAs, if the expenses for these ETAs are included in NYPA's ATRRNTAC. The revenue that NYPA receives from a TCC sold in a Centralized Auction or Reconfiguration Auction will be divided equally among the month(s) for which the sold TCC is valid. For Balance of Period Auctions, the ISO shall provide NYPA information regarding its respective share of Net Auction Revenues for each month covered by each Balance-of-Period Auction.

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

SR3 shall equal NYPA’s share of revenues from the award and renewal of Historic Fixed Price TCCs (including extensions of Historic Fixed Price TCCs awarded pursuant to Section 19.2.1.4 of Attachment M of the OATT), as determined pursuant to Section 20.4 of Attachment N. The share of revenues allocated to NYPA pursuant to Section 20.4 of Attachment N shall be adjusted after each Centralized TCC Auction and divided equally across the months for which the Historic Fixed Price TCCs (including extensions of Historic Fixed Price TCCs awarded pursuant to Section 19.2.1.4 of Attachment M of the OATT) that were awarded or renewed prior to the relevant Centralized TCC Auction are valid. Notwithstanding anything to the contrary herein, with respect to NYPA’s share of any revenues for Historic Fixed Price TCCs that took effect on or before November 1, 2016, such revenues (or any portion thereof) shall be accounted for in SR3 by dividing such revenues (or any portion thereof) equally across the six months of the first Capability Period following the effective date of this provision provided that the NYISO has informed NYPA of its respective share of such revenues (or any portion thereof) at least two weeks prior to the start of such Capability Period, otherwise such revenues (or any remaining portion thereof) shall be accounted for in SR3 by dividing such revenues (or any remaining portion thereof) equally across the six months of the Capability Period that follows the first Capability Period following the effective date of this provision.

SR4 shall equal NYPA’s share of revenues from the initial award and renewal of Non-Historic Fixed Price TCCs, as determined pursuant to Section 20.5 of Attachment N. The share of revenues allocated to NYPA pursuant to Section 20.5 of Attachment N shall be adjusted after each Centralized TCC Auction and divided equally across the months for which the Non-Historic Fixed Price TCCs that were initially awarded or renewed as part of the relevant Centralized TCC Auction are valid. Notwithstanding anything to the contrary herein, with respect to NYPA’s share of any revenues for Non-Historic Fixed Price TCCs that took effect on or before May 1, 2017, such revenues (or any portion thereof) shall be accounted for in SR4 by dividing such revenues (or any portion thereof) equally across the six months of the first Capability Period that commences following the effective date of this provision provided that the NYISO has informed NYPA of its share of such revenues (or any portion thereof) at least two weeks prior to the start of such Capability Period, otherwise such revenues (or any remaining portion thereof) shall be accounted for in SR4 by dividing such revenues (or any remaining portion thereof) equally across the six months of the Capability Period that follows the first Capability Period that commences following the effective date of this provision.

ECR = NYPA's share of Net Congestion Rents in a month, calculated pursuant to Attachment N. The computation of ECR is exclusive of any Congestion payments or Rents included in the CRN term;

CRN = Monthly Day-Ahead Congestion Rents in excess of those required to offset Congestion paid by NYPA’s SENY governmental customers associated with the NYPA OATT Niagara/St. Lawrence Service reservations, net of the Initial Cost.

IR = A. The amount that NYPA will credit to its ATRRNTAC assessed to the SENY Load on account of the foregoing NYPA Niagara/St. Lawrence OATT reservations for SENY governmental customers. Such annual revenues will be computed as the product (“Initial Cost”) of NYPA’s current OATT system rate of $2.23 per kilowatt per month and the 600 MW of TCCs (or the amount of TCCs reduced by Paragraph C below). In the event NYPA sells these TCCs (or any part thereof), all revenues from these sales will offset the NTAC and the Initial Cost will be concomitantly reduced to reflect the net amount of Niagara/St. Lawrence OATT Reservations, if any, retained by NYPA for the SENY Load. The parties hereby agree that the revenue offset to NTAC will be the greater of the actual sale price obtained by NYPA for the TCCs sold or that computed at the applicable system rate in accordance with Paragraph B below;

B. The system rate of $2.23 per kilowatt per month will be benchmarked to the ATRRNTAC for NYPA transmission initially accepted by FERC (“Base Period ATRRNTAC”) for the purposes of computing the Initial Cost. Whenever an amendment to the ATRRNTAC is accepted by FERC or the ATRRNTAC is updated pursuant to the procedures set forth in Section 14.2.3.2 of this Attachment (“Amended ATRRNTAC”), the system rate for the purpose of computing the Initial Cost will be increased (or decreased) by the ratio of the Amended ATRRNTAC to the Base Period ATRRNTAC and the effect of Paragraph A on NTAC will be amended accordingly.

C. If prior to the Centralized TCC Auction all Grandfathered Transmission Service including NYPA's 600 MW Niagara/St. Lawrence OATT reservations held on behalf of its SENY governmental customers are found not to be feasible, then such OATT reservations will be reduced until feasibility is assured. A reduction, subject to a 200 MW cap on the total reduction as described in Attachment M, will be applied to the NYPA Niagara/St. Lawrence OATT reservations held on behalf of its SENY governmental customers.

WR = NYPA’s revenues from external sales (Wheels Through and Exports) not associated with Existing Transmission Agreements in Attachment L, Tables 1 and 2 and Wheeling revenues from OATT reservations extending beyond the start-up of the ISO;

NR = NYPA Reserved1 + NYPA Reserved2

NYPA Reserved1 will equal NYPA’s Congestion payments for a month received pursuant to Section 20.2.3 of Attachment N of this Tariff for NYPA’s RCRR TCCs.

NYPA Reserved2 will equal the value that NYPA receives for the sale of RCRR TCCs in a month, with the value for each RCRR TCC sold divided equally over the month(s) for which that sold RCRR TCC is valid.

NT = The amount of actual NYPA transmission revenues minus NYPA’s monthly revenue requirement.

BU = Annual Billing Units are New York State Loads and Loads associated with Wheels Through and Exports in megawatt-hours (“MWh”).

The ATRRNTAC and SR will not include expenses for NYPA’s purchase of TCCs or revenues from the sale of such purchased TCCs or from the collection of Congestion Rents for such TCCs.

The ECR, EA, SR, CRN, WR, NR, and NT shall be updated prior to the start of each month based on actual data for the calendar month prior to the month in which the adjustment is made (i.e., January actual data will be used in February to calculate the NTAC effective in March).

The NTAC shall be calculated as a $/MWh charge and shall be applied to Actual Energy Withdrawals, except for Wheels Through and Exports in which case the NTAC shall be applied to scheduled Energy quantities. The NTAC shall not apply to scheduled quantities that are Curtailed by the ISO.

14.2.2.2.3

NYPA’s recovery of capital expenditure pursuant to NTAC is subject to limitations set forth in Section 14.2.3.2.7 of this Attachment H. NYPA may also invest in transmission facilities outside the NTAC recovery mechanism. In that case, NYPA cannot recover any expenses or return associated with such additions under NTAC and any TCC or other revenues associated with such additions will not be considered NYPA transmission revenue for purposes of developing the NTAC nor be used as a credit in the allocation of NTAC to transmission system users.

14.2.2.3 Filing and Posting of NTAC

NYPA shall coordinate with the ISO to update certain components of the NTAC formula on a monthly or Capability Period basis. NYPA may update the NTAC calculation to change the ATRRNTAC, initially approved by FERC, and such updates shall be submitted to FERC each year as part of NYPA’s informational filing pursuant to Section 14.2.3.2.6 of this Attachment. An integral part of the agreement between the other Member Systems and NYPA is NYPA’s consent to the submission of its ATRRNTAC for FERC review and approval on the same basis and subject to the same standards as the Revenue Requirements of the Investor-Owned Transmission Owners. Each January, beginning with January 2001, the ISO shall inform NYPA of the prior year’s actual New York internal Load requirements and the actual Wheels Through and Exports and shall post this information on the OASIS. NYPA shall change the BU component of the NTAC formula to reflect the prior calendar year’s information, with such change to take effect beginning with the March NTAC of the current year. NYPA will calculate the monthly NTAC and provide this information to the ISO by no later than the fourteenth day of each month, for posting on the OASIS to become effective on the first day of the next calendar month. Beginning with LBMP implementation, the monthly NTAC shall be posted on the OASIS by the ISO no later than the fifteenth day of each month or as soon thereafter as is reasonably possible but in no event later than the 20th of the month to become effective on the first day of the next calendar month.

14.2.2.4 NTAC Calculation Information

NYPA’s ATRRNTAC for facilities owned as of January 31, 1997, and Annual Billing Units (BU) of the NTAC are:

ATRRNTAC = $165,449,297

BU = 133,386,541MWh

NYPA’s ATRRNTAC is subject to FERC review because it is collected through the ISO’s jurisdictional rates, and will be filed, together with any project-specific revenue requirements, with the Commission each year for informational purposes pursuant to Section 14.2.3.2.6 of this Attachment.

14.2.2.5 Billing

The New York State Loads, Wheels Through, and Exports will be billed based on the product of: (i) the NTAC; and (ii) the Customer’s billing units for the Billing Period. The billing units will be based on the metered energy for all Transactions to supply Load in the NYCA during the Billing Period, and hourly Energy schedules for the Billing Period for all Wheels Through and Exports.

INDEX

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT

Name

[Cost-of-Service Summary](http://[s0l0];/#SUMMARY!A1) [Schedule A1](http://[s0l1];/#'A1-O&M'!A1)

[Schedule A2](http://[s0l2];/#'A2-A&G'!A1)   
[Schedule B1](http://[s0l3];/#'B1-Depn'!A1)   
[Schedule B2](http://[s0l7];/#'B2-Plant'!A1)   
[Schedule B3](http://[s0l11];/#'B3-Depn Rates'!A1)   
[Schedule C1](http://[s0l4];/#'C1-Rate Base'!A1)   
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[Work Paper-AR-Cap Assets](http://[s0l16];/#'WP-AR-Cap Assets'!A1)   
[Work Paper-Reconciliations](http://[s0l38];/#'WP-Reconciliations'!A1)

Description

TRANSMISSION REVENUE REQUIREMENT SUMMARY OPERATION & MAINTENANCE EXPENSE SUMMARY ADMINISTRATIVE AND GENERAL EXPENSES

ANNUAL DEPRECIATION AND AMORTIZATION EXPENSES ADJUSTED PLANT IN SERVICE

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CAPITAL STRUCTURE AND COST OF CAPITAL

PROJECT SPECIFIC CAPITAL STRUCTURE AND COST OF CAPITAL LABOR RATIO

PROJECT REVENUE REQUIREMENT WORKSHEET INCENTIVES

PROJECT TRUE-UP   
O&M AND A&G SUMMARY   
O&M AND A&G DETAIL

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MICROWAVE TOWER RENTAL INCOME

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PBOP) PROPERTY INSURANCE ALLOCATION

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DEPRECIATION AND AMORTIZATION EXPENSES (BY FERC ACCOUNT) EXCLUDED PLANT IN SERVICE

PLANT IN SERVICE DETAIL

MARCY-SOUTH CAPITALIZED LEASE AMORTIZATION AND UNAMORTIZED BALANCE FACTS PROJECT PLANT IN SERVICE AND ACCUMULATED DEPRECIATION

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LONG-TERM DEBT AND RELATED INTEREST CALCULATION OF LABOR RATIO

STATEMENT OF REVENUES , EXPENSES, AND CHANGES IN NET POSITION STATEMENT OF NET POSITION

CAPITAL ASSETS   
RECONCILIATIONS BETWEEN ANNUAL REPORT & ATRR

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

TRANSMISSION REVENUE REQUIREMENT SUMMARY

Line No. A. OPERATING EXPENSES TOTAL $ SOURCE/COMMENTS

(1) (2)

1 Operation & Maintenance Expense - Schedule A1, Col 5, Ln 17

2 Administration & General Expenses - Schedule A2, Col 5, Ln 22

3 Depreciation & Amortization Expense - Schedule B1, Col 6, Ln 26

4 TOTAL OPERATING EXPENSE - Sum lines 1, 2, & 3

5 B. RATE BASE - Schedule C1, Col 5, Ln 10

6 Return on Rate Base - Schedule C1, Col 7, Ln 10

6a Total Project Specific Return Adustment - Schedule D2, Col 3, Ln A

7 TOTAL REVENUE REQUIREMENT - Line 4 + Line 6 + Line 6a

8 Incentive Return - Schedule F1, page 2, line 2, col. 13

9 True-up Adjustment - Schedule F3, page 1, line 3, col. 10

10 NET ADJUSTED REVENUE REQUIREMENT - Line 7 + line 8 + line 9

Breakout by Project

11 NTAC Facilities - Schedule F1, page 2, line 1a + line 1d, col. 17

11a Project 1 - Marcy South Series Compensation - Schedule F1, page 2, line 1b, col. 17

11b Project 2 - AC Project Segment A - Schedule F1, page 2, line 1c, col. 17

11c -

11d -

12 Total Break out - Sum lines 11

Note 1 The revenue requirements shown on lines 11 and 11a et seq. are annual revenue requirements. If the first year is a partial year, 1/12

of the amounts should be recovered for every month of the Rate Year.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE A1

OPERATION & MAINTENANCE EXPENSE SUMMARY ($)

FERC

Line No. Account FERC Account Description Source Total Grand Total NYPA Form 1 Equivalent

(1) (2) (3) (4) (5) (6)

Transmission:

OPERATION:

1 560 Supervision & Engineering WP-AA, Col (5) - Page 321 line 83

2 561 Load Dispatching WP-AA, Col (5) - Page 321 lines 85-92

3 562 Station Expenses WP-AA, Col (5) - Page 321 line 93

4 566 Misc. Trans. Expenses WP-AA, Col (5) - Page 321 line 97

5 Total Operation (sum lines 1-4) -

MAINTENANCE:

6 568 Supervision & Engineering WP-AA, Col (5) - Page 321 line 101

7 569 Structures WP-AA, Col (5) - Page 321 line 102-106

8 570 Station Equipment WP-AA, Col (5) - Page 321 line 107

9 571 Overhead Lines WP-AA, Col (5) - Page 321 line 108

10 572 Underground Lines WP-AA, Col (5) - Page 321 line 109

11 573 Misc. Transm. Plant WP-AA, Col (5) - Page 321 line 110

12 Total Maintenance (sum lines 6-11) -

13 TOTAL O&M TRANSMISSION (sum lines 5 & 12) -

Adjustments (Note 2)

14 Step-up Transformers WP-AC, Col (1) line 5 -

15 FACTS (Note 1) WP-AD,Col (1) line 5 -

16 Microwave Tower Rental Income WP-AE, Col (3) line 2 -

17 TOTAL ADJUSTED O&M TRANSMISSION (sum lines 13-16) -

Note 1 Flexible Alternating Current Transmission System device

Note 2 Revenues that are credited in the NTAC are not revenue credited here.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE A2

ADMINISTRATIVE AND GENERAL EXPENSES

FERC Unallocated Transmission Allocated to

Line No. Account FERC Account Description Source A&G ($) Labor Ratio Transmission ($) Source/Comments NYPA Form 1 Equivalent

(1) (2) (3) (4) (5) (6) (7)

Administrative & General Expenses

1 920 A&G Salaries WP-AA, Col (5) - Page 323 line 181

2 921 Office Supplies & Expenses WP-AA, Col (5) - Page 323 line 182

3 922 Admin. Exp. Transferred-Cr WP-AA, Col (5) - Page 323 line 183

4 923 Outside Services Employed WP-AA, Col (5) - Page 323 line 184

5 924 Property Insurance WP-AA, Col (5) - - See WP-AG; Col (3) ,Ln 4 Page 323 line 185

6 925 Injuries & Damages Insurance WP-AA, Col (5) - - See WP-AH; Col (3) ,Ln 4 Page 323 line 186

7 926 Employee Pensions & Benefits WP-AA, Col (5) - Page 323 line 187

8 928 Reg. Commission Expenses WP-AA, Col (5) - - See WP-AA; Col (3), Ln 2x Page 323 line 189

9 930 Obsolete/Excess Inv WP-AA, Col (5) - Page 323 line 190.5

10 930.1 General Advertising Expense WP-AA, Col (5) - Page 323 line 191

11 930.2 Misc. General Expenses WP-AA, Col (5) - Page 323 line 192

12 930.5 Research & Development 2/ - - 2/ Page 323 line 192.5

13 931 Rents WP-AA, Col (5) - Page 323 line 193

14 935 Maint of General Plant A/C 932 WP-AA, Col (5) - Page 323 line 196

15 TOTAL (sum lines 1-14) -

16 Less A/C 924 Less line 5 - Page 323 line 185

17 Less A/C 925 Less line 6 - Page 323 line 186

18 Less EPRI Dues 1/ -

19 Less A/C 928 Less line 8 - Page 323 line 189

20 Less A/C 930.5 Less line 12 - 3/

21 PBOP Adjustment WP-AF -

22 TOTAL A&G Expense (sum lines 16 to 21) - - - - Allocated based on

transmission labor

23 NET A&G TRANSMISSION EXPENSE (sum lines 1 to 22) - allocator (Schedule E1)

1/ NYPA does not pay EPRI dues

2/ Column 5 is populated as 0 (zero) for data pertaining to calendar years \_\_\_\_ and 2015. It is populated as a sum of Transmission R&D Expense [Workpaper WP-AA Col (3) ln(2ab)] plus the portion of   
 Admin & General allocated to transmission [Workpaper WP-AA Col (4) ln (2ab) multiplied by Workpaper E1-Labor Ratio Col (3) ln (2)] for data pertaining to calendar years 2016 and later.   
3/ Populated as 0 (zero) for data pertaining to calendar years \_\_\_\_ and 2015. Populated as WP-AA Col (3) for data pertaining to calendar years 2016 and later.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE B1

ANNUAL DEPRECIATION AND AMORTIZATION EXPENSES ($)

Total

General Plant Annual

FERC Transmission Allocated to Depreciation

Line No. Account FERC Account Description Source Transmission General Plant Labor Ratio (%) Transm. Col (3)\*(4) Col (2)+(5)

(1) (2) (3) (4) (5) (6)

1 352 Structures & Improvements WP-BA, Col (4) -

2 353 Station Equipment WP-BA, Col (4) -

3 354 Towers & Fixtures WP-BA, Col (4) -

4 355 Poles & Fixtures WP-BA, Col (4) -

5 356 Overhead Conductors & Devices WP-BA, Col (4) -

6 357 Underground Conduit WP-BA, Col (4) -

7 358 Underground Conductors & Devices WP-BA, Col (4) -

8 359 Roads & Trails WP-BA, Col (4) -

9 Unadjusted Depreciation -

10 390 Structures & Improvements WP-BA, Col (4) -

11 391 Office Furniture & Equipment WP-BA, Col (4) -

12 392 Transportation Equipment WP-BA, Col (4) -

13 393 Stores Equipment WP-BA, Col (4) -

14 394 Tools, Shop & Garage Equipment WP-BA, Col (4) -

15 395 Laboratory Equipment WP-BA, Col (4) -

16 396 Power Operated Equipment WP-BA, Col (4) -

17 397 Communication Equipment WP-BA, Col (4) -

18 398 Miscellaneous Equipment WP-BA, Col (4) -

19 399 Other Tangible Property WP-BA, Col (4) -

20 Unadjusted General Plant Depreciation -

Adjustments

21 Capitalized Lease Amortization Schedule B2, Col 4, line 14 -

22 FACTS Schedule B2, Col 4, line 13 -

23 Windfarm Schedule B2, Col 4, line 11 -

24 Step-up Transformers Schedule B2, Col 4, line 12 -

25 Relicensing Reclassification WP-BG, Col 4 -

26 TOTAL (Sum lines 1-25) - - - 1/ - -

1/ See Schedule-E1, Col (3), Ln 2

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE B2

ADJUSTED PLANT IN SERVICE

\_\_\_\_ \_\_\_\_ \_\_\_\_ - \_\_\_\_ Average

Net

Line Plant in Accumulated Plant in Depreciation Plant in Accumulated Plant in Depreciation Plant in Accumulated Plant in

No. Service ($) Depreciation ($) Service - Net ($) Expense ($) Service ($) Depreciation ($) Service - Net ($) Expense ($) Service ($) Depreciation ($) Service ($)

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11)

NYPA Form 1 Equivalent

Plant in Service

PRODUCTION Source (p. 204-207 column (g)) Depreciation (p.219)

1 Production - Land WP-BC ln. 8 + ln. 27 + ln. 37 - - - - - - - - - - -

2 Production - Hydro WP-BC ln. 35 - ln. 27 ln. 22 - Cost of Removal 5/ - - - - - - - - - - -

3 Production - Gas Turbine / Combined Cycle WP-BC ln. 16 + ln. 45 + ln. 100.5 - ln. 8 - ln. 37 ln. 20 + ln. 23 - - - - - - - - - - -

4 - - - - - - - - - - -

TRANSMISSION

5 Transmission - Land WP-BC ln. 48 - - - - - - - - - - -

6 Transmission WP-BC ln. 58 + ln. 100.6 - ln. 48 ln. 24 - Cost of Removal 5/ - - - - - - - - - - -

7 - - - - - - - - - - -

8 Transmission - Cost of Removal 1/ WP-BC - - - - - - - - - - -

9 Excluded Transmission 2/ WP-BB - - - - - - - - - - -

Adjustments to Rate Base

10 Transmission - Asset Impairment WP-BC - - - - - - - - - - -

11 Windfarm WP-BC - - - - - - - - - - -

12 Generator Step-ups WP-BF - - - - - - - - - - -

13 FACTS WP-BE - - - - - - - - - - -

14 Marcy South Capitalized Lease 3/ - -

15 Total Adjustments - - - - - - - - - - -

16

17 Net Adjusted Transmission - - - - - - - - - - -

-

GENERAL

18 General - Land WP-BC ln. 86 - - - - - - - - - - -

19 General WP-BC ln. 99 - ln. 86 ln. 27 - Cost of Removal 5/ - - - - - - - - - - -

20 ln. 99 - - - - - - - - - - -

Adjustments to Rate Base

21 General - Asset Impairment - - - - - - - - - - -

22 General - Cost of Removal WP-BC - - - - - - - - - - -

23 Relicensing WP-BG - - - - - - - - - - -

24 Excluded General 4/ WP-BC - - - - - - - - - - -

24 Total Adjustments - - - - - - - - - - -

25 Net Adjusted General Plant - - - - - - - - - - -

Notes

1/ Cost of Removal: Bringing back to accumulated depreciation cost of removal which was reclassified to regulatory liabilities in annual report.

2/ Excluded Transmission: Assets not recoverable under ATRR, FERC Accounts 350 and 352-359 for 500 MW, AEII, Poletti, SCPPs, Small Hydro, and Flynn. 3/ Marcy South Capitalized Lease amount is added separately to the Rate Base.

4/ Excluded General: Assets not recoverable under ATRR, FERC Accounts 389-399 for 500 MW, AEII, Poletti, SCPPs, Small Hydro, and Flynn.

SCPPs include Brentwood, Gowanus, Harlem River, Hell Gate, Kent, Pouch and Vernon. Small Hydro includes Ashokan, Crescent, Jarvis and Vischer Ferry.

5/ The difference between the Accumulated Depreciation contained in the NYPA Form 1 Equivalent and the amount contained here is equal to the Cost of Removal.

Schedule B3 - Depreciation and Amortization Rates   
 NEW YORK POWER AUTHORITY

Based on Plant Data Year Ending December 31, 2019 for General and Intangible Plant and December 31, 2020 for Transmission Plant (as filed with FERC in 2022)

Line No. FERC Account FERC Account Description Rate (Annual) Percent 1/

Long Island New Project

TRANSMISSION PLANT Headquarters St. Lawrence/FDR Niagara Blenheim-Gilboa J. A. FitzPatrick Massena-Marcy Marcy-South Sound Cable 2/

1 350 Land Rights

2 352 Structures and Improvements 1.87% 1.78% 1.60% 1.83% 0.89% 1.92%

3 353 Station Equipment 2.73% 2.80% 2.79% 2.83% 2.90% 1.67% 2.67%

4 354 Towers and Fixtures 1.63% 1.65% 1.65% 0.87% 1.84% 2.12% 2.27%

5 355 Poles and Fixtures 2.26% 2.30% 1.71% 1.75% 2.28% 2.65%

6 356 Overhead Conductor and Devices 2.32% 2.25% 1.95% 1.37% 2.83% 2.43% 2.45%

7 357 Underground Conduit 1.03% 1.76% 0.32% 1.69%

8 358 Underground Conductor and Devices 2.47% 2.91% 0.74% 2.44%

9 359 Roads and Trails 0.77% 0.53% 1.02% 0.11% 1.23% 1.42% 1.33%

GENERAL PLANT

10 390 Structures & Improvements 1.37% 1.69% 1.53% 1.61% 1.70% 1.75%

11 391 Office Furniture & Equipment 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00%

12 391.2 Computer Equipment 5 yr 20.00% 20.00% 20.00% 20.00% 20.00% 20.00% 20.00% 20.00% 20.00%

13 391.3 Computer Equipment 10 yr 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00%

14 392 Transportation Equipment 10.00% 4/ 5.58% 4.30% 6.30% 5.53% 10.00%

15 393 Stores Equipment 2.84% 3.08% 2.11% 3.33%

16 394 Tools, Shop & Garage Equipment 4.64% 3.92% 2.55% 5.11% 3.71% 5.00%

17 395 Laboratory Equipment 5.00% 4/ 5.17% 4.26% 5.11% 4.78% 5.00%

18 396 Power Operated Equipment 6.19% 5.68% 2.28% 3.55% 8.33% 4/ 8.33%

19 397 Communication Equipment 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00%

20 398 Miscellaneous Equipment 4/ 4.00% 1.09% 4.42% 5.02% 5.00% 4/ 5.00%

21 399 Other Tangible Property 6.67% 6.67% 6.67% 6.67% 6.67% 6.67% 6.67% 6.67% 6.67%

INTANGIBLE PLANT

22 303 Miscellaneous Intangible Plant

23 5 Year Property 20.00% 20.00% 20.00% 20.00% 20.00% 20.00% 20.00% 20.00% 20.00%

24 7 Year Property 14.29% 14.29% 14.29% 14.29% 14.29% 14.29% 14.29% 14.29% 14.29%

25 10 Year Property 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 10.00%

26 Transmission facility Contributions in Aid of Construction 3/

Notes:

1/ Where no depreciation rate is listed for a transmission or general plant account for a particular project,

NYPA lacks depreciable plant as of 12/31/2019 or 2020 (or all plant has been fully depreciated). If new plant corresponding to these   
 accounts is subsequently added for the relevant projects, the “New Project” depreciation rate for the relevant account will apply. 2/ New Project transmission and general depreciation rates are equal to the life of the asset adjusted for salvage.   
3/ 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 1-9 above and the weighted average depreciation rate will be used to amortize the CIAC. The life of a   
 facility subject to a CIAC will be equivalent to the depreciation rate calculated above, i.e., 100% ÷ deprecation rate = life   
 in years. The estimated life of the facility or rights associated with the facility will not change over the life of a CIAC   
 without prior FERC approval.

4/ NYPA has replaced the anomalous rates for these assets with New Project rates.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE C1

TRANSMISSION - RATE BASE CALCULATION

TRANSM. GENERAL PLANT

LABOR ALLOCATED TO TOTAL RATE OF RETURN ON

RATE BASE TRANSMISSION TOTAL RATIO TRANSMISSION ($) TRANSMISSION ($) RETURN RATE BASE

PLANT ($) GENERAL PLANT ($) [Schedule E1] (2) \* (3) (1) + (4) [Schedule D1] (5) \* (6)

(1) (2) (3) (4) (5) (6) (7)

1 A) Net Electric Plant in Service - 1/ - 2/ - - -

2 B) Rate Base Adjustments

3 \* Cash Working Capital (1/8 O&M) - 3/ -

4 \* Marcy South Capitalized Lease - 4/ -

5 \* Materials & Supplies - 5/ - -

6 \* Prepayments - 6/ - -

7 \* CWIP - 7/

8 \* Regulatory Asset - 7/

9 \* Abandoned Plant - 7/

10 TOTAL (sum lines 1-9) - - - - - - -

1/ Schedule B2; Net ElectricPlant in Service; Ln 17

2/ Schedule B2; Net ElectricPlant in Service; Ln 25

3/ 1/8 of (Schedule A1; Col 5, Ln 17 + Schedule A2; Col 5, Ln 22) [45 days] 4/ WP-BD; Average of Year-end Unamortized Balances, Col 5

5/ Average of year-end inventory Materials & Supplies (WP-CA). NYPA Form 1 Equivalent, page 227, Ln 12, average of columns b and c. 6/ WP-CB; Col 3, Ln 3

7/ CWIP, Regulatory Asset and Abandoned Plant are zero until an amount is authorized by FERC as shown below. CWIP amount is shown in the NYPA Form 1 Equivalent, page 216, line 1

Docket Number Authorized Amount

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE D1

CAPITAL STRUCTURE AND COST OF CAPITAL

CAPITALIZATION RATIO COST RATE WEIGHTED

Line No. TITLE from WP-DA 1/ from WP-DA 2/ AVERAGE SOURCE/COMMENTS

(1) (2) (3) (4)

1 LONG-TERM DEBT 0.00% - - Col (1) \* Col (2)

2 COMMON EQUITY 0.00% 9.45% - Col (1) \* Col (2)

3 TOTAL CAPITALIZATION 0.00% - Col (3); Ln (1) + Ln (2)

Notes

1/ The Common Equity share listed in Col (1) is capped at 50%. The cap may only be changed pursuant to an FPA Section 205 or 206 filing to FERC.   
 The Long-Term Debt share is calculated as 1 minus the Common Equity share.

2/ The ROE listed in Col (2) Ln (2) is the base ROE plus 50 basis-point incentive for RTO participation. ROE may only be changed pursuant to an FPA   
 Section 205 or 206 filing to FERC.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE D2

PROJECT SPECIFIC CAPITAL STRUCTURE AND COST OF CAPITAL 3/

CAPITALIZATION RATIO COST RATE WEIGHTED

Line No. TITLE from WP-DA from WP-DA AVERAGE SOURCE/COMMENTS

(1) (2) (3) (4)

Project 1 - Marcy South Series Compensation - Capital Structure

1 LONG-TERM DEBT - 1/ - - Col (1) \* Col (2)

2 COMMON EQUITY - 1/ 9.45% 2/ - Col (1) \* Col (2)

3 TOTAL CAPITALIZATION - - Col (3); Ln (1) + Ln (2)

4 PROJECT NET PLANT - F1-Proj RR, Col (7), Ln (1b)

5 PROJECT BASE RETURN - Col (3) Ln (4) \* WP-DA Col (7) Ln (4)

6 PROJECT ALLOWED RETURN - Col (3); Ln (3) \* Ln (4)

1A PROJECT SPECIFIC RETURN ADJUSTMENT - Col (3); Ln (6) - Ln (5)

Project 2 - AC Project Segment A - Capital Structure 4/

1 LONG-TERM DEBT - - - Col (1) \* Col (2)

2 COMMON EQUITY - 9.95% - Col (1) \* Col (2)

3 TOTAL CAPITALIZATION - - Col (3); Ln (1) + Ln (2)

4 PROJECT NET PLANT - F1-Proj RR, Col (7), Ln (1c)

5 PROJECT BASE RETURN - Col (3) Ln (4) \* WP-DA Col (7) Ln (4)

6 PROJECT ALLOWED RETURN - Col (3); Ln (3) \* Ln (4)

2B PROJECT SPECIFIC RETURN ADJUSTMENT - Col (3); Ln (6) - Ln (5)

Project 3 - SPC Project - Capital Structure 5/

1 LONG-TERM DEBT - - - Col (1) \* Col (2)

3 TOTAL CAPITALIZATION - - Col (3); Ln (1) + Ln (2)

4 PROJECT NET PLANT - F1-Proj RR, Col (7), Ln (1d)

5 PROJECT BASE RETURN - Col (3) Ln (4) \* WP-DA Col (7) Ln (4)

6 PROJECT ALLOWED RETURN - Col (3); Ln (3) \* Ln (4)

3C PROJECT SPECIFIC RETURN ADJUSTMENT - Col (3); Ln (6) - Ln (5)

Pr oj ec t X

A Total Project Adjustments -

Notes

1/ The MSSC Common Equity share listed in Col (1) is capped at 53%. The cap may only be changed pursuant to an FPA Section 205 or 206 filing to FERC.   
 The MSSC Long-Term Debt share is calculated as 1 minus the Common Equity share.

2/ The MSSC ROE listed in Col (2) Ln (2) is the base ROE plus 50 basis-point incentive Congestion Relief Adder. ROE may only be changed pursuant to an FPA   
 Section 205 or 206 filing to FERC.

3/ Additional project-specific capital structures added to this Schedule D2 must be approved by FERC. The cost of long-term debt and common equity   
 for any such project shall reflect the cost rates in Col (2), Lns (1) and (2) unless a different cost rate is approved by FERC.

4/ The AC Project Segment A cost containment impacts, if any, will be computed on a workpaper and provided as supporting documentation for each applicable Annual Update

consistent with the NYPA Protocols. The ROE listed in Col (2) for AC Project Segment A consists of a 50 basis point ROE Risk Adder per the Commission's approval in Docket No. EL19-88, added to the 9.45% ROE applicable to NYPA’s other transmission assets. See Schedule D1 and Project 1, above.

5/ The Smart Path Connect Project cost containment impacts, if any, will be computed on a workpaper and provided as supporting documentation for each applicable Annual Update,

consistent with the Commission's Order dated \_\_\_ in Docket No. ER22-\_\_\_. The ROE listed in Col (2) for the Smart Path Connect Project consists of a 50 basis point ROE Risk Adder per the Commission's approval in Docket No. ER 22-\_\_\_ added to the 9.45% ROE applicable to NYPA's other transmission assets. See Schedule D1 and Project 1, above.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

SCHEDULE E1

LABOR RATIO

Line LABOR AMOUNT ($) ALLOCATED TO SOURCE/

NYPA Form 1

No. DESCRIPTION From WP-EA RATIO TRANSMISSION COMMENTS Equivalent

(1) (2) (3) (4) (5)

1 PRODUCTION - - Page 354 lines 17, 20, 24

2 TRANSMISSION - - - Col (1); Ln (2) / Ln (3) Page 354 line 21

3 TOTAL LABOR - -

Schedule F1

Project Revenue Requirement Worksheet   
 NEW YORK POWER AUTHORITY   
 YEAR ENDING DECEMBER 31, \_\_\_\_

Line

No. Item Page, Line, Col. Transmission ($) Allocator

(1) (2) (3)

1 Gross Transmission Plant - Total Schedule B2, line 17, col 9 (Note A) -

1a Transmission Accumulated Depreciation Schedule B2, line 17, col 10 -

1b Transmission CWIP, Regulatory Asset and Abandoned Plant Schedule C1, lines 7, 8, & 9 (Note B) -

2 Net Transmission Plant - Total Line 1 minus Line 1a plus Line 1b -

O&M TRANSMISSION EXPENSE

3 Total O&M Allocated to Transmission Schedule A1, line 17, col 5 and Schedule A2, line 22, Col 5 -

GENERAL DEPRECIATION EXPENSE

5 Total General Depreciation Expense Schedule B1 line 26, col 5 -

6 Annual Allocation Factor for Expenses ([line 3 + line 5] divided by line 1, col 2) - -

RETURN

7 Return on Rate Base Schedule C1 line 10, col 7 -

8 Annual Allocation Factor for Return on Rate Base (line 7 divided by line 2 col 2) - -

Schedule F1

Project Revenue Requirement Worksheet   
 NEW YORK POWER AUTHORITY

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (14a) (15) (16) (17)

PROJECT

SPECIFIC

Project Annual CAPITAL

Annual Depreciation/A Revenue Incentive STRUCTURE Total Annual Net Revenue

Line Project Gross Plant Project Accumulated Annual Allocation Annual Allocation Project Net Plant Allocation Factor mortization Requirement Return in AND COST OF Revenue True-Up Requirement

No. Project Name and # Type ($) Depreciation ($) Factor for Expenses for Expenses ($) ($) for Return Annual Return Charge ($) Expense ($) ($) basis Points Incentive Return ($) Discount CAPITAL Requirement ($) Adjustment ($) ($)

Per FERC (Schedule F2, Line

(Sum Col. 6, 9 & order (Note 10 \* (Col. 12/100)\* (Sum Col. 11 + 13 Sum Col. 15 +

(Note C) Page 1 line 6 Col. 3 \* Col. 5 (Note D) (Page 1, line 8) (Col. 7 \* Col. 8) (Note E) 10) H) Col. 7) (Note I) Schedule D2 + 14 +14a) (Note F) 16

1a NTAC Facilities - - - - - - - - - - - - - - -

1b MSSC - - - - - - - - - - - - - - - -

1c AC Transmission Project - - - - - - - - - - - - - - - -

1d Smart Path Connect - NTAC - ROE Risk Adder - - - - - - - - - - - - - - - -

1e - - - - - - - - - - - - - - - -

1f - - - - - - - - - - - - - - - -

1g - - - - - - - - - - - - - - - -

1h - - - - - - - - - - - - - - - -

1i - - - - - - - - - - - - - - - -

1j - - - - - - - - - - - - - - - -

1k - - - - - - - - - - - - - - - -

1l - - - - - - - - - - - - - - - -

1m - - - - - - - - - - - - - - - -

1n - - - - - - - - - - - - - - - -

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- - - - - - - - - - - - - - - -

- - - - - - - - - - - - - - - -

-

2 Total - - - - - - - -

Note   
Letter

A Gross Transmission Plant that is included on Schedule B2, Ln 17, Col 5.

B Inclusive of any CWIP, Unamortized Regulatory Asset or Unamortized Abandoned Plant balances included in rate base when authorized by FERC order.

C Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in page 1, line 1 . This value includes subsequent capital investments required to maintain the facilities to their original capabilities.

Gross plant does not include CWIP, Unamortized Regulatory Asset or Unamortized Abandoned Plant.

D Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation in page 2, column 4. Net Plant includes any FERC approved CWIP, Unamortized Abandoned Plant and Regulatory Asset.

E Project Depreciation Expense is the amount in Schedule B1, Ln 26, Col. 2 that is associated with the specified project. Project Depreciation Expense includes the amortization of Abandoned Plant and any FERC approved Regulatory Asset.

However, if FERC grants accelerated depreciation for a project the depreciation rate authorized by FERC will be used instead of the rates shown on Schedule B3 for all other projects.

F Reserved

G The Total General and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 8.

H Requires approval by FERC of incentive return applicable to the specified project(s). A negative number of basis points may be entered to reduce the ROE applicable to a project if a FERC order specifies a lower return for that project.

I The discount is the reduction in revenue, if any, that NYPA agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate

Schedule F2   
Incentives

NEW YORK POWER AUTHORITY

YEAR ENDING DECEMBER 31, \_\_\_\_

Line

No. Item Reference $

1 Rate Base Schedule C1, line 10, Col. 5 -

2 100 Basis Point Incentive Return $

Weighted

% Cost Cost

3 Long Term Debt (Schedule D1, line 1) - - -

Cost = Schedule E, line 2, Cost plus

4 Common Stock (Schedule D1, line 2) .01 - 0.1045 -

5 Total (sum lines 3-4) -

6 100 Basis Point Incentive Return multiplied by Rate Base (line 1 \* line 5) -

7 Return (Schedule C1, line 10, Col. 7) -

8 Incremental Return for 100 basis point increase in ROE (Line 6 less line 7) -

9 Net Transmission Plant (Schedule C1, line 1, col. (1) -

10 Incremental Return for 100 basis point increase in ROE divided by Rate Base (Line 8 / line 9) -

Notes:

A Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes associated with   
 a 100 basis point increase in ROE. Any actual incentive is calculated on Schedule F1 and must be approved by FERC.   
 For example, if FERC were to grant a 137 basis point ROE incentive, the increase in return and taxes for a 100 basis point   
 increase in ROE would be multiplied by 137 on Schedule F1, Col. 13.

Schedule F3   
Project True-Up   
 Incentives

YEAR ENDING DECEMBER 31, \_\_\_\_

($)

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10)

Actual True-Up Applicable True-Up

NTAC ATRR Net Adjustment Interest Adjustment Total

Line Project or Project Actual Revenues Revenue Principal Prior Period Rate on Interest True-Up

No. Name Number Received (Note 1) Requirement (Note 2) Under/(Over) Adjustment Under/(Over) Under/(Over) Adjustment

(Note A) (Col. (6) + Col. (7)) x Col. (6) + Col. (7)

Amount Actually Received Schedule F2 Using Actual Cost

for Transmission Service Data Col. (5) - Col. (4) Line 25, Col. (e) Line 24 Col. (8) x 24 months + Col. (9)

1a NTAC Facilities - - - - - - - -

1b MSSC - - - - - - - -

1c AC Transmission - - - - - - - -

1d - - - - - - - - -

1e - - - - - - - - -

…

…

2 Subtotal - - -

3 Under/(Over) Recovery -

Notes:

1) For all projects and NTAC ATRR, the Actual Revenues Received are the actual revenues NYPA receives from the NYISO in that calendar year. If NYISO does not break out the revenues per project,   
 the Actual Revenues Received will be allocated pro rata to each project based on their Actual Net Revenue Requirement in col (5).

2) Schedule F1, Page 2 of 2, col (15).

Schedule F3   
Project True-Up   
 Incentives

FERC Refund Interest Rate

Interest Rates under Section

4 Interest Rate (Note A): Year 35.19(a)

5 January - -

6 February - -

7 March - -

8 April - -

9 May - -

10 June - -

11 July - -

12 August - -

13 September - -

14 October - -

15 November - -

16 December - -

17 January - -

18 February - -

19 March - -

20 April - -

21 May - -

22 June - -

23 July - -

-

24 Avg. Monthly FERC Rate - -

Prior Period Adjustments

(a) (b) (c) (d) (e)

Project or Adjustment Amount Interest Total Adjustment

Schedule 1 A Description of the Adjustment In Dollars (Note A) Col. (c) + Col. (d)

25 - - - - -

25a - - - - -

25b - - - - -

25c -

… -

-

26 Total -

Notes: A Prior Period Adjustments are when an error is discovered relating to a prior true-up or refunds/surcharges ordered by FERC. The interest on the Prior Period Adjustment excludes interest for the current true

up period, because the interest is included in Ln 25 Col (d).

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AA

Operation and Maintenance Summary

(1) (2) (3) (4) (5) (6)

OVERALL Major

Line No. Amount ($) PRODUCTION TRANSMISSION ADMIN & GENERAL RESULT Category

1a 555 - OPSE-Purchased Power - - - - -

1b 501 - Steam Product-Fuel - - - - -

1c 565 - Trans-Xmsn Elect Oth - - - -

… - - - - - -

2a 506 - SP-Misc Steam Power - - - -

2b 535 - HP-Oper Supvr&Engrg - - - -

2c 537 - HP-Hydraulic Expense - - - -

2d 538 - HP-Electric Expenses - - - -

2e 539 - HP-Misc Hyd Pwr Gen - - - -

2f 546 - OP-Oper Supvr&Engrg - - - -

2g 548 - OP-Generation Expens - - - -

2h 549 - OP-Misc Oth Pwr Gen - - - -

2i 560 - Trans-Oper Supvr&Eng - - - -

2j 561 - Trans-Load Dispatcng - - - -

2k 562 - Trans-Station Expens - - - -

2l 566 - Trans-Misc Xmsn Exp - - - -

2n 905 - Misc. Customer Accts. Exps - - - -

2m Contribution to New York State - -

2o 916 - Misc. Sales Expense - - - -

2p 920 - Misc. Admin & Gen'l Salaries - - - -

2q 921 - Misc. Office Supp & Exps - - - -

2r 922 - Administrative Expenses Transferred - - - -

2s 923 - Outside Services Employed - - - -

2t 924 - A&G-Property Insurance - - - -

2u 925 - A&G-Injuries & Damages Insurance - - - -

2v 926 - A&G-Employee Pension & Benefits - - - -

2w 926 - A&G-Employee Pension & Benefits(PBOP) - - - -

2x 928 - A&G-Regulatory Commission Expense - - - -

2y 930 - Obsolete/Excess Inv - - - -

2z 930.1-A&G-General Advertising Expense - - - -

2aa 930.2-A&G-Miscellaneous & General Expense - - - -

2ab 930.5-R & D Expense - - - -

2ac 931 - Rents - - - -

2ad 935 - A&G-Maintenance of General Plant - - - - Operations

… - - - - - -

3a 545 - HP-Maint Misc Hyd Pl - - - -

3b 512 - SP-Maint Boiler Plt - - - -

3c 514 - SP-Maint Misc Stm Pl - - - -

3d 541 - HP-Maint Supvn&Engrg - - - -

3e 542 - HP-Maint of Struct - - - -

3f 543 - HP-Maint Res Dam&Wtr - - - -

3g 544 - HP-Maint Elect Plant - - - -

3h 551 - OP-Maint Supvn & Eng - - - -

3i 552 - OP-Maint of Struct - - - -

3j 553 - OP-Maint Gen & Elect - - - -

3k 554 - OP-Maint Oth Pwr Prd - - - -

3l 568 - Trans-Maint Sup & En - - - -

3n 569 - Trans-Maint Struct - - - -

3m 570 - Trans-Maint St Equip - - - -

3o 571 - Trans-Maint Ovhd Lns - - - -

3p 572 - Trans-Maint Ungrd Ln - - - -

3q 573 - Trans-Maint Misc Xmn - - - - Maintenance

… - - - - - -

4a 403 - Depreciation Expense - - - -

… - - - - - -

5 TOTALS - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AB

Operation and Maintenance Detail

FERC by accounts and profit center

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (12)

Amou

0100/ 0100/ 0100/1 0100/120 0100/1 0100/ 01 0100/135 0100/ 01 0 0100/ 0100/ 01 0100/158 0100/15 0100/16 0100

Line No. FERC G/L Accounts Blenheim-Gilboa St. Lawrence Niagara Poletti Astoria Energy II Flynn Jarvis Crescent Vischer Ferry Ashokan Kensico Hell Gate Harlem River Vernon Blvd. 23rd & 3rd (Gowanus) N 1st &Grand (Kent) Pouch Terminal Brentwood

1a 403 - Depreciation Expense

1b 501 - Steam Product-Fuel

1c 506 - SP-Misc Steam Power

1d 512 - SP-Maint Boiler Plt

1e 514 - SP-Maint Misc Stm Pl

1f 535 - HP-Oper Supvr&Engrg

1g 537 - HP-Hydraulic Expense

1h 538 - HP-Electric Expenses

1i 539 - HP-Misc Hyd Pwr Gen

1j 541 - HP-Maint Supvn&Engrg

1k 542 - HP-Maint of Struct

1l 543 - HP-Maint Res Dam&Wtr

1n 544 - HP-Maint Elect Plant

1m 545 - HP-Maint Misc Hyd Pl

1o 546 - OP-Oper Supvr&Engrg

1p 548 - OP-Generation Expens

1q 549 - OP-Misc Oth Pwr Gen

1r 551 - OP-Maint Supvn & Eng

1s 552 - OP-Maint of Struct

1t 553 - OP-Maint Gen & Elect

1u 554 - OP-Maint Oth Pwr Prd

1v 555 - OPSE-Purchased Power

1w 560 - Trans-Oper Supvr&Eng

1x 561 - Trans-Load Dispatcng

1y 562 - Trans-Station Expens

1z 565 - Trans-Xmsn Elect Oth

1aa 566 - Trans-Misc Xmsn Exp

1ab 568 - Trans-Maint Sup & En

1ac 569 - Trans-Maint Struct

1ad 570 - Trans-Maint St Equip

1ae 571 - Trans-Maint Ovhd Lns

1af 572 - Trans-Maint Ungrd Ln

1ag 573 - Trans-Maint Misc Xmn

1ah 905 - Misc. Customer Accts. Exps

1ai 916 - Misc. Sales Expense

1ak 920 - Misc. Admin & Gen'l Salaries

1al 921 - Misc. Office Supp & Exps

1am 922 - Administrative Expenses Transferred

1an 923 - Outside Services Employed

1ao 924 - A&G-Property Insurance

1ap 925 - A&G-Injuries & Damages Insurance

1aq 926 - A&G-Employee Pension & Benefits(PBOP)

1ar 926 - A&G-Employee Pension & Benefits

1as 928 - A&G-Regulatory Commission Expense

1at 930 - Obsolete/Excess Inv

1au 931 - Rents

1av 930.5-R & D Expense

1aw 930.1-A&G-General Advertising Expense

1ax 930.2-A&G-Miscellaneous & General Expense

1ay 935 - A&G-Maintenance of General Plant

1az…

-

2 Contribution to New York State

3 Overall Result - - - - - - - - - - - - - - - - - -

FERC by accounts and profit center

(1) (2) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38)

0100/165 0100/ 0100 0100/2 0100/2 0100/2 0100/2 0100/ 0100/ 0100/2 0100/ 0 0100/31 0100/32 0100/3 0100/ 010 … Overall R

FERC G/L Accounts 500MW Combined Cycle BG Trans JAF Trans IP3/Pol Trans Marcy/Clark Trans Marcy South Trans Niagara Trans Sound Cable ST Law Trans 765 KV Trans HTP Trans DSM Headquarters Power for Jobs Recharge NY JAF SENY -

403 - Depreciation Expense -

501 - Steam Product-Fuel -

506 - SP-Misc Steam Power -

512 - SP-Maint Boiler Plt -

514 - SP-Maint Misc Stm Pl -

535 - HP-Oper Supvr&Engrg -

537 - HP-Hydraulic Expense -

538 - HP-Electric Expenses -

539 - HP-Misc Hyd Pwr Gen -

541 - HP-Maint Supvn&Engrg -

542 - HP-Maint of Struct -

543 - HP-Maint Res Dam&Wtr -

544 - HP-Maint Elect Plant -

545 - HP-Maint Misc Hyd Pl -

546 - OP-Oper Supvr&Engrg -

548 - OP-Generation Expens -

549 - OP-Misc Oth Pwr Gen -

551 - OP-Maint Supvn & Eng -

552 - OP-Maint of Struct -

553 - OP-Maint Gen & Elect -

554 - OP-Maint Oth Pwr Prd -

555 - OPSE-Purchased Power -

560 - Trans-Oper Supvr&Eng -

561 - Trans-Load Dispatcng -

562 - Trans-Station Expens -

565 - Trans-Xmsn Elect Oth -

566 - Trans-Misc Xmsn Exp -

568 - Trans-Maint Sup & En -

569 - Trans-Maint Struct -

570 - Trans-Maint St Equip -

571 - Trans-Maint Ovhd Lns -

572 - Trans-Maint Ungrd Ln -

573 - Trans-Maint Misc Xmn -

905 - Misc. Customer Accts. Exps -

916 - Misc. Sales Expense -

920 - Misc. Admin & Gen'l Salaries -

921 - Misc. Office Supp & Exps -

922 - Administrative Expenses Transferred -

923 - Outside Services Employed -

924 - A&G-Property Insurance -

925 - A&G-Injuries & Damages Insurance -

926 - A&G-Employee Pension & Benefits(PBOP) -

926 - A&G-Employee Pension & Benefits -

928 - A&G-Regulatory Commission Expense -

931 - Rents930 - Obsolete/Excess Inv --

930.5-R & D Expense -

930.1-A&G-General Advertising Expense -

930.2-A&G-Miscellaneous & General Expense -

935 - A&G-Maintenance of General Plant -

-

Contribution to New York State- - -

Overall Result - - - - - - - - - - - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AC

STEP-UP TRANSFORMERS O&M ALLOCATOR

Amount ($) Ratio Notes

Line No. (1) (2)

1 Avg. Transmission Plant in Service - Sch B2; Col 9, Sum Ln 5, 6 and 10

Generator Step-Up Transformer Plant-in-

2 Service - Sch B2, Line 12, Col 9

3 Ratio - Col 1, Ln 2 / Col 1, Ln 1

4 Transmission Maintenance - Sch A1; Col 4, Ln 12

5 Removed Step-up Transmission O&M - Col 1, Ln 4 x Col 2, Ln 3

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AD

FACTS O&M ALLOCATOR

Amount ($) Ratio Notes

Line No. (1) (2)

1 Avg. Transmission Plant in Service - Sch B2; Col 5, Sum Ln 5, 6 and 10

2 FACTS Plant-in-Service - Sch B2, Line 13, Col 9

3 Ratio - Col 1, Ln 2 / Col 1, Ln 1

4 Transmission Maintenance - Sch A1: Col 4, Ln 12

5 Reclassified FACTS Transmission Plant - Subtract Col 1, Ln 4 \* Col 2, Ln 3

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AE

MICROWAVE TOWER RENTAL INCOME

(1) (2) (3)

Posting Income

Line No. Date Account Amount ($)

1a   
1b   
1c   
1d   
1e   
1f   
1g   
1h   
1i

1j   
1k   
1l

1n   
…

2 -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AF

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PBOP)

(1) (2)

Line No. Item Amount ($)

1 Total NYPA PBOP

2 PBOP Capitalized

3 PBOP contained in Cost of Service Line 1 less line 2 -

4 Base PBOP Amount 35,797,785

5 PBOP Adjustment Line 4 less line 3 -

This work paper includes total NYPA PBOP which is allocated to transmission by labor ratio as shown on Schedule A2.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AG

PROPERTY INSURANCE ALLOCATION

Allocated

Insurance   
Expense -

Line No. Site Amount ($) Ratio Transmission ($) Notes

(1) (2) (3) (4)

1a   
1b   
1c   
1d

…

Allocated based on transmission gross plant ratio from

2 Subtotal (Gross Transmission Plant Ratio) - - - Work Paper AI

3a

3b

…

4 Subtotal (Full Transmission) - 100.00% -

5 Grand Total -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AH

INJURIES & DAMAGES INSURANCE EXPENSE ALLOCATION

Allocated

Injury/Damage   
 Insurance

Expense -

Line No. Site Amount ($) Ratio (%) Transmission ($) Notes

(1) (2) (3) (4)

1a   
1b   
1c   
1d

…

Allocated based on transmission labor ratio from

2 Subtotal - - - Schedule E1

3a

…

- 100.00 -

4 Grand Total -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AI

PROPERTY INSURANCE ALLOCATOR

Gross Plant in

12/31/\_\_\_\_ ($) 12/31/\_\_\_\_ ($) Average Service Ratio Source

(1) (2) (3) (4) (5)

1 PRODUCTION - - - - WP-BC

2 TRANSMISSION (353 Station Equip.) - - - - WP-BC

3 TOTAL - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BA

DEPRECIATION AND AMORTIZATION EXPENSES (BY FERC ACCOUNT)

Included General & Transmission Plant - Depreciation \_\_\_\_

(1) (2) (3) (4)

FERC

Site Acct # Item Depreciation ($)

Line No. Source/Comments Included General Plant

1a 390 -

1b 390 -

1c 390 -

1d 390 -

1e 390 -

1f 390 -

… 390 -

… 390 -

2 390 Subtotal General - Structures & Improvements -

3a 391 -

3b 391 -

3c 391 -

3d 391 -

3e 391 -

… 391 -

… 391 -

4 391 Subtotal General - Office Furniture & Equipment -

5a 392 -

5b 392 -

5c 392 -

5d 392 -

5e 392 -

… 392 -

… 392 -

6 392 Subtotal General - Transportation Equipment -

7a 393 -

7b 393 -

7c 393 -

7d 393 -

… 393 -

… 393 -

8 393 Subtotal General - Stores Equipment -

9a 394 -

9b 394 -

9c 394 -

9d 394 -

9e 394 -

… 394 -

… 394 -

10 394 Subtotal General - Tools, Shop & Garage Equipment -

11a 395 -

11b 395 -

11c 395 -

11d 395 -

11e 395 -

… 395 -

… 395 -

12 395 Subtotal General - Laboratory Equipment -

13a 396 -

13b 396 -

13c 396 -

13d 396 -

13e 396 -

… 396 -

… 396 -

14 396 Subtotal General - Power Operated Equipment -

15a 397 -

15b 397 -

15c 397 -

15d 397 -

15e 397 -

15f 397 -

15g 397 -

397 -

397 -

16 397 Subtotal General - Communication Equipment -

17a 398 -

17b 398 -

17c 398 -

17d 398 -

17e 398 -

… 398 -

… 398 -

18 398 Subtotal General - Miscellaneous Equipment -

19a 399 -

19b 399 -

19c 399 -

… 399 -

… 399 -

20 399 Subtotal General - Other Tangible Property -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BA

DEPRECIATION AND AMORTIZATION EXPENSES (BY FERC ACCOUNT)

Included General & Transmission Plant - Depreciation \_\_\_\_

(1) (2) (3) (4)

FERC

Site Acct # Item Depreciation ($)

21 Total Included General Plant -

Included Transmission Plant

22a 352 -

22b 352 -

22c 352 -

22d 352 -

22e 352 -

22f 352 -

22g 352 -

… 352 -

… 352 -

23 352 Subtotal Transmission - Structures & Improvements -

24a 353 -

24b 353 -

24c 353 -

24d 353 -

24e 353 -

24f 353 -

24g 353 -

24h 353 -

… 353 -

… 353 -

25 353 Subtotal Transmission - Station Equipment -

26a 354 -

26b 354 -

26c 354 -

26d 354 -

26e 354 -

26f 354 -

… 354 -

… 354 -

27 354 Subtotal Transmission - Towers & Fixtures -

28a 355 -

28b 355 -

28c 355 -

28d 355 -

28e 355 -

… 355 -

… 355 -

29 355 Subtotal Transmission - Poles & Fixtures -

30a 356 -

30b 356 -

30c 356 -

30d 356 -

30e 356 -

30f 356 -

… 356 -

… 356 -

31 356 Subtotal Transmission - Overhead Conductors & Devices -

32a 357 -

32b 357 -

32c 357 -

… 357 -

… 357 -

33 357 Subtotal Transmission - Underground Conduit -

34a 358 -

34b 358 -

34c 358 -

… 358 -

… 358 -

35 358 Subtotal Transmission - Underground Conductors & Devices -

36a 359 -

36b 359 -

36c 359 -

36d 359 -

36e 359 -

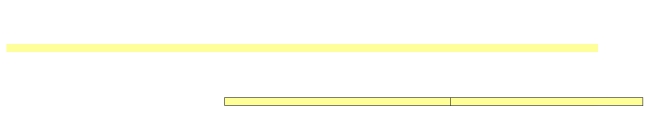
36f 359 -

… 359 -

… 359 -

37 359 Subtotal Transmission - Roads & Trails -

38 Total Included Transmission Plant -



NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BB

\_\_\_\_-\_\_\_\_ EXCLUDED PLANT IN SERVICE

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11)

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

Electric Electric Electric Electric

Plant in Accumulated Plant in Depreciation Plant in Accumulated Plant in Depreciation

Service ($) Depreciation ($) Service (Net $) Expense ($) Service ($) Depreciation ($) Service (Net $) Expense ($)

Line No. Source/Comments EXCLUDED TRANSMISSION

1

1a - - - - - - - -

… - - - - - - - -

2 SUBTOTAL 500mW C - C at Astoria - - - - - - - -

3

3a - - - - - - - -

3b - - - - - - - -

3c - - - - - - - -

3d - - - - - - - -

3e - - - - - - - -

3f - - - - - - - -

3g - - - - - - - -

3h - - - - - - - -

3i - - - - - - - -

… - - - - - - - -

4 SUBTOTAL Astoria 2 (AE-II) Substation - - - - - - - -

5

5a - - - - - - - -

5b - - - - - - - -

5c - - - - - - - -

… - - - - - - - -

6 SUBTOTAL Small Hydro - - - - - - - -

7

7a - - - - - - - -

… - - - - - - - -

8 SUBTOTAL FLYNN (Holtsville) - - - - - - - -

8a - - - - - - - -

8b - - - - - - - -

8c - - - - - - - -

8d - - - - - - - -

8e - - - - - - - -

… - - - - - - - -

9 SUBTOTAL Poletti - - - - - - - -

10

10a - - - - - - - -

10b - - - - - - - -

10c - - - - - - - -

10d - - - - - - - -

10e - - - - - - - -

10f - - - - - - - -

10g - - - - - - - -

… - - - - - - - -

11 SUBTOTAL SCPP - - - - - - - -

12

- - - - - - - -

- - - -

13 TOTAL EXCLUDED TRANSMISSION - - - - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BB

\_\_\_\_-\_\_\_\_ EXCLUDED PLANT IN SERVICE

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11)

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

Electric Electric Electric Electric

Plant in Accumulated Plant in Depreciation Plant in Accumulated Plant in Depreciation

Service ($) Depreciation ($) Service (Net $) Expense ($) Service ($) Depreciation ($) Service (Net $) Expense ($)

14 EXCLUDED GENERAL

14a - - - - - - - -

14b - - - - - - - -

14c - - - - - - - -

14d - - - - - - - -

14e - - - - - - - -

14f - - - - - - - -

… - - - - - - - -

15 SUBTOTAL 500Mw CC - - - - - - - -

16

16a - - - - - - - -

16b - - - - - - - -

… - - - - - - - -

17 SUBTOTAL Small Hydro - - - - - - - -

18

18a - - - - - - - -

18b - - - - - - - -

18c - - - - - - - -

18d - - - - - - - -

18e - - - - - - - -

18f - - - - - - - -

18g - - - - - - - -

18h - - - - - - - -

… - - - - - - - -

19 SUBTOTAL Flynn - - - - - - - -

20

20a - - - - - - - -

20b - - - - - - - -

20c - - - - - - - -

20d - - - - - - - -

20e - - - - - - - -

20f - - - - - - - -

20g - - - - - - - -

20h - - - - - - - -

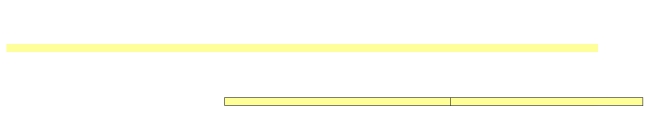
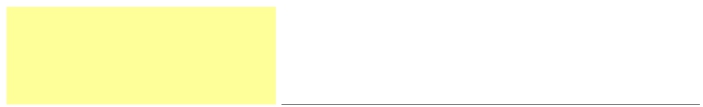
20i - - - - - - - -

20j - - - - - - - -

20k - - - - - - - -

… - - - - - - - -

21 SUBTOTAL Poletti - - - - - - - -



NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BB

\_\_\_\_-\_\_\_\_ EXCLUDED PLANT IN SERVICE

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11)

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

Electric Electric Electric Electric

Plant in Accumulated Plant in Depreciation Plant in Accumulated Plant in Depreciation

Service ($) Depreciation ($) Service (Net $) Expense ($) Service ($) Depreciation ($) Service (Net $) Expense ($)

22

22a - - - - - - - -

22b - - - - - - - -

22c - - - - - - - -

22d - - - - - - - -

22e - - - - - - - -

22f - - - - - - - -

22g - - - - - - - -

22h - - - - - - - -

22i - - - - - - - -

22j - - - - - - - -

22k - - - - - - - -

22l - - - - - - - -

22n - - - - - - - -

… - - - - - - - -

23 SUBTOTAL SCPP - - - - - - - -

24

- - - - - - - -

- - - -

25 TOTAL EXCLUDED GENERAL - - - - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

Capital assets, not being depreciated:

1 Land

1a   
1b   
1c   
1d   
1e   
1f

1g   
1h   
1i

1j

1k   
1l

1n   
1m   
1o   
1p   
1q

1r   
1s   
1t

1u   
1v   
 1w   
1x   
1y   
1z

1aa   
1ab   
1ac   
1ad   
1ae   
1af   
1ag   
1ah

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

1ai   
…

…

2 Land Total - - - - - - - -

3 Construction in progress

3a Adjustments CWIP

4 Construction in progress Total - - - - - - - -

5 Total capital assets not being depreciated - - - - - - - -

Capital assets, being depreciated:

6 Production - Hydro

6a   
6b   
6c   
6d   
6e   
6f

6g   
6h   
6i

6j

6k   
6l

6n   
6m   
6o   
6p   
6q

6r   
6s   
6t

6u

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

6v   
6w   
6x   
6y   
6z

6aa   
6ab   
6ac   
6ad   
6ae   
6af   
6ag

…

…

7 Production - Hydro Total - - - - - - - -

8 Production - Gas turbine/combined cycle

8a   
8b   
8c   
8d   
8e   
8f

8g   
8h   
8i

8j

8k   
8l

8n   
8m   
8o   
8p   
8q

8r   
8s   
8t

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

8u   
8v   
 8w   
8x   
8y   
8z

8aa   
8ab   
8ac   
8ad   
8ae   
8af   
8ag   
8ah   
8ai   
8ak   
8al

8am   
8an   
8ao   
8ap   
8aq

8ar   
8as   
8at   
8au   
8av   
 8aw   
8ax   
8ay   
8az   
8ba   
8bb   
8bc   
8bd

…

…

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

P/T/G Plant Name

9

A/C Description

Production - Gas turbine/combined cycle Total

Electric Plant in Accumulated

Service ($) Depreciation ($)

- -

Electric Plant in Depreciation

Service (Net $ ) Expense ($)

- -

Accumulated

Electric Plant in Service ($) Depreciation ($)

- -

Electric Plant in Depreciation

Service (Net $) Expense ($)

- -

10 Transmission

10a   
10b   
10c   
10d   
10e

10f   
10g   
10h

10i   
10j   
 10k

10l   
10n   
 10m   
10o   
10p   
10q

10r   
10s   
10t   
10u   
10v   
 10w   
10y   
10z

10aa   
10ab   
10ac   
10ad   
10ae   
10af   
10ag   
10ah

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

10ai   
10ak   
10al   
 10am   
10an   
10ao   
10ap   
10aq

10ar   
10as   
10at   
10au   
10av   
 10aw   
10ax   
10ay   
10az   
10ba   
10bb   
10bc   
10bd   
10be   
10bh

10bi   
10bk   
10bl   
 10bm   
10bn   
10bo   
10bp   
10bq

10br   
10bs   
10bt   
10bu   
10bv

10bw   
…

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

…

11 Transmission Total - - - - - - - -

-

12 General

12a   
12b   
12c   
12d   
12e

12f   
12g   
12h

12i   
12j   
 12k

12l   
12n   
 12m   
12o   
12p   
12q

12r   
12s   
12t   
12u   
12v   
 12w   
12x   
12y   
12z

12aa   
12ab   
12ac   
12ad   
12ae   
12af   
12ag

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

12ah   
12ai   
12ak

12al   
12am   
12an   
12ao   
12ap   
12aq

12ar   
12as   
12at   
12au   
12av   
 12aw   
12ax   
12ay   
12az   
12ba   
12bb   
12bc   
12bd   
12be   
12bh

12bi   
12bk   
12bl   
 12bm   
12bn   
12bo

12bp   
12bq   
12br   
12bs

12bt   
12bu   
12bv   
 12bw

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BC

PLANT IN SERVICE DETAIL

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

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

Electric Plant in Accumulated Electric Plant in Depreciation Accumulated Electric Plant in Depreciation

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Electric Plant in Service ($) Depreciation ($) Service (Net $) Expense ($)

12bx   
12by   
12bz   
12ca   
12cb   
12cc   
12cd   
12ce

12cf   
12cg   
12ch

12ci   
12ck   
12cl   
12cm   
12cn   
12co   
12cp

…

…

13 General Total - - - - - - - -

14 Total capital assets, being depreciated - - - - - - - -

15 Net value of all capital assets - - - - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BD

MARCY-SOUTH CAPITALIZED LEASE AMORTIZATION   
 AND UNAMORTIZED BALANCE

Beginning Current Year

Unamortized Ending Capitalized Average

Lease Asset/ Unamortized Lease Unamortized

(1) (2) (3) (4) (5)

1 1988 - - -

2 1989 - - -

3 1990 - - -

4 1991 - - -

5 1992 - - -

6 1993 - - -

7 1994 - - -

8 1995 - - -

9 1996 - - -

10 1997 - - -

11 1998 - - -

12 1999 - - -

13 2000 - - -

14 2001 - - -

15 2002 - - -

16 2003 - - -

17 2004 - - -

18 2005 - - -

19 2006 - - -

20 2007 - - -

21 2008 - - -

22 2009 - - -

23 2010 - - -

24 2011 - - -

25 2012 - - -

26 2013 - - -

27 2014 - - - -

28 2015 - - -

29 2016 - - -

30 2017 - - -

31 2018 - - -

32 2019 - - -

33 2020 - - -

34 2021 - - -

35 2022 - - -

36 2023 - - -

37 2024 - - -

38 2025 - - -

39 2026 - - -

40 2027 - - -

41 2028 - - -

42 2029 - - -

43 2030 - - -

44 2031 - - -

45 2032 - - -

46 2033 - - -

47 2034 - - -

48 2035 - - -

49 2036 - - -

50 2037 - - -

51 Total -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BE

FACTS PROJECT PLANT IN SERVICE, ACCUMULATED DEPRECIATION AND DEPRECIATION EXPENSE

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

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

Electric Electric Electric Electric

Plant in Accumulated Plant in Depreciation Plant in Accumulated Plant in Depreciation

LN Cap.Date Asset Description Service ($) Depreciation ($) Service (Net $) Expense ($) Service ($) Depreciation ($) Service (Net $) Expense ($)

2 Total Plant - - - - - - - -

3 Year-Over-Year Accumulated Depreciation -

Note: The FACTS project data is based on NYPA's financial records with adherence to FERC's Uniform System of Accounts and U.S. generally accepted accounting principles.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BF

GENERATOR STEP-UP TRANSFORMERS BREAKOUT

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

Electric Electric

Plant in Accumulated Electric Plant Depreciation Plant in Accumulated Electric Plant Depreciation

Asset No. Service ($) Depreciation ($) (Net $) Expense ($) Service ($) Depreciation ($) (Net $) Expense ($)

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

1a   
1b   
1c   
…

- - - - - - - -

2

2a   
2b   
2c   
2d   
2e   
2f

2g   
2h   
…

- - - - - - - -

3a   
…

- - - - - - - - -

4a   
…

- - - - - - - -

5

5a   
5b   
5c   
…

- - - - - - - -

6a   
…

- - - - - - - -

7 Grand Total - - - - - - - -

8 Adjusted Grand Total (Excludes 500MW C - C at Astoria) - - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BG

RELICENSING/RECLASSIFICATION EXPENSES

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

Plant in Accumulated Plant in Depreciation Plant in Accumulated Plant in Depreciation

NIAGARA Service ($) Depreciation ($) Service (Net $) Expense ($) Service ($) Depreciation ($) Service (Net $) Expense ($)

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

1a   
1b   
1c   
…

1 - - - - - - - -

ST. LAWRENCE

2a

2b   
2c   
2d   
2e   
2f

2g   
…

2 - - - - - - - -

-

3a   
…   
…   
…

3 - - - - - - - -

4 Total Expenses - - - - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BH

ASSET IMPAIRMENT

(1) (2) (3) (4) (5)

Posting Cost Impairment

Date Center Account Amount ($) Facility

1a   
1b   
1c   
1d   
1e   
1f

1g   
…

2 -

3 Total Impairment - Production -

4 Total Impairment - Transmission -

5 Total Impairment - General Plant -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER BI

COST OF REMOVAL

Cost of Removal to Regulatory Assets - Depreciation:

(1) (2) (3)

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

Amount ($) Amount ($)

1 Production

2 Transmission

3 General

4 Total - -

Note: The Cost of Removal data is based on NYPA's accounting records under the provisions of FASB Accounting Standards Codification Topic 980.

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 December 31, \_\_\_\_

WORKPAPER BJ

INDIVIDUAL PROJECTS - PLANT IN SERVICE and DEPRECIATION

12/31/ 12/31/ Average

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15)

Electric Plant in Accumulated Electric Plant in Depreciation Electric Plant in Accumulated Electric Plant in Depreciation Electric Plant in Accumulated Electric Plant in

P/T/G Plant Name A/C Description Service ($) Depreciation ($) Service (Net $ ) Expense ($) Service ($) Depreciation ($) Service (Net $) Expense ($) Service ($) Depreciation ($) Service (Net $)

1a Transmission MARCY-SOUTH SERIES COMPENSATION 350 Land & Land Rights - - - - - - - - - -

1b Transmission MARCY-SOUTH SERIES COMPENSATION 352 Structures & Improvements - - - - - - - - - - -

1c Transmission MARCY-SOUTH SERIES COMPENSATION 353 Station Equipment - - - - - - - - - - -

1d Transmission MARCY-SOUTH SERIES COMPENSATION 354 Towers & Fixtures - - - - - - - - - - -

1e Transmission MARCY-SOUTH SERIES COMPENSATION 355 Poles & Fixtures - - - - - - - - - - -

1f Transmission MARCY-SOUTH SERIES COMPENSATION 356 Overhead Conductors & Devices - - - - - - - - - - -

1g Transmission MARCY-SOUTH SERIES COMPENSATION 357 Underground Conduit - - - - - - - - - - -

1h Transmission MARCY-SOUTH SERIES COMPENSATION 358 Underground Conductors & Devices - - - - - - - - - - -

1i Transmission MARCY-SOUTH SERIES COMPENSATION 359 Roads & Trails - - - - - - - - - - -

…

1 MSSC Transmission Total - - - - - - - - - - -

2a Transmission AC TRANSMISSION 350 Land & Land Rights - - - - - - - - - - -

2b Transmission AC TRANSMISSION 352 Structures & Improvements - - - - - - - - - - -

2c Transmission AC TRANSMISSION 353 Station Equipment - - - - - - - - - - -

2d Transmission AC TRANSMISSION 354 Towers & Fixtures - - - - - - - - - - -

2e Transmission AC TRANSMISSION 355 Poles & Fixtures - - - - - - - - - - -

2f Transmission AC TRANSMISSION 356 Overhead Conductors & Devices - - - - - - - - - - -

2g Transmission AC TRANSMISSION 357 Underground Conduit - - - - - - - - - - -

2h Transmission AC TRANSMISSION 358 Underground Conductors & Devices - - - - - - - - - - -

2i Transmission AC TRANSMISSION 359 Roads & Trails - - - - - - - - - - -

…

2 AC Transmission Total - - - - - - - - - - -

3a Transmission SPC Project 350 Land & Land Rights - - - - - - - - - - -

3b Transmission SPC Project 352 Structures & Improvements - - - - - - - - - - -

3c Transmission SPC Project 353 Station Equipment - - - - - - - - - - -

3d Transmission SPC Project 354 Towers & Fixtures - - - - - - - - - - -

3e Transmission SPC Project 355 Poles & Fixtures - - - - - - - - - - -

3f Transmission SPC Project 356 Overhead Conductors & Devices - - - - - - - - - - -

3g Transmission SPC Project 357 Underground Conduit - - - - - - - - - - -

3h Transmission SPC Project 358 Underground Conductors & Devices - - - - - - - - - - -

3i Transmission SPC Project 359 Roads & Trails - - - - - - - - - - -

…

3 SPC Project Total - - - - - - - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER CA

MATERIALS AND SUPPLIES

(1) (2) (3) (4) (5) (6) (7)

Total M&S Total M&S Avg. M&S

NYPA Inventory ($) Inventory ($) Inventory Transmission Allocated

Acct # Facility 12/31/\_\_\_\_ 12/31/\_\_\_\_ \_\_\_\_-14 Allocator M&S ($)

1a 1100 NIA

1b 1200 STL

1c 3100 POL

1d 3200 Flynn

1e 1300 B/G

1f 3300 500MW

1g 2100 CEC

… - -

2 Facility Subtotal - -

3a Reserve for Degraded Materials

3b Reserve for Excess and Obsolete Inventory

… - -

4 Reserves Subtotal - -

5 Total - - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER CB

ESTIMATED PREPAYMENTS AND INSURANCE

(1) (2) (3)

Property Other

Date Insurance ($) Prepayments ($)

1 12/31/\_\_\_\_ -

2 12/31/\_\_\_\_ -

3 Beginning/End of Year Average - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER DA

WEIGHTED COST OF CAPITAL

(1) (2) (3) (4) (5) (6) (7)

Actual Equity Applied Cost Weighted

Component Amount ($) Share Cap Share Rate Cost

1 Long-Term Debt - 6/ - 50.00% - - 2/ -

2 Preferred Stock - - - - - 3/ -

3 Common Equity - 1/ - 50.00% - 4/ 9.45% 5/ -

4 Total - - 100% - -

Notes

1/:

5 Total Proprietary Capital - Workpaper WP-DB Ln (5), average of Col (2) and (3)

6 less Preferred

7 less Acct. 216.1

8 Common Equity -

2/:

9 Total Long Term Debt Interest - Workpaper WP-DB Col (2) Ln (2)

10 Net Proceeds Long Term Debt - Workpaper WP-DB Ln (4), average of Col (2) and (3)

11 LTD Cost Rate - 7/

3/:

12 Preferred Dividends -

13 Preferred Stock -

14 Preferred Cost Rate -

15 4/: The capital structure listed in Col (3) is calculated based on the total capitalization amount listed in column (2). The Equity Cap in Col (4) Ln (3)

is fixed and cannot be modified or deleted absent an FPA Section 205 or 206 filing to FERC. The Applied Equity Share in Col (5) Ln (3) will be the

actual common equity share, not to exceed the Equity Cap in Col (4) Ln (3). The debt share is calculated as 1 minus the equity share.

16 5/: The ROE listed in Col (6), Ln (3) is the base ROE plus 50 basis-point incentive for RTO participation. ROE may only be changed pursuant to an

FPA Section 205 or 206 filing to FERC.

17 6/: The Long-Term Debt Amount ($) in Col (2) Ln (1) is the Gross Proceeds Outstanding Long Term Debt, the average of WP-DB Ln (3e), Col

(2) and (3).

18 7/: The Long-Term Debt Cost Rate is calculated as the Total Long Term Debt Interest [Workpaper WP-DB Col (2) Ln (2)] divided by the Net Proceeds

Long Term Debt [Workpaper WP-DB row (4), average of Col (2) and (3)].

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER DB

CAPITAL STRUCTURE

LONG-TERM DEBT AND RELATED INTEREST

(1) (2) (3) (4)

NYPA Form 1

\_\_\_\_ Amount ($) \_\_\_\_ Amount ($) Equivalent

1 Long Term Debt Cost

1a Interest on Long-Term Debt p. 117 ln. 62 c,d

1b Amort. of Debt Disc. and Expense p. 117 ln. 63 c,d

1c Amortization of Loss on Reacquired Debt p. 117 ln. 64 c,d

1d (Less) Amort. of Premium on Debt p. 117 ln. 65 c,d

1e (Less) Amortization of Gain on Reacquired Debt p. 117 ln. 66 c,d

2 Total Long Term Debt Interest - -

3 Long Term Debt

3a Bonds p. 112 ln. 18 c,d

3b (Less) Reacquired Bonds p. 112 ln. 19 c,d

3d Other Long Term Debt p. 112 ln. 21 c,d

3e Gross Proceeds Outstanding LT Debt - -

3f (Less) Unamortized Discount on Long-Term Debt p. 112 ln. 23 c,d

3g (Less) Unamortized Debt Expenses p. 111 ln. 69 c,d

3h (Less) Unamortized Loss on Reacquired Debt p. 111 ln. 81 c,d

3i Unamortized Premium on Long-Term Debt p. 112 ln. 22 c,d

3k Unamortized Gain on Reacquired Debt p. 113 ln. 61 c,d

4 Net Proceeds Long Term Debt - -

5 Net Position - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER EA

CALCULATION OF LABOR RATIO

(1) (2) (3)

Cost Labor Actual

Center(s) Site Postings $

1a 105 Blenheim-Gilboa

1b 110 St. Lawrence

1c 115 Niagara

1d 120 Poletti

1e 125 Flynn

1f

1g 122 AE II

1h

1i 130-150 Total Small Hydro

1j

1k 155-161 Total Small Clean Power Plants

1l

1n 165 500MW Combined Cycle

1m

1o 205-245 Total Included Transmission

1p

1q 321 Recharge New York

1r

1s 600 SENY

… - -

Total - Production + Transmission -  
Total - Production Only -

(4)

Ratio

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AR- IS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

($ Millions)

Actual Actual

Description \_\_\_\_ \_\_\_\_

(1) (2) (3)

1 Operating Revenues

1a Power Sales

1b Transmission Charges

1c Wheeling Charges

… -

2 Total Operating Revenues - -

3 Operating Expenses

3a Purchased Power

3b Fuel Oil and Gas

3c Wheeling

3d Operations

3e Maintenance

3f Depreciation

… -

4 Total Operating Expenses - -

5 Operating Income - -

6 Nonoperating Revenues

6a Investment Income

6b Other

… -

7 Investments and Other Income - -

8 Nonoperating Expenses

8a Contribution to New York State

8b Interest on Long-Term Debt

8c Interest - Other

8d Interest Capitalized

8e Amortization of Debt Premium

… -

9 Investments and Other Income - -

10 Net Income Before Contributed Capital - -

11 Contributed Capital - Wind Farm Transmission Assets

… -

- -

13 Change in net position - -

14 Net position at January 1

15 Net position at December 31 - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AR-BS

STATEMENT OF NET POSITION

($ Millions)

DESCRIPTION DECEMBER \_\_\_\_ DECEMBER \_\_\_\_

(1) (2) (3)

1 Assets and Deferred Outflows

1a Current Assets:

1b Cash and cash equivalents

1c Investment in securities

1d Receivables - customers

1e Materials and supplies, at average Cost:

1f Plant and general

1g Fuel

1h Miscellaneous receivables and other

… -

2 Total current assets - -

3 Noncurrent Assets:

3a Restricted funds:

3b Cash and cash equivalents

3c Investment in securities

… -

4 Total restricted asset - -

5 Capital funds:

5a Cash and cash equivalents

5b Investment in securities

… -

6 Total capital funds - -

7 Capital Assets

7a Capital assets not being depreciated

7b Capital assets, net of accumulated depreciation

… -

8 Total capital assets - -

9 Other noncurrent assets:

9a Receivable - New York State

9b Notes receivable - nuclear plant sale

9c Other long-term assets

… -

10 Total other noncurrent assets - -

11 Total noncurrent assets - -

12 Total assets - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AR-BS

STATEMENT OF NET POSITION

($ Millions)

13 Deferred outflows:

13a Accumulated decrease in fair value of hedging derivatives

… -

14 Total Deferred outflows - -

15 Total assets and deferred outflows - -

1/ Source: Annual Financial Statements

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AR-BS

STATEMENT OF NET POSITION

($ Millions)

DESCRIPTION DECEMBER \_\_\_\_ DECEMBER \_\_\_\_

16 Liabilities, Deferred Inflows and Net Position

16a Current Liabilities:

16b Accounts payable and accrued liabilities

16c Short-term debt

16d Long-term debt due within one year

16e Capital lease obligation due within one year

16f Risk management activities - derivatives

… -

17 Total current liabilities - -

18 Noncurrent liabilities:

18a Long-term debt:

18b Senior:

18c Revenue bonds

18d Adjustable rate tender notes

18e Subordinated:

18f Subordinated Notes, Series 2012

18g Commercial paper

… -

19 Total long-term debt - -

20 Other noncurrent liabilities:

20a Capital lease obligation

20b Liability to decommission divested nuclear facilities

20c Disposal of spent nuclear fuel

20d Relicensing

20e Risk management activities - derivatives

20f Other long-term liabilities

… -

21 Total other noncurrent liabilities - -

22 Total noncurrent liabilities - -

23 Total liabilities - -

24 Deferred inflows:

24a Cost of removal obligation

… -

- -

25 Net position:

25a Net investment in capital assets

25b Restricted

25c Unrestricted

… -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AR-BS

STATEMENT OF NET POSITION

($ Millions)

26 Total net position - -

27 Total liabilities, deferred inflows and net position - -

1/ Source: Annual Financial Statements

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER AR-Cap Assets

CAPITAL ASSETS - Note 5 ($ Millions)

New York Power Authority

Capital Assets - Note 5   
\_\_\_\_ Annual Report

12/31/\_\_\_\_ 12/31/\_\_\_\_

Ending Ending

balance Additions Deletions balance

(1) (2) (3) (4) (5)

1 Capital assets, not being depreciated:

1a Land -

1b Construction in progress -

… - -

2 Total capital assets not being depreciated - - - -

3 Capital assets, being depreciated:

3a Production - Hydro -

3b Production - Gas

3c turbine/combined cycle -

3d Transmission -

3e General -

… - -

4 Total capital assets being depreciated - - - -

5 Less accumulated depreciation for:

5a Production - Hydro -

5b Production - Gas

5c turbine/combined cycle -

5d Transmission -

5e General -

… - -

6 Total accumulated depreciation - - - -

7 Net value of capital assets being depreciated - - - -

8 Net value of all capital assets - - - -

NEW YORK POWER AUTHORITY

TRANSMISSION REVENUE REQUIREMENT   
 YEAR ENDING DECEMBER 31, \_\_\_\_

WORK PAPER Reconciliations

RECONCILIATIONS BETWEEN ANNUAL REPORT & ATRR

Line

No.

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

1 OPERATION & MAINTANANCE EXPENSES

Operations Maintenance Total O&M

1a Operations & Maintenance Expenses - as per Annual Report - - -

1b Excluded Expenses

1c Production - - -

1d A&G in FERC Acct 549 - OP-Misc Oth Pwr Gen - - -

1e FERC acct 905 (less contribution to New York State) - - -

1f FERC acct 916 - Misc Sales Expense - - -

1g A&G allocated to Production and General - - -

1h Adjustments -

1i Less A/C 924 - Property Insurance - - -

1j Less A/C 925 - Injuries & Damages Insurance - - -

1k Less EPRI Dues - - -

1l Less A/C 928 - Regulatory Commission Expense - - -

1n PBOP Adjustment - - -

1m 924 -Property Insurance as allocated - - -

1o 925 - Injuries & Damages Insurance as allocated - - -

1p Step-up Transformers - - -

1q FACTS - - -

1r Microwave Tower Rental Income - - -

1s Reclassifications (post Annual Report) - - -

Operations & Maintenance Expenses - as per ATRR - - -

check - - -

2 ELECTRIC PLANT IN SERVICE & DEPRECIATION

Electric Plant in Accumulated Electric Plant in Depreciation Electric Plant in Accumulated Electric Plant in Depreciation

Service ($) Depreciation ($) Service - Net ($) Expense ($) Service ($) Depreciation ($) Service - Net ($) Expense ($)

2a As per Annual Report

2b Capital Assets not being depreciated - - - - - - 0 0

2c Capital Assets being depreciated - - - - - - 0 0

2d Total Capital Assets - - - - - - 0 0

2e Less CWIP - - - - - - 0 0

2f Total Assets in Service - - - - - - 0 0

2g Adjustments for ATRR

2h Cost of Removal (note 1)

2i Transmission - - - - - - 0 0

2j General - - - - - - 0 0

2k Total - - - - - - 0 0

2l Excluded (note 2)

2n Transmission - - - - - - 0 0

2m General - - - - - - 0 0

2o Total - - - - - - 0 0

2p Adjustments to Rate Base (note 3)

2q Transmission - - - - - - 0 0

2r General - - - - - - 0 0

2s Total - - - - - - 0 0

2t

2u Total Assets in Service - As per ATRR - - - - - - 0 0

2v Comprising:

2w Production - - - - - - 0 0

2x Transmission - - - - - - 0 0

2y General - - - - - - 0 0

2z Total - - - - - - 0 0

2aa check differences due to rounding - - - - - - 0 0

Notes

2ab 1 Cost of Removal: Bringing back to accumulated depreciation cost of removal which was reclassified to regulatory liabilities in annual report

2ac 2 Excluded: Assets not recoverable under ATRR

2ad 3 Adjustments to Rate Base: Relicensing, Windfarm, Step-up transformers, FACTS & Asset Impairment

3 MATERIALS & SUPPLIES

3a As per Annual Report

3b Plant and General - -

3c As per ATRR - -

3d check - -

4 CAPITAL STRUCTURE

Long -Term Debt Common Equity Long -Term Debt Common Equity

4a As per Annual Report

4b Long-Term - -

4c Short-Term - -

4d Total - - - -

4e As per ATRR - - - -

4f check - - - -

5 INTEREST ON LONG-TERM DEBT

5a As per Annual Report

5b Interest LTD (including Swaps, Deferred Refinancing) - -

5c Debt Discount/Premium - -

5d Total - -

5e As per ATRR

5f Interest LTD (including Swaps, Deferred Refinancing) - -

5g Debt Discount/Premium - -

5h Total - -

5i check - -

6 REVENUE REQUIREMENT

6a As per Annual Report -

6b SENY load (note 4)

6c FACTS revenue (note 5)

6d Timing differences

…   
…

7a Total (sum lines 64-66) -

7b FERC approved ATRR (line 63 - line 67) -

7c check -

Notes

7d 4 Amount that NYPA will credit to its ATRR assessed to the SENY customer load. These revenues are included in the Annual Report within Production Revenues.

7e 5 Compensation for FACTS through the NYISO’s issuance of Transmission Congestion Contract (“TCC”) payments

8 OTHER POSTEMPLOYMENT BENEFIT PLANS

8a As per Annual Report

8b Annual OPEB Cost -

8c As per ATRR

8d Total NYPA PBOP -

8e check -

14.2.3.2 NYPA Formula Rate Implementation Protocols

14.2.3.2.1 General

(a) NYPA employs the Formula Rate (contained in Section 14.2.3.1 (“Formula Rate Template” or “Formula”) of this Attachment) to calculate its Annual Transmission Revenue Requirement (“ATRR”) in accordance with the Protocols set forth herein. NYPA employs an Annual Update Process, which refreshes the calculation of the ATRR by populating the Formula in Section 14.2.3.1 of this Attachment with prior-year information from the Financial Report contained in the NYPA annual report and other historical data from NYPA’s books and records, which are maintained using the FERC Uniform System of Accounts. The Annual Update Process does not effect any changes to the Formula Rate itself. NYPA will hold an Open Meeting each year to provide an additional opportunity for Interested Parties to obtain information about the Annual Update, and will make the Open Meeting remotely accessible to Interested Parties.

(b) Protocols Definitions:

**“Accounting Change”** means any change in accounting that affects inputs to the Formula Rate or the resulting charges billed under the Formula Rate, including (A) any change in NYPA’s accounting policies, practices and procedures (including changes resulting from revisions to the U.S. generally accepted accounting principles) from those in effect during the Calendar Year upon which the most recent Actual ATRR was based that affects the Formula Rate or calculations under the Formula; (B) any change in NYPA’s cost allocation policies from those policies or methodologies in effect for the Initial Rate Year or Calendar Year upon which the immediately preceding True-Up Adjustment was based that affects the Formula Rate or calculations under the Formula; (C) the initial implementation of an accounting standard or policy; (D) the initial implementation of accounting practices for unusual or unconventional items where the Commission has not provided specific accounting direction; (E) the implementation of new estimation methods or policies that change prior estimates; and (F) the correction of errors and prior-period adjustments.

**“Actual Annual Transmission Revenue Requirement”** (“Actual ATRR”) means the actual net annual transmission revenue requirement calculated in accordance with the Formula Rate, using as inputs only those costs and credits properly recorded in NYPA’s most recent Financial Report (to the extent the Formula Rate specifies Financial Report data as the input source) or data reconcilable to the Financial Report by the application of clearly identified and supported information that is properly recorded in NYPA’s books and records, which books and records are maintained in accordance with (A) the FERC Uniform System of Accounts; (B) NYPA’s internal accounting policies and practices; (C) U.S. generally accepted accounting principles; and (D) NYPA’s cost allocation policies. Where the reconciliation to the Financial Report is provided through a workpaper, the inputs to the workpaper shall be either taken directly from the Financial Report or reconcilable to the Financial Report by the application of clearly identified and supported information.

**“Annual Review Procedures”** means the procedures for review of each Annual Update, as described in these Protocols.

**“Annual Update”** means the calculation and publication of the Actual ATRR for the prior Calendar Year, and the Projected ATRR (including the True-Up Adjustment and any Prior Period Adjustment, if applicable) to be applicable for the upcoming Rate Year.

**“Annual Update Process”** means the annual process by which NYPA calculates the Annual Update and makes it available to Interested Parties.

**“Calendar Year”** means January 1st through December 31st of a given year.

**“Discovery Period”** means the period for serving Information Requests pursuant to Section 14.2.3.2.3 of this Attachment, commencing as of the calendar day immediately following the Publication Date and ending one hundred twenty (120) calendar days after the Publication Date. The Discovery Period may be extended only as provided in Sections 14.2.3.2.3(a)(i) and 14.2.3.2.3(a)(v) of this Attachment.

**“Financial Report”** means the independently audited financial statements contained in the NYPA annual report which is issued in April of each year for the prior Calendar Year.

**“Formal Challenge”** means a dispute regarding an aspect of the Annual Update that is raised with FERC by an Interested Party pursuant to these Protocols, and served on NYPA by electronic service on the date of such filing.

**“Formula”** means the cost-of-service template and associated schedules shown in Section 14.2.3.1 of this Attachment.

**“Formula Rate”** means the Formula together with the Protocols.

**“Information Request”** means a request served upon NYPA by an Interested Party within the Discovery Period for information or documents relating to an Annual Update as provided for in these Protocols.

**“Initial Rate Year”** means the initial period, from the date the rates are first made effective by the Commission through June 30, 2016.

**“Interested Party”** includes, but is not limited to, customers under the Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.

**“NYPA Exploder List”** means an e-mail list maintained by NYPA that includes all Interested Parties who have notified NYPA of their intent to be included. Interested Parties can subscribe to the NYPA Exploder List on the NYPA website.

**“NYPA Form 1 Equivalent”** means a form developed by the parties to the settlement in Docket No. ER16-835-000 that presents NYPA’s financial information in substantially the same format as selected pages of the FERC Form No. 1.

**“Open Meeting”** means an open meeting and conference call (in webinar format) that shall permit NYPA to explain and clarify, and shall provide Interested Parties an opportunity to seek information and clarification concerning the Annual Update. The Open Meeting shall be held no earlier than twenty (20) calendar days and no later than forty (40) calendar days after the Publication Date. NYPA shall provide notice of the Open Meeting no less than fifteen (15) calendar days prior to such meeting via the NYPA Exploder List and by posting on the ISO website.

**“Other Developers**” is defined as that term is defined in Section 31.1.1 of Attachment Y of the ISO OATT.

**“Preliminary Challenge”** means a written notification by an Interested Party to NYPA, during the Review Period, of any specific challenge to the Annual Update.

**“Prior Period Adjustment”** means any change to the True-Up Adjustment agreed upon or determined through the review and challenge procedures outlined in these Protocols that is carried forward with interest to the subsequent True-Up Adjustment.

**“Projected Annual Transmission Revenue Requirement”** (“Projected ATRR”) means the Actual ATRR for the prior Calendar Year as adjusted to reflect the True-Up Adjustment and any Prior Period Adjustments.

**“Protocols”** means the Formula Rate implementation protocols set forth in Section 14.2.3.2 of this Attachment.

**“Publication Date”** means the date of the posting on the ISO website (in a workable Excel format with cell formulas and links intact) of the Annual Update. The Publication Date shall be no later than July 1st, provided, however, that if July 1st should fall on a weekend or a holiday recognized by FERC, then the posting or filing shall be due no later than the next business day, and the Publication Date shall correspond to the actual posting or filing date.

**“Rate Year”** means July 1st of a given Calendar Year through June 30th of the succeeding Calendar Year.

**“Review Period”** means the period during which an Interested Party may review the Annual Update calculations and make a Preliminary Challenge. The Review Period commences as of the calendar day immediately following the Publication Date and ends on the later of (1) January 15 following the Publication Date; (2) sixty (60) calendar days after the close of the Discovery Period; or (3) thirty (30) calendar days after NYPA has responded to all timely submitted information requests.

**“True-Up Adjustment”** means the amount of under- or over-collection of NYPA’s Actual ATRR during the preceding Calendar Year, measured by the difference between the Actual ATRR and the transmission revenues received by NYPA during the preceding Calendar Year, plus interest, as calculated on Schedule F3 of the Formula using the interest rates specified in 18 C.F.R. § 35.19a.

14.2.3.2.2 Annual Update Process

(a) The Projected ATRR derived pursuant to the Formula Rate each year shall be applicable to services during the upcoming Rate Year.

(b) On or before the Publication Date of each year, as part of the Annual Update Process, NYPA shall:

(i) Calculate the Actual ATRR for the preceding Calendar Year;

(ii) Calculate the Projected ATRR, reflecting the True-Up Adjustment and any Prior Period Adjustments, for the upcoming Rate Year;

(iii) Post on the ISO website (and on the NYPA website via a link to the ISO website):

(A) the Annual Update, including a data-populated Formula Rate Template and underlying workpapers in native “workable” Excel file format with all formulas and links intact;

(B) sufficiently detailed supporting documentation, including underlying data and calculations and a populated version of the NYPA Form 1 Equivalent, that explains the source and derivation of any data affecting the Formula that is not drawn directly from NYPA’s Financial Report, such that Interested Parties can replicate the calculation of the Formula results using the Financial Report and can verify that each input is consistent with the requirements of the Formula Rate;

(C) the date, time, location, and call-in information for the Open Meeting;

(c) Within one (1) business day of the Publication Date, NYPA shall notify Interested Parties via the NYPA Exploder List of the posting of the Annual Update and the date, time, location, and call-in information for the Open Meeting.

(d) The Annual Update for the Rate Year:

(i) Shall identify and provide a narrative explanation of Accounting Changes and their impacts on inputs to the Formula Rate or resulting charges billed under the Formula Rate;

(ii) Shall identify and provide a narrative explanation of any items included in the Formula at an amount other than on a historic cost basis (e.g., fair value adjustments), and their impacts on inputs to the Formula Rate or resulting charges billed under the Formula Rate;

(iii) Shall be based on NYPA’s Financial Report;

(iv) Shall provide the Formula Rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the Formula Rate that are not otherwise available in the Financial Report;[[1]](#footnote-2)

(v) Shall provide underlying data for Formula Rate inputs that provide greater granularity than is required for the Financial Report;

(vi) Shall be subject to challenge and review in accordance with the procedures set forth in these Protocols;

(vii) Shall not seek to modify the Formula Rate and shall not be subject to challenge by anyone seeking to modify the Formula Rate (i.e., all such modifications/amendments to the Formula Rate shall require, as applicable, a Section 205 or Section 206 filing with FERC);

(viii) Shall identify any changes in the Formula references to NYPA’s Financial Report;

(ix) Shall identify all material adjustments made to NYPA’s Financial Report data in determining Formula inputs, including relevant footnotes to the Financial Report and any adjustments not shown in the Financial Report; and

(x) Shall reflect any corrections or modifications to NYPA’s Financial Report if said corrections or modifications are made prior to the Publication Date and would affect the True-Up Adjustment for a prior Rate Year. The True-Up Adjustment for each Rate Year(s) affected by the corrections or modifications shall be updated to reflect the corrected or modified Financial Report and the Annual Update and shall incorporate the changes in such True-Up Adjustment for the next effective Rate Year(s), with interest. Corrections or modifications to a Financial Report filed after the Publication Date of an Annual Update and not included in a revised Annual Update shall be incorporated in the next True-Up Adjustment or Annual Update, as applicable. NYPA shall report in a timely manner to the ISO and to Interested Parties, via the NYPA Exploder List, any corrections or modifications to its Financial Report, that affect the past or present implementation of the Formula Rate, whether such corrections or modifications have the effect of increasing or decreasing the resulting transmission rates.

(e) Joint Informational Meeting

NYPA shall endeavor to coordinate with other Transmission Owners and Other Developers using formula rates to recover the costs of transmission projects under the ISO OATT that utilize the same regional cost sharing mechanism and to hold annual joint informational meetings to enable all Interested Parties to understand how those Transmission Owners and Other Developers are implementing their formula rates for recovering the costs of such projects. No less than fifteen (15) calendar days prior to such meeting, NYPA shall provide notice of the joint informational meeting, including the date, time, location, and call-in information, via the NYPA Exploder List and by posting this information on the ISO website (and on the NYPA website via a link to the ISO website). NYPA shall make the joint informational meeting remotely accessible to Interested Parties.

14.2.3.2.3 Annual Review Procedures

Each Annual Update shall be subject to the following Annual Review Procedures:

(a) Discovery Period

(i) Interested Parties shall have up to one hundred twenty (120) calendar days after the Publication Date (unless such period is extended with the written consent of NYPA or by FERC order) to serve Information Requests on NYPA. If the deadline for Interested Parties should fall on a weekend or a holiday recognized by FERC, then Information Requests shall be due no later than the next business day. Such Information Requests shall be limited to what is or may reasonably be necessary to determine:

(A) The extent or effect of an Accounting Change;

(B) Whether the Annual Update fails to include data properly recorded in accordance with these Protocols;

(C) The proper application of the Formula Rate and the procedures in these Protocols;

(D) The accuracy of data and consistency with the Formula Rate of the calculations included in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review;

(E) The prudence of the costs and expenditures included in the Annual Update under review, including information on procurement methods and cost control methodologies;

(F) The effect of any change to the underlying Uniform System of Accounts or the Financial Report; and

(G) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate or aid in the understanding or derivation of such charge.

The Information Requests shall not otherwise be directed to ascertaining whether the Formula Rate is just and reasonable under the FPA.

(ii) NYPA 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. NYPA shall respond to all Information Requests submitted during the Discovery Period by no later than November 30 following the Publication Date, or thirty (30) calendar days after the close of the Discovery Period, whichever is later. If the deadline should fall on a weekend or a holiday recognized by FERC, then NYPA’s responses to Information Requests shall be due no later than the next business day.

(iii) NYPA shall post all Information Requests, and NYPA’s responses to Information Requests, on the ISO website and will distribute a link to the website to Interested Parties via the NYPA Exploder List; except, however, if responses to Information Requests include material deemed by NYPA to be confidential, such information will not be publicly posted, but confidential information will be made available to requesting parties provided that a confidentiality agreement is executed by NYPA and the requesting party.

(iv) NYPA shall be precluded from claiming settlement privilege with respect to responses to Information Requests pursuant to these Protocols in any subsequent FERC proceeding addressing NYPA’s Annual Update.

(v) To the extent NYPA and any Interested Party are unable to resolve disputes related to Information Requests submitted in accordance with these Protocols, NYPA or the Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master. The discovery master shall have the power to issue binding orders to resolve discovery disputes, and compel the production of discovery, as appropriate, in accordance with these Protocols, and, if deemed appropriate, to extend the Discovery Period and Review Period to permit completion of the discovery process.

(vi) All information produced pursuant to these Protocols may be included in any Preliminary or Formal Challenge, in any other proceeding concerning the Formula Rate initiated at FERC pursuant to the FPA, or in any proceeding before the U.S. Court of Appeals to review a FERC decision involving the Formula Rate. NYPA may, however, designate any response to an Information Request as confidential if the information conveyed is not publicly available and if NYPA in good faith believes the information should be treated as confidential. Interested Parties’ representatives shall treat such response as confidential in connection with any of the proceedings discussed in this Section 14.2.3.2 of this Attachment; provided, however, that when so used, such response shall initially be filed under seal (unless the claim of confidentiality is waived by NYPA), subject to a later determination by the presiding authority that the material is, in whole or part, not entitled to confidential treatment.

(b) Challenges and Resolution of Challenges

(i) Any Interested Party shall have the duration of the Review Period to review the inputs, supporting explanations, allocations, and calculations, and to submit a Preliminary Challenge. The Review Period ends on the later of (1) January 15 following the Publication Date; (2) sixty (60) calendar days after the close of the Discovery Period; or (3) thirty (30) calendar days after NYPA has responded to all timely submitted information requests. If the deadline for Interested Parties to submit Preliminary Challenges should fall on a weekend or a holiday recognized by FERC, then Preliminary Challenges shall be due no later than the next business day. An Interested Party submitting a Preliminary Challenge must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge.

(ii) NYPA shall promptly post all Preliminary Challenges, and written responses by NYPA to Preliminary Challenges, on the ISO website and will distribute a link to the website to Interested Parties via the NYPA Exploder List; except, however, if Preliminary Challenges or responses to Preliminary Challenges include material deemed by NYPA to be confidential, such information will not be publicly posted, but confidential information will be made available to requesting parties provided that a confidentiality agreement is executed by NYPA and the requesting party.

(iii) NYPA shall make a good faith effort to respond to a Preliminary Challenge within twenty (20) business days, and NYPA and any Interested Party raising a Preliminary Challenge shall attempt in good faith to resolve the Preliminary Challenge in a timely manner. Where applicable, NYPA shall appoint senior representatives to work with Interested Parties to resolve Preliminary Challenges. If NYPA disagrees with such challenge, NYPA will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. NYPA shall respond to all Preliminary Challenges submitted during the Review Period by no later than February 15 following the Publication Date or thirty (30) calendar days after the close of the Review Period, whichever is later. If the deadline should fall on a weekend or a holiday recognized by FERC, then NYPA’s response to Preliminary Challenges shall be due no later than the next business day.

(iv) An Interested Party shall make a good faith effort to raise all issues in a Preliminary Challenge; however, the failure to raise an issue in a Preliminary Challenge shall not act as a bar to raising the issue in a Formal Challenge provided the Interested Party raised one or more other issues in a Preliminary Challenge.

(v) An Interested Party that submitted a Preliminary Challenge shall have until April 15 following the Publication Date or thirty (30) calendar days after NYPA makes its informational filing, whichever is later, to make a Formal Challenge with FERC, which shall be served on NYPA by electronic service on the date of such filing. If the deadline for Interested Parties should fall on a weekend or a holiday recognized by FERC, then Formal Challenges shall be due no later than the next business day. An Interested Party shall file a Formal Challenge in the new docket assigned to NYPA’s informational filing. Nothing in this paragraph shall alter the rights of any party to file a complaint under Section 206 of the FPA regarding NYPA’s Formula Rate.

(vi) Formal Challenges shall satisfy all of the following requirements[[2]](#footnote-3):

(A) Clearly identify the action or inaction which is alleged to violate the Formula Rate or Protocols;

(B) Explain how the action or inaction violates the Formula Rate or Protocols;

(C) Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:

(1) The extent or effect of an Accounting Change;

(2) Whether the Annual Update fails to include data properly recorded in accordance with these Protocols;

(3) The proper application of the Formula Rate and procedures in these Protocols;

(4) The accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review;

(5) The prudence of actual costs and expenditures;

(6) The effect of any change to the underlying Uniform System of Accounts or the Financial Report; or

(7) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula.

(D) State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;

(E) State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;

(F) Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and

(G) State whether the filing party utilized the Preliminary Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.

(vii) Any response by NYPA to a Formal Challenge must be submitted to FERC within thirty (30) calendar days following the date of the filing of the Formal Challenge and shall be served by NYPA on the filing party(ies) by electronic service on the date of such filing and shall also be sent to the NYPA Exploder List on the date of such filing. If the deadline should fall on a weekend or a holiday recognized by FERC, then NYPA’s response to the Formal Challenge shall be due no later than the next business day.

(viii) Preliminary and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual Update fails to include data properly recorded in accordance with these Protocols; (3) the proper application of the Formula Rate and procedures in these Protocols; (4) the accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review; (5) the prudence of actual costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or the Financial Report; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula.

(ix) In any proceeding on a Formal Challenge, or proceeding initiated sua sponte by FERC challenging an Annual Update or an Accounting Change, NYPA shall bear the burden of proof, consistent with Section 205 of the FPA, with respect to the correctness of its Annual Update and/or the Accounting Change, and with respect to 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.[[3]](#footnote-4)

(x) Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to the same issue in any subsequent Annual Update to the extent such issue affects the subsequent Annual Update.

(c) Challenges to Accounting Changes

(i) Preliminary Challenges or Formal Challenges related to Accounting Changes are not intended to serve as a means of pursuing changes to the Formula Rate.

(ii) Failure to make a Preliminary Challenge with respect to an Accounting Change to an Annual Update shall not act as a bar with respect to making a Formal Challenge regarding the Accounting Change to that Annual Update, provided the Interested Party submitted a Preliminary Challenge with respect to one or more other issues. Nor shall failure to make a Preliminary Challenge or Formal Challenge with respect to an Accounting Change as to any Annual Update act as a bar to a Preliminary Challenge or Formal Challenge related to that Accounting Change in any subsequent Annual Update to the extent such Accounting Change affects the subsequent Annual Update.

(iii) Preliminary Challenges or Formal Challenges related to Accounting Changes shall be subject to the procedures and limitations in Section 14.2.3.2.3(b) of this Attachment. It is recognized that resolution of Formal Challenges concerning Accounting Changes may necessitate adjustments to the Formula input data for the applicable Annual Update or changes to the Formula to achieve a just and reasonable end result consistent with the intent of the Formula.

14.2.3.2.4 Changes Pursuant to Annual Update Process

Any changes to the data inputs, including but not limited to revisions to NYPA’s Financial Report, or as the result of any FERC proceeding to consider the Annual Update, or as a result of the Annual Review Procedures set forth herein, shall be incorporated into the Formula and into the charges produced by the Formula (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Year as a Prior Period Adjustment. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any associated refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. § 35.19a) shall be made, as appropriate, in the event that the Formula Rate is replaced by a stated rate for NYPA.

14.2.3.2.5 Changes to the Formula Rate

(a) Any modification to the Formula or to these Protocols requires a filing under FPA Section 205 or Section 206. The following Formula inputs shall be stated values to be used in the Formula until changed pursuant to an FPA Section 205 or Section 206 proceeding: (i) rate of return on common equity; (ii) Post-Retirement Benefits other than Pensions (“PBOPs”) expense; (iii) the depreciation and/or amortization rates as set forth in Schedule B3 to the Formula; and (iv) the caps on the equity percentage component of NYPA’s capital structure for the Marcy-South Series Compensation Project (53% equity) and the assets recovered through the NTAC (50% equity).

(b) Except as specifically provided herein, nothing in these Protocols shall be deemed to limit in any way (i) the right of NYPA to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, to change the Formula Rate or any of its stated inputs or to replace the Formula Rate with a stated rate, or (ii) the right of any other party to challenge inputs to, or the implementation of, or to request changes to, the Formula Rate pursuant to Section 206, or any other applicable provision, of the FPA and the regulations thereunder.

(c) NYPA may, at its discretion and at a time of its choosing, make a limited filing pursuant to Section 205 to change stated values in the Formula Rate for amortization/depreciation rates and PBOPs expense. The sole issue in any such limited Section 205 filing shall be whether such proposed changes or recovery are just and reasonable, and shall not include other aspects of the Formula Rate.

14.2.3.2.6 Informational Filing

By March 15 following the Publication Date or by sixty (60) calendar days following the close of the Review Period, whichever is later, NYPA shall submit to FERC an informational filing of its Annual Update for the Rate Year. If the deadline should fall on a weekend or a holiday recognized by FERC, then the informational filing shall be due no later than the next business day. Within one (1) business day of submitting the informational filing, NYPA shall notify Interested Parties via the NYPA Exploder List that it has made its informational filing, and shall post the docket number assigned to the informational filing on the ISO website. This informational filing must include the information that is reasonably necessary to determine: (1) that input data under the Formula Rate are properly recorded in any underlying schedules and workpapers; (2) that NYPA has properly applied the Formula and these Protocols; (3) the accuracy of data and the consistency with the Formula Rate of the Actual ATRR, Projected ATRR (including any True-Up Adjustment and Prior Period Adjustments), and rates under review; (4) the extent and effects of Accounting Changes that affect Formula inputs; and (5) the reasonableness of projected costs. The informational filing must also describe any corrections or adjustments made during the Review Period or as a result of the Preliminary Challenge process, and must describe all aspects of the Annual Update or its inputs that are the subject of an ongoing dispute under the Preliminary Challenge procedures. Any challenges to the implementation of the Formula must be made through the annual review and challenge procedures described in these Protocols or in a separate complaint proceeding, and not in response to the informational filing.

14.2.3.2.7 Bounds on NTAC Recovery of Capital Expenditures

The following terms, for the purposes of this Section 14.2.3.2.7, shall be defined as follows:

**“Annual Incremental Capital Expenditures”** means incremental capital expenditures incurred during a calendar year irrespective of whether the plant that is the product of these capital expenditures has been placed in service during the calendar year, except that (i) capital expenditures for Repairs or Replacements, (ii) capital expenditures for projects meeting the requirements of Section 14.2.3.2.7(a)(ii)(b), and (iii) capital expenditures for projects meeting the requirements of Section 14.2.3.2.7(a)(iv), shall not be included as “Annual Incremental Capital Expenditures” and shall not be counted against the $40 million annual cap described in Section 14.2.3.2.7(a)(iii).

**“Substantive Cost Allocation Order”** means an order from which rehearing may be sought on the issue of cost recovery for the purposes of Section 14.2.3.2.7(b)(x) (i.e., an order accepting a cost allocation without setting the matter for hearing, an order approving a settlement agreement stipulating a cost allocation for the contested project, or an order on exceptions to an initial decision following an evidentiary hearing; but not a tolling order or some other procedural order that refers the issue of cost allocation for a hearing or settlement judge procedures).

**“Gross ATRR for the Major Y-49 Reconstruction or Replacement”** means the ATRR attributable to the Major Y-49 Reconstruction or Replacement, including but not limited to return on rate base, depreciation expense, operation and maintenance expense, and allocated administrative and general costs.

**“Major Y-49 Reconstruction or Replacement”** means a major reconstruction or replacement of the Y-49 Facility with a projected capital cost of greater than $150 million in 2016 dollars (as adjusted annually by the Consumer Price Index).

**“Moses to Adirondack Line”** means the Moses-Adirondack 1 and 2 transmission lines that originate at the Moses Switchyard at the St. Lawrence-FDR project in Massena, New York and continue south to the NYPA Adirondack switching station in Croghan, New York for a distance of approximately 85 miles. The lines consist of eight miles of double circuit steel lattice structures and seventy-seven miles of single circuit wooden H-frame structures.

**“NYPA Backbone System”** means the facilities that are listed and defined in Exhibit C to the settlement approved by the Commission in Docket No. ER16-835-000. This list of facilities that comprise the NYPA Backbone System is not anticipated to be static, and will be updated periodically to include, for example, projects NYPA is required to construct as contemplated by Section 14.2.3.2.7(a)(iv) below.

**“NYPA-LIPA Y-49 Contract”** means the existing 1987 contract for the sale of transmission service on the Y-49 Facility by NYPA to LIPA.

**“Remaining Y-49 ATRR”** has the meaning set forth in Section 14.2.3.2.7(a)(ii)(a)(i) of this Attachment.

**“Repair or Replacement”** means any capitalized repair or replacement of an existing NYPA transmission facility that comprises a part of the NYPA Backbone System provided that the repair or replacement, to the extent it involves installation of new equipment, utilizes items with substantially the same capacity rating as the existing equipment (or that any increase in facility rating is limited to the smallest change possible with commercially available replacements, or is no more costly than the price of a like-for-like replacement plus 10%).

**“Voting Member Systems”** means: (1) Central Hudson Gas and Electric Corporation; (2) Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (as a single Voting Member System); (3) Niagara Mohawk Power Corporation d/b/a National Grid; (4) New York State Electric and Gas Corporation and Rochester Gas and Electric Corporation (as a single Voting Member System); and (5) Long Island Power Authority.

**“Y-49 Facility”** means the Y-49 transmission facility interconnecting Westchester County, New York and Long Island that is included as part of the NYPA Backbone System as reflected in Exhibit C to the settlement approved by the Commission in Docket No. ER16-835-000.

**“Y-49 TCC Revenue”** means revenue related to Transmission Congestion Contracts (“TCCs”) associated with the Y-49 Facility.

(a) Cap on New NTAC Capital Expenditures

(i) As provided in Section 14.2.2.2 of this Attachment, the NTAC allows NYPA to recover the portion of NYPA’s ATRR that is not recovered via existing customer transmission service agreements or from other revenue streams identified in the NTAC Formula described in Section 14.2.2.2.1 of this Attachment. The following provisions in this Section 14.2.3.2.7 shall apply only to the NYPA Backbone System. No other NYPA capital expenditures, other than those contemplated by this Section 14.2.3.2.7, may be recovered via the NTAC absent express approval by FERC, subject to Section 14.2.3.2.7(b)(x) below.

(ii) Capitalized expenditures incurred by NYPA that may be recovered through the NTAC without Voting Member System review and approval, as described in Section 14.2.3.2.7(b) below, are:

(a) Any Repair or Replacement provided that the estimated project cost of any such Repair or Replacement is less than $90 million in 2016 dollars (as adjusted annually using the Consumer Price Index), except that the Y-49 Facility and the Moses to Adirondack Line will be treated as follows:

(i) With respect to the Y-49 Facility, after the date that the NYPA-LIPA Y-49 Contract is terminated, the cost of normal repairs and maintenance of the Y-49 Facility will be included in the NTAC, subject to the otherwise applicable provisions of this Section 14.2.3.2.7(a), along with revenue credits related to Y-49 TCC Revenue. However a major reconstruction or replacement shall be treated as follows: whether or not the NYPA-LIPA Y-49 Contract has been terminated, the first year a Major Y-49 Reconstruction or Replacement appears in NYPA’s five-year capital expenditure plan (described in Section 14.2.3.2.7(b) below), NYPA will initiate an FPA section 205 proceeding to determine whether the Major Y-49 Reconstruction or Replacement, as proposed or as NYPA may modify it on its own or in response to issues raised by other parties, is a prudent investment and, if so, the appropriate allocation of project costs that are not otherwise recoverable through the NTAC. After the date that the NYPA-LIPA Y-49 Contract is terminated, and if the Major Y-49 Reconstruction or Replacement is found prudent by FERC in that section 205 proceeding, the parties agree that (a) unless reduced by the formula below, $20 million in 2016 dollars (as adjusted annually by the Consumer Price Index) of ATRR attributable to the Major Y-49 Reconstruction or Replacement cost shall be automatically recovered in the NTAC but only after the later of the NYPA-LIPA Y-49 Contract’s expiration or the in-service date of the Major Y-49 Reconstruction or Replacement; and (b) the allocation of the Remaining Y-49 ATRR shall be in accord with the result of the section 205 proceeding. For purposes of this provision, the Remaining Y-49 ATRR shall be calculated annually after the later of the NYPA-LIPA Y-49 Contract’s expiration or the in-service date of the Major Y-49 Reconstruction or Replacement as:

**Remaining Y-49 ATRR = (Gross ATRR for the Major Y-49 Reconstruction or Replacement) – (Y-49 TCC Revenue) – ($20 million + Consumer Price Index adjustment)**

To the extent the Remaining Y-49 ATRR is negative it shall be applied to the NTAC ATRR. For the avoidance of doubt, there shall be no double-crediting of the same Y-49 TCC Revenue between (i) the above “Remaining Y-49 ATRR” formula, and (ii) the first sentence of this Section 14.2.3.2.7(a)(ii)(a)(i), which requires NYPA to include revenue credits related to Y-49 TCC Revenue in the NTAC after the date that the NYPA-LIPA Y-49 Contract is terminated. If the Remaining Y-49 ATRR is positive, it will be recovered pursuant to the project-specific cost allocation determined in the section 205 proceeding described above and included in this Tariff.

(ii) With respect to the Moses to Adirondack Line, reconstruction or complete replacement of that line will be subject to a Voting Member System vote as described in Section 14.2.3.2.7(b). Repairs and maintenance-type replacement of the Moses to Adirondack Line will be subject to the otherwise applicable limitations of this Section 14.2.3.2.7(a).

(b) Emergency projects undertaken in response to damage caused by storms, vandalism, or terrorism, or in response to any force majeure events. Where appropriate, NYPA will apply for Federal Emergency Management Agency (“FEMA”) reimbursement for such projects, and any FEMA or insurance reimbursements shall be applied to the NTAC as a credit against the cost of such projects.

(iii) For capital expenditures related to the NYPA Backbone System that do not meet the requirements of Section 14.2.3.2.7(a)(ii) above or Section 14.2.3.2.7(a)(iv) below, NYPA’s Annual Incremental Capital Expenditures that may be recovered through the NTAC, absent Voting Member System review and approval, are capped at $40 million in 2016 dollars (as adjusted annually using the Consumer Price Index).

(iv) Any capital expenditures related to the NYPA Backbone System incurred (i) as a result of directives issued by NERC, FERC, the New York State Reliability Council, or in compliance with the ISO OATT or manuals to build, maintain, or operate required interconnections of a generation or transmission facility, except for the costs that have been otherwise recovered from third parties such as generator or transmission developers or insurance companies or, (ii) as a result of directives issued by some other regulatory agency in the event that, due to changes in the New York Public Authorities Law or other legislative action, such regulatory agency obtains legal authority to order NYPA to undertake capital projects, shall be excluded from Voting Member System review and approval and excluded from the $40 million annual cap described in Section 14.2.3.2.7(a)(iii) above. For the avoidance of doubt, future capital expenditures in such facilities will be subject to this Section 14.2.3.2.7(a).

(b) Voting Member System Review of Expenditures that Exceed Applicable Caps Described in Section 14.2.3.2.7(a)

(i) NYPA will conduct an annual meeting, on no less than three weeks’ advance notice to the Voting Member Systems and other Interested Parties that have subscribed to the NYPA Exploder List, at which it will present to the Voting Member Systems and other Interested Parties a five-year capital expenditure plan. This meeting will occur prior to the commencement of the Annual Update Process described in these Protocols. NYPA may conduct additional meetings on no less than three weeks’ advance notice to the Voting Member Systems and other Interested Parties that have subscribed to the NYPA Exploder List.

(ii) NYPA’s presentation of the capital expenditure plan will identify for each project under construction or anticipated to begin construction within the five-year planning horizon:

(a) Description of the project;

(b) Total project cost;

(c) Anticipated start and end date of construction;

(d) Whether the project is a Repair or Replacement of a NYPA Backbone System facility; and

(e) Whether the project is subject to any of the exclusions identified in Section 14.2.3.2.7(a) above.

(iii) The Voting Member Systems and other Interested Parties may issue data requests concerning NYPA’s capital expenditure plan for forty (40) calendar days following the annual capital expenditure plan meeting, and NYPA will make commercially reasonable efforts to respond within fourteen (14) calendar days of receipt of a data request.

(iv) (a) If the capital expenditure plan as presented by NYPA, or in the opinion of the Voting Member Systems, includes (i) a Repair or Replacement that exceeds $90 million (as adjusted annually using the Consumer Price Index); (ii) a suite of projects subject to Section 14.2.3.2.7(a)(iii) above for which NYPA plans to spend more than $40 million (as adjusted annually using the Consumer Price Index) in a single calendar year; or (iii) a project that NYPA proposes to recover through the NTAC which the Voting Member Systems believe is not related to the NYPA Backbone System, the Voting Member Systems must notify NYPA of their intent to vote on whether to allow NYPA to recover in the NTAC any project or suite of projects meeting the criteria above within sixty (60) calendar days of the publication of the capital expenditure plan that first identifies the project or annual suite of projects, with a vote to occur within thirty (30) calendar days after such notification. The Voting Member Systems must notify NYPA of the outcome of the vote by the end of the next business day after such vote is made.

(b) Subject to Section 14.2.3.2.7(b)(ix) below, and with regard to a project or suite of projects for which the Voting Member Systems have provided timely notice to NYPA under Section 14.2.3.2.7(b)(iv)(a), a 3/5 majority vote in favor is required for NYPA to recover the costs of such project or suite of projects contained in the capital expenditure plan through the NTAC. The five Voting Member Systems shall have one vote each.

(v) If the Voting Member Systems elect not to vote on a Repair or Replacement that exceeds $90 million (as adjusted annually using the Consumer Price Index), or an annual suite of projects under Section 14.2.3.2.7(a)(iii) that exceeds $40 million (as adjusted annually using the Consumer Price Index), or 3/5 of the Voting Member Systems vote to approve the Repair or Replacement or annual suite of projects, then no further voting shall be permitted with respect to such Repair or Replacement or annual suite of projects and NYPA shall recover the cost of such Repair or Replacement or suite of projects through the NTAC subject to the Annual Update Process set forth in these Protocols. This provision shall not apply to Repairs or Replacements or annual suites of projects that are modified in a subsequent five-year capital expenditure plan where such modification would either (i) change the categorization of a project or suite of projects under Section 14.2.3.2.7(a); or (ii) would result in a 10% increase in the original project costs the Voting Member Systems previously had a right to vote on, and either approved or elected not to vote on.

(vi) If 3/5 of the Voting Member Systems vote against allowing NTAC recovery of a NYPA project or suite of projects meeting the criteria set forth in 14.2.3.2.7(b)(iv)(a), the Voting Member Systems that voted against NTAC recovery must provide a written statement explaining their rationale for their negative votes within sixty (60) calendar days of notifying NYPA of the outcome of the vote. Such rationale may include, but is not limited to, whether those Voting Member Systems voting against the project believed the project or suite of projects in question: (i) was segmented; (ii) is inconsistent with good utility practice; (iii) should be expanded beyond Repair or Replacement and submitted as a project fitting the definition of one of the categories of projects identified in the ISO’s Comprehensive System Planning Process; (iv) has costs that have been improperly estimated or are too high; and/or (v) has been inaccurately categorized by NYPA as a Repair or Replacement (for projects subject to the $90 million cap). The Voting Member Systems will not assert that a project is not a Repair or Replacement where the New York Public Service Commission has determined that a project is a Repair or Replacement in response to a petition for a declaratory ruling from NYPA with prior notice to the Voting Member Systems. The explanation of any “no” vote with respect to a suite of projects exceeding the limit prescribed in Section 14.2.3.2.7(a)(iii) could include a description of one or more specific objectionable projects.

(vii) NYPA shall have the opportunity to submit a revised package of capital expenditures in response to a “no” vote by the Voting Member Systems. If a revised package is submitted, the Voting Member System voting process described above shall be repeated starting with Section 14.2.3.2.7(b)(iii) above.

(viii) In the event of a “no” vote, the Voting Member Systems and NYPA agree to convene a meeting that includes senior management within sixty (60) calendar days of the Voting Member Systems providing NYPA with a written explanation of the vote.

(ix) NYPA may make a filing at FERC to include capital expenditures rejected by 3/5 of the Voting Member Systems in the NTAC ATRR. In any such proceeding, NYPA would bear the burden of demonstrating (i) that its proposed rate treatment and cost allocation is just and reasonable, (ii) that the reasons offered by the Voting Member Systems for voting against the project or suite of projects are arbitrary, unduly discriminatory, or otherwise not supported by substantial evidence, and (iii) that the proposed costs are eligible to be recovered using the NTAC. The settlement in Docket No. ER16-835-000 shall not preclude or inhibit the ability of a party to that settlement to submit comments or protests on any such filing by NYPA.

(x) If NYPA makes a filing as contemplated in Section 14.2.3.2.7(b)(ix) above, NYPA shall not be entitled to recover the costs of any such project or suite of projects through the NTAC until FERC issues a Substantive Cost Allocation Order and subject to any adjustments directed by FERC in such Substantive Cost Allocation Order; provided, however, if a Substantive Cost Allocation Order has not been issued as of a contested project’s in-service date, NYPA shall record the expenses and return related to any such project or projects in a regulatory asset, with carrying costs accruing at NYPA’s weighted average cost of capital as determined by the Formula Rate Template. Such costs may be amortized and recovered over the useful life of the project once FERC issues a Substantive Cost Allocation Order approving NTAC recovery for the project or directing NYPA to recover the costs of the project according to some other allocation, subject to any adjustments directed by FERC.

14.2.3.2.8 Costs Excluded from Formula Rate

Costs allocated to NYPA as a part of PJM Interconnection, L.L.C.’s Regional Transmission Expansion Plan, and costs and expenses related to the New York State Canal Corporation, shall be excluded from recovery under the Formula Rate.

14.2.3.2.9 AC Project Segment A Cost Containment

**A. Definitions**

1. “Segment A Project” shall mean the various components of the double-circuit Marcy to New Scotland project proposed jointly by LSPGNY and NYPA that was selected by the ISO Board of Directors as the more efficient or cost-effective transmission solution from the competing projects to address the public policy-based transmission need to increase Central East transfer capability by at least 350 MW and identified in a decision and Public Policy Transmission Planning Report issued April 8, 2019 (i.e., the project was identified therein as “Project T027”).

2. “LSPGNY” shall mean LS Power Grid New York Corporation I, the joint developer with NYPA of the Segment A Project.

3. “NYPA Segment A Project” shall mean the portion of the Segment A Project owned by NYPA.

4. “Other Project Capitalized Costs” are capitalized costs incurred other than to develop, construct, and place the Segment A Project in service, such as capitalized spare parts, and are recoverable in the Formula Rate.

5. “Third Party Costs” are costs that result from: (i) ISO modifications or further ISO requirements, including interconnection costs and upgrades resulting from the ISO interconnection process; (ii) payments to an incumbent transmission owner, including real estate-related costs incurred in any lease arrangements, purchases related to the acquisition of rights-of-way or access to rights-of-way, purchases of rights to access utility facilities and payments for assets to be retired; (iii) increased costs, such as costs incurred related to the rescheduling of outages or the relocation of utility assets, due to an action or inaction by the incumbent transmission owner and that are beyond the ability of NYPA to control or mitigate; or (iv) all sales and property taxes. Third Party Costs are recoverable in the Formula Rate and includable in FERC Account 107 during construction and the appropriate account after being placed in service.

6. “Project Costs” are all capital costs incurred to develop, construct, and place the Segment A Project in service, excluding Third Party Costs, Project Development Costs, Other Project Capitalized Costs, and Unforeseeable Costs in excess of 5% of the Cost Cap (as defined below).

7. “Project Development Costs” are costs incurred for the Segment A Project prior to its selection by the ISO Board of Directors, were not included in the Capital Cost Bid submitted to the ISO, are not subject to the Cost Cap (as defined below), and are recoverable in the Formula Rate.

8. “Unforeseeable Costs” shall mean costs and savings that, with the exercise of commercially reasonable due diligence, could not have been anticipated at the time the Capital Cost Bid for the Segment A Project was submitted to the ISO on April 29, 2016. Unforeseeable Costs in excess of 5% of the Cost Cap are recoverable in the Formula Rate. Unforeseeable Costs are costs:

(a) Associated with material modifications to the routing or scope of work of the Segment A Project that results from a PSC order, negotiation, or settlement agreements within the siting process, or are imposed or required by any other governmental agency. For the avoidance of doubt, foreseeable obligations as included in the New York State Article VII certificate application, or non-material obligations imposed upon LSPGNY and NYPA as a normal part of the siting process, shall not be deemed to be Unforeseeable Costs;

(b) Associated with changes in applicable laws and regulations, or interpretations thereof by governmental agencies;

(c) As a result of orders of courts or action or inaction by governmental agencies; or

(d) related to destruction, damage, interruption, suspension, or interference of or with the Segment A Project caused by landslides, lightning, earthquakes, hurricanes, tornadoes, severe weather, fires, explosions, floods, epidemics, acts of public enemy, acts of terrorism, wars, blockades, riots, rebellions, sabotage, insurrections, environmental contamination or damage, or strike, provided that (i) the cause was not reasonably within the control of LSPGNY or NYPA, (ii) LSPGNY and NYPA made reasonable efforts to avoid or minimize the adverse impacts of any of the above-listed events, and (iii) LSPGNY and NYPA took reasonable steps to expeditiously resolve the event after it occurred.

9. “Capital Cost Bid” is defined as the bid submitted by LSPGNY and NYPA to the ISO on April 29, 2016 for the Segment A Project.

1. **Return on Equity Incentive Adders**

For the NYPA Segment A Project, a 100 basis point (“bp”) adder to the base return on equity (“ROE”) will apply to Project Costs incurred up to the Cost Cap (as defined in Section 14.2.3.2.9.C below). A 100 bp ROE adder shall also apply to Unforeseeable Costs (that are more than five (5) percent of the Cost Cap), Third Party Costs, and Project Development Costs. The 100 bp consists of (1) a 50 bp incentive adder for RTO participation authorized by the Commission in Docket No. ER16-835, 154 FERC ¶ 61,268 at PP21-22 (2016) and that was subject to negotiation, compromise and adoption in the uncontested settlement in the same proceeding (Offer of Settlement, § 3.1 (filed September 30, 2016)), and (2) a 50 bp incentive adder for risks and challenges in developing the Segment A Project authorized in Docket No. EL19-88, 169 FERC ¶ 61,125 at P 37 (2019).

1. **Cost Cap, Cost Containment and Risk Sharing**

A Cost Cap equal to $189,900,000 (“Cost Cap”) shall apply to the NYPA Segment A Project. All prudently incurred costs below the Cost Cap are fully recoverable in the Formula Rate, including with respect to the base ROE, ROE incentive adders (as described in Section 14.2.3.2.9.B), depreciation, and debt costs. The following cost containment provisions (“Cost Containment Mechanism”) apply for the life of the Segment A Project. The Cost Containment Mechanism applies to NYPA’s share of Project Costs as follows:

1. Cost Containment Mechanism For Prudently Incurred Actual Project Costs Above Cost Cap

a. 20% of any prudently incurred Project Costs above the Cost Cap that are subject to the Cost Containment Mechanism will not earn any ROE on the equity portion of such costs, but NYPA will be allowed to recover the associated depreciation and debt cost.

b. 80% of any prudently incurred Project Costs above the Cost Cap that are subject to the Cost Containment Mechanism will not earn any ROE incentive adders (as described in Section 14.2.3.2.9.B) on the equity portion of such costs, but NYPA will be allowed to earn the base ROE, associated depreciation, and debt cost.

2. Additional ROE Adder for Actual Project Costs Below the Cost Cap

a. For purposes of providing an incentive to reduce costs, NYPA may utilize an additional ROE adder when the actual Project Costs are below the “Adjusted Cost Cap.”

b. The Adjusted Cost Cap shall be $156,600,000.

3.

* + 1. NYPA will receive an additional ROE adder, as set forth in Table A below, when prudently incurred Project Costs are less than the Adjusted Cost Cap:

|  |  |
| --- | --- |
| **TABLE A** | |
| Project Costs Below Adjusted Cost Cap | ROE Adder |
| 0% to <=5% | 0.05% |
| >5% to <=10% | 0.17% |
| >10% to <=15% | 0.30% |
| >15% to <=20% | 0.45% |
| >20% to <=25% | 0.62% |
| >25% | 0.71% |

14.3 Attachment H-1 - List of Member Systems' Pre-OATT Grandfathered Agreements Shown on Attachment L and Revenues which are Treated as Revenue Credits in Developing the R Component of each Company TSC Rate

14.3.1 LIPA

LIPA made an adjustment in the form of a revenue credit to reduce its revenue requirement by 4,282,350 reflecting the projected revenues it expects to receive in 1999 from grandfathered non-OATT transmission services provided to the New York Power Authority on behalf of its three Long Island municipal utilities and its Economic Development Power Customers, and LIPA's two Municipal Distribution Agencies Customers on Long Island.

|  |  |
| --- | --- |
| Contract No. in Attachment L | Customer |
| 65 | Munis on Long Island |
| 74 | MDA on LI |
| 75 | EDP on LI |
| 76 | Brookhaven |
| 77 | Grumman |

14.3.2 Orange and Rockland

|  |  |  |  |
| --- | --- | --- | --- |
| Rate Schedule  50 | Contract No. In Attachment L  108 | Service to  NYPA on behalf of Out-of-State  Munis NJ | Revenues  $121,475 |

14.3.3 RG&E

RG&E has no revenue from pre-OATT grandfathered agreements treated as revenue credits in the development of RG&E’s RR component.

14.3.4 NYSEG

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Customer** | **Treatment** | **FERC Rate Schedule** | **Contract No. in Attachment L** | **Annual Revenue** |
| Delaware Coop | Coop | 67, 70, 80 | 88, 154 | 390,435 |
| Marathon | In-State Muni | 67,70,80 | 87, 153 | 153,492 |
| Oneida-Madison Coop | Coop | 67, 70, 80 | 88, 154 | 89,274 |
| Otsego Coop | Coop | 67, 70, 80 | 88, 154 | 396,234 |
| Penn Yan | In-State Muni | 67, 70, 80 | 87, 153 | 566,549 |
| Steuben Coop | Coop | 67, 70, 80 | 87, 153 | 514,367 |
| Watkins Glen | In-State Muni | 67, 70, 80 | 87, 153 | 343,221 |
| Gilboa | MWA | 54 | 48 | $432,000 |
| Mohansic-Wheeling | Facilities Agreement | 87 | 5 | $659,443 |
|  |  |  |  |  |

Revenues from the above grandfathered agreements are treated as credits to the Revenue Requirement in the development of NYSEG’s TSC.

14.3.5 Central Hudson

|  |  |  |
| --- | --- | --- |
| Rate Schedule  **Contract No. in Attachment L** | Contract No. in Attachment LContract No. In Attachment L | Tariff Sheet No |
| 22 | 20g | 524 |
| 49 | 20h | 524 |
| 26 | 21 | 524 |
| 51 | 31b | 525 |
| 32 | 41 | 525 |
| 65 | 55a | 526 |
| 73 (Should be 68) | 73 | 527 |
| 73 (Should be 69) | 108b | 532 |
| 73 (Should be 69) | 150b | 533 |

Revenues for the above grandfathered agreements (total $568,499) are based on the 1995 test year.

14.3.6 Con Edison

Pre-OATT Grandfathered Agreements in Attachment L that are included in Con Edison’s RR component and are not considered at risk by the Company at this time

|  |  |  |  |
| --- | --- | --- | --- |
| Contract No. in Attachment L | FERC Rate Schedule No. | Delivery For | Revenues1  ($x1000) |
|  |  |  |  |
|  |  |  |  |
| 76 | 60 | NYPA **-** Brookhaven | 609 |
|  |  |  |  |
| 12 | 117 | LIPA -Fitzpatrick | 1,665 |
| 16 | 117 | LIPA - NineMile | 2,643 |
| 17 | 94 | LIPA -Gilboa | 1,465 |
|  |  | St./Brewster |  |
|  |  |  |  |

1 Revenues based on 1995 Test Year Data

14.3.7 Niagara Mohawk Power Corporation

**Attachment L Table 1A Contract No.**

|  |  |
| --- | --- |
| **Rate Schedule No.** | **Customer** |
| 82, 84,86, 151, 152, 155-158/204 | NYPA IS Munis |
| 98/136 | NFTA |
| 66/134 | Festival of Lights |
| 109, 110, 112, 113/138 | NYPA OOS Munis - |
| 57/180 | NYPA C-V-J |
| Attachment L Table 2 No. 19/58 | RG&E Clyde |
| 49/176 | RG&E Agreement |
| 1/141 | CH 9M2 |
| 2/128 | CH Gilboa |
| Attachment L Table 2 No. 4/55 | CH N. Catskill |
| 12/142 | LILCO B Fitz |
| 16/142 | LILCO - 9M2 |
| 19, 20/165 | NYSEG |
| Contract No. yet to be designated/174 | Watertown |
| 105/172 | Lockport |
| 104/171 | Selkirk |
| 102/178 | Sithe |
| 103/175 | Indeck |

Niagara Mohawk made an adjustment in the form of a revenue credit to reduce its revenue requirement by $69,016.475

1. It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate will be either taken directly from NYPA’s Financial Report or reconcilable to the Financial Report by the application of clearly identified and supported information. [↑](#footnote-ref-2)
2. Requiring interested parties to satisfy filing requirements for formal challenges “does not improperly shift the burden of persuasion to interested parties.” *See Midcontinent Indep. Sys. Operator, Inc*., 150 FERC ¶ 61,025 at P 51 (2015) (internal quotations omitted). [↑](#footnote-ref-3)
3. *See Midwest Indep. Transmission Sys. Operator, Inc*., 143 FERC ¶ 61,149 at P 121 (2013) (“[P]arties seeking to challenge the prudence of a transmission owner’s expenditures must first create a serious doubt as to the prudence of those expenditures before the burden of proof shifts to the transmission owner.”). [↑](#footnote-ref-4)