# 14.2 Attachment 1 to Attachment H

# 14.2.1 Schedules

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#### Niagara Mohawk Power Corporation

Calculation of RR Pursuant to Attachment H, Section 14.1.9.2

Year

#### Calculation of RR

14.1.9.2 The RR component shall equal the (a) Historical Transmission Revenue Requirement plus (b) the Forecasted Transmission Revenue Requirement plus (c) the Annual True-Up, determined in accordance with the formula below.

#### Historical Transmission Revenue Requirement (Historical TRR)

#### Line No.

25

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 In	vestment Tax Credits	5,
5		(E) Transmission Operation and Maintenance Expense, (F) Transmission	Related Administra	ative and General Exp	penses, (G) Transmission
6		Related Payroll Tax Expense, (H) Billing Adjustments, and (I) Transmissi	on Related Bad Deb	ot Expense less	
7		(J) Revenue Credits, and (K) Transmission Rents, all determined for the	most recently ende	d calendar year as of	the beginning of the update year.
8			Reference		
9			Section:	0	
10		Return and Associated Income Taxes	(A)	#DIV/0!	Schedule 8, line 64
11		Transmission-Related Depreciation Expense	(B)	#DIV/0!	Schedule 9, Line 6, column 5
12		Transmission-Related Real Estate Taxes	(C)	#DIV/0!	Schedule 9, Line 12, column 5
13		Transmission - Related Investment Tax Credit	(D)	#DIV/0!	Schedule 9, Line 16, column 5 times minus 1
14		Transmission Operation & Maintenance Expense	(E)	\$0	Schedule 9, Line 23, column 5
15		Transmission Related Administrative & General Expense	(F)	#DIV/0!	Schedule 9, Line 38, column 5
16		Transmission Related Payroll Tax Expense	(G)	\$0	Schedule 9, Line 44, column 5
17		Sub-Total (sum of Lines 10 - Line 16)		#DIV/0!	
18					
19		Billing Adjustments	(H)	\$0	Schedule 10, Line 1
20		Bad Debt Expenses	(I)	\$0	Schedule 10, Line 4
21		Revenue Credits	(L)	\$0	Schedule 10, Line 7
22		Transmission Rents	(К)	\$0	Schedule 10, Line 14
23					
		Total Historical Transmission Revenue Requirement (Sum of Line 17 -			
24		Line 22)		#DIV/0!	

Attachment, K. Scelin 14.1.9.2   Attachment, K. Scelin 14.1.9.2   Attachment, K. Scelin 14.1.9.2   Attachment, K. Scelin 14.1.9.2	-	ra Mohawk Power Corporation asted Transmission Revenue Requirement			Attachment Schedule	
Shading denotes an input Unit I I I I I I I I I I I I I I I I I I I		Attachment H, Section 14.1.9.2		_		
Line No.  1 1.1.2 RECASTING TRANSAMUSION REVENUE REQUIREMENTS  1 Forecasted TRIS shall equal [1] the forecasted Transmission Plant Additions (FPA) multipled by the Annual FRRF, plus [2] the Mid-Year Tend Adjustment (MYTA), plus [3] the Tax Rate Adjustment (TRA), as shown in the following formula:  3 Forecasted TRIS shall equal [1] the forecasted Transmission Plant Additions (FPA) 4 FORECASTING Adjustment (TRA), plus [3] the Tax Rate Adjustment (TRA), as shown in the following formula:  4 Forecasted Transmission Plant Additions (FIPA) 5 Forecasted Transmission Plant Plant Forecast Forecast 5 Forecaster Transmission Plant Materia 5 Forecaster Transmission Plant Plant Forecast Forecast 5 Forecaster Transmission Plant Plant Forecast Forecast 5 Forecaster Transmission Plant Forecast Forecast, Forecaster Transmission Support Plant Forecast Forecast 5 Forecaster Transmission Plant Forecast Forecast, Forecaster Transmission Plant Forecast Forecast 5 Forecaster Transmission Plant Forecast Forecast Forecast 5 Forecaster Transmission Plant Forecast Forecast Forecast 5 Forecaster Transmission Plant Forecast Forecast, Forecast Forecast 5 Forecaster Transmission Plant Forecast F		Shading denotes an input		0		
0       Forecasted Transmission Revenue Requirement (TAN) as shown in the following formula:         0       0       (1)       Forecasted Transmission Revenue Requirement (TAN)       Source         0       0       (1)       Forecasted Transmission Revenue Requirement Factor (FTRRF)       MTA + TRA         0       0       (1)       Forecasted Transmission Revenue Requirement Factor (FTRRF)       Source         10       0       (1)       Forecasted Transmission Revenue Requirement Factor (FTRRF)       Source         11       Annual Transmission Revenue Requirement Factor (FTRRF)       Source       Source         11       Public (Unics 10*11)       Source       Source         12       Use Stated Transmission Revenue Requirement       Source       Source         13       Public (Unics 10*11)       Source       Source         14       Less Impact of Transmission Revenue Requirement       Source       Source         15       Transmission Revenue Requirement (Line 12 + Line 13 - Source       Source       Source         15       MD VAGT Transmission Support Payments on Historical       Source       Source       Source         16       Ib He Historical TBR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast       Forecast       Forecast	Line N					
corrected TBR thall equal (1) the Forested Transmission Plant Additions (TPA) multiplied by the Annual TRBR, plus (2) the Mid-Year Trend         Adjustment (WATA), plus (3) the Tax Base Adjustment (TRA), as shown in the following formula:         f       Forecasted TBR = {TTPA * TRBR + MATA + TRA         Period       Reference       Source         intermediation Plant Additions (TPA)       So       Workpaper 8, Section 1, Line 16         Line 35       sib-Total (Units 10 <sup>-11</sup> )       gDV/01       Line 35         intermediation Plant Additions (TPA)       So       Workpaper 9, line 31, variance column         intermediation Plant Additions (TPA)       So       Workpaper 9, line 31, variance column         intermediation Plant Additions Support Payments on Historical       So       Workpaper 9, line 31, variance column         intermediation Plant Payments on Historical       So       Workpaper 9, line 31, variance column         intermediation Plant Additions Support Payments on Historical       So       Workpaper 9, line 31, variance column         intermediation Plant Transmission Revenue Requirement (Line 12 + Line 13-       BDIV/01       Line 35         intermediation Plant Transmission Support Payments, based on actual data for the first three months of the Forecast       Period, and (line Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period.         into the Forecast Period	1	14.1.9.2 FORECASTED TRANSMISSION REVENUE REQUIR	EMENTS			
Adjustment (MYTA), plus (3) the Tax Rate Adjustment (TRA), as shown in the following formula: <ul> <li>Forecasted TRB = (FTPA * FTRRF) + MYTA + TRA</li> <li>Period</li> <li>Reference</li> <li>Source</li> </ul> 0       (1)       Forecasted Transmission Revenue Requirement Factor (FTRF)       So              Workpaper 8, Section 1, Line 16             Line 35             25             25		(b)				
Image: Second TRR = (FTPA * TTRRF) + MYTA + TRA       Image: Second Transmission Plant Additions (FTPA)       Source         Image: Second Transmission Plant Additions (FTPA)       S0       Workpaper 8, Section 1, Line 16         Image: Annual Transmission Plant Additions (FTPA)       S0       Workpaper 8, Section 1, Line 16         Image: Annual Transmission Plant Additions (FTPA)       S0       Workpaper 8, Section 1, Line 16         Image: Annual Transmission Revenue Requirement Factor (TRRF)       BDUV/01       Workpaper 9, line 31, variance column         Image: Annual Transmission Support Payments on Historical       S0       Workpaper 9, line 31, variance column         Image: Annual Transmission Revenue Requirement (Line 12 + Line 13 - Image: Annual Transmission Revenue Requirement (Line 12 + Line 13 - Import/01       FDIV/01         Image: Annual Transmission Revenue Requirement (Line 12 + Line 13 - Import Payments, based on actual data for the first three months of the Forecast Period, and (Importent TRE Component (E) cockuling Transmission Support Payments, based on actual data for the first three months of the Forecast Period, and (Importent TRE Component (E) cockuling Transmission Support Payments, based on actual data for the first three months of the Forecast Period, and (Importent TRE)         Image: Annual Transmission Revenue Requirement Factor (Annual TRE Component K) of the Forecast Period, and (Importent Transmission Support Payments, based on actual data for the first three months of the parent Adjustment shall be the amount, if any, required to adjust Historical TRR Component K) (Import)       Shedie 1, Line 10	2			ual FTRRF, plus (2) the Mid-Year Trend	ld	
Period     Reference     Source       0     (1)     forecasted Transmission Plant Additions (TTPA)     \$0     Workpaper 8, Section 1, Line 16       1     Annual Transmission Revenue Requirement Factor (FTBRF)     #DIV/V01     HDIV/V01     Line 35       1     Annual Transmission Support Payments on Historical     \$0     Workpaper 9, line 31, variance columnation for the first fore and the function of the sequer rement (Line 12 + Line 13-     #DIV/V01     Workpaper 9, line 31, variance columnation of the forecast of transmission Revenue Requirement (Line 12 + Line 13-     #DIV/V01     Workpaper 9, line 31, variance columnation of the fore the first fore and the second to the forecast foreida.     So       1     In the Historical TRR Component (E) excluding Transmission Support Payments, based on data for the first three months of the forecast protor to the forecast Period.     So       1     In the Historical TRR Component (E) excluding Transmission Support Payments, based on data for the first three months of the Forecast Period.     So       1     In the Karket Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and under the State income Tax Rate that Lakes effect during the first fire months of the foreast Period.       1     Inte Annuel Forecast Tran	3	Adjustment (MYTA), plus (3) the Tax Rate Adjust	ment (TRA), as shown in the following formula:			
Period     Reference     Source       0     (1)     forecasted Transmission Plant Additions (TTPA)     \$0     Workpaper 8, Section 1, Line 16       1     Annual Transmission Revenue Requirement Factor (FTBRF)     #DIV/V01     HDIV/V01     Line 35       1     Annual Transmission Support Payments on Historical     \$0     Workpaper 9, line 31, variance columnation for the first fore and the function of the sequer rement (Line 12 + Line 13-     #DIV/V01     Workpaper 9, line 31, variance columnation of the forecast of transmission Revenue Requirement (Line 12 + Line 13-     #DIV/V01     Workpaper 9, line 31, variance columnation of the fore the first fore and the second to the forecast foreida.     So       1     In the Historical TRR Component (E) excluding Transmission Support Payments, based on data for the first three months of the forecast protor to the forecast Period.     So       1     In the Historical TRR Component (E) excluding Transmission Support Payments, based on data for the first three months of the Forecast Period.     So       1     In the Karket Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and under the State income Tax Rate that Lakes effect during the first fire months of the foreast Period.       1     Inte Annuel Forecast Tran	4		/			
9       (1) Forecasted Transmission Plant Additions (FTPA)       \$0       Workpaper 8, Section 1, Line 16         11       Annual Transmission Revenue Requirement Factor (FTRRF)       #DUV/01       Line 35         13       Plus Mid Year Trend Adjustment (2) (MYTA)       \$0       Workpaper 9, Line 31, variance column         14       Less Impact of Transmission Revenue Requirement       \$0       Workpaper 9A         15       Transmission Revenue Requirement       \$0       Workpaper 9A         16       (2)       MDY CAR TREND ADJUSTMENT (MYTA)       #DIV/01       Line 13         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/01       Workpaper 9A         16       (2)       MDY CAR TREND ADJUSTMENT (MYTA)       #DIV/01       Schedule 1, Line 10         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/01       Schedule 1, Line 10         18       (1) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, and (11) the Historical TRR Component (A) for any change in the Federal Income 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 adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) through (C), divided by the year end balance of Transmission Reven	5	Forecasted TRR =	(FTPA * FTRRF) + MYTA + TRA			
9       (1) Forecasted Transmission Plant Additions (FTPA)       \$0       Workpaper 8, Section 1, Line 16         11       Annual Transmission Revenue Requirement Factor (FTRRF)       #DUV/01       Line 35         13       Plus Mid Year Trend Adjustment (2) (MYTA)       \$0       Workpaper 9, Line 31, variance column         14       Less Impact of Transmission Revenue Requirement       \$0       Workpaper 9A         15       Transmission Revenue Requirement       \$0       Workpaper 9A         16       (2)       MDY CAR TREND ADJUSTMENT (MYTA)       #DIV/01       Line 13         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/01       Workpaper 9A         16       (2)       MDY CAR TREND ADJUSTMENT (MYTA)       #DIV/01       Schedule 1, Line 10         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/01       Schedule 1, Line 10         18       (1) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, and (11) the Historical TRR Component (A) for any change in the Federal Income 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 adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) through (C), divided by the year end balance of Transmission Reven	6		Desired Defenses		<b>6</b>	
10       (1)       Forecasted Transmission Plant Additions (FTPA)       \$0       Workpaper 8, Section 1, Line 16         11       Annual Transmission Revenue Requirement Factor (FTRRF)       #DIV/01       HDIV/01         13       Plus Mid-Year Trend Adjustment (2) (MYTA)       \$0       Workpaper 9, line 31, variance column         14       Less Impact of Transmission Support Payments on Historical       \$0       Workpaper 9, line 31, variance column         15       Forecasted Transmission Revenue Requirement (Line 12 + Line 13-       #DIV/01       Worpaper 9, line 31, variance column         16       (2)       MID YEAR TREND ADJUSTMENT (MYTA)       #DIV/01       Vorpaper 9, line 31, variance column         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/01       Vorpaper 9, line 31, variance column         18       (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, 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.       Vorpaper 9, line 31, variance column         20       The Tax Rate Adjustment frath       The Tax Rate Adjustment frath takes effect during the first five months of the Forecast Period.       Vorpaper 9, line 31, variance column         21       Hous Year Transmission Revenue Requirement Factor (Annual F	/		<u>Period</u> Reference		Source	
10       (1)       Forecasted Transmission Plant Additions (FTPA)       \$0       Workpaper 8, Section 1, Line 16         11       Annual Transmission Revenue Requirement Factor (FTRRF)       #DIV/01       HDIV/01         13       Plus Mid-Year Trend Adjustment (2) (MYTA)       \$0       Workpaper 9, line 31, variance column         14       Less Impact of Transmission Support Payments on Historical       \$0       Workpaper 9, line 31, variance column         15       Forecasted Transmission Revenue Requirement (Line 12 + Line 13-       #DIV/01       Worpaper 9, line 31, variance column         16       (2)       MID YEAR TREND ADJUSTMENT (MYTA)       #DIV/01       Vorpaper 9, line 31, variance column         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/01       Vorpaper 9, line 31, variance column         18       (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, 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.       Vorpaper 9, line 31, variance column         20       The Tax Rate Adjustment frath       The Tax Rate Adjustment frath takes effect during the first five months of the Forecast Period.       Vorpaper 9, line 31, variance column         21       Hous Year Transmission Revenue Requirement Factor (Annual F	0					
11       Annual Transmission Revenue Requirement Factor (FTRRF)       #DIV/0!       Line 35         12       Sub-Total (Line 10*11)       \$0       Workpaper 9, line 31, variance column         13       Plus Mid-Year Trend Adjustment (2) (MYTA)       \$0       Workpaper 9, line 31, variance column         14       Less Impact of Transmission Support Payments on Historical       \$0       Workpaper 9, line 31, variance column         15       Forecasted Transmission Revenue Requirement (Line 12 + Line 13-       #DIV/0!       HDIV/0!         16       (2)       MID YEAR TREND ADJUSTMENT (MYTA)       #DIV/0!       Line 14         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/0!       Line 14         18       (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast       Forecast Period.         20       (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the evar prior to the Forecast Period.       Line 14         21       (3)       The Xate Adjustment (FRA)       Line 31       Line 31         22       The Tax Rate Adjustment fall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate Edincom Forecast Transmission Revenue Requirement Factor		(1) Engrecasted Transmission Plant Additions (ETPA)			\$0 Worknaper 8 Section   Line 16	
12       Sub-Total (Lines 10*11)       #DIV/01         13       Plus Mid-Year Trend Adjustment (2) (MYTA)       S0       Workpaper 9, line 31, variance column         14       Less Impact of Transmission Support Payments on Historical       S0       Workpaper 9, line 31, variance column         15       Transmission Revenue Requirement (Line 12 + Line 13-       #DIV/01       Workpaper 9, line 31, variance column         16       (2)       MID YEAR TREND ADJUSTMENT (MYTA)       #DIV/01       Forecasted Transmission Revenue Requirement (Line 12 + Line 13-       #DIV/01         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       Image: Column Revenue Requirement (Line 20 + Line 13-       #DIV/01         18       (1) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, and (ii) the Historical TRR Component (A) for any change in the Forecast Period.       Image: Column Revenue Requirement Forecast Period.         20       (1) The Tax Rate Adjustment (TRA)       The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate adjust that takes effect during the first firse months of the Forecast Period.       Image: Column Revenue Requirement Fore fore (A) for any change in the Federal Income Tax Rate Adjustment (C), divided by the year end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A) (b) through (C), divided			or (FTRRF)	#DIV/01		
13       Plus Mid-Year Trend Adjustment (2) (MYTA)       \$0       Workpaper 9, line 31, variance column         14       Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement       \$0       Worpaper 9A         15       Forecasted Transmission Revenue Requirement (Line 12 + Line 13-Line 14)       #DIV/0I       #UIV/0I         16       (2)       MID YEAR TREND ADJUSTMENT (MYTA)       #UIV/0I       #UIV/0I         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #UIV/0I       #UIV/0I         18       (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast       Period, 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.       Year Payments, based on data for the first three months of the year prior to the forecast Period.         21       (3)       The Tax Rate Adjustment (TRA)       The Fax Rate Adjustment fail be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate adjust ment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate Adjustment face (Fed Uring the first five months of the Forecast Period.       Year Payments, Payment,		-		•		
14       Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement       \$0       Worpaper 9A         15       Forecasted Transmission Revenue Requirement (Line 12 + Line 13- Line 14)       #DIV/0!         16       (2)       MID YEAR TREND ADJUSTMENT (MYTA) The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/0!         18       (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Porecast Period, and (ii) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the year prior to the Forecast Period.         20       (i) The Tax Rate Adjustment (TRA) The Tax Rate Adjustment (TRA) The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         20       14.1.9.2(c)       ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR 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 and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         24       14.1.9.2(c)       ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR The Annual Forecast Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A) (fa).       Schedule 1, Line 10         25       Investment Return an				•	Workpaper 9, line 31, variance	
14       Less Impact of Transmission Support Payments on Historical Transmission Revenue Requirement Forecasted Transmission Revenue Requirement (Line 12 + Line 13- Line 14)       90       Worpaper 9A         15       C       MID YEAR TREND ADJUSTMENT (MYTA) The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between       #DIV/0!         16       (2)       MID YEAR TREND ADJUSTMENT (MYTA) The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between Period, and (ii) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, and (iii) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the year prior to the Forecast Period.         20       (3)       The Tax Rate Adjustment (TRA) The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         21       (3)       The Tax Rate Adjustment TRACD Adjustment TRACD ADJUST TRANSMISSION REVENUE REQUIREMENT FACTOR The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR component (A) through (C), divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A) (16).       Schedule 1, Line 10         29       Investment Return and Income Taxes       (A)       #DIV/0!       Schedule 1, Line 10         20				р -		
Transmission Revenue Requirement Forecasted Transmission Revenue Requirement (Line 12 + Line 13- Line 14)       #DIV/0!         6       (2)       MID YEAR TREND ADJUSTNENT (MYTA)	14	Less Impact of Transmission Support Payments of	on Historical	\$0	Worpaper 9A	
Line 14)          Image: Line 14)         Image:		Transmission Revenue Requirement				
16       (2) MID YEAR TREND ADJUSTMENT (MYTA)         17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between         18       (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, 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.         21       (3) The Tax Rate Adjustment (TRA)         22       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 and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         24       14.1.9.2(c)       ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR The Annual Forecast Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A) through (C), divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A) (a).         29       10       Investment Return and Income Taxes       (A)       #DIV/0!       Schedule 1, Line 10         31       Depreciation Expense       (B)       #DIV/0!       Schedule 1, Line 11         32       Property Tax Expense       (C)       #DIV/0!       Schedule 1, Line 12	15	Forecasted Transmission Revenue Requirement	nt (Line 12 + Line 13-	#DIV/0!		
17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between         18       Image: Trend Adjustment shall be the difference, whether positive or negative, between         18       Image: Trend Adjustment shall be the difference, whether positive or negative, between         18       Image: Trend Adjustment Shall be the storical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Sorecast Period, 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.         20       Image: Trend Adjustment Shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         21       Image: Trend Adjustment Shall be the amount, if any, required to adjust Historical TRR component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         23       Image: Trend Adjustment Shall be the amount, if any, requirem to first five months of the Sorecast Period.         24       Image: Trend Adjustment Trend Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR component (A) through (C), divided by the year-end balance of Transmission Plant in Service determined in accrete the sum of Historical TRR component (A) 1(a).         28       Image: Trend Adjustment Trend Tren		Line 14)				
17       The Mid-Year Trend Adjustment shall be the difference, whether positive or negative, between         18       Image: Trend Adjustment shall be the difference, whether positive or negative, between         18       Image: Trend Adjustment shall be the difference, whether positive or negative, between         18       Image: Trend Adjustment Shall be the storical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Sorecast Period, 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.         20       Image: Trend Adjustment Shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         21       Image: Trend Adjustment Shall be the amount, if any, required to adjust Historical TRR component (A) for any change in the Federal Income Tax Rate and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         23       Image: Trend Adjustment Shall be the amount, if any, requirem to first five months of the Sorecast Period.         24       Image: Trend Adjustment Trend Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR component (A) through (C), divided by the year-end balance of Transmission Plant in Service determined in accrete the sum of Historical TRR component (A) 1(a).         28       Image: Trend Adjustment Trend Tren	16	(2) MID YEAR TREND ADJUSTMENT (MYTA)				
<ul> <li>19 (i) the Historical TRR Component (E) excluding Transmission Support Payments, based on actual data for the first three months of the Forecast Period, 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.</li> <li>20</li> <li>21</li> <li>23</li> <li>24</li> <li>25</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>20</li> <li>21</li> <li>21</li> <li>21</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>24</li> <li>24</li> <li>25</li> <li>24</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>29</li> <li>29</li> <li>20</li> <li>29</li> <li>20</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>24</li> <li>24</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>29</li> <li>20</li> <li>29</li> <li>20</li> <li>20</li> <li>21</li> <li>21</li> <li>21</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>24<td></td><td></td><td>erence, whether positive or negative, between</td><td></td><td></td><td></td></li></ul>			erence, whether positive or negative, between			
Period, 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. 70 10 11 12 13 14 14 14 14 14 14 14 14 14 14 14 14 14	18					
prior to the Forecast Period.           20	19	(i) the Historical TRR Component (E) excluding T	ransmission Support Payments, based on actual data for	the first three months of the Forecast	st	
20		Period, and (ii) the Historical TRR Component (E	) excluding Transmission Support Payments, based on da	ta for the first three months of the yea	ear	
21(3)The Tax Rate Adjustment (TRA)22The Tax Rate Adjustment shall be the amount, if any, required to adjust Historical TRR Component (A) for any change in the Federal Income Tax Rate23and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.2414.1.9.2(c)2514.1.9.2(c)26The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR component (A) through (C),27divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).28		prior to the Forecast Period.				
22       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         23       and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         24       4         25       14.19.2(c)         ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR         26       The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C),         27       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).         28						
23       and/or the State Income Tax Rate that takes effect during the first five months of the Forecast Period.         24         25       14.1.9.2(c)         ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR         26       The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C),         27       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).         28						
242514.1.9.2(c)ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR26The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C),27divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).28Impose the sum of Historical TRR component (A)1(a).29Impose the sum of Historical TRR component (A)1(a).20Impose the sum of Historical TRR component (A)1(a).21Impose the sum of Historical TRR component (A)1(a).23Impose the sum of Historical TRR component (A)1(a).24Impose the sum of Historical TRR component (A)1(a).25Impose the sum of Historical TRR component (A)1(a).26Impose the sum of Historical TRR component (A)1(a).27Impose the sum of Historical TRR component (A)1(a).28Impose the sum of Historical TRR component (A)1(a).29Impose the sum of Historical TRR component (A)1(a).30Impose the sum of Historical TRR component (A) 1(a).31Impose the sum of Historical TRR component (B)32Impose the sum of Historical TRR component (C).33Impose the sum of Historical TRR component (C).34Impose the sum of Historical TRR component (C).35Impose the sum of Historical TRR component (C).36Impose the sum of Historical TRR component (C).37Impose the sum of Historical TRR component (C).38Impose the sum of Historical TRR component (C).39 <td></td> <td></td> <td></td> <td>any change in the Federal Income Tax</td> <td>ax Rate</td> <td></td>				any change in the Federal Income Tax	ax Rate	
2514.1.9.2(c)ANNUAL FORECAST TRANSMISSION REVENUE REQUIREMENT FACTOR26The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall eu al the sum of Historical TRR components (A) through (C),27divided by the year-end balance of Transmission Plant in Service determined in accuration accuration of the service of transmission Plant in Service determined in accuration accuration of the service of transmission Plant in Service determined in accuration of the service of transmission Plant in Service determined in accuration of the service of the service of transmission Plant in Service determined in accuration of the service of the		and/or the State Income Tax Rate that takes effe	ct during the first five months of the Forecast Period.			
26The Annual Forecast Transmission Revenue Requirement Factor (Annual FTRRF) shall equal the sum of Historical TRR components (A) through (C),27divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).28						
27divided by the year-end balance of Transmission Plant in Service determined in accordance with Section 14.1.9.2 (a), component (A)1(a).282930Investment Return and Income Taxes31Depreciation Expense32Property Tax Expense33(C)34#DIV/0!35Schedule 1, Line 1036Schedule 1, Line 1137(C)38Schedule 1, Line 12				starical TDD components (A) through (		
282930Investment Return and Income Taxes31Depreciation Expense32Property Tax Expense33(C)34#DIV/0!35Schedule 1, Line 12		•	· / ·	, .,	(C),	
2930Investment Return and Income Taxes(A)#DIV/0!Schedule 1, Line 1031Depreciation Expense(B)#DIV/0!Schedule 1, Line 1132Property Tax Expense(C)#DIV/0!Schedule 1, Line 12						
30Investment Return and Income Taxes(A)#DIV/0!Schedule 1, Line 1031Depreciation Expense(B)#DIV/0!Schedule 1, Line 1132Property Tax Expense(C)#DIV/0!Schedule 1, Line 12						
31Depreciation Expense(B)#DIV/0!Schedule 1, Line 1132Property Tax Expense(C)#DIV/0!Schedule 1, Line 12		Investment Return and Income Taxes	(A)	#DIV/0!	Schedule 1. Line 10	
32Property Tax Expense(C)#DIV/0!Schedule 1, Line 12						
				•		

34	Transmission Plant
35	Annual Forecast Transmission Revenue Requirement Factor
	(Lines 33/ Line 34)

#DIV/0!

#DIV/0!

(a)

#### Niagara Mohawk Power Corporation

#### Annual True-up (ATU) Attachment H Section 14.1.9.2 (c)

30

A	ttachment H Sec	tion 14.1.9.2 (c)			
Line No.			0	Year	Source:
1					
2	14.1.9.2(d)	The Annual True-Up (ATU) shall equal (1) the difference between the Actual Transmission I	Revenue Requirement	t and the Prior Year	
3		Transmission Revenue Requirement, plus (2) the difference between the Actual Scheduling	g, System Control and	Dispatch costs	
4		and Prior Year Scheduling, System Control and Dispatch costs, plus (3) the difference betw	een the Prior Year Bil	lling Units and the Ac	tual 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		nedule 4, Line 1, Col (d)
8		Less: Annual True-up (ATU) from rate effective July 1 of prior year	\$0		nedule 4, Line 1, Col (c)
9		Prior Year Transmission Revenue Requirement	\$0	Lin	e 7 - Line 8
10					
11		Actual Transmission Revenue Requirement	#DIV/0!		nedule 4, Line 2, Col (a)
12		Difference	#DIV/0!	Lin	e 11 - Line 9
13					
14	(2)	Prior Year Scheduling, System Control and Dispatch costs (CCC)	\$0		nedule 4, Line 1, Col (e)
15		Actual Scheduling, System Control and Dispatch costs (CCC)	\$0		nedule 4, Line 2, Col (e)
16		Difference	\$0	Lin	e 15 - Line 14
17					
18	(3)	Prior Year Billing Units (MWH)	\$0		nedule 4, Line 1, Col (f)
19		Actual Billing Units	-		nedule 4, Line 2, Col (f)
20		Difference	-		e 18 - Line 19
21		Prior Year Indicative Rate	#DIV/0!	Sch	nedule 4, Line 1, Col (g)
22		Billing Unit True-Up	#DIV/0!	Lin	e 20 * Line 21
23					
24		Total Annual True-Up before Interest	#DIV/0!	(Lir	ne 12 + Line 16 + Line 22)
25					
26	(4)	Interest	#DIV/0!	Lin	e 57
27					
28		Annual True-up RR Component	#DIV/0!	(Lir	ne 24 + Line 26)
29					

# 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	Days	Multiplier	Of Period	Of Period
35									
36	3rd QTR '07		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 '07		#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 '08		#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!	29	60	1.0000	#DIV/0!	#DIV/0!
49	March	0.00%		#DIV/0!	31	31	1.0000	#DIV/0!	#DIV/0!
50									
	2nd QTR								
51	'08		#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)/u	nder 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

#### Niagara Mohawk Power Corporation Wholesale TSC Calculation Information

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Historical Transmission	Forecasted			Scheduling		
		Revenue Requirement	Transmission Revenue		Revenue Requirement	System Control and Dispatch	Annual Billing Units (BU)	
		(Historical TRR)	Requirement	Annual True Up (**)	(RR)	Costs (CCC)	MWh	Rate \$/MWh (*)
1	Prior Year Rates Effective	-	-	-	-	-	-	#DIV/0!
	Current Year Rates Effective July 1,							
2		#DIV/0!	#DIV/0!		#DIV/0!	-	-	#DIV/0!
3	Increase/(Decrease)							#DIV/0!
4	Percentage Increase/(Decrease)							#DIV/0!
1.)	Information directly from Niagara Moh	nawk Prior Year Informati	onal Filing					
, 2.)	,,		5					
, (a)	Schedule 1, Line 24							
(b)	Schedule 2, Line 14							
(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 - 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 Operating (NYISO) system control and load dispatch expenses already recovered under Schedule 1 of the NYISO Tariff.

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

- (g) (Col (d) + Col (e)) / Col (f)
- The rate column represents the unit rate prior to adjustments; the actual rate will be determined pursuant to the applicable TSC formula rate.
- (\*) (\*\*)

Niagara Mohawk Power Corporation Allocation Factors - As calculated pursuant to Section 14.1.9.1 Attachment 1 Schedule 5

Shading denotes an input

#### Line No.

Definition Source 1 14.1.9.1 1. Electric Wages and Salaries Factor 83.5000% Fixed per settlement 2 3 14.1.9.1 3. Transmission Wages and Salaries Allocation Factor 13.0000% Fixed per settlement 4 5 6 7 8 14.1.9.1 2. Gross Transmission Plant Allocation Factor Gross Transmission Plant Allocation Factor shall equal the 9 Transmission Plant in Service #DIV/0! Schedule 6, Page 2, Line 3, Col 5 total investment in Transmission Plant in Service, Transmission Related Electric \$0 10 Plus: Transmission Related General Schedule 6, Page 2, Line 5, Col 5 General Plant, Transmission Related Common Plant and Transmission Schedule 6, Page 2, Line 10, Col 5 11 Plus: Transmission Related Common \$0 Related Intangible Plant \$0 12 Plus: Transmission Related Intangible Plant Schedule 6, Page 2, Line 15, Col 5 divided by Gross Electric Plant. 13 #DIV/0! Sum of Lines 9 - 13 Gross Transmission Investment 14 15 **Total Electric Plant** FF1 207.104 16 Plus: Electric Common \$0 Schedule 6, Page 2, Line 10, Col 3 \$0 17 **Gross Electric Plant in Service** 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 \$0 Gross Electric Plant Allocation Factor shall equal Total Electric Plant in Service Line 15 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, \$O 25 Gross Electric Plant in Service Line 23 + Line 24 Total Electric Plant, and Total Common Plant 26 27 Total Gas Plant in Service FF1 201.8d 28 Total Electric Plant in Service \$0 Line 15 29 Total Common Plant in Service \$0 Schedule 6, Page 2, Line 10, Col 1 30 Gross Plant in Service (Gas & Electric) Sum of Lines 27-Lines 29 31 32 Percent Allocation #DIV/0! Line 25 / Line 30

0

#### Attachment 1 Schedule 6 Page 1 of 2

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

# Line No.

1	14.1.9.2 (a)	Transmission Investment Base			
2					
3	A.1.	Transmission Investment Base shall be defined as (a) Tran (c) Transmission Related Common Plant, plus (d) Transmis			
4 5		(c) Transmission Related Common Plant, plus (a) Transmis (f) Transmission Related Depreciation Reserve, less (g) Tra		,	
6		Regulatory Assets net of Regulatory Liabilities, plus (i) Tran			
7		plus (k) Transmission Related Cash Working Capital.			
8					
9					
10 11	-		Reference Section:	2007	Reference
11		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		Other Regulatory Assets	(h)	#DIV/0!	Schedule 7, line 11, column 5
22		Net Investment (Sum of Line 17 -Line 21)		#DIV/0!	
23					
24		Prepayments	(i)	#DIV/0!	Schedule 7, line 15, column 5
25		Materials & Supplies	(j)	#DIV/0!	Schedule 7, line 21, column 5
26		Cash Working Capital	(k)	\$0	Schedule 7, line 28, column 5
27					
28		Total Investment Base (Sum of Line 22 - Line 26)		#DIV/0!	

**Niagara Mohawk Power Corporation** 

Annual Revenue Requirements of Transmission Facilities

Attachment 1 Schedule 6

## Transmission Investment Base (Part 1 of 2)

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

0	

Shading denotes an input

			(2)	(3) = (1)*(2)	(4)	(5) = (3)*(4)			
Line		(1)	Allocation	Electric	Allocation	Transmission			
No.		Total	Factor	Allocated	Factor	Allocated	Reference for col (1)	_	Definition
1	Transmission Plant						FF1 207.58g	14.1.9.2(a)A.1.(a)	Transmission Plant in Service shall equal the balance of total investment in
2	Wholesale Meter Plant					#DIV/0!	Workpaper 1		Transmission Plant plus Wholesale Metering
3 4	Total Transmission Plant in Service (Line	1+ Line 2)				#DIV/0!	=		Investment
	<u>General Plant</u>		100.00%	\$0	13.00%	(c) <u>\$0</u>	FF1 207.99g	14.1.9.2(a)A.1.(b)	Transmission Related Electric General Plant shall
6 7									equal the balance of investment in Electric General Plant mulitplied by the Transmission Wages and
8 9									Salaries Allocation Factor
10	<u>Common Plant</u>		83.50%	(a) \$0	13.00%	(c) <u>\$0</u>	FF1 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 Allocation Factor and further
12									multiplied by the Transmission Wages and
13 14									Salaries Allocation Factor.
	Intangible Plant		100.00%	-	13.00%	(c) <u>\$0</u>	FF1 205.5g	14.1.9.2(a)A.1.(d)	Transmission Related Intangible Plant shall equal Intangible
16 17 18									Electric Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
	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
15		ŲÇ				<u>ر</u>	=	., .,	#: ER16-835-000 - Page 11

20					
21					
22	Transmission Accumulated				
23	<u>Depreciation</u>				
24	Transmission Accum. Depreciation				
25	General Plant Accum.Depreciation		100.00%		\$0
26	Common Plant Accum Depreciation		83.50%	(a)	\$0
27	Amortization of Other Utility Plant		100.00%		\$0
28	Wholesale Meters	#DIV/0!			
29	Total Depreciation (Sum of line 24 - Line	28)			
30					
31					
32					
33					
34					
35					
36					
	Allocation Factor Reference (a) Schedule 5, line 1				
	(b) Schedule 5, line 32 - not used on this S	Schedule			
	(c) Schedule 5, line 3				
	(d) Schedule 5, line 19 - not used on this S	schedule			

**Niagara Mohawk Power Corporation** 

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

the balance in Plant Held for Future Use associated with property planned to be used for transmission service within five years

		Transmission Related
		Depreciation Reserve shall
FF1 219.25b	14.1.9.2(a)A.1.(f)	equal the
		balance of: (i) Transmission
FF1 219.28b		Depreciation Reserve, plus (ii)
		the product of Electric General
FF1 356.1 end	of year balance	Plant Depreciation Reserve
		multiplied by the Transmission
FF1 200.21c		Wages and Salaries
		Allocation Factor, plus (iii) the
Workpaper 1		product of Common Plant
		Depreciation Reserve multiplied
		by the Electric Wages and
		Salaries Allocation Factor and
		further multiplied by the
		Transmission Wages and
		Salaries Allocation Factor plus
		(iv)
		the product of Intangible
		Electric Plant Depreciation
		Reserve
		multiplied by the Transmission
		Wages and Salaries
		Allocation Factor plus (v)
		depreciation reserve associated
		with
		the Wholesale Metering
		Investment

\$0

\$0

\$0

\$0

#DIV/0!

#DIV/0!

13.00% (c)

13.00% (c)

(c)

13.00%

Attachment 1 Schedule 7

	Attachment H Section 14.1.9.2 (a) A. 1	•					_			
	Shading denotes an input				0					
Line No.		(1) <u>Total</u>	(2) Allocation <u>Factor</u>	(3) = (1)*(2) Electric <u>Allocate</u> <u>d</u>	(2 Alloc <u>Fac</u>	ation	(5) = (3)*(4) Transmissio n <u>Allocated</u>	FERC Form 1/PSC Report <u>Reference for</u> <u>col (1)</u>		Definition
1	Transmission Accumulated Deferred Taxes									
2	Accumulated Deferred Taxes (281- 282)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 275.2k	14.1.9.2(a)A.1.(g )	Transmission Related Accumulated Deferred Income Taxes
3	Accumulated Deferred Taxes (283)	\$0	100.00%	\$0	#DIV/0!	(d)	#DIV/0!	Workpaper 2, Line 5		shall equal the electric balance of Total Accumulated Deferred
4	Accumulated Deferred Taxes (190)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 234.8c		Income Taxes (FERC Accounts 190, 55,281, 282, and 283 net of
5	Accumulated Deferred Inv. Tax Cr (255)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 267.8h		stranded costs), multiplied by the Gross Transmission Plant
6	Total (Sum of line 2 - Line 5)			\$0	=		#DIV/0!	=		Allocation Factor.
7 8	Other Regulatory Assets									
			100.00%	ćo	#DIV//01	( -1 )	#DN//01	FF1 232 lines	14.1.9.2(a)A.1.(h	Transmission Delated Desculatory Access shall be Desculatory
9	FAS 109 (Asset Account 182.3)		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	2,4,9,17	)	Transmission Related Regulatory Assets shall be Regulatory
10	FAS 109 ( Liability Account 254 )		100.00%	\$0	#DIV/0!	(d)	#DIV/0!	FF1 278.1 lines 4&21(f)		Assets net of Regulatory Liabilities multiplied by the Gross
11	Total (line 9 + Line 10)	\$0	-	\$0	_		#DIV/0!	-		Transmission Plant Allocation Factor.
12										
13	Transmission Prepayments Less: Prepaid State and Federal							FF1 111.57c FF1 263 lines 2	14.1.9.2(a)A.1.(i)	Transmission Related Prepayments shall be the product of
14	Income Tax				_			& 9 (h)		Prepayments excluding Federal and State taxes multiplied by
15	Total Prepayments	SO	#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 Trans. Specific O&M Materials and								14.1.9.2(a)A.1.(j)	Transmission Related Materials and Supplies shall equal: (i)
19	Supplies						\$0	FF1 227.8		the balance of Materials and Supplies assigned to
20	Construction Materials and Supplies		#DIV/0! (b)	#DIV/0!	#DIV/0!	(d)	#DIV/0!	FF1 227.5		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 24										Transmission Plant Allocation Factor.
24 25	Cash Working Capital								14.1.9.2(a)A.1.(k Efi	Transmission Related Cash Working Capital shall be an fective Date: 4/1/2016 - Docket #: ER16-835-000 - Page 13

26 Operation & Maintenance Expense

27

28 Total (line 26 \* line 27)

29 30

> Allocation Factor Reference (a) Schedule 5, line 1 - not used on this Schedule (b) Schedule 5, line 32 (c) Schedule 5, line 3 - not used on this Schedule (d) Schedule 5, line 19

\$0 Schedule 9, Line 23 0.1250 x 45 / 360 \$0 )

allowance equal to the product of: (i) 12.5% (45 days/ 360 days = 12.5%) multiplied by (ii) Transmission Operation and Maintenance Expense.

## Niagara Mohawk Power Corporation

Annual Revenue Requirements of Transmission Facilities Cost of Capital Rate Attachment 1 Schedule 8

	Shading denotes an in	put		0					
Line									
No.	_								
1	The Cost of Capital Rate	shall equal the propo	osed Weighted Costs o	f Capital plus Federal Inc	ome Taxes and State Inco	ome Taxes.			
2	The Weighted Cos	ts of Capital will be c	alculated for the Trans	mission Investment Base	using NMPC's actual capit	tal structure and	d will equal the su	m of (i),	
	(ii), and (iii) below	:							
3									
4	<ul><li>(i) the long-term deb</li></ul>	t component, which	equals the product of t	he actual weighted avera	ge embedded cost to mat	turity of NMPC'	s long-term debt		
	outstanding during	g the year and the su	m of (a) the ratio of act	tual long-term debt to to	al capital at year-end; and	d			
5	(b) the extent, if a	ny, by which the ratio	o of NMPC's actual com	imon equity to total capit	al at year-end_exceeds fif	ty percent (50%	5). Long term debt	shall be	
	defined as the ave	rage of the beginning	g of the year and end o	f year balances of the foll	owing: long term debt les	ss the unamorti	zed		
6	Discounts on Long	-Term Debt less the ι	unamortized Loss on Re	eacquired Debt plus unan	nortized Gain on Reacquir	ed Debt. Cost to	o maturity of NMF	PC's long-	
	term debt shall be	defined as the cost of	of long term debt inclue	ded in the debt discount of	expense and				
7	any loss or gain or	reacquired debt.							
8	(ii) the preferred stoc	k component, which	equals the product of t	he actual weighted avera	age embedded cost to ma	turity of NMPC	s preferred stock	then	
	outstanding and the	he ratio of actual pre	ferred stock to total ca	pital at year-end;					
9									
10	(iii) the return on equi	ity component shall b	e the product of the al	lowed return on equity o	f 10.3% and the ratio of N	IMPC's actual co	ommon equity to	total	
	capital at year-end	d, provided that such	ratio						
11	shall not exceed fi	fty percent (50%).							
12									
13								WEIGHTED	
14					CAPITALIZATION	COST OF		COST OF	EQUITY
15		_	CAPITALIZATION	Source:	RATIOS	CAPITAL	Source:	CAPITAL	PORTION
16									
				Workpaper. 6, Line			Workpaper 6,		
17	(i)	Long-Term Debt	\$0	16b	#DIV/0!	#DIV/0!	Line 17c	#DIV/0!	
							Workpaper 6,		
18	(ii)	Preferred Stock		FF1 112.3c	#DIV/0!	#DIV/0!	Line 24d	#DIV/0!	#DIV/0!
				FF1 112.16c - FF1					
19	(iii)	Common Equity		112.3,12,15c	#DIV/0!	10.30%		#DIV/0!	#DIV/0!
20									
		Total Investment							
21		Return	\$0		#DIV/0!			#DIV/0!	#DIV/0!
22		=		-					
23									
24									
25									
26	Federal Income				Federal Income				
14.3	1.9.2.2.(b) Tax shall equal	= ( A. +	[ B / C]	х	Tax Rate )				
27			1	-	Federal Income )				

												Tax Rate							
28																			
29			•			•				on equity co	omponent	, each as detern	mined	in Se	ctions (a)(	(ii) and f	for the R	OE set fo	rth in (
~~	above, B is										<b>.</b> =	•••							
30		on Plant in S	Service a	as defin	ed at	Sectio	on 14.1	.9.1.16	(FF1 12	L7.38c), and	C is the T	ransmission Inv	estme	nt Ba	ise as sho	wn at So	chedule (	5, Page 1	of 2, L
~ ~	28.																		
31																			
32			=																
			(		V/0!	+(	\$0	)/		#DIV/0!	Х			_ )					
33			(	-	1						-	0		)					
34																			
35			=	#DI	V/0!	=													
36																			
37																			
38		State Inco	me														State		
		Tax shall	=									Federal Ir						ne Tax	
	14.1.9.2.2.(c)	equal	(	/	A. +	[	В	/	C]	+		Tax Ra		)	Х		Rate		_
39												State Inc							
				(			1			-		Tax Ra	ate	)					
4	comp 42 Servi 43	ponent of De	epreciat	ion Exp	ense f	for Tra	ansmis	sion Pla	ant in	-		onent as deterr t Base as shown						the Equit	y AFU
4 4 4	comp 42 Servi	ponent of De	epreciat	ion Exp	ense f	for Tra	ansmis	sion Pla	ant in	-								the Equit	y AFU
4 4 4	comp 42 Servi 43 44	oonent of De ce as define	epreciat d at Sec	ion Exp	ense f	for Tra 16 at \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/								the Equit	y AFU
4 4 4	comp 42 Servi 43 44	oonent of De ce as define	epreciat d at Sec	ion Exp tion 14 tDIV/0 !	ense f	for Tra 16 ak \$	ansmis	sion Pla nd C is	ant in the Tra #D	nsmission II		: Base as shown #DIV/0!		nedul				the Equit	y AFU
4 4 4 46 47	comp 42 Servi 43 44	oonent of De ce as define	epreciat d at Sec	ion Exp tion 14	ense f	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		t Base as shown	at Sch	nedul				the Equit	y AFU
4 4 4 46 47 48	comp 42 Servi 43 44	oonent of De ce as define	epreciat d at Sec	ion Exp tion 14 fDIV/0 l 1	ense f 1.9.1 +(	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 46 47	comp 42 Servi 43 44	oonent of De ce as define	epreciat d at Sec	ion Exp tion 14 tDIV/0 !	ense f 1.9.1 +(	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 46 47 48 49 50	comp 42 Servi 43 44	oonent of De ce as define	epreciat d at Sec = <u>+</u> (	ion Exp tion 14 fDIV/0 l 1	ense f 1.9.1 +(	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 46 47 48 49 50 51	comp 42 Servi 43 44	oonent of De ce as define	epreciat d at Sec = <u>+</u> (	ion Exp tion 14 fDIV/0 l 1	ense f 1.9.1 +(	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 46 47 48 49 50	comp 42 Servi 43 44 45	oonent of De ce as define = (	epreciat d at Sec = <u>+</u> (	ion Exp tion 14 fDIV/0 l 1	ense f 1.9.1 +(	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 4 4 4 4 4 4 7 4 8 4 9 50 51 52	comp 42 Servi 43 44 45 (a)+(b)+(c) Cc	oonent of De ce as define = (	epreciat d at Sec =	ion Exp tion 14 fDIV/0 l fDIV/0 #DIV/	ense f .1.9.1 +( /0!	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 4 4 4 4 4 4 7 4 8 4 9 50 51 52 53	comp 42 Servi 43 44 45	oonent of De ce as define = (	epreciat d at Sec = <u>+</u> (	ion Exp tion 14 fDIV/0 l 1	ense f .1.9.1 +( /0!	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	
4 4 4 4 4 4 4 4 4 4 8 4 9 50 51 52 53 53	comp 42 Servi 43 44 45 (a)+(b)+(c) Cc	oonent of De ce as define = (	epreciat d at Sec =	ion Exp tion 14 fDIV/0 l fDIV/0 #DIV/	ense f .1.9.1 +( /0!	for Tra 16 ak \$	ansmis oove, a	sion Pla nd C is	ant in the Tra #D	nsmission Ir IV/		: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 4 4 4 4 4 4 9 50 51 52 53 53	comp 42 Servi 43 44 45 (a)+(b)+(c) Co Capital Rate	oonent of De ce as define = (	epreciat d at Sec =	ion Exp tion 14. fDIV/0 ! 1 #DIV/ #DIV/	ense f .1.9.1 +( <u>⁄0!</u>	for Tra .16 ab \$ 0	ansmiss pove, an	sion Pla nd C is	ant in the Tra #D C	nsmission Ir IV/ !! + -	ivestment	: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 4 4 4 4 4 4 4 4 4 3 0 51 52 5 3 54 55	comp 42 Servi 43 44 45 (a)+(b)+(c) Co Capital Rate <b>14.1.9.2(a)</b>	oonent of De ce as define = ( ost of <b>A. Return a</b>	epreciat d at Sec = # ( = = = =	ion Exp tion 14. #DIV/0 ! 1 #DIV/0 #DIV/0 ciated I	+( /0! 0!	for Tra .16 ab \$ 0	es shal	sion Pla nd C is /	ant in the Tra #D C	nsmission Ir IV/ !! + -	ivestment	: Base as shown #DIV/0!	at Sch	nedul				the Equit	
4 4 4 4 4 4 4 4 4 4 4 4 4 5 5 5 5 5 5 5	comp 42 Servi 43 44 45 (a)+(b)+(c) Co Capital Rate	oonent of De ce as define = ( ost of <b>A. Return a</b>	epreciat d at Sec = # ( = = = =	ion Exp tion 14. #DIV/0 ! 1 #DIV/0 #DIV/0 ciated I	+( /0! 0!	for Tra .16 ab \$ 0	es shal	sion Pla nd C is /	ant in the Tra #D C	nsmission Ir IV/ !! + -	ivestment	: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
46 47 48 49 50 51 52 53 54 55 56 57	comp 42 Servi 43 44 45 (a)+(b)+(c) Co Capital Rate <b>14.1.9.2(a)</b>	oonent of De ce as define = ( ost of <b>A. Return a</b>	epreciat d at Sec = # ( = = = =	ion Exp tion 14. #DIV/0 ! 1 #DIV/0 #DIV/0 ciated I	+( /0! 0!	for Tra .16 ab \$ 0	es shal	sion Pla nd C is /	ant in the Tra #D C	nsmission Ir IV/ !! + -	ivestment	: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 4 4 4 4 4 4 4 4 4 9 50 51 52 53 54 55 55 56 57 58	comp 42 Servi 43 44 45 (a)+(b)+(c) Co Capital Rate <b>14.1.9.2(a)</b>	oonent of De ce as define = ( ost of <b>A. Return a</b>	epreciat d at Sec = # ( = = = =	ion Exp tion 14. #DIV/0 ! 1 #DIV/0 #DIV/0 ciated I	+( /0! 0!	for Tra .16 ab \$ 0	es shal	sion Pla nd C is /	ant in the Tra #D C	nsmission Ir IV/ !! + -	ivestment	: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 4 4 4 4 4 4 4 4 4 5 5 5 5 5 5 5 5	comp 42 Servi 43 44 45 (a)+(b)+(c) Cc Capital Rate 14.1.9.2(a) A Transmissio	oonent of De ce as define = ( ost of <b>A. Return a</b>	epreciat d at Sec = # ( = = = =	ion Exp tion 14. DIV/0 ! 1 #DIV/0 #DIV/0 ciated I and the	ense f .1.9.1 +( /0! 0!	for Tra .16 ab \$ 0	ansmis: bove, and ), es shal apital R	sion Pla nd C is / / I equal ate	ant in the Tra #D C	nsmission Ir IV/ ! + -	ivestment	: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU
4 4 4 4 4 4 4 4 4 4 4 5 5 5 5 5 5 5 5 5	comp 42 Servi 43 44 45 (a)+(b)+(c) Cc Capital Rate 14.1.9.2(a) A Transmissio	oonent of De ce as define = ( ost of <b>A. Return a</b>	epreciat d at Sec = # ( = = = =	ion Exp tion 14. #DIV/0 ! 1 #DIV/0 #DIV/0 ciated I	ense f .1.9.1 +( /0! 0!	for Tra .16 ab \$ 0	ansmis: bove, and ), es shal apital R	sion Pla nd C is / / I equal ate	ant in the Tra #D C	nsmission Ir IV/ !! + -	ivestment	: Base as shown #DIV/0!	at Sch	nedul				the Equit	y AFU

	Investment		
	Base		
61			
	Cost of Capital		
62	Rate	#DIV/0!	Line 53
63			
	= Investment Return		
64	and Income Taxes	#DIV/0!	Line 60 X Line 62

Ar	agara Mohawk Power Corporation nual Revenue Requirements of Tran ansmission Expenses	smission Fa	acilities					tachment 1 Schedule 9	
	Attachment H Section 14.1.9.2				0	]			
	Shading denotes an input		(2)	(3) = (1)*(2)	(4)	(5) = (3)*(4)	FERC Form 1/		
Line	2	(1)	Allocation	Electric	Allocation	Transmission	PSC Report		
No	<u>.</u>	<u>Total</u>	Factor	Allocated	Factor	Allocated	Reference for col (1)		Definition
	Depreciation Expense								
1	Transmission Depreciation					\$0	FF1 336.7f	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 336.10f		(i) Depreciation Expense for Transmission Plant in Service, plus (ii)
3	Common Depreciation		83.5000%	\$0	13.0000% (c)	\$0	FF1 356.1		the product of Electric General Plant Depreciation Expense
			(a)	40	12 00000 ( )	40	554 000 46		multiplied
4	Intangible Depreciation		100.0000%	\$0	13.0000% (c)	\$0	FF1 336.1f		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 10									Transmission Wages and Salaries Factor plus (v) depreciation
10 11									expense associated with the Wholesale Metering Investment.
12	Real Estate Taxes		100.0000%	\$0	#DIV/0! (d)	#DIV/0!	FF1 263.25i	14.1.9.2 C	Transmission Related Real Estate Tax Expense shall equal the
13				<i>+</i> -			=		electric Real Estate Tax Expenses multiplied by the Gross
13									Transmission Plant Allocation Factor.
14									
16	Amortization of Investment Tax		#DIV/0!	#DIV/0!	#DIV/0! (d)	#DIV/0!	FF1 117.58c	14.1.9.2 D	Transmission Related Amortization of Investment Tax Credits shall
	Credits		(b)						
17			( )		:		:		equal the product of Amortization of Investment Tax Credits
18									multiplied by the Gross Electric Plant Allocation Factor and further multiplied
10									by
19									the Gross Transmission Plant Allocation Factor.
20	Transmission Operation and Mainte	nance							
21	Operation and Maintenance					\$0	FF1 321.112b	14.1.9.2.E.	Transmission Operation and Maintenance Expense shall equal
22	less Load Dispatching - #561					\$0	FF1 321.84-92b		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 Ge	eneral						14.1.9.2.F.	Transmission Related Administrative and General Expenses shall
26	Total Administrative and General						FF1 323.197b		equal the product of electric Administrative and General Expenses,
27	less Property Insurance (#924)						FF1 323.185b		excluding the sum of Electric Property Insurance, Electric Research and
28	less Pensions and Benefits (#926)						FF1 323.187b		Development Expense and Electric Environmental Remediation
									Effective Date: 1/1/2016 - Docket #: ER16-835-000 - Page

									Expense,
29	less: Research and Development	\$0					Workpaper 12		
	Expenses (#930)								and 50% of the NYPSC Regulatory Expense
30	Less: 50% of NY PSC Regulatory						50% of Workpaper		multiplied by the Transmission Wages and Salaries Allocation
	Expense						15		Factor,
31	Less: 18a Charges (Temporary								
	Assessment						Workpaper 15		
32	less: Environmental Remediation	\$0					Workpaper 11		plus the sum of Electric Property Insurance multiplied by the
52	Expense	ŲŲ					workpaper 11		Gross
33	Subtotal (Line 26-27-28-29-30-	\$0	100.0000	\$0	13.0000% (c)	\$0			Transmission Plant Allocation Factor, plus transmission-specific
55	31-32)	φu	%	ΨŪ	13.000070 (0)	ΨŪ			Electric
34	PLUS Property Insurance alloc.	\$0	100.0000	\$0	#DIV/0! (d)	#DIV/0!	Line 27		
	using Plant Allocation	+-	%						Research and Development Expense, and transmission-specific
35	PLUS Pensions and Benefits	\$88,64	100.0000	\$88,644,0	13.0000% (c)	\$11,523,720	Workpaper 3		Electric Environmental Remediation Expense. In addition,
		4,000	%	00	.,				Administrative
36	PLUS Transmission-related	\$0				\$0	Workpaper 12		
	research and development								and General Expenses shall exclude the actual Post-Employment
37	PLUS Transmission-related	\$0				\$0	Workpaper 11		Benefits Other than Pensions ("PBOP") included in FERC
	Environmental Expense								Account 926,
38	Total A&G (Line	\$88,64		\$88,644,0	_	#DIV/0!	-		and shall add back in the amounts shown on Workpaper 3, page
	33+34+35+36+37)	4,000		00					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 263.4i		electric Payroll Taxes multiplied by the Transmission Wages and
42	FICA						FF1 263.3i		Salaries Allocation Factor.
43	State Unemployment						FF1 263.17i		
44	Total (Line 41+42+43)	\$0	100.0000	\$0	13.0000% (b)	\$0			
			%				=		
	Allocation Factor Reference								
	(a) Schedule 5, line 1								
	(b) Schedule 5, line 32								
	(c) Schedule 5, line 3								

(d) Schedule 5, line 19

Niagara Mohawk Power Corporation

Annual Revenue Requirements of Transmission Facilities

Billing Adjustments, Revenue Credits, Rental Income

Attachment 1 Schedule 10

Attachment H Section 14.1.9.2 (a)

	Shading denotes an input				
Line		(1)	<b>C</b>		D-finition
<u>No.</u>		<u>Total</u>	<u>Source</u>		Definition
1	Billing Adjustments			14.1.9.2.H.	Billing Adjustments shall be any adjustments made in accordance with Section 14.1.9.4.4
					below.
2					() indicates a refund or a reduction to the revenue requirement on Schedule 1.
3					
4	Bad Debt Expense	\$0	Workpaper 4	14.1.9.2.1.	Transmission Related Bad Debt Expense shall equal
5					Bad Debt Expense as reported in Account 904 related to NMPC's wholesale transmission
					billing.
6					
7	Revenue Credits	\$0	Workpaper 5	14.1.9.2.J.	Revenue Credits shall equal all Transmission revenue recorded in FERC account 456
8					excluding (a) any NMPC revenues already reflected in the WR, CRR, SR, ECR and Reserved
9					components in Attachment H of the NYISO TSC rate; (b) any revenues associated
10					with expenses that have been excluded from NMPC's revenue requirement; and (c) any
11					revenues associated with transmission service provided under this TSC rate, for which the
12					load is reflected in the calculation of BU.
13	<b>T</b>	40			
14	Transmission Rents	\$0	Workpaper 7	14.1.9.2.K.	Transmission Rents shall equal all Transmission-related rental income recorded in FERC
15					account 454.615
16 17				14104(d)	
17 18				14.1.9.4(d)	Any changes to the Data Inputs for an Annual Update, including but not limited to
18				1	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
20					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
					the charges produced by the rothing hate during the five year period into the

0

34charges produced by the Formula Rate (with interest determined in accordance35with 18 C.F.R. § 38.19(a)) in the Annual Update for the next effective Update36Year. Charges collected before the five-year period shall not be subject to correction.

(b)	List of Items excluded from the Revenue	Reason
	Requirement	

Attachment 1 Schedule 11 Page 1 of 1

#### Niagara Mohawk Power Corporation System, Control, and Load Dispatch Expenses (CCC) Attachment H, Section 14.1.9.5

The CCC shall equal the annual Scheduling, System Control and Dispatch Costs (i.e., the transmission component of control center costs) as recorded in FERC Account 561 and its associated sub-accounts using information from the prior calendar year, excluding NYISO system control and load dispatch expense already recovered under Schedule 1 of the NYISO Tariff.

1	Scheduling and D	ispatch Expenses		<u>0</u>	Source
2					
3	Accounts	561	Load Dispatching		FF1 321.84b
4	Accounts	561.1	Reliability		FF1 321.85b
5	Accounts	561.2	Monitor and Operate Transmission System		FF1 321.86b
6	Accounts	561.3	Transmission Service and Schedule		FF1 321.87b
7	Accounts	561.4	Scheduling System Control and Dispatch		FF1 321.88b
8	Accounts	561.5	Reliability, Planning and Standards Development		FF1 321.89b
9	Accounts	561.6	Transmission Service Studies		FF1 321.90b
10	Accounts	561.7	Generation Interconnection Studies		FF1 321.91b
11	Accounts	561.8	Reliability, Planning and Standards Dev. Services		FF1 321.92b
12					
13		Total Lo	ad Dispatch Expenses (sum of Lines 3 - 11)		sum lines 3 - 11
14					
15	Less Account 561 directly	recovered under Sc	hedule 1 of the NY ISO 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	Тс	otal NYISO Schedule	1		line 17 + line 18
20					
21	Total CCC Compone	ent			line 13 - line 19

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#### **Niagara Mohawk Power Corporation** Billing Units - MWH Attachment H, Section 14.1.9.6

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

Line No

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 lines 1-6
8	LESS: All non-retail transactions		
9	Watertown		FF1 page 329.11.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 lines 9 - 11
13	PLUS: TSC Load		
14	NYMPA Muni's, Misc. Villages, Jamestown (X1)		FF1 page 329.19.j
15	NYPA Niagara Muni's (X2)		FF1 page 329.1.j
16	Total additions	0.000	sum lines 15 -17
17	Total Billing Units	0.000	line 7 - line 12 + line 16

# 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 14.2.2.2.2 of this Attachment for the first two (2) months of LBMP and in accordance with Section 14.2.2.2.1 of this Attachment thereafter. 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");<sup>1</sup> 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");<u>1</u>3 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, nondiscountable rate.

# 14.2.2.2 NTAC Calculation

# 14.2.2.2.1 NTAC Formula

Beginning with January 2001, NYPA shall calculate the NTAC applicable to Transmission Service to serve New York State Load, Wheels Through and Exports as follows:

<sup>&</sup>lt;sup>1</sup> The NTAC shall not apply to Wheels Through or 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.

 $NTAC = \{(ATRR_{NTAC} \div 12) - (EA) - (IR \div 12) - SR - CRN - WR - ECR - NR - NT\}/(BU \div 12)$ 

Where:

- ATRR<sub>NTAC</sub> = 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;

 $\mathbf{SR} \quad = \quad \mathbf{SR}_1 + \mathbf{SR}_2$ 

SR<sub>1</sub> 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 ATRR<sub>NTAC</sub> where NYPA is the Primary <u>OwnerHolder</u> of said TCCs. <u>SR<sub>1</sub> for a month in which a</u> <u>Direct Sale is applicable shall equal the total nominal revenue that NYPA will receive under</u> <u>each applicable TCC sold in a Direct Sale divided by the duration of that TCC (in months).</u>

SR<sub>2</sub> will equal NYPA's revenues from the Centralized TCC Auction<u>s and</u> <u>Reconfiguration Auctions</u> allocated pursuant to Attachment <u>MN</u>; this includes revenues from: (a) TCCs associated with Residual Transmission Capacity that are sold in the Centralized TCC Auction<u>s and Reconfiguration Auctions</u>; and (b) the sale of Grandfathered TCCs associated with ETAs, if the expenses for these ETAs are included in NYPA's ATRR<sub>NTAC</sub>. <u>The revenue that</u> <u>NYPA receives from a TCC sold in a Centralized Auction or Reconfiguration Auction will be</u> 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 <u>ProvidersOwners</u> sell through the Centralized TCC Auction<u>s</u> and the allocation of revenue for other TCCs sold through the Centralized TCC Auction<u>s and Reconfiguration Auctions</u> (per the Facility Flow-Based Methodology described in Attachment N)<del>.</del>

SR<sub>1</sub> 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). SR<sub>1</sub> 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 the TCC (in months).

SR<sub>2</sub>-shall equal the Transmission Owner's share of Net Auction Revenue for all rounds of a Centralized TCC Auction, as calculated pursuant to Attachment N, divided equally among the months covered by the Centralized TCC Auction. SR<sub>2</sub>-shall be adjusted after each Centralized TCC Auction, and the revised SR<sub>2</sub>-shall be effective at the start of each Capability Period;

- 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 ATRR<sub>NTAC</sub> 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  $ATRR_{NTAC}$  for NYPA transmission initially accepted by FERC ("Base Period  $ATRR_{NTAC}$ ") for the purposes of computing the Initial Cost. Whenever an amendment to the  $ATRR_{NTAC}$  is accepted by FERC or the  $ATRR_{NTAC}$  is updated pursuant to the procedures set forth in Section 14.2.3.2 of this Attachment ("Amended  $ATRR_{NTAC}$ "), the system rate for the purpose of computing the Initial Cost will be increased (or decreased) by the ratio of the Amended  $ATRR_{NTAC}$  to the Base Period

 $ATRR_{NTAC}$  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) remaining until the expiration of 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  $ATRR_{NTAC}$  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, <u>SR</u>, CRN, WR, <u>ECR</u>, 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.

# 14.2.2.2.2 Implementation of NTAC

At the start of LBMP implementation certain variables of the NTAC equation will not be available. For the first and second months of LBMP implementation, the only terms in the NTAC equation that will be known by NYPA are its historical Annual Transmission Revenue Requirement (ATRR<sub>NTAC</sub>) and the historical Billing Units (BU), which have been approved by or filed with FERC. For these two months NYPA shall calculate the NTAC using the following equation:

NTAC = {(ATRR<sub>NTAC</sub>÷12) - (EA) - (IR÷12)}/(BU÷12)

SR<sub>2</sub>-shall not be available until after the first Centralized TCC Auction. For the third month of LBMP implementation until the second month of the Capability Period

corresponding to the first Centralized TCC Auction, NYPA shall recalculate the NTAC using the following equation:

## $NTAC = \{(ATRR_{NTAC} \div 12) - (EA) - (IR \div 12) - WR - CRN - SR_{\pm} - ECR\}/(BU \div 12)$

Prior to and during implementation of LBMP those current NYPA transmission customers wishing to terminate their Third Party TWAs shall notify the ISO. The ISO shall duly inform NYPA of such conversion so that NYPA can calculate revenues (EA) to be derived from Existing Transmission Wheeling Agreements.

# 14.2.2.3

NYPA's recovery pursuant to NTAC initially is limited to expenses and return associated with its transmission system as that system exists at the time of FERC approval of the NTAC ("base period revenue requirement"). Additions to its system may be included in the computation of NTAC only if: a) upgrades or expansions do not exceed \$5 million on an annual basis; or b) such upgrades or expansions have been unanimously approved by the Transmission Owners. Notwithstanding the above, NYPA may invest in transmission facilities in excess of \$5 million annually without unanimous Transmission Owners' authorization 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 ATRR<sub>NTAC</sub>, 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 Transmission Owners and NYPA is NYPA's consent to the submission of its ATRR<sub>NTAC</sub> 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 ATRR<sub>NTAC</sub> for facilities owned as of January 31, 1997, and Annual Billing Units (BU) of the NTAC are:

ATRR<sub>NTAC</sub> = \$165,449,297

BU = 133,386,541MWh

NYPA's ATRR<sub>NTAC</sub> 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.