

New York Transco LLC
True-Up Variance Schedule for Calendar Year 2023

Line No.	<u>2023 Actual</u>	<u>2023 Projected</u>	<u>Variance</u>	
NET ADJUSTED REVENUE REQUIREMENT				
1	GROSS REVENUE REQUIREMENT	\$ 112,574,699	\$ 116,141,680	\$ (3,566,981)
REVENUE CREDITS				
2	Total Revenue Credits	-	-	-
3	Net Revenue Requirement	112,574,699	116,141,680	(3,566,981)
4	True-up Adjustment	297,991	297,991	-
5	NET ADJUSTED REVENUE REQUIREMENT	<u>\$ 112,872,690</u>	<u>\$ 116,439,671</u>	<u>\$ (3,566,981)</u>

The primary variances between the 2023 Projection and the 2023 True-Up revenue requirement are as follows:

- \$2.2 million decrease in all expenses, with depreciation having the largest decrease at \$1.4 million
- \$1.3 million decrease in revenues for return requirements
- See pages 2 and 3 for additional variance information

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RATE BASE				
	GROSS PLANT IN SERVICE			
1	Production	-	-	-
2	Transmission	486,838,504	567,674,325	(80,835,821)
3	Distribution	-	-	-
4	General & Intangible	191,319,545	173,630,230	17,689,315
5	<u>TOTAL GROSS PLANT (sum lines 1-4)</u>	<u>678,158,049</u>	<u>741,304,555</u>	<u>(63,146,506)</u>
6	ACCUMULATED DEPRECIATION & AMORTIZATION			
7	Production	-	-	-
8	Transmission	16,614,866	17,523,621	(908,755)
9	Distribution	-	-	-
10	General & Intangible	23,620,885	23,157,008	463,877
11	<u>TOTAL ACCUM. DEPRECIATION (sum lines 7-10)</u>	<u>40,235,751</u>	<u>40,680,629</u>	<u>(444,878)</u>
12	NET PLANT IN SERVICE			
13	Production	-	-	-
14	Transmission	470,223,638	550,150,704	(79,927,066)
15	Distribution	-	-	-
16	General & Intangible	167,698,660	150,473,223	17,225,438
17	<u>TOTAL NET PLANT (sum lines 13-16)</u>	<u>637,922,298</u>	<u>700,623,927</u>	<u>(62,701,629)</u>
18	ADJUSTMENTS TO RATE BASE			
19	ADIT	(29,836,369)	(31,331,168)	1,494,799
19b	Tax Reform	(11,505,151)	(11,505,151)	-
20	Account No. 255 (enter negative)	-	-	-
21	CWIP	184,215,098	173,859,425	10,355,673
22	Unfunded Reserves (enter negative)	-	-	-
23	Unamortized Regulatory Assets	-	-	-
24	Unamortized Abandoned Plant	-	-	-
25	<u>TOTAL ADJUSTMENTS (sum lines 19-24)</u>	<u>142,873,578</u>	<u>131,023,106</u>	<u>11,850,472</u>
26	LAND HELD FOR FUTURE USE	-	-	-
27	WORKING CAPITAL			
28	CWC	1,438,535	1,384,563	53,972
29	Materials & Supplies	975,656	-	975,656
30	Prepayments	664,740	512,055	152,685
31	<u>TOTAL WORKING CAPITAL (sum lines 28-30)</u>	<u>3,078,931</u>	<u>1,896,618</u>	<u>1,182,313</u>
32	<u>RATE BASE (sum lines 17, 25, 26, & 31)</u>	<u><u>783,874,807</u></u>	<u><u>833,543,651</u></u>	<u><u>(49,668,844)</u></u>

Note 1

- Variances due to forecasted December 2022 balances being \$42 million higher than actual Dec. 2022 balances; lower capex and timing of spend during the year; and types of assets placed in service (transmission vs Intangible)

Note 2

- Variances due to changes in actual average gross plant in service noted above

Note 3

- Variance due to forecasted December 2022 balance being \$25 lower than actual Dec. 2022 balance and timing of work

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		2023 Actual	2023 Projected	Variance
Operating and Maintenance Expenses				
1	Transmission	4,033,644	3,065,600	968,044
2	Less Accounts 565, 561 and 561.1 to 561.8	-	-	-
3	A&G	7,491,721	8,010,900	(519,179)
4	Less EPRI & Reg. Comm. Exp. & Other Ad.	-	-	-
5	Plus Transmission Related Reg. Comm. Exp.	-	-	-
6	PBOP expense adjustment	(17,085)	-	(17,085)
6a	Less Account 566	32,275	-	32,275
6b	Amortization of Regulatory Assets	-	-	-
6c	Account 566 excluding amort. of Reg Assets	32,275	-	32,275
7	TOTAL O&M (sum lines 1, 3, 5, 6, 6b, 6c less lines 2 & 4, 6a)	11,508,280	11,076,500	431,780
DEPRECIATION EXPENSE				
8	Transmission	10,024,956	12,714,737	(2,689,781)
9	General and Intangible	4,323,400	3,034,128	1,289,272
10	Amortization of Abandoned Plant	-	-	-
11	TOTAL DEPRECIATION (Sum lines 8-10)	14,348,356	15,748,865	(1,400,509)
TAXES OTHER THAN INCOME TAXES				
12	TAXES OTHER THAN INCOME TAXES			
13	LABOR RELATED			
14	Payroll	2,392	-	2,392
15	Highway and vehicle	-	-	-
16	PLANT RELATED			
17	Property	4,187,029	4,620,000	(432,971)
18	Gross Receipts	-	-	-
19	Other	-	-	-
20	TOTAL OTHER TAXES (sum lines 14-19)	4,189,421	4,620,000	(430,579)
INCOME TAXES				
21	INCOME TAXES			
22	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} * (1-n) =$			
23	$CIT=(T/1-T) * (1-(WCLTD/R)) =$			
24	where WCLTD=(line 52) and R= (line 55)			
25	and FIT, SIT, p, & n.			
26	$1 / (1 - T) = (T \text{ from line 22})$			
27	Amortized Investment Tax Credit (Attachment 4, line 14)			
28	Income Tax Calculation = line 23 * line 32 * (1-n)	15,316,979	16,404,268	(1,087,289)
29	ITC adjustment (line 26 * line 27 * (1- n))	-	-	-
30	(Excess)/Deficient Deferred Income Tax Adjustment	1,793,626	1,793,626	-
31	Total Income Taxes	17,110,605	18,197,894	(1,087,289)
32	RETURN			
33	Rate Base (line 32) * Rate of Return	59,694,418	60,346,145	(651,727)
34	Rev Requirement before Incentive Projects (sum lines 7, 11, 20, 30, 33)	106,851,080	109,989,404	(3,138,324)
35	Incentive Return and Income Tax on Authorized Projects	5,723,618	6,152,276	(428,658)
36	Total Revenue Requirement (sum lines 34 & 35)	<u>\$ 112,574,699</u>	<u>\$ 116,141,680</u>	<u>\$ (3,566,981)</u>

Note 1

- Higher than expected O&M on the Segment B Facilities that were placed in service in 2022 and 2023

Note 2

- Primarily due to lower than expected outside services

Note 3

- Primarily due to the changes in plant placed in service during 2023 and noted above

Note 4

- Actual property tax increase lower than estimated

Note 5

- Primarily due to the decrease in revenue requirement for return on rate base

Note 6

- Primarily due to the decrease in rate base, which was offset by increase in the weighted cost of capital, primarily driven by the increase in interest rates