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John Buechler
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

RE: Annual Projection and True-Up Adjustment for Rate Year 2019

Dear Mr. Buechler:

In accordance with New York Transco, LLC's ("NY Transco") Formula Rate Implementation Protocols ("Protocols") included in Attachment DD (Section 36.3.1.2) of the New York Independent System Operator, Inc. ("NYISO") Open Access Transmission Tariff ("OATT"), NY Transco submits its Annual Projection for rate year 2019 (with True-Up Adjustment for calendar year 2017) for posting on the NYISO portal. The Annual Projection, including the True-Up Adjustment, establishes NY Transco's Net Adjusted Revenue Requirement for collection under the NYISO OATT from January 1, 2019 through December 31, 2019.

Section 1.a. of the Protocols provides that no later than September 30 of each year, NY Transco shall determine its projected Net Adjusted Revenue Requirement to produce the "Annual Projection" for the upcoming Rate Year. The Annual Projection must also include the True-Up Adjustment which reflects the under- or over-collection of NY Transco's actual Net Revenue Requirement. NY Transco calculated its actual Net Revenue Requirement and associated True-Up Adjustment and posted that information on the NYISO website and also submitted the documentation in an informational filing with the Federal Energy Regulatory Commission ("FERC") on July 2, 2018, in Docket No. ER15-572.

Section 1.a. of the Protocols further requires NY Transco to cause an electronic version of the Annual Projection to be posted in both a Portable Document Format ("PDF") and fully-functioning Excel file fully populated with formulas intact at a publicly-accessible location on the NYISO's internet website. This posting shall include: (i) all inputs in sufficient detail to identify the components of NY Transco's Annual Projection, and (ii) an explanation of the basis for the projections and input data to demonstrate that each input to the formula rate is consistent with the requirements of the formula rate.

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The Annual Projection reflects two tax-related considerations that FERC approved in Docket No. ER18-1817-000 in which NY Transco sought to account for the reduction in the federal income tax rate from 35 percent to 21 percent, effective January 1, 2018.¹ Specifically, NY Transco submitted a Petition for Limited Waiver to (1) include a refund to customers earlier than otherwise would be reflected in NY Transco's transmission rates for the over-collection of NY Transco's tax liability that is occurring in rate year 2018, as NY Transco's rates were determined utilizing the then-effective 35 percent federal corporate income tax rate while the actual tax rate in 2018 is 21 percent; and, (2) allow NY Transco to maintain rate base neutrality in its annual True-up Adjustment calculations for 2017 and 2018 and in its projected Net Adjusted Revenue Requirement for 2019 related to excess Accumulated Deferred Income Tax ("ADIT") that, as of the end of 2017, were recorded in accounts not included in rate base in NY Transco's formula rate template. FERC approved NY Transco's limited waiver request by order dated July 23, 2018. This information is reflected in the line items corresponding to Note O in the attached Excel spreadsheet and Tabs 11a and 11b in the supporting workpapers.

In accordance with Section 1.a. of the Protocols, NY Transco hereby provides its Annual Projection to the NYISO for posting on its website in a publicly-accessible location. NY Transco is providing its populated formula rate template and supporting workpapers in native Microsoft Excel format, with formulas intact, and PDF format. In addition, NY Transco has electronically served this filing upon the "Service List," as defined in Section 1.a of the Protocols. The Service List for purposes of the Annual Projection includes: (i) the email list of NYISO OATT Transmission Customers maintained by the NYISO; (ii) any state regulatory agency with rate jurisdiction over a public utility located within the NYISO footprint; and (iii) any consumer advocate agency authorized by state law to review and contest the rates for any such public utility, provided such consumer advocate agency requests to be placed on the Service List and provides an electronic mail address to NY Transco.

Please contact the undersigned should you have any question about this submission.

Very truly yours,



Evan C. Reese III

Counsel for New York Transco, LLC

Enclosure

¹ Tax Cuts and Jobs Act, Pub. L. No. 115-97, 131 Stat. 2054 (2017) ("Tax Cuts and Jobs Act").