

New York Transco LLC
True-Up Variance Schedule for Calendar Year 2017

<u>Line No.</u>	<u>2017 Actual</u>	<u>2017 Projected</u>	<u>Variance</u>
NET ADJUSTED REVENUE REQUIREMENT			
1 GROSS REVENUE REQUIREMENT	\$ 35,265,113	\$ 35,973,041	\$ (707,928)
REVENUE CREDITS			
2 Total Revenue Credits	-	-	-
3 Net Revenue Requirement	35,265,113	35,973,041	(707,928)
4 True-up Adjustment	-	-	-
5 NET ADJUSTED REVENUE REQUIREMENT	\$ 35,265,113	\$ 35,973,041	\$ (707,928)

The primary variances between the 2017 Projection and the 2017 True-Up revenue requirement are as follows:

- Operating and maintenance expenses were \$0.96 million less than the projection
- Income taxes were \$0.17 million more than the projection
- Other minor variances were \$0.08 million more than the projection
- See pages 2 and 3 for additional variance information

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RATE BASE				
	GROSS PLANT IN SERVICE			
1	Production	-	-	-
2	Transmission	73,684,534	86,663,000	(12,978,466)
3	Distribution	-	-	-
4	General & Intangible	135,488,080	123,773,000	11,715,080
5	TOTAL GROSS PLANT (sum lines 1-4)	Note 1 209,172,614	210,436,000	(1,263,386)
	ACCUMULATED DEPRECIATION & AMORTIZATION			
6	Production	-	-	-
7	Transmission	1,720,763	1,981,000	(260,237)
8	Distribution	-	-	-
9	General & Intangible	3,194,284	2,903,000	291,284
10	TOTAL ACCUM. DEPRECIATION (sum lines 7-10)	4,915,047	4,884,000	31,047
	NET PLANT IN SERVICE			
11	Production	-	-	-
12	Transmission	71,963,771	84,682,000	(12,718,229)
13	Distribution	-	-	-
14	General & Intangible	132,293,796	120,870,000	11,423,796
15	TOTAL NET PLANT (sum lines 13-16)	204,257,567	205,552,000	(1,294,433)
	ADJUSTMENTS TO RATE BASE			
16	ADIT	Note 2 (4,501,689)	(7,246,500)	2,744,811
17	Account No. 255 (enter negative)	-	-	-
18	CWIP	-	-	-
19	Unfunded Reserves (enter negative)	-	-	-
20	Unamortized Regulatory Assets	4,557,890	4,557,892	(2)
21	Unamortized Abandoned Plant	-	-	-
22	TOTAL ADJUSTMENTS (sum lines 19-24)	56,201	(2,688,608)	2,744,809
23	LAND HELD FOR FUTURE USE	-	-	-
	WORKING CAPITAL			
24	CWC	633,337	753,740	(120,403)
25	Materials & Supplies	-	-	-
26	Prepayments	Note 3 213,684	796,941	(583,257)
27	TOTAL WORKING CAPITAL (sum lines 28-30)	847,021	1,550,681	(703,660)
28	RATE BASE (sum lines 17, 25, 26, & 31)	<u>205,160,789</u>	<u>204,414,073</u>	<u>746,716</u>

Note 1

- Variance due to beginning gross plant balance projection (Dec. 31, 2016) being higher than actual at December 31, 2016

Note 2

- Decrease in ADIT liability primarily due to a reduction in the maximum federal income tax rate from 35% to 21%

Note 3

- Decrease in prepaid balance due to the timing of property tax payments

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	<u>2017 Actual</u>	<u>2017 Projected</u>	<u>Variance</u>	
Operating and Maintenance Expenses				
1	Transmission	1,699,420	1,735,517	(36,097)
2	Less Accounts 565, 561 and 561.1 to 561.8	-	-	-
3	A&G	Note 1 3,368,569	4,294,400	(925,831)
4	Less EPRI & Reg. Comm. Exp. & Other Ad.	-	-	-
5	Plus Transmission Related Reg. Comm. Exp.	-	-	-
6	PBOP expense adjustment	(1,295)	-	(1,295)
6a	Less Account 566	1,219,945	1,163,717	56,228
6b	Amortization of Regulatory Assets	1,163,717	1,163,717	-
6c	Account 566 excluding amort. of Reg Assets	56,228	-	56,228
7	TOTAL O&M (sum lines 1, 3, 5, 6, 6b, 6c less lines 2 & 4, 6a)	5,066,694	6,029,917	(963,223)
DEPRECIATION EXPENSE				
8	Transmission	1,587,651	1,872,000	(284,349)
9	General and Intangible	3,070,093	2,748,000	322,093
10	Amortization of Abandoned Plant	-	-	-
11	TOTAL DEPRECIATION (Sum lines 8-10)	4,657,744	4,620,000	37,744
TAXES OTHER THAN INCOME TAXES				
12	TAXES OTHER THAN INCOME TAXES			
13	LABOR RELATED			
14	Payroll	11,180	-	11,180
15	Highway and vehicle	-	-	-
16	PLANT RELATED			
17	Property	4,211,688	4,147,200	64,488
18	Gross Receipts	-	-	-
19	Other	-	-	-
20	TOTAL OTHER TAXES (sum lines 14-19)	4,222,868	4,147,200	75,668
INCOME TAXES				
21	INCOME TAXES			
22	$T=1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\} * (1-n) =$			
23	$\text{CIT}=(T/1-T) * (1-(\text{WCLTD}/R)) =$			
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)	Note 2 7,250,103	7,076,940	173,163
29	ITC adjustment (line 26 * line 27 * (1- n))	-	-	-
30	Total Income Taxes	7,250,103	7,076,940	173,163
31	RETURN			
32	Rate Base (line 32) * Rate of Return	13,149,863	13,184,093	(34,230)
33	Rev Requirement before Incentive Projects (sum lines 7, 11, 20, 30, 32)	34,347,272	35,058,150	(710,878)
34	Incentive Return and Income Tax on Authorized Projects	917,841	914,892	2,949
35	Total Revenue Requirement (sum lines 33 & 34)	<u>\$ 35,265,113</u>	<u>\$ 35,973,042</u>	<u>\$ (707,929)</u>

Note 1

- A&G costs were lower than expected due to fewer FTE's

Note 2

- Primarily due to actual state and local income tax rate being higher than estimated