

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, 2012**

TRANSMISSION REVENUE REQUIREMENT SUMMARY

<u>Line No.</u>	<u>A. OPERATING EXPENSES</u>	<u>TOTAL \$</u> (1)	<u>SOURCE/COMMENTS</u> (2)
1	Operation & Maintenance Expense	53,619,050	Schedule A, Col 4, Ln 20
2	Administration & General Expenses	30,807,310	Schedule B, Col 5, Ln 16
3	Depreciation & Amortization Expense	41,682,941	Schedule C, Col 5, Ln 26
4	TOTAL OPERATING EXPENSE	126,109,301	Ln 1 + Ln 2 + Ln 3
5	<u>B. RATE BASE</u>	695,394,327	Schedule D, total of Col 5
6	Return on Rate Base	56,986,724	Schedule D, total of Col 7
7	TOTAL REVENUE REQUIREMENT (A+B)	183,096,025	Ln 4 + Ln 6

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**SCHEDULE A
OPERATION & MAINTENANCE EXPENSE SUMMARY**

<u>Line No.</u>	<u>FERC Account</u> (1)	<u>FERC Account Description</u> (2)	<u>Total</u> (3)	<u>Grand Total</u> (4)	
	Transmission:				
		OPERATION:			
1	560	Supervision & Engineering	2,672,076		
2	561	Load Dispatching	2,056,800		
3	562	Station Expenses	2,574,780		
4	563	Overhead Line Expenses	5,763		
5	565	Trans. of Electr. by Others	610,196,076		
6	566	Misc. Trans. Expenses	22,707,611		
7		Total Operation	\$640,213,106		
		MAINTENANCE:			
8	568	Supervision & Engineering	3,338,939		
9	569	Structures	2,804,807		
10	570	Station Equipment	9,986,655		
11	571	Overhead Lines	8,085,218		
12	572	Underground Lines	350,605		
13	573	Misc. Transm. Plant	149,780		
14		Total Maintenance	\$24,716,004		
15		TOTAL O&M TRANSMISSION		\$664,929,110	
16		Less A/C 565 - Trans. Of Electr by Others		-610,196,076	
17		NET O&M TRANSMISSION		\$54,733,034	
		Other Adjustments			
18		Step-up Transformers		-519,616	WP-19
19		FACTS		-594,368	WP-20
20		TOTAL ADJUSTED O&M TRANSMISSION		\$53,619,050	

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**SCHEDULE B
ADMINISTRATIVE AND GENERAL EXPENSES**

<u>Line No.</u>	<u>FERC Account</u> (1)	<u>FERC Account Description</u> (2)	<u>Unallocated A&G</u> (3)	<u>Transmission Labor Ratio</u> (4)	<u>Allocated to Transmission</u> (5)	<u>Source/Comments</u> (6)
<u>Administrative & General Expenses</u>						
1	920	A&G Salaries	30,652,127			
2	921	Office Supplies & Expenses	13,452,543			
3	922	Admin. Exp. Transferred-Cr	-11,671,000			
4	923	Outside Services Employed	11,584,207			
5	924	Property Insurance	3,450,751		\$1,266,980	See WP-21; Ln 9
6	925	Injuries & Damages Insurance	1,942,800		\$554,501	See WP-22; Ln 7
7	926	Employee Pensions & Benefits	54,164,303			
8	928	Reg. Commission Expenses	0			
9	930.2	Misc. General Expenses	11,639,021			
	930.5	Research & Development	9,807,995			
10	931	Rents	917,164			
11	935	Maint of General Plant A/C 932	0			
12		TOTAL	\$125,939,910			
13		Less A/C 924	-3,450,751			
14		Less A/C 925	-1,942,800			
15		TOTAL A&G Expense	\$120,546,360	24.05%	\$28,985,828	Allocated based on Transm. Labor
16		NET A&G TRANSMISSION EXPENSE			\$30,807,310	Allocator (Schedule F)

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**SCHEDULE C
ANNUAL DEPRECIATION AND AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>FERC Code</u>	<u>Equipment Type</u>	<u>Transmission</u> (1)	<u>General Plant</u> (2)	<u>Transmission Labor Ratio (%)</u> (3)	<u>General Plant Allocated to Transm. Col (2)*(3)</u> (4)	<u>Total Annual Depreciation Col (1)+(4)</u> (5)
1	352	Structures & Improvements	1,505,771				
2	353	Station Equipment	14,767,302				
3	354	Towers & Fixtures	3,176,897				
4	355	Poles & Fixtures	4,211,801				
5	356	Overhead Conductors & Devices	3,719,922				
6	357	Underground Conduit	2,610,097				
7	358	Underground Conductors & Devices	5,720,145				
8	359	Roads & Trails	285,149				
9		Unadjusted Transmission Depreciation	\$35,997,084				
10	390	Structures & Improvements		3,621,474			
11	391	Office Furniture & Equipment		9,771,298			
12	392	Transportation Equipment		3,509,718			
13	393	Stores Equipment		32,268			
14	394	Tools, Shop & Garage Equipment		453,969			
15	395	Laboratory Equipment		166,314			
16	396	Power Operated Equipment		1,121,940			
17	397	Communication Equipment		783,593			
18	398	Miscellaneous Equipment		16,952,602			
19	399	Other Tangible Property		57,702			
20		Unadjusted General Plant Depreciation		\$36,470,878			
21		Capitalized Lease Amortization	2,178,736				
22		FACTS	-910,532				
23		Step-up	-817,460				
24		Exclude Gen. Leads					
25		NIA/STL Relicensing Reclass		-14,699,076			
26		TOTAL	\$36,447,828	\$21,771,802	24.05% 1/	\$5,235,112	\$41,682,941

1/ See Schedule-F, Column (3), Line 2

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**SCHEDULE D
TRANSMISSION - RATE BASE CALCULATION**

<u>RATE BASE</u>	<u>TRANSMISSION PLANT</u> (1)	<u>TOTAL GENERAL PLANT</u> (2)	<u>TRANSM. LABOR RATIO [SCDL G]</u> (3)	<u>GENER. PLANT ALLOCATED TO TRANSMISSION (2) * (3)</u> (4)	<u>TOTAL TRANSMISSION (1) +(4)</u> (5)	<u>RATE OF RETURN [SCHED. F]</u> (6)	<u>RETURN ON RATE BASE (5)*(6)</u> (7)
A) Net Electric Plant in Service	\$ 573,183,199 1/	\$ 160,525,975 <1	24.05%	\$ 38,599,078	\$ 611,782,277		
B) Rate Base Adjustments							
* Cash Working Capital (1/8 O&M)	10,553,295 2/				10,553,295		
* Marcy South Capitalized Lease	55,557,757 3/				55,557,757		
* Materials & Supplies	12,655,082 4/				12,655,082		
* CWIP	15,617,150		24.05%		3,755,203		
* Prepayments	4,536,066		24.05%		1,090,714		
TOTAL	\$667,566,482	\$160,525,975	24.05%	\$38,599,078	\$695,394,327	8.19%	\$56,986,724

1/ Schedule H; Net Electric Plant in Service; Ln 23

2/ 1/8 of (Schedule A; Col 4, Ln 20 + Schedule C; Col 5, Ln 16)

3/ WP-17; Average of 2011-2012 Year-end Unamortized Balances, Col 3

4/ As per projected year-end 2012 inventory transmission-related Materials & Supplies (WP-1).

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**SCHEDULE E
CAPITAL STRUCTURE AND COST OF CAPITAL AS OF DECEMBER 31, 2012**

<u>Line No.</u>	<u>TITLE</u>	<u>AMOUNT</u> <u>(1)</u>	<u>CAPITALIZATION</u> <u>RATIO</u> <u>(2)</u>	<u>COST RATE</u> <u>(3)</u>	<u>WEIGHTED</u> <u>AVERAGE</u> <u>(4)</u>	<u>SOURCE/COMMENTS</u> <u>(5)</u>
1	LONG TERM DEBT	\$1,400,500,000	29.32%	4.45%	1.30%	Col (2) * Col (3)
2	<u>COMMON EQUITY</u>	<u>3,376,848,500</u>	<u>70.68%</u>	9.75%	<u>6.89%</u>	Col (2) * Col (3)
3	TOTAL CAPITALIZATION	\$4,777,348,500	100.00%		8.19%	Col (4); Ln (1) + Ln (2)

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**SCHEDULE F
LABOR RATIOS**

Line No.	<u>DESCRIPTION</u>	<u>LABOR AMOUNT</u> (1)	<u>RATIO</u> (2)	<u>ALLOCATED TO TRANSMISSION</u> (3)	<u>COMMENTS</u> (4)
1	PRODUCTION	\$101,816,554	75.95%		
2	TRANSMISSION	<u>32,232,635</u>	24.05%	24.05%	Col (1); Ln (2) / Ln (3)
3	TOTAL LABOR	\$134,049,189	100.00%		

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**SCHEDULE G
AVERAGE GROSS PLANT IN SERVICE
AND
FUNCTIONALIZATION OF PLANT IN SERVICE**

	<u>2011</u> (1)	<u>2012</u> (2)	<u>Average</u> (3)	<u>% of Gross Plant in Service</u> (4)	<u>Ratio of Included Transmission to Gross Transmission</u>	<u>Ratio of Net Transmission to Gross Plant in Service</u>
A) PRODUCTION	3,761,047,659	3,808,468,541	3,784,758,100	67.16		
B) TRANSMISSION (Gross)	1,841,959,074	1,858,983,861	1,850,471,467	32.84		
TOTAL	\$5,603,006,733	\$5,667,452,401	\$5,635,229,567	100.00		
INCLUDED TRANSMISSION ALLOCATION FACTOR						
TRANSMISSION (Net)			\$1,600,431,721		86%	28.40%

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**SCHEDULE H
ADJUSTED PLANT IN SERVICE**

Line No.	Acct	2011		2012		2011 - 2012 Average		Net Plant in Service (7)	
		Plant in Service (1)	Accumulated Depreciation (2)	Plant in Service (3)	Accumulated Depreciation (4)	Plant in Service (5)	Accumulated Depreciation (6)		
1	Production Plant Excluded 310-359	\$ 2,059,407,617	\$ 1,028,827,941	\$ 2,065,526,217	\$ 1,073,278,134	\$ 2,062,466,917	\$ 1,051,053,038	\$ 1,011,413,879	
2	Production Plant Included 310-359	\$ 1,701,640,042	\$ 743,761,977	\$ 1,742,942,324	\$ 776,276,796	\$ 1,722,291,183	\$ 760,019,387	\$ 962,271,796	
3	Total Production	\$ 3,761,047,659	\$ 1,772,589,919	\$ 3,808,468,541	\$ 1,849,554,931	\$ 3,784,758,100	\$ 1,811,072,425	\$ 1,973,685,675	
Adjustments									
4	Relicensing	\$ 637,301,377	\$ 74,939,042	\$ 639,854,982	\$ 89,638,118	\$ 638,578,180	\$ 82,288,580	\$ 556,289,600	
5	Generator Step-ups	\$ 38,903,320	\$ 18,538,972	\$ 38,903,320	\$ 19,334,678	\$ 38,903,320	\$ 18,936,825	\$ 19,966,495	
6	Transm. By Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	Generator Leads	\$ (2,059,407,617)	\$ (1,028,827,941)	\$ (2,065,526,217)	\$ (1,073,278,134)	\$ (2,062,466,917)	\$ (1,051,053,038)	\$ (1,011,413,879)	
8	FACTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9	Total Adjustments	\$ (1,383,202,920)	\$ (935,349,927)	\$ (1,386,767,915)	\$ (964,305,338)	\$ (1,384,985,417)	\$ (949,827,633)	\$ (435,157,785)	
10	Net Adjusted Production	\$ 2,377,844,739	\$ 837,239,991	\$ 2,421,700,626	\$ 885,249,593	\$ 2,399,772,683	\$ 861,244,792	\$ 1,538,527,890	
11	Transmission Excluded 350-359	\$ 248,053,230	\$ 132,335,658	\$ 252,026,263	\$ 141,108,391	\$ 250,039,746	\$ 136,722,025	\$ 113,317,722	
12	Transmission Included 350-359	\$ 1,593,905,844	\$ 953,618,586	\$ 1,606,957,598	\$ 989,615,671	\$ 1,600,431,721	\$ 971,617,129	\$ 628,814,592	
13	Total Transmission	\$ 1,841,959,074	\$ 1,085,954,245	\$ 1,858,983,861	\$ 1,130,724,062	\$ 1,850,471,467	\$ 1,108,339,153	\$ 742,132,314	
Adjustments									
14	Relicensing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15	Generator Step-ups	\$ (38,903,320)	\$ (18,538,972)	\$ (38,903,320)	\$ (19,334,678)	\$ (38,903,320)	\$ (18,936,825)	\$ (19,966,495)	
16	Transm. By Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
17	Generator Leads	\$ (248,053,230)	\$ (132,335,658)	\$ (252,026,263)	\$ (141,108,391)	\$ (250,039,746)	\$ (136,722,025)	\$ (113,317,722)	
18	FACTS	\$ (44,499,917)	\$ (8,379,752)	\$ (44,499,917)	\$ (9,290,284)	\$ (44,499,917)	\$ (8,835,018)	\$ (35,664,899)	
19	Total Adjustments	\$ (331,456,466)	\$ (159,254,382)	\$ (335,429,499)	\$ (169,733,353)	\$ (333,442,983)	\$ (164,493,867)	\$ (168,949,115)	
20	Net Adjusted Transmission	\$ 1,510,502,608	\$ 926,699,863	\$ 1,523,554,362	\$ 960,990,709	\$ 1,517,028,485	\$ 943,845,286	\$ 573,183,199	
21	General Excluded 360+	\$ 13,348,043	\$ 12,124,662	\$ 13,459,204	\$ 12,911,285	\$ 13,403,624	\$ 12,517,973	\$ 885,651	
22	General Included 360+	\$ 1,111,134,459	\$ 380,739,609	\$ 1,120,446,785	\$ 417,210,487	\$ 1,115,790,622	\$ 398,975,048	\$ 716,815,574	
23	Total General	\$ 1,124,482,503	\$ 392,864,271	\$ 1,133,905,990	\$ 430,121,772	\$ 1,129,194,246	\$ 411,493,021	\$ 717,701,225	
Adjustments									
24	Relicensing	\$ (637,301,377)	\$ (74,939,042)	\$ (639,854,982)	\$ (89,638,118)	\$ (638,578,180)	\$ (82,288,580)	\$ (556,289,600)	
25	Generator Step-ups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
26	Transm. By Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
27	Generator Leads	\$ (13,348,043)	\$ (12,124,662)	\$ (13,459,204)	\$ (12,911,285)	\$ (13,403,624)	\$ (12,517,973)	\$ (885,651)	
28	FACTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
29	Total Adjustments	\$ (650,649,421)	\$ (87,063,704)	\$ (653,314,187)	\$ (102,549,403)	\$ (651,981,804)	\$ (94,806,554)	\$ (557,175,250)	
30	Net Adjusted General Plant	\$ 473,833,082	\$ 305,800,567	\$ 480,591,803	\$ 327,572,369	\$ 477,212,442	\$ 316,686,468	\$ 160,525,975	
31	Total Unadjusted PIS	\$ 6,727,489,236	\$ 3,251,408,434	\$ 6,801,358,391	\$ 3,410,400,765	\$ 6,764,423,813	\$ 3,330,904,600	\$ 3,433,519,214	
32	Net Plant	\$ 4,362,180,429	\$ 2,069,740,421	\$ 4,425,846,791	\$ 2,173,812,671	\$ 4,394,013,610	\$ 2,121,776,546	\$ 2,272,237,063	