

**NEW YORK POWER AUTHORITY
TRANSMISSION REVENUE REQUIREMENT
YEAR ENDING DECEMBER 31, 2011**

TRR SUMMARY

<u>Line No.</u>	<u>A. OPERATING EXPENSES</u>	<u>TOTAL \$</u> (1)	<u>SOURCE/COMMENTS</u> (2)
1	Operation & Maintenance Expense	47,003,630	Schedule A, Col 4, Ln 22
2	Administration & General Expenses	34,058,765	Schedule B, Col 5, Ln 16
3	Depreciation & Amortization Expense	40,773,642	Schedule C, Col 5, Ln 26
4	TOTAL OPERATING EXPENSE	121,836,037	Line 1 + Ln 2 + Ln 3
5	<u>B. RATE BASE</u>	701,140,506	Schedule D, total of Col 5
6	Return on Rate Base	55,729,086	Schedule D, total of Col 7
7	TOTAL REVENUE REQUIREMENT (A+B)	177,565,122	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	2,045,783	
2	561	Load Dispatching	1,332,578	
3	562	Station Expenses	3,047,362	
4	563	Overhead Line Expenses	809,559	
5	564	Underground Line Exp.	-	
6	565	Trans. of Electr. by Others	548,056,183	
7	566	Misc. Trans. Expenses	18,014,683	
8	567	Rents	-	
9		Total Operation	\$573,306,148	
MAINTENANCE:				
10	568	Supervision & Engineering	2,913,051	
11	569	Structures	2,800,462	
12	570	Station Equipment	8,654,587	
13	571	Overhead Lines	7,884,901	
14	572	Underground Lines	350,780	
15	573	Misc. Transm. Plant	185,019	
16		Total Maintenance	\$22,788,800	
17		TOTAL O&M TRANSMISSION		\$596,094,948
18		Less A/C 565		-548,056,183
19		NET O&M TRANSMISSION		\$48,038,765
Adjustments				
20		Step-up Transformers		-482,837 WP-41; Col 1, Ln 5
21		FACTS		-552,298 WP-42; Col 1, Ln 5
22		ADJUSTED O&M TRANSMISSION		\$47,003,630

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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	40,680,952			
2	921	Office Supplies & Expenses	12,238,399			
3	922	Admin.Exp.Transferred-Cr	-8,656,958			
4	923	Outside Services Employed	7,716,124			
5	924	Property Insurance	3,670,220		1,332,407	1/ WP-43
6	925	Injuries & Damages Insurance	1,782,938		551,839	WP-44
7	926	Employee Pensions & Benefits	52,955,130			
8	928	Reg. Commission Expenses	-			
9	930.2	Misc General Expenses	10,787,720			
	930.5	Research & Development	7,528,217			
10	931	Rents	947,615			
11	935	Maint of General Plant A/C 932	-			
12		TOTAL	\$129,650,357			
13		Less A/C 924	-3,670,220			
14		Less A/C 925	-1,782,938			
15		TOTAL A&G Expense	\$124,197,199	25.91%	\$32,174,519	
16		NET A&G TRANSM. EXP.			\$34,058,765	

1/ Allocated based on GPIS; all others based on transmission labor ratio.

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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 (1)</u>	<u>General Plant (2)</u>	<u>Transmission Labor Ratio (3)</u>	<u>General Plant Allocated to Transm. Col (2)*(3) (4)</u>	<u>Total Annual Depreciation Col (1)+(4) (5)</u>
1	352	Structures & Improvements	1,518,417				
2	353	Station Equipment	11,695,653				
3	354	Towers & Fixtures	3,716,357				
4	355	Poles & Fixtures	4,226,753				
5	356	Overhead Conductors & Devices	4,285,313				
6	357	Underground Conduit	2,610,097				
7	358	Underground Conductors & Devices	5,720,145				
8	359	Roads & Trails	<u>286,553</u>				
9		Unadjusted Transmission Depreciation	\$34,059,289				
10	390	Structures & Improvements		3,455,497			
11	391	Office Furniture & Equipment		11,748,953			
12	392	Transportation Equipment		3,734,795			
13	393	Stores Equipment		36,951			
14	394	Tools, Shop & Garage Equipment		465,306			
15	395	Laboratory Equipment		190,486			
16	396	Power Operated Equipment		1,111,252			
17	397	Communication Equipment		788,319			
18	398	Miscellaneous Equipment		17,203,655			
19	399	Other Tangible Property		<u>57,702</u>			
20		Unadjusted General Plant Depreciation		\$38,792,916			
21		Capitalized Lease Amortization	2,178,736				
22		FACTS	-910,532				
23		Step-up	<u>-817,460</u>				
24		Exclude Gen. Leads					
25		NIA/STL Relicensing Reclass		<u>-14,614,694</u>			
26		TOTAL	\$34,510,033	\$24,178,222	25.91%	1/	\$6,263,609
							\$40,773,642

1/ See Schedule-F, Column (3) Line 7.

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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>TRANSMISSION 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	\$572,848,908	1/	\$164,534,744	1/	25.91%	\$42,624,361	\$615,473,269		
B) Rate Base Adjustments									
* Cash Working Capital (1/8 O&M)	10,132,799	2/					10,132,799		
* Marcy South Capitalized Lease	57,736,492	3/					57,736,492		
* Materials & Supplies	12,577,054	4/					12,577,054		
* CWIP	15,617,150				25.91%		4,045,778		
* Prepayments	4,536,066				25.91%		1,175,113		
TOTAL	\$668,912,404		\$164,534,744		25.91%	\$42,624,361	\$701,140,506	7.95%	\$55,729,086

1/ Schedule H; Net Electric Plant in Service Col 4 (Average Transmission Plant) and Col 7 (Average General Plant)

2/ 1/8 of (Schedule A; Col 4, Ln 22 + Schedule C; Col 5, Ln 16)

3/ WP-39; Average of 2010-2011 Year-end Unamortized Balances, Col 3

4/ As per year-end 2011 inventory of transmission-related materials & supplies (WP-23).

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**SCHEDULE E
COST OF CAPITAL AND CAPITAL STRUCTURE AS OF DECEMBER 31, 2011**

<u>Line No.</u>	<u>TITLE</u>	<u>AMOUNT</u> (1)	<u>CAPITALIZATION</u> <u>RATIO</u> (2)	<u>COST RATE</u> (3)	<u>WEIGHTED</u> <u>AVERAGE</u> (4)	<u>TS</u> (5)
1	LONG-TERM DEBT	\$1,546,500,000	32.94%	4.28%	1.41%	Col (2) * Col (3)
2	<u>COMMON EQUITY</u>	<u>3,148,000,000</u>	<u>67.06%</u>	9.75%	<u>6.54%</u>	Col (2) * Col (3)
3	TOTAL CAPITALIZATION	\$4,694,500,000	100.00%		7.95%	Col (4); Ln (1) + Ln (2)

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**SCHEDULE F
LABOR RATIOS**

<u>Line No.</u>	<u>DESCRIPTION</u>	<u>LABOR AMOUNT</u> (1)	<u>RATIO</u> (2)	<u>ALLOCATED TO TRANSMISSION</u> (3)	<u>COMMENTS</u> (4)
1	PRODUCTION	\$70,549,187	74.09%		
2	TRANSMISSION	24,666,595	25.91%	25.91%	Col (1); Ln (2) / Ln (7)
3	A&G EXPENSES		0.00		
4	CUSTOMER ACCT.		<u>0.00</u>	<u>0.00%</u>	1/2 of Col (2), Ln (4)
5	TOTAL LABOR	\$95,215,781			
6	LESS A&G EXP.	0			
7	NET LABOR	\$95,215,781	100%	25.91%	Col 3, Ln (2) + Ln (4)

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

	<u>2010</u> (1)	<u>2011</u> (2)	<u>Average</u> (3)	<u>Gross Plant in Service Ratio</u> (4)	<u>Ratio of Included Transmission to Gross Transmission</u>	<u>Ratio of Net Transmission to Gross Plant in Service</u>
A) TOTAL PRODUCTION	3,696,864,926	3,761,047,659	3,728,956,292	67.01%		
B) TOTAL TRANSMISSION	1,830,333,998	1,841,959,073	1,836,146,536	32.99%		
TOTAL GROSS PLANT IN SERVICE (EXCLUDING GENERA	\$5,527,198,924	\$5,603,006,732	\$5,565,102,828	100.00%		
INCLUDED TRANSMISSION ALLOCATION FACTOR:						
NET TRANSMISSION (Included)			\$1,589,169,362		86.55%	28.56%

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**SCHEDULE H
ADJUSTED PLANT IN SERVICE**

Line No.	2010			2011			2010 - 2011 Average		
	Acct	Plant in	Accumulated	Plant in	Accumulated	Plant in	Accumulated	Net EPIS	
		Service	Depreciation	Service	Depreciation	Service	Depreciation		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Production Plant Excluded	310-359	2,048,557,069	981,297,043	2,059,407,617	1,028,827,941	2,053,982,343	1,005,062,492	1,048,919,851
2	Production Plant Included	310-359	<u>1,648,307,857</u>	<u>713,389,564</u>	<u>1,701,640,042</u>	<u>743,761,977</u>	<u>1,674,973,949</u>	<u>728,575,771</u>	<u>946,398,179</u>
3	Total Production		\$3,696,864,926	\$1,694,686,607	\$3,761,047,659	\$1,772,589,919	\$3,728,956,292	\$1,733,638,263	\$1,995,318,030
	Adjustments								
4	Relicensing		623,662,835	60,324,348	637,301,377	74,939,042	630,482,106	67,631,695	562,850,411
5	Generator Step-ups		38,903,320	17,833,857	38,903,320	18,538,972	38,903,320	18,186,414	20,716,906
6	Transm. By Others (Tri-Lakes)		-	-	-	-	-	-	-
7	Generator Leads		(2,048,557,069)	(981,297,043)	(2,059,407,617)	(1,028,827,941)	(2,053,982,343)	(1,005,062,492)	(1,048,919,851)
8	FACTS		-	-	-	-	-	-	-
9	Total Adjustment		<u>(1,385,990,914)</u>	<u>(\$903,138,838)</u>	<u>(\$1,383,202,920)</u>	<u>(\$935,349,927)</u>	<u>(\$1,384,596,917)</u>	<u>(\$919,244,383)</u>	<u>(\$465,352,534)</u>
10	Net Adjusted Production		\$2,310,874,012	\$791,547,769	\$2,377,844,739	\$837,239,991	\$2,344,359,375	\$814,393,880	\$1,529,965,495
11	Transmission Excluded	350-359	245,901,117	123,583,915	248,053,230	132,335,658	246,977,173	127,959,787	119,017,387
12	Transmission Included	350-359	<u>1,584,432,881</u>	<u>929,199,817</u>	<u>1,593,905,843</u>	<u>953,618,586</u>	<u>1,589,169,362</u>	<u>941,409,202</u>	<u>647,760,160</u>
13	Total Transmission		\$1,830,333,998	\$1,052,783,732	\$1,841,959,073	\$1,085,954,245	\$1,836,146,536	\$1,069,368,988	\$766,777,547
	Adjustments								
14	Relicensing		-	-	-	-	-	-	-
15	Generator Step-ups		(38,903,320)	(17,833,857)	(38,903,320)	(18,538,972)	(38,903,320)	(18,186,414)	(20,716,906)
16	Transm. By Others (Tri-Lakes)		(42,919,261)	(9,976,364)	-	-	(21,459,631)	(4,988,182)	(16,471,449)
17	Generator Leads		(229,842,922)	(105,230,786)	(248,053,230)	(132,335,658)	(238,948,076)	(118,783,222)	(120,164,854)
18	FACTS		(44,499,917)	(7,469,220)	(44,499,917)	(8,379,752)	(44,499,917)	(7,924,486)	(36,575,431)
19	Total Adjustment		<u>(\$356,165,419)</u>	<u>(\$140,510,226)</u>	<u>(\$331,456,466)</u>	<u>(\$159,254,382)</u>	<u>(\$343,810,943)</u>	<u>(\$149,882,304)</u>	<u>(\$193,928,639)</u>
20	Net Adjusted Transmission		\$1,474,168,579	\$912,273,505	\$1,510,502,607	\$926,699,863	\$1,492,335,593	\$919,486,684	\$572,848,908
21	General Excluded	360+	13,214,893	11,377,623	13,348,043	12,124,662	13,281,468	11,751,142	1,530,326
22	General Included	360+	<u>1,068,626,050</u>	<u>344,250,591</u>	<u>1,111,134,459</u>	<u>380,739,609</u>	<u>1,089,880,255</u>	<u>362,495,100</u>	<u>727,385,155</u>
23	Total General		\$1,081,840,944	\$355,628,214	\$1,124,482,503	\$392,864,271	\$1,103,161,723	\$374,246,243	\$728,915,481
	Adjustments								
24	Relicensing		(623,662,835)	(60,324,348)	(637,301,377)	(74,939,042)	(630,482,106)	(67,631,695)	(562,850,411)
25	Generator Step-ups		-	-	-	-	-	-	-
26	Transm. By Others (Tri-Lakes)		-	-	-	-	-	-	-
27	Generator Leads		(13,214,893)	(11,377,623)	(13,348,043)	(12,124,662)	(13,281,468)	(11,751,142)	(1,530,326)
28	FACTS		-	-	-	-	-	-	-
29	Total Adjustment		<u>(\$636,877,728)</u>	<u>(\$71,701,971)</u>	<u>(\$650,649,421)</u>	<u>(\$87,063,704)</u>	<u>(\$643,763,574)</u>	<u>(\$79,382,838)</u>	<u>(\$564,380,737)</u>
30	Net Adjusted General Plant		\$444,963,215	\$283,926,243	\$473,833,082	\$305,800,567	\$459,398,149	\$294,863,405	\$164,534,744
31	Total Unadjusted Plant in Service		\$6,609,039,868	\$3,103,098,553	\$6,727,489,235	\$3,251,408,434	\$6,668,264,551	\$3,177,253,494	\$3,491,011,057
32	Net Plant		\$4,230,005,806	\$1,987,747,517	\$4,362,180,428	\$2,069,740,421	\$4,296,093,117	\$2,028,743,969	\$2,267,349,147