

January 5, 2015

**VIA Electronic Filing**

The Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: Supplement to July 31, 2014 Annual Informational Filing Regarding ISO  
Tariff Charges in Effect as of June 1, 2014, Pursuant to Docket Nos. RT04-2-  
000, et. al.**

Dear Secretary Bose:

The Participating Transmission Owners' Administrative Committee ("PTO AC") on behalf of New England's Participating Transmission Owners ("PTOs") hereby electronically submits for informational purposes this letter and supporting materials to supplement its July 31, 2014, PTO AC Informational Filing under Section II of the ISO New England Inc. ("ISO-NE") Transmission, Markets and Services Tariff ("ISO Tariff") in the above captioned proceeding.<sup>1</sup>

**I. Background**

On July 31, 2014, the PTOs submitted to the Commission the PTO AC Informational Filing ("July 31 Informational Filing") identifying updated rates for regional formula transmission charges for Scheduling, System Control and Dispatch Service ("S&D")<sup>2</sup>, Through or Out ("TOUT") Service<sup>3</sup>, and Regional Network Service ("RNS")<sup>4</sup>, pursuant to Commission-approved formula rates respectively contained in Schedule 1, Schedule 8, and Schedule 9 under the ISO Tariff. These charges were based on actual cost data for calendar year 2013 and estimated data for calendar year 2014 and became effective as of June 1, 2014.<sup>5</sup>

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<sup>1</sup> Capitalized terms used, but otherwise not defined in this filing letter, are intended to have the meanings ascribed to them by the ISO Tariff.

<sup>2</sup> See ISO Tariff, Section II, Schedule 1.

<sup>3</sup> See ISO Tariff, Section II, Schedule 8.

<sup>4</sup> See ISO Tariff, Section II, Schedule 9.

<sup>5</sup> As stated in the July 31 Informational Filing, the PTOs are aware of the Commission Staff Guidance on Formula Rate Updates issued July 17, 2014. The PTOs are still in the process of reviewing applicable formula rate protocols for consistency with the Commission Staff's guidance. During its review of the guidelines, FG&E discovered an omission that would result in an increase of \$1,640 to its transmission revenue requirements for the period covered by this informational filing. Since this error would result in an increase to transmission rates, FG&E proposes to waive collection of these revenues for the remainder of the present rate year and prior year periods, but will make this correction to its revenue requirement in the 2015-2016 rate year, and any other corrections or clarifications determined to be appropriate under the PTO review process as part of the next Annual Informational filing that will be submitted to the Commission in July, 2015.

Pursuant to Section II, Attachment F and Schedule 1 of the ISO Tariff, the PTOs are required to submit an informational filing to the Commission annually before July 31 of each year reflecting the calculation of regional transmission rates based on the most recent calendar year data. The ISO Tariff also requires revising the informational filing, and hence the rates for regional transmission services, if an error is found or if there is a change to the underlying data used in the calculation of the rates. Under Schedule 1 and Attachment F, “[i]f there are any corrections made to the information reflected in the informational filing after it has been submitted, the PTOs will file corrections to the informational filing.”<sup>6</sup>

The modifications reflected in a corrected informational filing are used to revise the rates for S&D, TOUT<sup>7</sup> and RNS, whichever is applicable, and to adjust customer bills accordingly. Attachment F makes clear that an informational filing “does not reopen the formula rate...but rather is contestable only with respect to the accuracy of the information contained in the informational filing.”<sup>8</sup> Pursuant to the advance posting provisions in the Attachment F Implementation Rule of the ISO Tariff, the rates subject to the revisions submitted with this filing, and supporting information, have been posted on the ISO-NE website 45 days in advance of the date of this filing. Through the date of this filing, no comments have been received regarding this informational posting.

## **II. Description of Adjustments Made to the July 31, 2014 Annual Informational Filing**

This supplemental filing contains revised information from New England Power Company d/b/a National Grid (“NEP”) which results in adjustments to the S&D, TOUT and RNS rates in effect for the period beginning June 1, 2014 through May 31, 2015. The proposed supplemental PTO AC rate information contained in this filing identifies the impact of NEP’s revisions on the S&D and RNS rates. The revised support sheets for S&D and RNS rates and revised information for NEP are attached to this transmittal letter as Attachment 2.

NEP’s revisions in this filing are the result of a limited tariff waiver granted by the Commission in Docket No. ER14-1686.<sup>9</sup> On April 8, 2013, NEP filed a Request for Limited Tariff Waiver requesting a waiver of certain requirements under Attachment F to the ISO Tariff to (1) permit NEP to provide estimated data as the basis for calculating its calendar year 2013 Transmission Revenue Requirement for the S&D, TOUT and RNS service rates submitted for the July 31 Informational Filing and (2) give NEP until February 28, 2015, to submit a corrected informational filing to the Commission with NEP’s Transmission Revenue Requirement updated

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<sup>6</sup> See ISO Tariff, Section II, Schedule 1, and Attachment F “Implementation Rule.” See also ISO Tariff Section II.8.7 (“The ISO and the PTOs shall (consistent with Attachment L4 to this OATT) calculate refunds from the PTOs to the ISO and/or surcharges by the PTOs to the ISO, which will be passed through by the ISO to its Customers, attributable to adjustments associated with charges under Attachment F and Schedules 1, 8 and 9 of this OATT resulting from: (i) an audit of the regional rates; (ii) a Commission order . . . or (iii) a billing correction.”).

<sup>7</sup> See Section II.25.2 of the ISO Tariff. The TOUT rate is derived directly from the RNS rate. The ISO updates the TOUT rate based on the pool RNS rate, and therefore the PTOs are not submitting supporting documents regarding changes to the TOUT with this filing.

<sup>8</sup> ISO Tariff, Section II, Attachment F, Implementation Rule.

<sup>9</sup> *New England Power Company*, 147 FERC ¶ 61,187 (June 6, 2014)(“Limited Tariff Waiver”).

such that it fully complies with the ISO Tariff's requirement that 2013 FERC Form 1 data be used for calculating NEP's Transmission Revenue Requirement.

On June 6, 2014 the Commission granted National Grid's request with certain modifications. Specifically, the Commission granted the waiver request, but shortened the proposed filing date to no later than January 12, 2015. The Commission also required that the corrected rates be posted on the ISO-NE website for no less than 45 days prior to making the supplemental filing, or no later than November 29, 2014 if the filing was to be made on January 12<sup>th</sup>. The actual posting took place on November 21, 2014. Today's supplemental filing complies with the 45-day posting requirement.

Using actual information from its 2013 FERC Form 1 results in a decrease to NEP's Annual Transmission Revenue Requirement ("ATRR") of \$3,600,458 from the estimated ATRR included in the July 31 Informational Filing. This is a decrease to the RNS rate of \$0.17218/kW-yr. for the period June 1, 2014 through May 31, 2015.<sup>10</sup> In addition, the use of actual 2013 FERC Form 1 data results in a decrease to the Schedule 1 S&D rate of \$0.04684/kW-yr. Worksheets supporting the calculation of NEP's revenue requirements for 2013 are provided in Attachment 1 to this transmittal letter.

NEP's revisions in this filing also consist of corrections to address certain errors from prior periods. The 2013 ATRR true-up in this supplemental filing includes a one-time adjustment for the period of June 1, 2014 through May 31, 2015 to correct ATRR calculations for the years 2008 through 2012. This correction is a result of correcting the basis for identifying plant investment as Pool Transmission Facilities ("PTF") owned by NEP and its affiliates for purposes of establishing NEP's ATRR for RNS rates. In validating 2013 plant balances for the FERC Form 1, anomalies were noted in transmission plant values which prompted a further review of internal plant reports used to determine the plant accounting inputs for the ATRR calculation. This review revealed that the underlying tables used to calculate specific PTF and Non-PTF asset values required correction back to December 2008. The Company has now updated the tables to reflect the corrected information for the PTF and Non-PTF transmission plant assets.<sup>11</sup> The internal plant reports were also revised to correct Post-2003 PTF Investment and PTF plant investment specifically related to the New England East West Solution ("NEEWS") both of which qualify for incentive rate treatment. Attachment 3 provides a summary of the corrections to plant investment for the years 2008 through 2012. To correct the impact of these errors on RNS rates, NEP recalculated its ATRRs for 2008 through 2012 based on the corrected plant balances and associated accumulated depreciation and accumulated deferred taxes. The increase to the PTF plant balances also caused an increase to the PTF Plant Allocation Factor that is used to allocate certain rate base and revenue requirement items that contributes to the increase in the ATRR. The revised calculations for this time period are contained in Attachment 4, Exhibits 1 through 8, to this transmittal letter. The total change to the

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<sup>10</sup> As part of the Limited Tariff Waiver, NEP has agreed that its shareholders, not customers, will pay ISO-NE's administrative charges necessary to rebill customers for the period from June 1, 2014 through September 30, 2014. In accordance with the Billing Protocol under Section I of the ISO Tariff, revised rates for transmission service rendered after October 1, 2014 will be captured in real time under ISO-NE's 90-day resettlement period.

<sup>11</sup> A corresponding decrease to NEP's non-PTF plant values will be reflected shortly in cumulative refunds, with interest, that will be applied to the bills of transmission customers taking Local Network Services over NEP's non-PTF transmission facilities under Schedule 21-NEP of the ISO Tariff.

ATRRs for these years resulted in a total revenue requirement increase of \$13,691,514 which has been included as a one-time adjustment to the ATRR calculation for the June 1, 2014 through May 31, 2015 rate period. NEP is not seeking recovery of any interest on this amount. The \$13,691,514 increase to ATRR results in a one-time increase to the RNS rate of \$0.65476/kW-yr. or 0.7 percent for the period from June 1, 2014 through May 31, 2015.

The combined effect of the \$3,600,458 decrease to ATRR from NEP's actual 2013 FERC Form 1 results and the one-time adjustment resulting from the correction of plant investment values from prior years results in a net increase of \$10,091,055 million to the ATRR, which will increase the RNS rate by approximately \$0.48258/kW-year, or 0.5 percent for the period of June 1, 2014 through May 31, 2015.

### **III. Method Utilized by NEP To Revise Prior Year Revenue Requirements**

NEP has proposed to include its prior year ATRR revenue requirement corrections through a one-time adjustment to the current RNS rate effective June 1, 2014 through May 31, 2015 (referred to herein as "prospective adjustment"). The ISO-NE Billing Policy<sup>12</sup> is generally utilized for recalculations that are performed within a short time frame from the original billing. Longer term recalculations require the ISO to undertake a significant level of administrative effort.

NEP respectfully requests that the Commission grant any waivers that may be necessary to enable the PTOs to reflect the revisions in prior-year PTF revenue requirements as a prospective adjustment to the current year's RNS rate. NEP submits that there is good cause for using a prospective adjustment because in these circumstances it is administratively simpler, more efficient, and less costly than undertaking a complete rebilling. Implementing re-billing for these relatively small adjustments would precipitate administrative charges for time spent by ISO-NE to recalculate over 60 months of ISO billings to correct over- and under-collections on a monthly basis to all customers as part of the re-billing process under the ISO-NE Re-Billing Protocol.<sup>13</sup> This re-billing would entail substantial administrative effort and expense whereas a prospective adjustment will fully recover the past under-collection with minimal administrative effort. Therefore, NEP has adopted a prospective rate adjustment approach and respectfully submits that such an approach is the most efficient and effective method to remedy the prior errors in its PTF revenue requirement calculations.

At the PTO AC Meeting held on November 19, 2014, the Participating Transmission Owners were notified of the proposed prospective rate adjustment. There were no objections by the PTOs to the use of this methodology.

### **IV. Charges Resulting from the Adjustments Reflected in This Supplement to the July 31, 2014 Annual Informational Filing**

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<sup>12</sup> See ISO Tariff, Exhibit I D (ISO New England Billing Policy), Section 2.6(a) ("Adjustments Requested by Covered Entities").

<sup>13</sup> *Id.*, and See ISO-NE Re-Billing Policy at: [http://www.iso-ne.com/stlmnts/assur\\_crdt/misc/rebilling\\_protocol.pdf](http://www.iso-ne.com/stlmnts/assur_crdt/misc/rebilling_protocol.pdf)

The impact of these revisions on the S&D and RNS rates is, respectively, a decrease of \$0.04684/kW-yr. and increase \$0.48258/kW-yr. The revised S&D rate is \$ 1.64867/kW-yr. and revised RNS rate is \$90.27897/kW-yr.

## **V. Attachments and Additional Supporting Information**

- This Transmittal Letter;
- Attachment 1 - NEP's revised PTF revenue requirement worksheets for 2013;
- Attachment 2 - Revised support sheets for S&D and RNS for rates effective June 1, 2014 – May 31, 2015;
- Attachment 3 - Summary of corrections to ATRR plant investment inputs;
- Attachment 4 - NEP's revised PTF revenue requirement worksheets for 2008 - 2012;
- Attachment 5 - Service List of state regulators and other interested parties; and
- Attachment 6 - List of Participating Transmission Owners sponsoring this supplemental informational filing.

## **VI. Communications**

The PTOs request that correspondence and communications with respect to this supplement to the July 31 Informational Filing in this proceeding be addressed to the following:

<p>New England Power Company d/b/a National Grid</p> <p>Timothy J Martin Principal Program Manager National Grid 40 Sylvan Road Waltham, MA 02451 Tel: (781) 907-2417 Fax: (781) 907-5700 <a href="mailto:Timothy.martin@nationalgrid.com">Timothy.martin@nationalgrid.com</a></p>	<p>Terry L. Schwennesen Counsel for National Grid c/o National Grid 40 Sylvan Road Waltham, MA 02451 Tel: (401) 480-9051 <a href="mailto:Terry.Schwennesen@nationalgrid.com">Terry.Schwennesen@nationalgrid.com</a></p>
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<p>PTO AC Chair</p> <p>James Clemente The United Illuminating Company 180 Marsh Hill Road Orange, CT 06477 Tel: (203) 499-3669 James.Clemente@uinet.com</p>	<p>PTO AC Legal Work Group Chair</p> <p>Michael J. Hall Senior Counsel 780 N. Commercial Street Manchester, NH 03257 Tel: (603) 634-2273 Fax: (603) 634-2438 <a href="mailto:Michael.Hall@nu.com">Michael.Hall@nu.com</a></p>
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Accordingly, the PTOs request that these individuals be entered on the official service list maintained by the Secretary in this proceeding.

A copy of this submission is being sent to state regulators in New England, the New England Conference of Public Utility Commissioners (“NECPUC”), ISO New England, Inc., NEPOOL and the Power Planning Committee of the New England Governors Conference, Inc. Attachment 5 identifies the entities to which this filing has been sent. In addition, Attachment 6 includes a service list of the PTOs making up the PTO AC and sponsoring this filing.

Thank you for your attention to this matter. Please contact me if you have any questions concerning this informational filing.

Respectfully submitted,

/s/ Michael J. Hall

Michael J. Hall, Esq.  
Counsel to Northeast Utilities  
& Chair of the PTO AC Legal Work Group  
On behalf of the PTO Administrative Committee

Attachments

cc: Persons and Entities identified in Attachments 5 and 6.

**Attachment 1**

**NEP's Revised PTF Revenue Requirement Worksheets for 2013**





**PTO 2013 12 CP NETWORK LOADS**

	<b>2013</b>
<b>Local Networks</b>	<b>Network Load (MW)</b>
Central Maine Power Co.	<b>1,418.440</b>
Emera Maine	<b>254.663</b>
Fitchburg Gas & Electric Light Co.	<b>76.971</b>
New England Power Co.	<b>6,019.709</b>
Northeast Utilities	<b>7,235.546</b>
NSTAR Electric Co.	<b>4,339.080</b>
The United Illuminating Co.	<b>734.933</b>
VT Transco LLC	<b>831.238</b>
<b>Total</b>	<b>20,910.580</b>

Long Term TOUT (MW)	<b>0</b>
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**Total impact to RNS rate**

<b>PTO RNS Rates for 6/1/14</b>	<b>PRE 97 RNS Rate</b>	<b>Post 96 RNS Rate</b>	<b>RNS Rates for June 1, 2014 (Revised November 19, 2014)</b>	<b>RNS Rates previously in effect June 1, 2014</b>	<b>Delta</b>
<b>Total NE Rev Req</b>	\$351,555,970	\$1,536,229,681			
<b>Total NE Loads - kW</b>	20,910,580	20,910,580			
<b>Total NE RNS \$ / kW-yr.</b>	16.81235	73.46662	90.27897	89.79639	0.48258

**Impact To ATRR Of Final 2013 FERC Form 1**

<b>PTO RNS Rates for 6/1/14</b>	<b>PRE 97 RNS Rate</b>	<b>Post 96 RNS Rate</b>	<b>RNS Rates for June 1, 2014 (Revised November 19, 2014)</b>	<b>RNS Rates previously in effect June 1, 2014</b>	<b>Delta</b>
<b>Total NE Rev Req</b>	\$347,444,493	\$1,526,649,644			
<b>Total NE Loads - kW</b>	20,910,580	20,910,580			
<b>Total NE RNS \$ / kW-yr.</b>	16.61573	73.00848	89.62421	89.79639	(0.17218)

**Impact To ATRR Of One-time Adjustment To Correct ATRR 2008-2012**

<b>PTO RNS Rates for 6/1/14</b>	<b>PRE 97 RNS Rate</b>	<b>Post 96 RNS Rate</b>	<b>RNS Rates for June 1, 2014 (Revised November 19, 2014)</b>	<b>RNS Rates previously in effect June 1, 2014</b>	<b>Delta</b>
<b>Total NE Rev Req</b>	\$4,111,477	\$9,580,037			
<b>Total NE Loads - kW</b>	20,910,580	20,910,580			
<b>Total NE RNS \$ / kW-yr.</b>	0.19662	0.45814	0.65476	0.00000	0.65476

<b>REGIONAL RATES NOTICE</b>	
<b>TO:</b>	NEPOOL Transmission Committee Members and Alternates
<b>FROM:</b>	Tiffany Forsyth, Member - Rates Work Group (“RWG”) of the Participating Transmission Owners Administrative Committee (“PTO AC”)
<b>DATE:</b>	November 19, 2014
<b>RE:</b>	RNS and Schedule 1 Rates Effective June 1, 2014 (Revised November 19, 2014)

Please note that the formula rates for Regional Network Service (“RNS”) and Regional Schedule 1 Service effective June 1, 2014 have been updated to reflect actual data for 2013, forecasted data for 2014 and the annual true-up and associated interest of New England Power Company. The resulting rates for RNS and Schedule 1 are included in the table below for stakeholder information purposes and for posting on OASIS.

-----REGIONAL RATES (\$ / kW-year)-----					
	Pre 97	Post 96	Total RNS Rate Effective 6/1/14 (Revised 11/19/14)	Total RNS Rate Previously in Effect 6/1/14	Change
RNS - revised	16.81235	73.46662	90.27897	89.79639	0.48258
Schedule 1			1.64867	1.69551	(0.04684)

The PTO AC has approved the revised RNS and Schedule 1 rates effective June 1, 2014 at the meeting scheduled on November 19, 2014.

The PTO AC on behalf of the New England PTOs will submit an Annual Informational Filing to FERC on or before January 12, 2015 and a draft of the Information Filing will be available for viewing on ISO’s web site by November 21, 2014 at:

[http://www.iso-ne.com/stlmnts/iso\\_rto\\_tariff/supp\\_docs/2014/index.html](http://www.iso-ne.com/stlmnts/iso_rto_tariff/supp_docs/2014/index.html)

**Attachment 2**

**Revised Support Sheets for S&D and RNS for Rates Effective June 1, 2014 – May 31, 2015**

SUMMARY

**ISO NE Transmission, Markets & Services Tariff**  
**OATT Regional Schedule 1 - Scheduling System Control and Dispatch Service Rate**  
**Effective June 1, 2014 - May 31, 2015**  
**Revised 11/19/2014**

1 Total of FERC account 561-561.4 (exclude ME, REMVEC, CONVEX /ESCC costs)	\$ 13,289,811	1
2 Less ISO & OATT Sch 1 costs included in above accounts	1,976,914	2
3 Sub-total (1-2)	11,312,897	3
4 Amount allocated to transmission function	11,312,897	4
5 Transmission related S&D costs from SCADA or other systems	7,361,664	5
6 Sub-total (4+5)	18,674,561	6
7 PTF allocation factors (see page 2 for details)	79.3283%	7
8 Sub-total after applying PTF allocation factors (from page 2)	14,814,216	8
9 Maine LCC costs	3,436,400	9
10 REMVEC II costs	837,157	10
11 CONVEX costs	16,468,859	11
12 Sub-total (9+10+11)	20,742,416	12
13 100% allocated to transmission function	20,742,416	13
14 Revenues credited for short-term Transmission Service	(1,081,954)	14
15 Total transmission related system & dispatch revenue requirement (8+13+14)	34,474,677	15
16 12 month CP LOAD (kW) as defined in section 46.1 of the ISO-NE Tariff	20,910,580	16
17 Long Term Firm PTP Capacity (kW)	-	17
18 Scheduling System Control and Dispatch Service Rate (\$/kW-YR): (15/(16+17))	\$ 1.64867	18

ISO NE Transmission, Markets & Services Tariff																		
OATT Regional Schedule 1 - Scheduling System Control and Dispatch Service Rate																		
Effective June 1, 2014 - May 31, 2015																		
Revised 11/19/14																		

ISO NE Transmission, Markets & Services Tariff		
OATT Regional Schedule 1 - Scheduling System Control and Dispatch Service Rate		
Effective June 1, 2014 - May 31, 2015		
(Reflecting 2013 Schedule 1 Costs) Revised 11/19/2014		
COMPANY		SCHEDULE 1 DISTRIBUTION %
Braintree Electric Light Department		0.02414%
Central Maine Power Company		8.30193%
Emera Maine		2.76534%
Fitchburg Gas and Electric Light Company		0.11229%
Hudson Light & Power Department		0.01732%
Maine Electric Power Company		0.41530%
Massachusetts Municipal Wholesale Electric		0.16830%
Middleborough Gas & Electric Department		0.00765%
New England Power Company		15.44335%
Northeast Utilities		46.97644%
NSTAR Electric Company		18.07881%
Reading Municipal Light Plant		0.02540%
Taunton Municipal Light Plant		0.03225%
United Illuminating Company		0.04380%
Vermont Transco LLC		7.58768%
	TOTAL =	100.00%

**PTO 2013 12 CP NETWORK LOADS**

	2013
Local Networks	Network Load (MW)
Central Maine Power Co.	1,418.440
Emera Maine	254.663
Fitchburg Gas & Electric Light Co.	76.971
New England Power Co.	6,019.709
Northeast Utilities	7,235.546
NSTAR Electric Co.	4,339.080
The United Illuminating Co.	734.933
VT Transco LLC	831.238
<b>Total</b>	<b>20,910.580</b>

Long Term TOUT (MW)	<b>0</b>
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PTO RNS Rates for 6/1/14	PRE 97 RNS Rate	Post 96 RNS Rate	RNS Rates for June 1, 2014 (Revised November 19, 2014)	RNS Rates previously in effect June 1, 2014	Delta
Total NE Rev Req	\$351,555,970	\$1,536,229,681			
Total NE Loads - kW	20,910,580	20,910,580			
Total NE RNS \$ / kW-yr.	16.81235	73.46662	90.27897	89.79639	0.48258

PTO 2013 Rev Req						
PTO Annual Input Data 2013 (Revised 11/19/14)						
	Customer #	DUNS #	DUNS Name	PTF Revenue Requirements		
				Pre-1997 PTF \$	Post-1996 PTF \$	
1	5	17-057-1897	Braintree Electric Light Department	\$ 144,673	\$ 1,362,936	1
2	6	00-694-8954	<b>Central Maine Power Company</b>	\$ 17,204,907	\$ 234,358,293	2
3	7	11-468-3899	Chicopee Electric Light Department	\$ 26,708	\$ 799,367	3
4	51386	96-773-8696	Connecticut Transmission Municipal Electric	\$ 343,747	\$ 8,917,213	4
5	2	00-694-9002	<b>Emera Maine</b>	\$ 913,486	\$ 50,353,845	5
6	38	00-695-4317	<b>Fitchburg Gas &amp; Electric Light Co.</b>	\$ 162,815	\$ 381,572	6
7	44	08-465-0050	Holyoke Gas & Electric Department	\$ 1,169,086	\$ 2,081,628	7
8	45	10-775-5126	Hudson Light & Power Department	\$ 204,065	\$ -	8
9	6	06-099-4258	Maine Electric Power Company	\$ 3,105,402	\$ 1,714,115	9
10	76	07-172-4900	Massachusetts Municipal Wholesale Electric	\$ 807,579	\$ 533,025	10
11	79	15-597-6665	Middleborough Gas & Electric Department	\$ 47,246	\$ 902,712	11
12	81	00-695-2881	<b>New England Power Company</b>	\$171,890,583	\$184,685,097	12
13	51321	83-132-2677	New Hampshire Transmission, LLC	\$ 2,903,404	\$ 16,175,338	13
14	112	95-910-8929	<b>Northeast Utilities</b>	\$ 66,148,984	\$ 602,215,243	14
15	158	08-421-1572	Norwood Municipal Light Department	\$ -	\$ 2,563,775	15
16	3	00-695-1552	<b>NSTAR Electric Company</b>	\$ 49,558,238	\$ 190,933,064	16
17	148	86-703-4654	Reading Municipal Light Plant	\$ (142,959)	\$ 324,779	17
18	153	04-661-6033	Taunton Municipal Light Plant	\$ (73,960)	\$ 13,633	18
19	185	79-806-8342	Unitil Power Corp.	\$ 126,672	\$ -	19
20	181	00-691-7967	<b>United Illuminating Company</b>	\$ 21,271,544	\$ 94,937,914	20
21	50853	78-039-9163	<b>Vermont Transco LLC</b>	\$ 12,474,570	\$ 138,008,051	21
21	182	00-579-1934	Vermont Electric Power Co, Inc.	\$ 3,191,043	\$ 4,486,791	21
22	51310	01-013-9228	Wallingford Electric	\$ 78,137	\$ 481,290	22
23			<b>Total</b>	\$351,555,970	\$ 1,536,229,681	23
			* Revenue requirement amounts indicate payments made to support PTF owned by other Participants.			



Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2013
Rates Effective for the Period: Through:	June 2014 September 2014
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	<u>Pre-97 Revenue Requirements</u>	<u>Post-96 Revenue Requirements</u>
Total of Attachment F - Sections A through I	\$144,558,044 <sup>(a)</sup>	\$158,541,414 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,208,613 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$697,433 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$328,037) <sup>(d)</sup>	(\$926,350) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$139,718,827 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$157,615,064 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$55,865,456 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$139,718,827 <sup>(n)=(e)+(l)</sup>	\$213,480,520 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$353,199,347 <sup>(p) = (n) + (o)</sup>

**New England Power Company  
Annual Revenue Requirements of PTF Facilities  
For Costs in 2013**

**POST-1996**

Shading denotes an input

		Attachment F		
I. <u>INVESTMENT BASE</u>		Reference	NEP	Reference
Line No.		Section:		
1	Transmission Plant	(A)(1)(a)	\$986,723,295	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$3,236,344	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$542,157	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		\$990,501,796	
5	Accumulated Depreciation	(A)(1)(d)	(\$209,979,240)	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$223,376,635)	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$102,169	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$22,676,431	Worksheet 3, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		\$579,924,521	
10	Prepayments	(A)(1)(h)	\$140,767	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,861,480	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$4,911,504	Worksheet 3, line 25 column 5
13	NEEWS CWIP	(A)(1)(k)	\$15,340,495	Worksheet 3, line 26 column 5
14	Total Investment Base (Line 9+10+11+12+13)		\$602,178,767	
II. <u>REVENUE REQUIREMENTS</u>				
15	Investment Return and Income Taxes	(A)	\$80,450,478	Worksheet 2
16	Depreciation Expense	(B)	\$21,116,358	Worksheet 4, line 3, column 5
17	Amortization of Loss on Reacquired Debt	(C)	\$47,186	Worksheet 4, line 4, column 5
18	Investment Tax Credit	(D)	(\$202,818)	Worksheet 4, line 5, column 5
19	Property Tax Expense	(E)	\$16,940,728	Worksheet 4, line 6, column 5
20	Payroll Tax Expense	(F)	\$897,449	Worksheet 4, line 22, column 5
21	Operation & Maintenance Expense	(G)	\$20,238,401	Worksheet 4, line 11, column 5
22	Administrative & General Expense	(H)	\$19,053,632	Worksheet 4, line 21, column 5
23	Transmission Related Integrated Facilities Charge	(I)	\$0	Attachment 4, line 6
24	Transmission Support Revenue	(J)	\$0	Worksheet 6
25	Transmission Support Expense	(K)	\$0	Worksheet 6
26	Transmission Related Expense from Generators	(L)	\$0	
27	Transmission Related Taxes and Fees Charge	(M)	\$0	
28	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$380,112)	Attachment 7
29	Transmission Rents Received from Electric Property	(O)	(\$546,238)	Attachment 6
30	Total Revenue Requirements (Line 14 thru 28)		\$157,615,064	

**New England Power Company**  
**Post 1996 Regional Network Service Revenue Requirement**  
**For Test Year Ended 12/31/2013**

Shading denotes an input

<u>Line No.</u>	<u>Description</u>	<u>Attachment F Reference</u>	<u>Forecasted Amount \$</u>	<u>Reference</u>
1	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTP A)		\$ 41,123,368	Line 6
2	Forecasted Revenue Requirements for Forecasted Transmission CWIP		\$14,742,088	Line 9
3	<b>Forecasted Transmission Revenue Requirements</b>		<b>\$ 55,865,456</b>	Line 1 + Line 2
4	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTP A)	Appendix C iv	\$ 262,525,453	Project Detail
5	Carrying Charge Factor (CCF)	Appendix C vi	15.66453%	Line 20
6	<b>Forecasted Revenue Requirements for FTP A</b>		<b>\$ 41,123,368</b>	Line 4 * Line 5
7	Forecasted New England Power Company (NEP) NEEWS CWIP (FNCWIP)	Appendix C xiii	\$ 102,335,530	Project Detail
8	NEEWS NEP Cost of Capital Rate (NCOC)	Appendix C xiv	14.40564%	Worksheet 2, Cap Structure 12.89%
9	<b>Forecasted Revenue Requirements for FNCWIP</b>		<b>\$ 14,742,088</b>	Line 7 * Line 8
<b><u>Derivation of Carrying Charge (CCF)</u></b>				
10	Investment Return and Income Taxes	(A)	\$76,474,592	Worksheet 2, excluding NEEWS CWIP
11	Depreciation Expense	(B)	21,116,358	Summary, Line 16
12	Amortization of Loss on Reacquired Debt	(C)	47,186	Summary, Line 17
13	Investment Tax Credit	(D)	(202,818)	Summary, Line 18
14	Property Tax Expense	(E)	16,940,728	Summary, Line 19
15	Payroll Tax Expense	(F)	897,449	Summary, Line 20
16	Operation & Maintenance Expense	(G)	20,238,401	Summary, Line 21
17	Administrative & General Expense	(H)	19,053,632	Summary, Line 22
18	Total Expenses (Lines 10 thru 17)		\$154,565,528	
19	PTF Transmission Plant	(A)(1)(a)	\$986,723,295	Summary, Line 1
20	<b>Carrying Charge Factor (FTP A)</b>		<b>15.66453%</b>	Line 18 / Line 19

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2013**

**Attachment 2**  
**Page 9 of 41**

PTF Revenue Requirements  
**Worksheet 2 of 6**  
Page 1 of 2

Shading denotes an input

	CAPITALIZATION 12/31/2012	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	32.98%	0.63%	0.21%	
PREFERRED STOCK	\$ 1,111,700	0.09%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 832,696,968	66.93%	11.64%	7.79%	7.79%
<b>TOTAL INVESTMENT RETURN</b>	<b>\$1,244,158,668</b>	<b>100.00%</b>		<b>8.01%</b>	<b>7.80%</b>

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0801

(b) Federal Income Tax = ( R.O.E. + ( PTF Inv. (Tax Credit + Eq. AFUDC of Deprec. Exp. ) / PTF Inv. Base ) x Federal Income Tax Rate )  
( 1 ( (\$202,818) + \$798,777 ) / \$602,178,767 ) x 0.35 )  
= 0.0425329

(c) State Income Tax = ( R.O.E. + ( PTF Inv. (Tax Credit + Eq. AFUDC of Deprec. Exp. ) / PTF Inv. Base ) + Federal Income Tax ) \* State Income Tax Rate  
( 1 ( (\$202,818) + \$798,777 ) / \$602,178,767 ) + 0.0425329 ) \* 0.059466  
= 0.0076834

(a)+(b)+(c) Cost of Capital Rate = 0.1303163

(PTF)  
INVESTMENT BASE \$602,178,767 From Worksheet 1  
x Cost of Capital Rate 0.1303163  
= Investment Return and Income Taxes \$78,473,709 To Worksheet 1

INVESTMENT BASE (Excluding NEEWS CWIP) \$586,838,272 From Worksheet 1  
x Cost of Capital Rate 0.1303163  
= Investment Return and Income Taxes \$76,474,592 To Worksheet 2

**Post 2003 PTF Investment Base w/ Incremental 100 bps:**

Plant In-Service \$ 209,862,929 From Attachment 1  
Accumulated Depreciation (44,104,898) From Worksheets 5 & 7  
Accumulate Deferred Income Taxes (47,203,372) From Worksheets 5 & 7  
**Total Post-2003 Investment** \$ 118,554,659 Calculated

Incremental ROE: 1.00% 0.00669 Calculated  
Federal Income Taxes: 0.00360 Per Attachment F  
State Income Taxes: 0.00065 Per Attachment F  
Cost of Capital Rate 0.01094  
Incremental Return and Taxes on Post-2003 PTF Investment \$ 1,296,988

**NEEWS In-Service w/ Incremental 125 bps:**

New England Power NEEWS In-Service \$ 60,742,476 PowerPlant PTF 4 & 5 reports - PTF only  
Accumulated Depreciation (12,765,586) From Worksheets 3 & 5  
Accumulate Deferred Income Taxes (13,662,089) From Worksheets 3 & 5  
**Total New England Power NEEWS Investment** \$ 34,314,801 Calculated

Incremental ROE: 1.25% 0.00837 Calculated  
Federal Income Taxes: 0.00451 Per Attachment F  
State Income Taxes: 0.00081 Per Attachment F  
Cost of Capital Rate 0.01369  
Incremental Return and Taxes on NEEWS PTF Investment \$ 469,770

**NEEWS in CWIP**

New England Power NEEWS In-Service \$ 15,340,495 From Worksheets 3  
Accumulated Depreciation 0  
Accumulate Deferred Income Taxes 0  
**Total New England Power NEEWS Investment** \$ 15,340,495 Calculated

Incremental ROE: 1.25% 0.00837 Calculated  
Federal Income Taxes: 0.00451 Per Attachment F  
State Income Taxes: 0.00081 Per Attachment F  
Cost of Capital Rate 0.01369  
Incremental Return and Taxes on NEEWS PTF Investment \$ 210,011

**NEEWS Allocation Factor**

Total Transmission Investment	\$1,868,987,087	Worksheet 5 Line 2
Total NEEWS In-Service - NEP	\$ 60,742,476	Plant Accounting Records
For Accumulated Depreciation	3.2500%	
NEEWS Allocation Factor	3.2500%	
Plant Allocation Factor	0.993561	Worksheet 5 Line 16
For Accumulated Deferred Income Taxes	3.2290%	

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2013**

Shading denotes an input

	CAPITALIZATION 12/31/2013	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	32.98%	0.63%	0.21%	
PREFERRED STOCK	\$ 1,111,700	0.09%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 832,696,968	66.93%	12.89%	8.63%	8.63%
TOTAL INVESTMENT RETURN	\$1,244,158,668	100.00%		8.85%	8.64%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	<u>0.0885</u>	
(b) Federal Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{\left( \frac{0.0864}{1} + \frac{(\$202,818) + \$798,777}{\$602,178,767} \right) / 0.35} \right) \times 0.35$	
	=	<u>0.0470560</u>	
(c) State Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{State Income Tax Rate}}{\left( \frac{0.0864}{1} + \frac{(\$202,818) + \$798,777}{\$602,178,767} \right) / 0.059466} \right) \times 0.059466$	
	=	<u>0.0085004</u>	
(a)+(b)+(c) Cost of Capital Rate	=	<u>0.1440564</u>	

## New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1					\$986,723,295	Attachment 1, Page 1
2					\$0	Attachment 2
3	\$ 6,142,337	99.8004% (a)	\$6,130,077	52.7945% (b)	\$3,236,344	FERC Form 1 page 207.99g
4			<u>\$6,130,077</u>		<u>\$989,959,639</u>	
5	\$ 1,026,919		\$1,026,919	52.7945% (b)	<u>\$542,157</u>	FERC Form 1 page 214.2d,4d,9d
6	\$ (392,787,258)		(\$392,787,258)	52.7945% (b)	(\$207,370,069)	FERC Form 1 page 219.25b
7	\$ (4,952,011)	99.8004% (a)	(\$4,942,127)	52.7945% (b)	(\$2,609,171)	FERC Form 1 Page 219.28b
8			<u>(\$397,729,385)</u>		<u>(\$209,979,240)</u>	
9	\$ (474,541,945)	99.3561% (c)	(\$471,486,369)	52.7945% (b)	(\$248,918,871)	FERC Form 1 page 113.62-64
10	\$ 48,694,028	99.3561% (c)	\$48,380,487	52.7945% (b)	\$25,542,236	FERC Form 1 page 111.82
11			<u>(\$423,105,882)</u>		<u>(\$223,376,635)</u>	
12	\$ 193,522	100.0000%	\$193,522	52.7945% (b)	<u>\$102,169</u>	FERC Form 1 Page 111.81c
13	\$ -	99.8004% (a)	\$0	52.7945% (b)	\$0	FERC Form 1 Page 232.8f
14	\$ 42,952,261	100.0000%	\$42,952,261	52.7945% (b)	\$22,676,431	FERC Form 1 Page 232.6f
15	\$ -	100.0000%	\$0	52.7945% (b)	\$0	FERC Form 1 Page 278
16	<u>\$42,952,261</u>		<u>\$42,952,261</u>		<u>\$22,676,431</u>	
17	\$ 267,164	99.8004% (a)	\$266,631	52.7945% (b)	<u>\$140,767</u>	FERC Form 1 Page 111.57c
18	\$ 3,525,898		\$3,525,898	52.7945% (b)	<u>\$1,861,480</u>	FERC Form 1 Page 227.8c
19						
20					\$20,238,401	Worksheet 1, Line 20
21					\$19,053,632	Worksheet 1, Line 21
22					\$0	Worksheet 8
23					<u>\$39,292,033</u>	
24					<u>0.1250</u>	x 45 / 360
25					<u>\$4,911,504</u>	
26	\$ 15,340,495				<u>\$15,340,495</u>	Plant Accounting Records

(a) Worksheet 5 Line 11

(b) Worksheet 5 Line 3

(c) Worksheet 5 Line 16

## New England Power Company

Shading denotes an input

Line No.	(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
<u>Depreciation Expense</u>						
1	\$39,663,532		\$39,663,532	52.7945%	\$20,940,163	FERC Form 1 Page 336.7b
2	\$334,405	99.8004% (a)	\$333,738	52.7945%	\$176,195	FERC Form 1 Page 336.10b
3			\$39,997,270		\$21,116,358	
4	\$89,376		\$89,376	52.7945%	\$47,186	FERC Form 1 Page 117.64c
5	(\$384,165)		(\$384,165)	52.7945%	(\$202,818)	FERC Form 1 Page 266.8f - Footnote (f)
6	\$32,088,055		\$32,088,055	52.7945%	\$16,940,728	Property Tax - Footnote (e)
<u>Transmission Operation and Maintenance</u>						
7	\$61,559,182		\$61,559,182	52.7945%	\$32,499,862	FERC Form 1 Page 321.112b
8	\$14,396,724		\$14,396,724	52.7945%	\$7,600,678	FERC Form 1 Page 321.96b
9	\$8,828,161		\$8,828,161	52.7945%	\$4,660,783	FERC Form 1 Page 321.84-92b less 87b
10 **	\$0				\$0	FERC Form 1 Page 321.93b & .98b
11	\$38,334,297		\$38,334,297	52.7945%	\$20,238,401	
<u>Transmission Administrative and General</u>						
12	\$36,234,131					FERC Form 1 Page 323.197b
13	\$904,273					FERC Form 1 Page 323.185b
14	\$2,575,980					FERC Form 1 Page 323.189b
15	\$0					FERC Form 1 Page 323.191b
16	\$32,753,878	99.8004% (a)	\$32,688,501	52.7945%	\$17,257,731	
17	\$904,273	99.3561% (c)	\$898,450	52.7945%	\$474,332	Line 13
18	\$2,418,553	99.3561% (c)	\$2,402,980	52.7945%	\$1,268,641	Attachment 5 Line 6
19	\$0		\$0	52.7945%	\$0	Line 15
20	\$100,454	99.8004% (a)	\$100,253	52.7945%	\$52,928	2013 FERC Form1 Page 350.15d
21	\$36,177,158		\$36,090,184		\$19,053,632	
22	\$1,703,290	99.8004% (a)	\$1,699,890	52.7945%	\$897,449	FERC Form 1 Page 263.3.4i - Footnote (d)
(d) <u>Payroll taxes - G/L 408.1</u>						
(e) <u>Property Taxes</u>						
Payroll Taxes						
Total						
Massachusetts \$27,570,229						
New Hampshire \$3,190,388						
Vermont \$1,178,548						
Maine \$0						
Rhode Island \$148,889						
Connecticut \$0						
\$32,088,055						

(a) Worksheet 5, Line 11

(b) Worksheet 5 Line 3

(c) Worksheet 5 Line 16

(d) Transmission Only - Payroll Taxes - General Ledger query

(e) Transmission Only - Property Taxes - Stephen Adams, Property Taxes

(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 &amp; #567 from O&amp;M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$986,723,295	Attachment 1, Page 1
2	Total Transmission Investment	<b>\$1,868,987,087</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<u>52.7945%</u>	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$18,057,103</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$18,057,103	
7	Total Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$18,093,209</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$18,093,209	
11	Percent Allocation (Line 6/Line 10)	<u>99.8004%</u>	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,868,987,087	Line 2
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	<u>\$6,130,077</u>	Worksheet 5, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	\$1,875,117,164	
15	Total Plant in Service	<b>\$1,887,269,647</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<u>99.3561%</u>	
	<b><u>Post-2003 PTF Allocation Factor</u></b>		
17	Total Post-2003 PTF Investment	\$ 209,862,929	Attachment 1 Line 7
18	Total Transmission Investment	\$1,868,987,087	Line 2
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	11.2287%	
20	Total Invst in Tx Plant/Total Plant in Serv *		
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	11.1564%	Line 19 * Line 16



Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirements  
For Test Year Ended 12/31/2013**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$0
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$0	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook)	Page 330.1 Line 8 Col (n)	\$0	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$0	
NEP	Chester SVC	Transmission Billing		\$0
	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$0	
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$0	
		<b>Totals</b>	<b>\$0</b>	<b>\$0</b>

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

**Attachment 1**

New England Power Company  
2013 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2012	Pre-1997 PTF Transmission Plant	\$352,959,991	
2	2012	Post-1996 PTF Transmission Plant	\$918,015,798	
3	2013	Additions/Retirements	\$65,163,152	
4	2013	Pre-1997 PTF Transmission Plant	\$349,415,646	26.15%
5	2013	Post-1996 PTF Transmission Plant	\$986,723,295	73.85%
6	2013	Total PTF Transmission Plant	\$1,336,138,941	100.00%
7	2013	Post-2003 PTF Transmission Plant	\$209,862,929	

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects

**Attachment 2**

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2013**

<b>LINE NO</b>		<b>(HVDC) NHH/NEH <u>LEASE</u></b>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)".

Shading denotes an input

**Attachment 3**New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2013</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,515,488
2	Less: Specifically identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission	\$9,664
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$155,706
	2012 Transmission	\$210,246
	2013 Transmission	\$169,241
		\$1,128,113
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.3561%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,881
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$1,128,113</u>
7	Total Transmission-Related Equity AFUDC	\$1,512,994
8	Post-96 PTF Allocation Factor	52.7945%
9	Transmission-Related Equity AFUDC	\$798,777

**Sources:**

- 1 & 2 Transmission Rates includes \$9,668 from Montaup  
 3 Line 1 - Line 2  
 4 Worksheet 5 - PTF Plant Allocation Factor  
 5 Line 3 \* Line 4  
 6 Line 2  
 7 Line 5 + Line 6  
 8 Worksheet 6 - Post-96 PTF Allocation Factor  
 9 Line 7 \* Line 8

Shading denotes an input

Attachment 4

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b><u>Narragansett</u></b> <b><u>2013</u></b>	<b><u>MECO</u></b> <b><u>2013</u></b>
1 Total Integrated Facilities Charges	\$0	\$0
2 Total 2013 PTF Property	\$0	\$0
3 Total Transmission Plant in 2013	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0
6 <b>Total Integrated Facilities</b>		<b><u><u>\$0</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

**Attachment 5**

New England Power Company  
Development of 2013 Regulatory Commission Expense

<b>Line No.</b>		<b><u>2013</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$2,575,980	2013 FERC Form1 Page 350.46d (page
2	Less: New Hampshire PUC Assessment	\$56,973	2013 FERC Form1 Page 350.1d
3	Less: Mass Emergency Fund	\$0	2013 FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$0	2013 FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$100,454	2013 FERC Form1 Page 350.15d
6	Total Federal Assessments	\$2,418,553	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property

New England Power Company

	<b><u>2013</u></b>
Revenues	\$1,034,650
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,034,650
PTF Allocation	52.7945%
Total PTF Revenue	\$546,238

**Source:**

Revenues: SAP account C4540000, C454000W, C4545000

**Attachment 7**

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2013</u></b>
Revenues	\$514,715
Post-96 PTF Percent	73.8489%
Total Post-96 PTF Revenue	\$380,112

***Source: Short Term Through and Out Revenues from ISO New England***



ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2013
Rates Effective for the Period: Through:	June 2014 September 2014
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

  

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$144,558,044 <sup>(a)</sup>	\$158,541,414 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,208,613 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$697,433 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$328,037) <sup>(d)</sup>	(\$926,350) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$139,718,827 <sup>(e)=(a)+(b)+(c)+(d)</sup>	\$157,615,064 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$55,865,456 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$139,718,827 <sup>(n)=(e)+(l)</sup>	\$213,480,520 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		\$353,199,347 <sup>(p)=(n)+(o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2013**

**PRE-1997**

Shading denotes an input

Line No.	I. INVESTMENT BASE	Attachment F		NEP	Reference
		Reference	Section:		
1	Transmission Plant	(A)(1)(a)		\$335,700,109	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)		\$1,146,049	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)		\$191,988	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)			<u>\$337,038,146</u>	
5	Accumulated Depreciation	(A)(1)(d)		(\$74,357,497)	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)		(\$79,101,760)	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)		\$36,180	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)		\$8,030,140	Worksheet 3, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)			<u>\$191,645,209</u>	
10	Prepayments	(A)(1)(h)		\$49,848	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)		\$659,184	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)		<u>\$1,739,254</u>	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)			<u><u>\$194,093,495</u></u>	
<b>II. REVENUE REQUIREMENTS</b>					
14	Investment Return and Income Taxes	(A)		\$25,305,599	Worksheet 2
15	Depreciation Expense	(B)		\$7,477,690	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)		\$16,709	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)		(\$71,822)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)		\$5,999,022	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)		\$317,803	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)		\$7,166,788	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)		\$6,747,241	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)		\$91,599,014	Attachment 4, line 6
23	Transmission Support Revenue	(J)		(\$5,208,613)	Worksheet 6
24	Transmission Support Expense	(K)		\$697,433	Worksheet 6
25	Transmission Related Expense from Generators	(L)		\$0	
26	Transmission Related Taxes and Fees Charge	(M)		\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)		(\$134,604)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)		(\$193,433)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)			<u><u>\$139,718,827</u></u>	

New England Power Company  
Annual Revenue Requirements  
For Costs in 2013

Shading denotes an input

	CAPITALIZATION 12/31/2013	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	32.98%	0.63%	0.21%	
PREFERRED STOCK	\$ 1,111,700	0.09%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 832,696,968	66.93%	11.64%	7.79%	7.79%
TOTAL INVESTMENT RETURN	\$1,244,158,668	100.00%		8.01%	7.80%

Cost of Capital Rate=

(a) Weighted Cost of Capital	=	0.0801
(b) Federal Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv.} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) \times \text{Federal Income Tax Rate}$
	=	$\left( \frac{0.0780 + \left( \frac{(\$71,822) + \$282,862}{\$194,093,495} \right) / 0.35}{1} \right) \times 0.35$
	=	0.0425855
(c) State Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv.} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{State Income Tax Rate}}{1} \right) \times \text{State Income Tax Rate}$
	=	$\left( \frac{0.0780 + \left( \frac{(\$71,822) + \$282,862}{\$194,093,495} \right) / 0.0425855}{1} \right) \times 0.059466$
	=	0.0076929
(a)+(b)+(c) Cost of Capital Rate	=	0.1303784

INVESTMENT BASE	(PTF)	
x Cost of Capital Rate	\$194,093,495	From Worksheet 1
= Investment Return and Income Taxes	0.1303784	To Worksheet 1
	\$25,305,599	

Shading denotes an input

New England Power Company

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference
1		Transmission Plant			\$349,415,646	Attachment 1, Page 1
2		Less: Plant Assoc. HVDC Leases			(\$13,715,537)	Attachment 2
3		General Plant			\$1,146,049	FERC Form 1 Page 207.99g
4	\$ 6,142,337	Total (line 1+2+ 3)	\$6,130,077	18.6955% (b)	\$336,846,158	
5	\$ 1,026,919	Transmission Plant Held for Future Use	\$1,026,919	18.6955% (b)	\$191,988	FERC Form 1 page 214.2d,4d,9d
6		Transmission Accumulated Depreciation				
7	\$ (392,787,258)	Transmission Accumulated Depreciation	(\$392,787,258)	18.6955% (b)	(\$73,433,542)	FERC Form 1 page 219.25b
8	\$ (4,952,011)	General Plant Accumulated Depreciation	(\$4,942,127)	18.6955% (b)	(\$923,955)	FERC Form 1 Page 219.28b
		Total (line 6+ 7)	(\$397,729,385)		(\$74,357,497)	
9		Transmission Accumulated Deferred Taxes				
10	\$ (474,541,945)	Accumulated Deferred Taxes (281-283)	(\$471,486,369)	18.6955% (b)	(\$88,146,734)	FERC Form 1 Page 113.62-64
11	\$ 48,694,028	Accumulated Deferred Taxes (190)	\$48,380,487	18.6955% (b)	\$9,044,974	FERC Form 1 Page 111.82
		Total (line 9+ 10)	\$423,105,882		(\$79,101,760)	
12	\$ 193,522	Transmission Loss on Reacquired Debt	\$193,522	18.6955% (b)	\$36,180	FERC Form 1 Page 111.81c
13		Other Regulatory Assets				
14	\$ -	FAS 106	\$0	18.6955% (b)	\$0	FERC Form 1 Page 232.8f
15	\$ 42,952,261	FAS 109 (Asset Account 182.3)	\$42,952,261	18.6955% (b)	\$8,030,140	FERC Form 1 Page 232.6f
16	\$ -	FAS 109 ( Liability Account 254 )	\$0	18.6955% (b)	\$0	FERC Form 1 Page 278
		Total (line 13+14+ 15)	\$42,952,261		\$8,030,140	
17	\$ 267,164	Transmission Prepayments	\$266,631	18.6955% (b)	\$49,848	FERC Form 1 Page 111.57c
18	\$ 3,525,898	Transmission Materials and Supplies	\$3,525,898	18.6955% (b)	\$659,184	FERC Form 1 Page 227.8c
19		Cash Working Capital				
20		Operation & Maintenance Expense			\$7,166,788	Worksheet 1, Line 20
21		Administrative & General Expense			\$6,747,241	Worksheet 1, Line 21
22		Transmission Support Expense			\$0	Worksheet 6
23		Subtotal (line 20+21+22)			\$13,914,029	
24		Total (line 23 * line 24)			0.1250	x 45 / 360
25					\$1,739,254	

(a) Worksheet 5 Line 11  
(b) Worksheet 5 Line 3  
(c) Worksheet 5 Line 16

**New England Power Company**

Shading denotes an input

[illegible]

(a) Worksheet 5 Line 11  
(b) Worksheet 5 Line 3  
(c) Worksheet 5 Line 16

(d) Transmission Only - Payroll Taxes - General Ledger query

(e) Transmission Only - Property Taxes - Stephen Adams, Property Taxes

(f) Transmission Only - Amortization of ITC - Specifically Identified in EERC Form 1

\*\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.		NEP	Source Reference
<b><u>PTF Transmission Plant Allocation Factor</u></b>			
1	PTF Transmission Investment	\$349,415,646	Attachment 1, Page 1 FERC Form 1 Page 207.58g - Page 200.4b
2		<b>\$1,868,987,087</b>	
3	Percent Allocation (Line 1/Line 2)	<u>18.6955%</u>	
<b><u>Transmission Wages and Salaries Allocation Factor</u></b>			
4	Direct Transmission Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.14b General Ledger Query
5	Affiliated Company Transmission Wages and Salaries	<b>\$18,057,103</b>	
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<u>\$18,057,103</u>	
7	Total Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.28b FERC Form 1 Page 354.27b General Ledger Query
8	Administrative and General Wages and Salaries	<b>\$0</b>	
9	Affiliated Company Wages and Salaries less A&G	<b>\$18,093,209</b>	
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<u>\$18,093,209</u>	
11	Percent Allocation (Line 6/Line 10)	<u>99.8004%</u>	
<b><u>Plant Allocation Factor</u></b>			
12	Total Transmission Investment	\$1,868,987,087	Line 2 Worksheet 3, Line 3, Column 3
13	plus Transmission-Related General Plant	<u>\$6,130,077</u>	
14	= Revised Numerator (Line 12 + Line 13)	<u>\$1,875,117,164</u>	
15	Total Plant in Service	<b>\$1,887,269,647</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<u>99.3561%</u>	

Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirements  
For Test Year Ended 12/31/2013**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues (a)	Expenses (b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$109,892
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$39,828	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook)	Page 330.1 Line 8 Col (n)	\$379,686	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$14,736	
NEP	Chester SVC	Transmission Billing		\$587,541
VT Elec Co.	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$4,736,248	
	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$38,115	
		<b>Totals</b>	<b>\$5,208,613</b>	<b>\$697,433</b>

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

Attachment 1

Shading denotes an input

New England Power Company  
2013 Informational Filing  
PTF Plant Allocation

				Percent Pre/Post
1	2012	Pre-1997 PTF Transmission Plant	\$352,959,991	
2	2012	Post-1996 PTF Transmission Plant	\$918,015,798	
3	2013	Additions/Retirements	\$65,163,152	
4	2013	Pre-1997 PTF Transmission Plant	\$349,415,646	26.15%
5	2013	Post-1996 PTF Transmission Plant	\$986,723,295	73.85%
6	2013	Total PTF Transmission Plant	\$1,336,138,941	100.00%

Sources:

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5



Attachment 2

Shading denotes an input

GROSS PLANT ASSOC. WITH HVDC LEASES  
2013

LINE NO		(HVDC) NHH/NEH LEASE
1	Gross Plant Value Comerford Station to Tewksbury Line	\$14,975,714
	Allocation	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	\$253
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$13,328,385.46
6	Total Land from Sandy Pond to New Hampshire	\$1,106,146
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$13,715,537

Source:

- 1 FERC Form 1, Page 422.1, 423.1, Lines 18 + 35 col (l); Page 422.2, 423.2, Line 1 col (l)
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1, Lines 18 + 35 col (f); Page 422.2, Line 1 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422, 423, Line 20 col (j)
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

Note:

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)".

Shading denotes an input

Attachment 3

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

1	Total Current Year Book Depreciation on Equity AFUDC	2013 \$1,515,488
2	Less: Specifically Identified Transmission-Related Tewksbury Line Hydro-Quebec Montaup Transmission 1998 Transmission 1999 Transmission 2000 Transmission 2001 Transmission 2002 Transmission 2003 Transmission 2004 Transmission 2005 Transmission 2006 Transmission 2007 Transmission 2008 Transmission 2009 Transmission 2010 Transmission 2011 Transmission 2012 Transmission 2013 Transmission	\$54,708 \$23,543 \$9,664 \$13,959 \$42,457 (\$8,299) \$23,561 \$8,889 \$16,500 \$15,518 \$49,757 \$64,352 \$42,418 \$57,508 \$98,437 \$79,948 \$155,706 \$210,246 \$169,241 \$1,128,113
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.3561%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,881
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	\$1,128,113
7	Total Transmission-Related Equity AFUDC	\$1,512,994
8	Pre-97 PTF Allocation Factor	18.6955%
9	Transmission-Related Equity AFUDC	\$282,862

Sources:

- 1 & 2 Transmission Rates includes \$9,668 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 PTF Allocation Factor
- 9 Line 7 \* Line 8

Attachment 4

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

		Narragansett 2013	MECO 2013
1	Total Integrated Facilities Charges	\$98,617,356	\$15,090,817
2	Total 2013 PTF Property	\$535,734,181	\$24,833,644
3	Total Transmission Plant in 2013	\$624,367,987	\$53,681,732
4	NECO or MECO PTF Plant Allocator	85.80%	46.26%
5	PTF Related Integrated Facilities Charge	\$84,617,869	\$6,981,145
6	<b>Total Integrated Facilities</b>		<b>\$91,599,014</b>

Source:

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

Attachment 5

New England Power Company  
Development of 2013 Regulatory Commission Expense

<u>Line No.</u>		<u>2013</u>	<u>Source</u>
1	Total Regulatory Commission Expense - NEP	\$2,575,980	2013 FERC Form1 Page 350.46d (page 323.189b)
2	Less: New Hampshire PUC Assessment	\$56,973	2013 FERC Form1 Page 350.1d
3	Less: Mass Emergency Fund	\$0	2013 FERC Form1 Page 350.7d
4	Less: Mass DPU Special Assessment	\$0	2013 FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$100,454	2013 FERC Form1 Page 350.15d
6	Total Federal Assessments	\$2,418,553	Line 1 - (Line 2-5)

Transmission Rents Received from Electric Property

New England Power Company

	<b>2013</b>	
Revenues	\$1,034,650	
Plant Allocation Factor	100.00%	
Transmission Allocated	\$1,034,650	
PTF Allocation	18.6955%	
Total PTF Revenue	\$193,433	

Source:

Revenues: SAP account C4540000, C454000W, C4545000

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

Revenues	<u>2013</u>
	\$514,715
Pre-97 PTF Percent	26.1511%
Total Pre-97 PTF Revenue	\$ 134,604

Source: Short Term Through and Out Revenues from ISO New England

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Submitted on: \_\_\_\_\_

Revenue Requirements for (year): Calendar Year 2013

Rates Effective for the Period: June 2014  
Through: September 2014

Customer: New England Power Company

Customer's NABs Number: \_\_\_\_\_

Name of Participant responsible for customer's billing: \_\_\_\_\_

DUNs number of Participant responsible for customer's billing: \_\_\_\_\_

July 31, 2014 Informational Filing

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$142,889,550 <sup>(a)</sup>	\$162,544,944 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,207,983 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$713,765 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	<u>(\$322,516) <sup>(d)</sup></u>	<u>(\$948,601) <sup>(i)</sup></u>
Sub Total - Sum (A through I) - J + K + (L through O)	\$138,072,817 <sup>(e)=(a)+(b)+(c)+(d)</sup>	\$161,596,343 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$54,717,557 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	\$26,359,418 <sup>(l)</sup>	<u>(\$34,261,510) <sup>(m)</sup></u>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$164,432,235 <sup>(n)=(l)+(j)</sup>	\$182,052,390 <sup>(o)=(j)+(k)+(m)</sup>

Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals. Forecasted Revenue Requirements and True-ups (including interest)

Supplemental Filing

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
	\$144,558,044 <sup>(a)</sup>	\$158,541,414 <sup>(f)</sup>
	\$5,208,613 <sup>(b)</sup>	\$0 <sup>(g)</sup>
	\$697,433 <sup>(c)</sup>	\$0 <sup>(h)</sup>
	<u>(\$328,037) <sup>(d)</sup></u>	<u>(\$926,350) <sup>(i)</sup></u>
	\$139,718,827 <sup>(e)=(a)+(b)+(c)+(d)</sup>	\$157,615,064 <sup>(j)</sup>
	N/A	\$55,865,456 <sup>(k)</sup>
	\$32,171,756 <sup>(l)</sup>	<u>(\$28,795,422) <sup>(m)</sup></u>
	\$171,890,583 <sup>(n)=(e)+(l)</sup>	\$184,885,097 <sup>(o)=(j)+(k)+(m)</sup>
		\$356,575,680 <sup>(p)=(n)+(o)</sup>

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on: \_\_\_\_\_

Revenue Requirements for (year): \_\_\_\_\_

Rates Effective for the Period: \_\_\_\_\_  
Through: \_\_\_\_\_

Customer: \_\_\_\_\_

Customer's NABs Number: \_\_\_\_\_

Name of Participant responsible for customer's billing: \_\_\_\_\_

DUNS number of Participant responsible for customer's billing: \_\_\_\_\_

Calendar Year 2013  
June 2014  
September 2014

New England Power Company

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$144,558,044 <sup>(a)</sup>	\$158,541,414 <sup>(i)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,208,613 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$697,433 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$328,037) <sup>(d)</sup>	(\$926,350) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$139,718,827 <sup>(e)=(a)+(b)+(c)+(d)</sup>	\$157,615,064 <sup>(i)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$55,865,456 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	\$32,171,756 <sup>(l)</sup>	(\$28,795,422) <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$171,890,583 <sup>(n)=(e)+(l)</sup>	\$184,685,097 <sup>(o)=(i)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$356,575,680 <sup>(p)=(n)+(o)</sup>



**New England Power Company  
Transmission Revenue Requirements of PTF Facilities  
2013 True-up**

		<b>PRE 97</b>	<b>POST 1996</b>
I.	ANNUAL TRUE-UP PER ROE COMPLIANCE WITH FERC ROE ORDER		
1	<b>Transmission Revenue Requirements (as billed)</b>		
2	True-up 2013 Actual Annual RR	\$112,563,456	\$194,752,964
3	(Over)/Under (Line 2 - Line 1)	\$139,718,827	\$157,615,064
		\$27,155,371	(37,137,900)
4	Per Month (Line 3/12)	2,262,948	(3,094,825)
5	Total Rate Year (Over)/Under	\$27,155,371	\$ (37,137,900)

New England Power Company  
**FERC Interest Calculation associated with Under / (Over)**  
**Transmission Revenue Requirements of PTF Facilities**

**Pre 97** Undercollection/(Overcollection)  
**Post 96** \$ 27,155,371  
 (\$37,137,900)

Initial Billing Period	PRE 97 Balance	POST 1996 Balance	FERC Monthly Interest Rate	PRE 97 Interest	POST 1996 Interest
June 2013	\$ 27,155,371	\$ (37,137,900)	0.27%	\$ 73,320	\$ (100,272)
July 2013	27,228,691	(37,238,173)	0.28%	76,240	(104,267)
August 2013	27,228,691	(37,238,173)	0.28%	76,240	(104,267)
September 2013	27,228,691	(37,238,173)	0.27%	73,517	(100,543)
October 2013	27,454,689	(37,547,250)	0.28%	76,873	(105,132)
November 2013	27,454,689	(37,547,250)	0.27%	74,128	(101,378)
December 2013	27,454,689	(37,547,250)	0.28%	76,873	(105,132)
January 2014	27,682,563	(37,858,892)	0.28%	77,511	(106,005)
February 2014	27,682,563	(37,858,892)	0.25%	69,206	(94,647)
March 2014	27,682,563	(37,858,892)	0.28%	77,511	(106,005)
April 2014	27,906,792	(38,165,549)	0.27%	75,348	(103,047)
May 2014	27,906,792	(38,165,549)	0.28%	78,139	(106,864)
<b>Total Interest</b>		<b>Total Interest</b>		<b>\$ 904,908</b>	<b>\$ (1,237,559)</b>
True-Up		True-Up		27,155,371	(37,137,900)
<b>Total TU &amp; Interest</b>		<b>Total TU &amp; Interest</b>		<b>\$ 28,060,279</b>	<b>\$ (38,375,459)</b>
2008-2012 PTF True-up (excludes interest)				4,111,477	9,580,037
<b>Total Adjusted TU &amp; Interest</b>		<b>Total Adjusted TU &amp; Interest</b>		<b>\$ 32,171,756</b>	<b>\$ (28,795,422)</b>

Summary Changes in NEP PTF Revenue Requirements - for June 1, 2014 RNS Rate

Applicable Rate Period	Re-Styled			As-Filed*			Retroactive Adj		
	Pre-97	Post-96	Total	Pre-97	Post-96	Total	Pre-97	Post-96	Total
June 1, 2009 - May 31, 2010	\$ 83,053,527	\$ 87,620,328	\$ 170,673,856	\$ 82,381,954	\$ 87,489,083	\$ 169,871,037	\$ 671,573	\$ 131,245	\$ 802,819
June 1, 2010 - May 31, 2011	83,690,440	109,207,445	192,897,885	82,941,498	105,284,991	188,226,488	748,942	3,922,454	4,671,396
June 1, 2011 - May 31, 2012	95,332,395	128,174,379	200,669,891	81,629,570	114,618,878	196,248,449	415,850	4,005,593	4,421,443
June 1, 2012 - May 31, 2013	113,374,092	141,428,102	223,506,775	94,530,102	128,435,692	222,965,794	802,293	(261,313)	540,980
June 1, 2013 - May 31, 2014	\$ 457,495,875	\$ 585,054,724	\$ 1,042,550,599	\$ 453,384,398	\$ 575,474,687	\$ 1,028,859,085	\$ 4,111,477	\$ 9,580,037	\$ 13,691,514
Totals									

	PRE-97 ATRR		Post-96 ATRR	
	b/f adjustments	b/f adjustments	Revised w/ True Up	
June 1, 2014 - Sept 30, 2014	\$ 167,779,106	\$ 175,105,060	\$ 342,884,167	
Plus Retroactive Adjustment	4,111,477	9,580,037	13,691,514	
	\$ 171,890,583	\$ 184,685,097	\$ 356,575,680	

\* In compliance with FERC Docket No. EL11-66, the ROE rate was reduced from 11.64% to 11.07% for the period October 01, 2011 - December 31, 2012, Revenue Requirement (RR) years 2011 and 2012 - Rate period June 2012 to May 2014. Since the FERC order was issued in calendar year 2014 after submission of RR years 2011 and 2012, the "As-Filed" RR should be construed as follows:

- RR year 2011 (Rate period June 1, 2012 - May 31, 2013) is pro-rated at: 4 mos (June 1, 2011 - Sept 30, 2011) @ 11.64% As-Filed, and 8 mos (Oct 1, 2011 - May 31, 2012) @ 11.07% FERC revised rate - not yet filed.
- RR year 2012 (Rate period June 1, 2013 - May 31, 2014) is pro-rated at: 7 mos (June 1, 2012 - Dec 31, 2012) @ 11.07% FERC revised rate - not yet filed, and 5 mos (Jan 1, 2013 - May 2013) @ 11.64% As-Filed.

See Worksheet 1 for details.

**Rate period June 1, 2012 - May 31, 2013 (RR year 2011)** is pro-rated as follows: 4 mos (June 1, 2011 - Sept 30, 2011) @ 11.64% As-Filed, and 8 mos (Oct 1, 2011 - May 31, 2012) @ 11.07% FERC revised rate - not yet filed.

	<b>As-Filed: 11.64% ROE Rate</b>			
	June 11 - Sept 11		Pro-rated for 4 months	
	<b>POST 1996</b>		<b>PRE 97</b>	<b>POST 1996</b>
1 Transmission Revenue Requirements	\$ 95,301,964	\$130,452,381	\$ 31,767,321	\$ 43,484,127
2 Transmission Revenue Requirements: Re-Stated	96,102,185	130,198,129	32,034,062	43,399,376
(Over)/Under Billing (Line 2 - Line 1)	\$ 800,222	\$ (254,252)	\$ 266,741	\$ (84,751)

	<b>FERC Order: 11.07% Revised ROE Rate</b>			
	Oct 11 - May 12		Pro-rated for 8 months	
	<b>PRE 97</b>	<b>POST 1996</b>	<b>PRE 97</b>	<b>POST 1996</b>
1 Transmission Revenue Requirements	\$ 94,144,172	\$127,427,347	\$ 62,762,781	\$ 84,951,565
2 Transmission Revenue Requirements: Re-Stated	94,947,500	127,162,504	63,298,334	84,775,003
(Over)/Under Billing (Line 2 - Line 1)	\$ 803,329	\$ (264,843)	\$ 535,553	\$ (176,562)

	<b>Combined</b>		
	<b>PRE 97</b>	<b>POST 1996</b>	<b>Total</b>
1 Transmission Revenue Requirements: As-Filed & FERC Order	\$ 94,530,102	\$ 128,435,692	\$ 222,965,794
2 Transmission Revenue Requirements: Re-Stated	95,332,395	128,174,379	223,506,775
(Over)/Under Billing (Line 2 - Line 1)	\$ 802,293	\$ (261,313)	\$ 540,980

**Rate period June 1, 2013 - May 31, 2014 (RR year 2012)** is pro-rated as follows: 7 mos (June 1, 2012 - Dec 31, 2012) @ 11.07% FERC revised rate - not yet filed, and 5 mos (Jan 1, 2013 - May 2013) @ 11.64% As-Filed

	<b>FERC Order: 11.07% Revised ROE Rate</b>			
	June 12 - Dec 12		Pro-rated for 7 months	
	<b>PRE 97</b>	<b>POST 1996</b>	<b>PRE 97</b>	<b>POST 1996</b>
1 Transmission Revenue Requirements	\$ 111,428,286	\$138,305,693	\$ 64,999,833.61	\$ 80,678,321
2 Transmission Revenue Requirements: Re-Stated	112,896,422	140,062,632	65,856,246	81,703,202
(Over)/Under Billing (Line 2 - Line 1)	\$ 1,468,135	\$ 1,756,939	\$ 856,412	\$ 1,024,881

	<b>As-Filed: 11.64% ROE Rate</b>			
	Jan 13 - May 13		Pro-rated for 5 months	
	<b>PRE 97</b>	<b>POST 1996</b>	<b>PRE 97</b>	<b>POST 1996</b>
1 Transmission Revenue Requirements	\$ 112,563,456	\$141,522,533	\$ 46,901,440.08	\$ 58,967,722
2 Transmission Revenue Requirements: Re-Stated	114,042,830	143,339,759	47,517,846	59,724,900
(Over)/Under Billing (Line 2 - Line 1)	\$ 1,479,373	\$ 1,817,226	\$ 616,406	\$ 757,177

	<b>Combined</b>		
	<b>PRE 97</b>	<b>POST 1996</b>	<b>Total</b>
1 Transmission Revenue Requirements: As-Filed & FERC Order	\$111,901,274	\$ 139,646,043	\$ 251,547,317
2 Transmission Revenue Requirements: Re-Stated	113,374,092	141,428,102	254,802,193
(Over)/Under Billing (Line 2 - Line 1)	\$ 1,472,818	\$ 1,782,058	\$ 3,254,876

## **Attachment 3**

### **Summary of Corrections to ATRR Plant Investment Inputs**

**New England Power Company**  
**Summary of Change in PTF Plant Inputs to Pre 97 and Post 96 ISO Annual Transmission Revenue Requirement 2008 - 2012**

Line No.			2008	2009	2010	2011	2012
		<b>Revised</b>					
		<b>Pre-1997 Transmission Revenue Requirement</b>					
1	Attachment 1 ln 4	PTF Plant*	353,995,853	352,386,820	351,115,800	349,334,382	352,959,991
2	Attachment 4 ln 2	Narragansett Total PTF Property**	170,859,376	173,100,030	209,109,440	234,900,022	386,991,881
3	Attachment 4 ln 2	Mass Electric Total PTF Property**	20,288,739	21,108,649	21,182,153	21,875,675	24,868,977
			<u>545,143,968</u>	<u>546,595,499</u>	<u>581,407,393</u>	<u>606,110,079</u>	<u>764,820,849</u>
		<b>Post-1996 Transmission Revenue Requirement</b>					
4	Attachment 1 ln 5	PTF Plant*	503,285,683	664,596,724	755,657,102	819,449,952	918,015,798
5	Attachment 1 ln 7	Post 2003 PTF Investment Base w/ Incremental 100 bps***	188,364,644	206,004,443	213,120,061	213,375,099	213,518,137
6	Worksheet 2 Pg 1	NEEWS In-Service w/Incremental 125 bps ****	774,674	5,893,661	14,281,610	52,962,648	56,490,343
			<u>692,425,001</u>	<u>876,494,828</u>	<u>983,058,773</u>	<u>1,085,787,699</u>	<u>1,188,024,278</u>
		<b>Filed</b>					
		<b>Pre-1997 Transmission Revenue Requirement</b>					
7	Attachment 1 ln 4	PTF Plant	352,396,942	350,766,082	351,352,992	350,215,608	349,727,420
8	Attachment 4 ln 2	Narragansett Total PTF Property	169,846,333	172,481,172	206,391,771	228,545,943	380,877,791
9	Attachment 4 ln 2	Mass Electric Total PTF Property	19,073,085	19,014,465	21,044,551	23,325,823	24,846,487
			<u>541,316,360</u>	<u>542,261,719</u>	<u>578,789,314</u>	<u>602,087,374</u>	<u>755,451,698</u>
		<b>Post-1996 Transmission Revenue Requirement</b>					
10	Attachment 1 ln 5	PTF Plant	502,643,379	640,156,098	725,670,117	816,526,816	900,658,296
11	Attachment 1 ln 7	Post 2003 PTF Investment Base w/ Incremental 100 bps	190,125,725	229,012,126	326,955,170	327,705,145	352,797,993
12	Worksheet 2 Pg 1	NEEWS In-Service w/Incremental 125 bps	4,279,317	10,856,783	15,743,593	55,119,725	59,854,691
			<u>697,048,421</u>	<u>880,025,007</u>	<u>1,068,368,880</u>	<u>1,199,351,686</u>	<u>1,313,310,980</u>
		<b>Change</b>					
		<b>Pre-1997 Revenue Requirement</b>					
13	Attachment 1 ln 4	PTF Plant	1,598,911	1,620,738	(237,192)	(881,226)	3,232,571
14	Attachment 4 ln 2	Narragansett Total PTF Property	1,013,043	618,858	2,717,669	6,354,079	6,114,090
15	Attachment 4 ln 2	Mass Electric Total PTF Property	1,215,654	2,094,184	137,602	(1,450,148)	22,490
			<u>3,827,608</u>	<u>4,333,780</u>	<u>2,618,079</u>	<u>4,022,705</u>	<u>9,369,151</u>
		<b>Post-1996 Revenue Requirement</b>					
16	Attachment 1 ln 5	PTF Plant	642,304	24,440,626	29,986,985	2,923,136	17,357,502
17	Attachment 1 ln 7	Post 2003 PTF Investment Base w/ Incremental 100 bps	(1,761,081)	(23,007,683)	(113,835,109)	(114,330,046)	(139,279,856)
18	Worksheet 2 Pg 1	NEEWS In-Service w/Incremental 125 bps	(3,504,643)	(4,963,122)	(1,461,983)	(2,157,077)	(3,364,348)
			<u>(4,623,420)</u>	<u>(3,530,179)</u>	<u>(85,310,107)</u>	<u>(113,563,987)</u>	<u>(125,286,702)</u>
		<b>Total Change to PTF Plant (ln 13 + 14 + 15+ 16)</b>	<b>4,469,912</b>	<b>28,774,406</b>	<b>32,605,064</b>	<b>6,945,841</b>	<b>26,726,653</b>
		<b>Total Change in RSP Plant (ln17)</b>	<b>(1,761,081)</b>	<b>(23,007,683)</b>	<b>(113,835,109)</b>	<b>(114,330,046)</b>	<b>(139,279,856)</b>
		<b>Total Change to NEEWS In-Service (ln 18)</b>	<b>(3,504,643)</b>	<b>(4,963,122)</b>	<b>(1,461,983)</b>	<b>(2,157,077)</b>	<b>(3,364,348)</b>
			<u><b>(795,812)</b></u>	<u><b>803,601</b></u>	<u><b>(82,692,028)</b></u>	<u><b>(109,541,282)</b></u>	<u><b>(115,917,551)</b></u>

\* Change to PTF plant results in a change to the PTF allocation factor used in the rate base and expense calculation worksheets

\*\* Change to Narragansett and Mass Electric PTF Plant results in a change to the PTF Plant allocator used to calculate the Integrated Facilities Charge

\*\*\* Change to Post 2003 PTF Investment Base w/ Incremental 100 bps results in a change to the incremental return on Post 2003 PTF investment

\*\*\*\* Change to NEEWS In-Service results in a change to the incremental return on NEEWS PTF Investment

**Attachment 4**

**NEP's Revised PTF Revenue Requirement Worksheets for 2008 - 2012**

Summary Changes in NEP PTF Revenue Requirements - for June 1, 2014 RNS Rate

Applicable Rate Period	Re-Filed*		As-Filed*		Retroactive Adj	
	Pre-97	Post-96	Pre-97	Post-96	Pre-97	Post-96
June 1, 2009 - May 31, 2010	\$ 83,053,527	\$ 87,620,328	\$ 82,381,954	\$ 87,489,083	\$ 671,573	\$ 131,245
June 1, 2010 - May 31, 2011	\$ 83,690,440	\$ 109,207,445	\$ 82,941,498	\$ 105,284,991	\$ 748,942	\$ 3,922,454
June 1, 2011 - May 31, 2012	\$ 82,045,420	\$ 118,624,471	\$ 81,629,570	\$ 114,618,878	\$ 415,850	\$ 4,005,593
June 1, 2012 - May 31, 2013	\$ 95,332,395	\$ 128,174,379	\$ 94,530,102	\$ 128,435,692	\$ 802,293	\$ (261,313)
June 1, 2013 - May 31, 2014	\$ 113,374,092	\$ 141,428,102	\$ 111,901,274	\$ 139,646,043	\$ 1,472,818	\$ 1,782,058
Totals	\$ 457,495,875	\$ 585,054,724	\$ 453,384,398	\$ 575,474,687	\$ 4,111,477	\$ 9,580,037

  

June 1, 2014 - Sept 30, 2014	PRE-97 ATRR	Post-96 ATRR	
Plus Retroactive Adjustment	b/f adjustments	b/f adjustments	Revised w/ True Up
	\$ 167,779,106	\$ 175,105,060	\$ 342,884,167
	4,111,477	9,580,037	13,691,514
	\$ 171,890,583	\$ 184,685,097	\$ 356,575,680

\* In compliance with FERC Docket No. EL11-66, the ROE rate was reduced from 11.64% to 11.07% for the period October 01, 2011 - December 31, 2012. Revenue Requirement (RR) years 2011 and 2012 - Rate period June 2012 to May 2014. Since the FERC order was issued in calendar year 2014 after submission of RR years 2011 and 2012, the "As-Filed" RR should be construed as follows:

- RR year 2011 (Rate period June 1, 2012 - May 31, 2013) is pro-rated at: 4 mos (June 1, 2011 - Sept 30, 2011) @ 11.64% As-Filed, and 8 mos (Oct 1, 2011 - May 31, 2012) @ 11.07% FERC revised rate - not yet filed.  
- RR year 2012 (Rate period June 1, 2013 - May 31, 2014) is pro-rated at: 7 mos (June 1, 2012 - Dec 31, 2012) @ 11.07% FERC revised rate - not yet filed, and 5 mos (Jan 1, 2013 - May 2013) @ 11.64% As-Filed.



Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2008
Rates Effective for the Period: Through:	June 2009 May 2010
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$91,613,205 <sup>(a)</sup>	\$88,628,221 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$9,231,767 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$1,381,011 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$708,921) <sup>(d)</sup>	(\$1,007,893) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$83,053,527 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$87,620,328 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$28,985,933 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$83,053,527 <sup>(n)=(e)+(l)</sup>	\$116,606,261 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$199,659,789 <sup>(p) = (n) + (o)</sup>

Sheet: Worksheet 1

New England Power Company  
Annual Revenue Requirements of PTF Facilities  
for costs in 2008

POST-1996

Shading denotes an input

Line No.	I. INVESTMENT BASE	Attachment F		NEP	Reference
		Reference	Section:		
1	Transmission Plant	(A)(1)(a)		\$503,285,683	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)		\$2,736,482	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)		\$428,195	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)			\$506,450,360	
5	Accumulated Depreciation	(A)(1)(d)	24%	\$121,358,910	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	16%	\$79,754,173	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	0%	\$534,919	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	5%	\$26,807,686	Worksheet 3, line 16 column 5
9	Net Investment (Line 4-5-6+7+8)			\$332,679,882	
10	Prepayments	(A)(1)(h)	0%	\$0	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	0%	\$1,504,846	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	1%	\$2,982,100	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)			\$337,166,828	
II. REVENUE REQUIREMENTS					
14	Investment Return and Income Taxes	(A)		\$45,902,164	Worksheet 2
15	Depreciation Expense	(B)	2%	\$11,111,540	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	0%	\$134,321	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	0%	(\$169,353)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	1%	\$7,031,960	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	0%	\$760,792	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	3%	\$15,287,279	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	2%	\$8,569,518	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)		\$0	Attachment 4, line 6
23	Transmission Support Revenue	(J)		\$0	Worksheet 6
24	Transmission Support Expense	(K)		\$0	Worksheet 6
25	Transmission Related Expense from Generators	(L)		\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)		\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)		(\$694,521)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)		(\$313,372)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)			\$87,620,328	
				88,628,221	

**New England Power Company**  
**Forecasted Transmission Revenue Requirements of PTF Facilities**

**POST-1996**

Shading denotes an input

I. FORECASTED TRANSMISSION REVENUE REQUIREMENTS		Period	Attachment F Reference Section:	NEP	Reference
Line No.					
1	Forecasted Transmission Plant Additions	2008	Appendix C	164,600,000	
2	Carrying Charge Factor		Appendix C	17.61%	
3	Total Forecasted Revenue Requirements (Lines 1*2)			<u>\$28,985,933</u>	
II. CARRYING CHARGE FACTOR					
4	Investment Return and Income Taxes		(A)	\$45,902,164	Summary, line 14
5	Depreciation Expense		(B)	\$11,111,540	Summary, line 15
6	Amortization of Loss on Reacquired Debt		(C)	\$134,321	Summary, line 16
7	Investment Tax Credit		(D)	(\$169,353)	Summary, line 17
8	Property Tax Expense		(E)	\$7,031,960	Summary, line 18
9	Payroll Tax Expense		(F)	\$760,792	Summary, line 19
10	Operation & Maintenance Expense		(G)	\$15,287,279	Summary, line 20
11	Administrative & General Expense		(H)	\$8,569,518	Summary, line 21
12	Total Expenses (Lines 4 thru 11)			<u>\$88,628,221</u>	
13	PTF Transmission Plant		(A)(1)(a)	<u>\$503,285,683</u>	Summary, line 1
14	Carrying Charge Factor (Lines 12/13)			<u>17.61%</u>	

Sheet: Worksheet 2

New England Power Company  
Annual Revenue Requirements  
For Costs in 2008

Shading denotes an input

	CAPITALIZATION 12/31/2008	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	34.25%	2.28%	0.78%	
PREFERRED STOCK	\$1,111,700	0.09%	6.02%	0.01%	0.01%
COMMON EQUITY	\$786,651,891	65.66%	11.64%	7.64%	7.64%
TOTAL INVESTMENT RETURN	\$1,198,113,591	100.00%		8.43%	7.65%

## Cost of Capital Rate=

(a) Weighted Cost of Capital = 0.0843

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit + of Deprec. Exp.)}}{\text{Eq. AFUDC}} \right) / \text{PTF Inv. Base}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$$

= 
$$\left( \frac{0.0765 + \left( \frac{(\$169,353) + \$311,865}{\$337,166,828} \right)}{1} \right) \times \frac{0.35}{0.35}$$

= 0.0414199

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit + of Deprec. Exp.)}}{\text{Eq. AFUDC}} \right) / \text{PTF Inv. Base}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{State Income Tax Rate}} \times \text{State Income Tax Rate}$$

= 
$$\left( \frac{0.0765 + \left( \frac{(\$169,353) + \$311,865}{\$337,166,828} \right)}{1} \right) \times \frac{0.0414199}{0.054326} \times 0.054326$$

= 0.0067984

(a)+(b)+(c) Cost of Capital Rate = 0.1325183

	(PTF)	
INVESTMENT BASE	\$337,166,828	From Worksheet 1
x Cost of Capital Rate	0.1325183	
= Investment Return and Income Taxes	\$44,680,775	To Worksheet 1

## Source: Attachment 2

## Post 2003 PTF Investment Base w/ Incremental 100 bps:

Plant	\$ 188,364,644	From Attachment 1
Accum. Depreciation	\$ 44,750,429	From Worksheets 3 & 5
Accum. Deferred	\$ 29,584,149	From Worksheets 3 & 5
Total Post-2003 Investment	\$ 114,030,067	Calculated

Incremental ROE:	1.00%	0.00657	Calculated
FIT:		0.00354	Per Attach. F
State Income Taxes:		0.00058	Per Attach. F
Cost of Capital Rate		0.01068	
Incremental Return and Taxes on Post-2003 PTF Investment		\$ 1,218,051	

## NEEWS PTF Investment Base w/ Incremental 125 bps:

Plant	\$ 774,674	PowerPlant PTF 4 & 5 reports - PTF only
Accum. Depreciation	\$ 184,042	From Worksheets 3 & 5
Accum. Deferred	\$ 121,669	From Worksheets 3 & 5
Total NEEWS Investment	\$ 468,963	Calculated

Incremental ROE:	1.25%	0.00438	Calculated
FIT:		0.00236	Per Attach. F
State Income Taxes:		0.00039	Per Attach. F
Cost of Capital Rate		0.00712	
Incremental Return and Taxes on NEEWS PTF Investment		\$ 3,338	

NEEWS Allocation Factor	
Total Trans Investment	\$1,208,005,587
Total NEEWS In-Service	\$774,674
For Accum Depreciation	0.0641%
Post-2003 PTF Allocation Factor	0.0641%
Plant Allocation Factor	0.991107
For Accum Deferred	0.0636%

Sheet: Worksheet 3

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	FERC Form 1 Reference for col (1)
1	Transmission Plant		\$0		\$503,285,683	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases				\$0	Attachment 1, Page 2
3	General Plant		\$6,568,213	41.6625%	\$2,736,482	FERC Form 1 page 207.99
4	Total (line 1+2+ 3)	99.7176% (a)	<u>\$6,568,213</u>		<u>\$506,022,165</u>	
5	<u>Transmission Plant Held for Future Use</u>		\$1,027,771	41.6625%	<u>\$428,195</u>	Page 214, Lines 2, 4, 9
	<u>Transmission Accumulated Depreciation</u>					
6	Transmission Accum. Depreciation		\$286,989,993	41.6625%	\$119,567,206	FERC Form 1 page 219.25
7	General Plant Accum. Depreciation	99.7176% (a)	\$4,300,519	41.6625%	\$1,791,704	FERC Form 1 Page 219.28
8	Total (line 6+ 7)		<u>\$291,290,512</u>		<u>\$121,358,910</u>	
	<u>Transmission Accumulated Deferred Taxes</u>					
9	Accumulated Deferred Taxes (281-283)		\$0	41.6625%	\$0	See Note for Page 274, FERC Form 1
10	Accumulated Deferred Taxes (190)		(\$191,429,157)	41.6625%	(\$79,754,173)	See Note for Page 274, FERC Form 1
11	Total (line 9+ 10)		<u>(\$191,429,157)</u>		<u>(\$79,754,173)</u>	
12	<u>Transmission loss on Reacquired Debt</u>	100.0000%	\$1,283,935	41.6625%	<u>\$534,919</u>	Page 111.81c
	<u>Other Regulatory Assets</u>					
13	FAS 106	99.7176% (a)	\$0	41.6625%	\$0	
14	FAS 109 (Asset Account 182.3)	100.0000%	\$64,344,881	41.6625%	\$26,807,686	Page 232.7f
15	FAS 109 ( Liability Account 254 )	100.0000%	\$0	41.6625%	\$0	Page 278.9
16	Total (line 13+14+ 15)		<u>\$64,344,881</u>		<u>\$26,807,686</u>	
17	<u>Transmission Prepayments</u>	99.7176% (a)	\$0	41.6625%	<u>\$0</u>	Page 111.57c
18	<u>Transmission Materials and Supplies</u>		\$3,611,991	41.6625%	<u>\$1,504,846</u>	Page 227.8c
19	<u>Cash Working Capital</u>					
20	Operation & Maintenance Expense				\$15,287,279	Worksheet 1, Line 20
21	Administrative & General Expense				\$8,569,518	Worksheet 1, Line 21
22	Transmission Support Expense				\$0	Worksheet 6
23	Subtotal (line 20+21+22)				<u>\$23,856,797</u>	
24					0.1250	x 45 / 360
25	Total (line 23 * line 24)				<u>\$2,982,100</u>	

- (a) Worksheet 5 of 6, line 11  
(b) Worksheet 5 of 6 line 3  
(c) Worksheet 5 of 6, line 16

Sheet: Worksheet 4

## New England Power Company

		(2)	(4)				
Shading denotes an input							
Line No.		(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	FERC Form 1 Reference for col (1)
	<u>Depreciation Expense</u>						
1	Transmission Depreciation	\$26,331,765		\$26,331,765	41.6625%	\$10,970,472	Page 336.7b
2	General Depreciation	\$339,557	99.7176% (a)	\$338,598	41.6625%	\$141,068	Page 336.10b
3	Total (line 1+2)			\$26,670,363 ##		\$11,111,540	
4	<u>Amortization of Loss on Reacquired Debt</u>	\$322,402	100.0000% (f)	\$322,402	41.6625%	\$134,321	Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>	\$406,488	100.0000% (f)	\$406,488	41.6625%	\$169,353	Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>	\$16,878,393	100.0000% (f)	\$16,878,393	41.6625%	\$7,031,960	Page 263i - Footnote (e)
	<u>Transmission Operation and Maintenance</u>						
7	Operation and Maintenance	\$63,832,583		\$63,832,583	41.6625%	\$26,594,250	Page 321.112b
8	Transmission of Electricity by Others - #565	\$16,917,655		\$16,917,655	41.6625%	\$7,048,318	Page 321.96b
9	Load Dispatching - #561	\$10,221,789		\$10,221,789	41.6625%	\$4,258,653	Page 321.84-87b
10	**Station Expenses & Rents - #562 & #567	\$0				\$0	Page 321.93b & .98b
11	O&M less lines 8, 9 & 10	\$36,693,139		\$36,693,139	41.6625%	\$15,287,279	
	<u>Transmission Administrative and General</u>						
12	Total Administrative and General	\$22,288,359					Page 323.197b
13	less Property Insurance (#924)	-\$531,974					Page 323.185b
14	less Regulatory Commission Expenses (#928)	\$3,589,657					Page 323.189b
15	less General Advertising Expense (#930.1)	\$224,120					Page 323.191b
16	Subtotal [line 12 minus (13 thru 15)]	\$19,006,556	99.7176% (a)	\$18,952,881	41.6625%	\$7,896,244	
17	PLUS Property Insurance alloc. using Plant Allocator	-\$531,974	99.1107% (c)	-\$527,243	41.6625%	-\$219,663	Line 13
18		\$1,859,626	99.1107% (c)	\$1,843,088	41.6625%	\$767,877	Attachment 5
19	PLUS Specifically identified Trans. Related General Advertising Expense	\$224,120		\$224,120	41.6625%	\$93,374	
20	PLUS Specifically identified Trans. Related Regulatory Expense	\$76,055		\$76,055	41.6625%	\$31,686	Page 350.17c
21	Total A&G [line 16 + (17 thru 20)]	\$20,634,383		\$20,568,901		\$8,569,518	
22	<u>Payroll Tax Expense</u>	\$1,831,256	99.7176% (a)	\$1,826,085	41.6625%	\$760,792	Footnote (d)
(a) Worksheet 5 of 6, line 11			(e) Property Taxes FF1, Page 263i				
(b) Worksheet 5 of 8, line 3							
(c) Worksheet 5 of 8, line 16							
(d) Payroll taxes FERC Form 1, page 263.i							
	Federal Unemployment	-\$1,709		Massachusetts	\$13,987,726		
	FICA	\$1,832,965		New Hampshire	\$2,200,310		
	Payroll Taxes	\$0		Vermont	\$569,515		
	State Unemployment	\$0		Maine	\$0		
	Total	\$1,831,256		Rhode Island	\$120,842		
				Connecticut	\$0		
					\$16,878,393		
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1							
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1							

\*\* Subtract Accounts #562 &amp; #567 from O&amp;M Expense to the extent that they include PTF Support Payments.

Sheet: Worksheet 5

Shading denotes an input

Line No.			FERC Form 1 Reference
<b><u>PTF Transmission Plant Allocation Factor</u></b>		<b>NEP</b>	
1	PTF Transmission Investment	\$503,285,683	Attachment 1, Page 1
2	Total Transmission Investment	\$1,208,005,587	Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	41.6625%	
<b><u>Transmission Wages and Salaries Allocation Factor</u></b>			
4	Direct Transmission Wages and Salaries	\$0	Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	\$18,886,140	2007 Business Objects Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$18,886,140	
7	Total Wages and Salaries	\$0	Page 354.28b
8	Administrative and General Wages and Salaries	\$0	Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	\$18,939,620	2007 Business Objects Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$18,939,620	
11	Percent Allocation (Line 6/Line 10)	99.7176%	
<b><u>Plant Allocation Factor</u></b>			
12	Total Transmission Investment	\$1,208,005,587	
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	\$6,568,213	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	\$1,214,573,800	
15	Total Plant in Service	\$1,225,471,598	Page 207.104g-Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	99.1107%	
<b><u>Post-2003 PTF Allocation Factor</u></b>			
17	Total Post-2003 PTF Investment	\$ 188,364,644	Attachment 1, Page 1
18	Total Transmission Investment	\$1,208,005,587	
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	15.5930%	
20	Total Invst in Tx Plant/Total Plant in Serv *		
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	15.4544%	

**Sheet: Support**

Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.

Participant	PTF Supporting Facilities	FERC Form 1	TOTAL	
			Revenues (a)	Expenses (b)
BECO	345 kV Sherman - Medway 336 line			
	115 kV Somerville 402 Substation			
	115/345 kV North Cambridge 509 Substation			
	345 kV Golden Hills -Mystic 389 (x&y) line			\$0
	West Medway 345 kV breaker	Page 332 Line 6 Column (g)		\$0
	115 kV Millbury-Medway 201 line	Page 332 Line 2 Column (g)		\$0
	HQ Phase II - AC in MA	Page 332 Line 5 Column (g)		\$0
	345 kV "stabilizer" 342 line	Page 332 Line 3 Column (g)		\$0
	345 kV Walpole - Medway 325 line			
	345 kV Carver - Walpole 331 line	Page 332 Line 4 Column (g)		\$0
	345 kV Jordan Rd - Canal 342 line			
CEC	Second Canal line	Page 332 Line 7 Column (g)		\$0
	345 kV Pilgrim-Bridgewater - 355 line			\$0
	345 kV Myles Standish - Canal 342 line			\$0
	Bell Rock Road		\$0	\$0
CMP	345 kV Buxton-South Gorham 386 line			\$0
	115 kV Wyman 164-167 lines	Page 332.1 Line 3		\$0
	115 kV Maine Yankee transmission			
EUA	345 kV Carver - Walpole 331 line		\$0	
	345 kV Medway - Bridgewater 344 Line		\$0	
	Northern Rhode Island transmission		N/A	N/A
NEP	Chester SVC			\$0
	Fitchburg Support			\$0
	MWRA Transmission			\$0
	Comerford 115 kV Substation	Page 330.1 Line 12	\$0	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line			
	345 kV Tewksbury-Woburn 338 line]	Page 330 Line 4	\$0	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line			
	115 kV Tewksbury - Woburn N140 line]	Page 330 Line 3	\$0	
	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$0	
	HQ Phase II - AC in MA	Page 300 Line 10	\$0	\$0
	Boston Edison -345 kV Golden Hills-Mystic 349 line	Page 300 Line 2	\$0	
	345 kV NH/MA border-Tewksbury 394 line	Page 300.1 Line 8	\$0	\$0
	115 kV Read - Washington V148 line	Page 300.1 Line 3	\$0	\$0
NU	PSNH 345 kV 363, 369 and 394 Seabrook lines	Page 332 Line 11 & Montuap Fin		\$0
	Fairmont 115 kV Substation			
	345 kV Millstone-Manchester 310 line	Page 332.1 Line 5		\$0
	UI Substations			
	Black Pond			
Total =			\$0	\$0

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 21, Column 5)

\$0



**Attachment 1**  
**Page 1 of 2**

New England Power Company  
2008 Informational Filing  
PTF Plant Allocation

Percent  
Pre /  
Post

1	2007	Pre-1997 PTF Transmission Plant	\$358,707,072	
2	2007	Post-1996 PTF Transmission Plant	\$457,529,370	
3	2008	Additions/Retirements	\$41,045,094	
4	2008	Pre-1997 PTF Transmission Plant	\$353,995,853	41.29%
5	2008	Post-1996 PTF Transmission Plant	\$503,285,683	58.71%
6	2008	Total PTF Transmission Plant	\$857,281,536	100.00%
7	2008	Post-2003 PTF Transmission Plant	\$ 188,364,644	

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2008**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

**Attachment 2**

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2008</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$751,996
2	Less: Specifically identified Transmission-Related	
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$21,209
	2008 Transmission	\$28,754
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	<u>\$23,561</u>
		\$364,621
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.1107%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$383,930
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$364,621</u>
7	Total Transmission-Related Equity AFUDC	\$748,551
8	Post-96 PTF Allocation Factor	41.6625%
9	Transmission-Related Equity AFUDC	\$311,865

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 or Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b><u>Narragansett</u></b> <b><u>2008</u></b>	<b><u>MECO</u></b> <b><u>2008</u></b>
1 Total Integrated Facilities Charges (*)	\$0	\$0
2 Total 2008 PTF Property	\$0	\$0
3 Total Transmission Plant in 2008	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0

**Source:**

- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4

(\*) Includes Rental Expenses from Montaup Financials

Shading denotes an input

New England Power Company  
Development of 2008 Regulatory Commission Expense

	<b><u>2008</u></b>	<b>Source</b>
1 Total Regulatory Commission Expense - NEP	\$3,589,657	FERC FF1 p350.46d
2 Less: New Hampshire PUC Assessment	\$42,981	FERC FF1 p350.2d
3 Less: Mass Emergency Fund	\$0	FERC FF1 p350.8d
4 Less Mass DPU Special Assessment	\$237,488	
5 Less: Utility Expenses	\$1,449,562	FERC FF1 p350.46c
6 Total Federal Assessments	\$1,859,626	Line 1 - (Line 2-5)

Transmission Rents Received from Electric Property  
New England Power Company

**Attachment 6**

	<b><u>2008</u></b>
Revenues	\$752,168
Plant Allocation Factor	100.00%
Transmission Allocated	\$752,168
PTF Allocation	41.6625%
Total PTF Revenue	\$313,372

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2008</u></b>
Revenues	\$1,183,025
Post-96 PTF Percent	58.7072%
Total Post-96 PTF Revenue	\$694,521

*Source: Short Term Through and Out Revenues from ISO New England*

Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2008
Rates Effective for the Period: Through:	June 2009 May 2010
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	<u>Pre-97 Revenue Requirements</u>	<u>Post-96 Revenue Requirements</u>
Total of Attachment F - Sections A through I	\$91,613,205 <sup>(a)</sup>	\$88,628,221 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$9,231,767 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$1,381,011 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$708,921) <sup>(d)</sup>	(\$1,007,893) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$83,053,527 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$87,620,328 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$28,985,933 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$83,053,527 <sup>(n)=(e) + (l)</sup>	\$116,606,261 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		\$199,659,789 <sup>(p) = (n) + (o)</sup>



Sheet: Worksheet 1

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**for costs in 2008**

**PRE-1997**

Shading denotes an input

I. INVESTMENT BASE		Attachment F Reference	NEP	Reference
Line No.		Section:		
1	Transmission Plant	(A)(1)(a)	\$341,203,075	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$1,924,762	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$301,180	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		\$343,429,017	
5	Accumulated Depreciation	(A)(1)(d)	\$85,360,355	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	\$56,096,783	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$376,247	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$18,855,753	Worksheet 3, line 16 column 5
9	Net Investment (Line 4-5-6+7+8)		\$221,203,879	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,058,465	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$2,097,523	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		\$224,359,867	
II. REVENUE REQUIREMENTS				
14	Investment Return and Income Taxes	(A)	\$29,735,176	Worksheet 2
15	Depreciation Expense	(B)	\$7,815,536	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$94,477	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$119,118)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$4,946,078	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$535,119	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$10,752,632	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$6,027,552	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$31,825,752	Attachment 4, line 6
23	Transmission Support Revenue	(J)	(\$9,231,767)	Worksheet 6
24	Transmission Support Expense	(K)	\$1,381,011	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$488,504)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	(\$220,417)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		\$83,053,527	

Sheet: Worksheet 2

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2008**

Shading denotes an input

	CAPITALIZATION 12/31/2008	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	34.25%	2.28%	0.78%	
PREFERRED STOCK	\$1,111,700	0.09%	6.02%	0.01%	0.01%
COMMON EQUITY	\$786,651,891	65.66%	11.64%	7.64%	7.64%
TOTAL INVESTMENT RETURN	\$1,198,113,591	100.00%		8.43%	7.65%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	<u>0.0843</u>
(b) Federal Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{0.35}$
	=	<u>0.0414329</u>
(c) State Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{State Income Tax Rate}}{1} \right) \times \frac{\text{State Income Tax Rate}}{0.054326}$
	=	<u>0.0068005</u>
(a)+(b)+(c) Cost of Capital Rate	=	<u>0.1325334</u>

	<u>(PTF)</u>	
INVESTMENT BASE	\$224,359,867	From Worksheet 1
x Cost of Capital Rate	0.1325334	
= Investment Return and Income Taxes	<u>\$29,735,176</u>	To Worksheet 1

**Source: Attachment 2**

Sheet: Worksheet 3

New England Power Company

Shading denotes an input

Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	FERC Form 1 Reference for col (1)
1	Transmission Plant			\$0		\$353,995,853	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					(\$12,792,778)	Attachment 1, Page 2
3	General Plant	\$6,586,812	99.7176% (a)	\$6,568,211	29.3042%	\$1,924,762	FERC Form 1 page 207.99g
4	Total (line 1+2+ 3)			<u>\$6,568,211</u>		<u>\$343,127,837</u>	
5	<u>Transmission Plant Held for Future Use</u>	\$1,027,771		\$1,027,771	29.3042%	<u>\$301,180</u>	Page 214, Lines 2, 4, 9
	<u>Transmission Accumulated Depreciation</u>						
6	Transmission Accum. Depreciation	\$286,989,993		\$286,989,993	29.3042%	\$84,100,122	FERC Form 1 page 219.25
7	General Plant Accum.Depreciation	\$4,312,698	99.7176% (a)	\$4,300,519	29.3042%	\$1,260,233	FERC Form 1 Page 219.28
8	Total (line 6+ 7)			<u>\$291,290,512</u>		<u>\$85,360,355</u>	
	<u>Transmission Accumulated Deferred Taxes</u>						
9	Accumulated Deferred Taxes (281-283)	\$0	100.0000%	\$0	29.3042%	\$0	See Note for Page 274, FERC Form 1
10	Accumulated Deferred Taxes (190)	-\$191,429,157	100.0000%	(\$191,429,157)	29.3042%	(\$56,096,783)	See Note for Page 274, FERC Form 1
11	Total (line 9+ 10)			<u>(\$191,429,157)</u>		<u>(\$56,096,783)</u>	
12	<u>Transmission loss on Reacquired Debt</u>	\$1,283,935	100.0000%	\$1,283,935	29.3042%	<u>\$376,247</u>	Page 111.81c
	<u>Other Regulatory Assets</u>						
13	FAS 106	\$0	99.7176% (a)	\$0	29.3042%	\$0	
14	FAS 109 (Asset Account 182.3)	\$64,344,881	100.0000%	\$64,344,881	29.3042%	\$18,855,753	Page 232.7f
15	FAS 109 ( Liability Account 254 )	\$0	100.0000%	\$0	29.3042%	\$0	
16	Total (line 13+14+ 15)	<u>\$64,344,881</u>		<u>\$64,344,881</u>		<u>\$18,855,753</u>	
17	<u>Transmission Prepayments</u>	\$0	99.7176% (a)	\$0	29.3042%	<u>\$0</u>	Page 111.57c
18	<u>Transmission Materials and Supplies</u>	\$3,611,991		\$3,611,991	29.3042%	<u>\$1,058,465</u>	Page 227.8c
19	<u>Cash Working Capital</u>						
20	Operation & Maintenance Expense					\$10,752,632	Worksheet 1, Line 20
21	Administrative & General Expense					\$6,027,552	Worksheet 1, Line 21
22	Transmission Support Expense					\$0	Worksheet 6
23	Subtotal (line 20+21+22)					<u>\$16,780,184</u>	
24						0.1250	x 45 / 360
25	Total (line 23 * line 24)					<u>\$2,097,523</u>	

(a) Worksheet 5 of 6, line 11  
(b) Worksheet 5 of 6 line 3  
(c) Worksheet 5 of 6, line 16

Sheet: Worksheet 4

New England Power Company

Shading denotes an input

Line No.	(1) Total (g)	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	FERC Form 1 Reference for col (1)
	<u>Depreciation Expense</u>					
1	Transmission Depreciation		\$26,331,765	29.3042%	\$7,716,313	Page 336.7b
2	General Depreciation	99.7176% (a)	\$338,598	29.3042%	\$99,223	Page 336.10b
3			\$26,670,363		\$7,815,536	
4	<u>Amortization of Loss on Reacquired Debt</u>	100.0000% (f)	\$322,402	29.3042%	\$94,477	Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>	100.0000% (f)	\$406,488	29.3042%	\$119,118	Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>	100.0000% (f)	\$16,878,393	29.3042%	\$4,946,078	Page 263i - Footnote (e)
	<u>Transmission Operation and Maintenance</u>					
7	Operation and Maintenance		\$63,832,583	29.3042%	\$18,705,628	Page 321.112b
8	Transmission of Electricity by Others - #565		\$16,917,655	29.3042%	\$4,957,583	Page 321.96b
9	Load Dispatching - #561		\$10,221,789	29.3042%	\$2,995,413	Page 321.84-87b
10	**Station Expenses & Rents - #562 / #567		\$0		\$0	Page 321.93b & .98b
11	O&M less lines 8, 9 & 10		\$36,693,139	29.3042%	\$10,752,632	
	<u>Transmission Administrative and General</u>					
12	Total Administrative and General		\$22,288,359			Page 323.197b
13	less Property Insurance (#924)		-\$531,974			Page 323.185b
14	less Regulatory Commission Expenses (#928)		\$3,589,657			Page 323.189b
15	less General Advertising Expense (#930.1)		\$224,120			Page 323.191b
16	Subtotal [line 12 minus (13 thru 15)]	99.7176% (a)	\$18,952,881	29.3042%	\$5,553,990	
17	PLUS Property Insurance alloc. using Plant Allocator	99.1107% (c)	-\$527,243	29.3042%	-\$154,504	Line 13
18	PLUS Regulatory Comm. Exp.	99.1107% (c)	\$1,843,088	29.3042%	\$540,102	Attachment 5
19	PLUS Specifically Identified Trans. Related General Advertising Expense		\$224,120	29.3042%	\$65,677	Business Obj Query
20	PLUS Specifically Identified Trans. Related Regulatory Expense		\$76,055	29.3042%	\$22,287	Page 350.17c
21	Total A&G [line 16 + (17 thru 20)]		\$20,668,901		\$6,027,552	
22	<u>Payroll Tax Expense</u>	99.7176% (a)	\$1,826,085	29.3042%	\$535,119	Footnote (d)
(a) Worksheet 5 of 6, line 11						
(b) Worksheet 5 of 8, line 3						
(c) Worksheet 5 of 8, line 16						
(d) Payroll taxes FERC Form 1, page 263.i						
	Federal Unemployment		-\$1,709			
	FICA		\$1,832,965			
	Payroll Taxes		\$0			
	State Unemployment		\$0			
	Total		\$1,831,256			
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1						
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1						
(e) Property Taxes FF1, Page 263i						
	Massachusetts		\$13,987,726			
	New Hampshire		\$2,200,310			
	Vermont		\$569,515			
	Maine		\$0			
	Rhode Island		\$120,842			
	Connecticut		\$0			
			\$16,878,393			

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Sheet: Worksheet 5

Shading denotes an input

Line No.			Source Reference
<b><u>PTF Transmission Plant Allocation Factor</u></b>		<b>NEP</b>	
1	PTF Transmission Investment	\$353,995,853	Attachment 1, Page 1 Page 207.58g - Page 200.4b
2		\$1,208,005,587	
3	Percent Allocation (Line 1/Line 2)	29.3042%	
<b><u>Transmission Wages and Salaries Allocation Factor</u></b>			
4	Direct Transmission Wages and Salaries	\$0	Page 354.14b 2008 Business Objects Query
5	Affiliated Company Transmission Wages and Salaries	\$18,886,140	
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$18,886,140	
7	Total Wages and Salaries	\$0	Page 354.28b Page 354.27b 2008 Business Objects Query
8	Administrative and General Wages and Salaries	\$0	
9	Affiliated Company Wages and Salaries less A&G	\$18,939,620	
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$18,939,620	
11	Percent Allocation (Line 6/Line 10)	99.7176%	
<b><u>Plant Allocation Factor</u></b>			
12	Total Transmission Investment	\$1,208,005,587	Worksheet 3, Line 3, Column 3
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	\$6,568,211	
14	= Revised Numerator (Line 12 + Line 13)	\$1,214,573,798	
15	Total Plant in Service	\$1,225,471,598	Page 207.104g-Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	99.1107%	

Sheet: Support

Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.

Participant	PTF Supporting Facilities	FERC Form 1	TOTAL	
			Revenues (a)	Expenses (b)
BECO	345 kV Sherman - Medway 336 line			
	115 kV Somerville 402 Substation			
	115/345 kV North Cambridge 509 Substation	14092582		
	345 kV Golden Hills -Mystic 389 (x&y) line	Contract Suspended Oct. 1997		\$0
	West Medway 345 kV breaker	Pg 332 Line 6 Col (g)		\$0
	115 kV Millbury-Medway 201 line	Pg 332 Line 2 Col (g)		\$14,576
	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$100,648
	345 kV "stabilizer" 342 line	Pg 332 Line 3 Col (g)		\$171,978
	345 kV Walpole - Medway 325 line			
	345 kV Carver - Walpole 331 line	Pg 332 Lines 12 & 13 Col (g)		\$306,744
CEC	345 kV Jordan Rd - Canal 342 line			
	Second Canal line	Pg 332 Line 4 Col (g)		\$47,040
	345 kV Pilgrim-Bridgewater - 355 line			\$0
	345 kV Myles Standish - Canal 342 line			\$0
CMP	Bell Rock Road	Page 330.5 Line 12	\$17,268	
	345 kV Buxton-South Gorham 386 line	Page 332.1, Line 4		\$0
	115 kV Wyman 164-167 lines	Pg 332.1 Line 3 Col (g)		\$0
	115 kV Maine Yankee transmission			
NEP	345 kV Carver - Walpole 331 line		\$0	
	345 kV Medway - Bridgewater 344 Line	Pg 330.5, Line 11	\$92,568	
	Northern Rhode Island transmission	Reflect in Integr. Fac. Chg. Wksh1	N/A	N/A
VT Elec Co.	Chester SVC	Tx Billing		\$730,025
	Fitchburg Support	See Attachment 9		\$0
	MWRA Transmission (MDC)	Contract		\$10,000
	Comerford 115 kV Substation	Page 328.1 Line 12	\$42,602	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line			
	345 kV Tewksbury-Woburn 338 line]	Page 330 Line 4	\$903,852	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line			
	115 kV Tewksbury - Woburn N140 line]	Page 330 Line 3	\$160,908	
	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$13,319	
	HQ Phase II - AC in MA	Page 330 Line 11	\$4,616,942	
	Boston Edison -345 kV Golden Hills-Mystic 349 line	Page 330 Line 2	\$562,484	
	345 kV NH/MA border-Tewksbury 394 line (Seabrook)	Page 330.1 Line 8	\$2,821,824	
NU	IPSNH 345 kV 363, 369 and 394 Seabrook lines	Page 332 Line 11		\$0
	Fairmont 115 kV Substation			
	345 kV Millstone-Manchester 310 line	Page 332.1 Line 5		\$0
	UI Substations			
	Black Pond			
Total =			\$9,231,767	\$1,381,011

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 21, Column 5)

\$0

Shading denotes an input

New England Power Company 2008 Informational Filing PTF Plant Allocation				Percent Pre Post
1	2007	Pre-1997 PTF Transmission Plant	\$358,707,072	
2	2007	Post-1996 PTF Transmission Plant	\$457,529,370	
3	2008	Additions/Retirements	\$41,045,094	
4	2008	Pre-1997 PTF Transmission Plant	\$353,995,853	41.29%
5	2008	Post-1996 PTF Transmission Plant	\$503,285,683	58.71%
6	2008	Total PTF Transmission Plant	\$857,281,536	100.00%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES  
2008**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$13,938,907
	Allocation	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	253
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$12,405,627
6	Total Land from Sandy Pond to New Hampshire	\$1,106,146
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$12,792,778

**Source:**

- 1 FERC Form 1, Page 422.1-423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1 Lines 5 + 16 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.



Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2008</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$751,996
2	Less: Specifically Identified Transmission-Related	
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$21,209
	2008 Transmission	\$28,754
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	<u>\$23,561</u>
		\$364,621
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.1107%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$383,930
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$364,621</u>
7	Total Transmission-Related Equity AFUDC	\$748,551
8	Pre-97 PTF Allocation Factor	29.3042%
9	Transmission-Related Equity AFUDC	\$219,357

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 or Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8

**Attachment 4**

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2008</u></b>	<b>MECO <u>2008</u></b>
1 Total Integrated Facilities Charges (*)	\$38,882,752	\$8,331,313
2 Total 2008 PTF Property	\$170,859,376	\$20,288,739
3 Total Transmission Plant in 2008	\$237,350,850	\$44,069,025
4 NECO or MECO PTF Plant Allocator	71.99%	46.04%
5 PTF Related Integrated Facilities Charge	\$27,990,137	\$3,835,616
6 <b>Total Integrated Facilities</b>		<b><u><u>\$31,825,752</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 col (n)
  - 2 PowerPlant Reportss
  - 3 FF1 Page 207 Line 58
  - 4 Line 2 / Line 3
  - 5 Line 1 \* Line 4
  - 6 Line 5 Totals for Narragansett and Massachusetts Electric
- (\*) Includes Rental Expenses from Montaup Financials

**Attachment 5**

Shading denotes an input

New England Power Company  
Development of 2008 Regulatory Commission Expense

	<u><b>2008</b></u>	<u><b>Source</b></u>
1 Total Regulatory Commission Expense - NEP	\$3,589,657	FERC FF1 p350.46d
2 Less: New Hampshire PUC Assessment	\$42,981	FERC FF1 p350.2d
3 Less: Mass Emergency Fund	\$0	FERC FF1 p350.7d
4 Less Mass DPU Special Assessment	\$237,488	FERC FF1 p350.8d
5 Less: Utility Expenses	\$1,449,562	FERC FF1 p350.46c
6 Total Federal Assessments	\$1,859,626	Line 1 - (Line 2-5)

Transmission Rents Received from Electric Property  
New England Power Company

**Attachment 6**

	<b><u>2008</u></b>
Revenues	\$752,168
Plant Allocation Factor	100.00%
Transmission Allocated	\$752,168
PTF Allocation	29.3042%
Total PTF Revenue	\$220,417

## Revenue for Short-Term Transmission Service under the NEPOOL Tariff

**Attachment 7**

New England Power Company

	<b><u>2008</u></b>
Revenues	\$1,183,025
Pre-97 PTF Percent	41.2928%
Total Pre-97 PTF Revenue	\$ 488,504

***Source: Short Term Through and Out Revenues from ISO New England***

Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2009
Rates Effective for the Period: Through:	June 2010 May 2011
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNS number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$90,404,997 <sup>(a)</sup>	\$110,240,121 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$7,130,058 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$963,053 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$547,552) <sup>(d)</sup>	(\$1,032,676) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$83,690,440 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$109,207,445 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$25,171,563 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$83,690,440 <sup>(n)=(e)+(l)</sup>	\$134,379,008 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$218,069,448 <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2009**

**POST-1996**

Shading denotes an input

		Attachment F Reference	NEP	Reference
<b>I. INVESTMENT BASE</b>				
<u>Line No.</u>		<u>Section:</u>		
1	Transmission Plant	(A)(1)(a)	\$664,596,724	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$3,164,504	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$496,668	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		\$668,257,896	
5	Accumulated Depreciation	(A)(1)(d)	\$148,983,596	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	\$134,031,553	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$478,726	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$29,678,590	Worksheet 3, line 16 column 5
9	Net Investment (Line 4-5-6+7+8)		\$415,400,063	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,877,837	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$3,777,107	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		\$421,055,007	
<b>II. REVENUE REQUIREMENTS</b>				
14	Investment Return and Income Taxes	(A)	\$55,185,546	Worksheet 2
15	Depreciation Expense	(B)	\$13,815,406	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$141,733	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$196,264)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$10,128,938	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$947,908	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$16,615,219	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$13,601,635	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$0	Attachment 4, line 6
23	Transmission Support Revenue	(J)	\$0	Worksheet 6
24	Transmission Support Expense	(K)	\$0	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$603,747)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	(\$428,929)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		\$109,207,445	

New England Power Company  
Forecasted Transmission Revenue Requirements of PTF Facilities

POST-1996

Shading denotes an input

I. FORECASTED TRANSMISSION REVENUE REQUIREMENTS		Attachment F Reference Section:	NEP	Reference
Line No.	Period			
1	2009	Appendix C	\$151,750,000	
2		Appendix C	16.59%	
3			<u>\$25,171,563</u>	
II. CARRYING CHARGE FACTOR				
4		(A)	\$55,185,546	Summary, line 14
5		(B)	13,815,406	Summary, line 15
6		(C)	141,733	Summary, line 16
7		(D)	(196,264)	Summary, line 17
8		(E)	10,128,938	Summary, line 18
9		(F)	947,908	Summary, line 19
10		(G)	16,615,219	Summary, line 20
11		(H)	13,601,635	Summary, line 21
12			<u>\$110,240,121</u>	
13		(A)(1)(a)	\$664,596,724	Summary, line 1
14			<u>16.59%</u>	



**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2009**

Shading denotes an input

	CAPITALIZATION 12/31/2009	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.48%	1.58%	0.56%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$745,076,320	64.42%	11.64%	7.50%	7.50%
TOTAL INVESTMENT RETURN	\$1,156,538,020	100.00%		8.07%	7.51%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	0.0807
(b) Federal Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv.} \times \text{Eq. AFUDC}}{\text{(Tax Credit} + \text{of Deprec. Exp.} \right)} \right) / \text{PTF Inv. Base}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$ $\left( \frac{0.0751 + \left( \frac{(\$196,264) + \$433,647}{\$421,055,007} \right)}{1} \right) \times \frac{0.35}{0.35}$
	=	0.0407420
(c) State Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv.} \times \text{Eq. AFUDC}}{\text{(Tax Credit} + \text{of Deprec. Exp.} \right)} \right) / \text{PTF Inv. Base}}{1} \right) + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}} \times \text{State Income Tax Rate}$ $\left( \frac{0.0751 + \left( \frac{(\$196,264) + \$433,647}{\$421,055,007} \right)}{1} \right) + \frac{0.0407420}{0.053641} \times 0.053641$
	=	0.0065980
(a)+(b)+(c) Cost of Capital Rate	=	0.1280400

	(PTF)
INVESTMENT BASE	\$421,055,007 From Worksheet 1
x Cost of Capital Rate	0.1280400
= Investment Return and Income Taxes	\$53,911,883 To Worksheet 1

**Source: Attachment 2**

Post 2003 PTF Investment Base w/ Incremental 100 bps:

Plant	\$ 206,004,443	From Attachment 1
Accum. Depreciation	\$ 45,482,926	From Worksheets 3 & 5
Accum. Deferred	\$ 41,220,054	From Worksheets 3 & 5
Total Post-2003 Investment	\$ 119,301,463	Calculated

Incremental ROE:	1.00%	0.00644	Calculated
FIT:		0.00347	Per Attach. F
State Income Taxes:		0.00056	Per Attach. F
Cost of Capital Rate		0.01047	
Incremental Return and Taxes on Post-2003 PTF Investment		\$ 1,249,388	

NEEWS PTF Investment Base w/ Incremental 125 bps:

Plant	\$ 5,893,661	PowerPlant PTF 4 & 5 reports - PTF only
Accum. Depreciation	\$ 1,301,239	From Worksheets 3 & 5
Accum. Deferred	\$ 1,179,281	From Worksheets 3 & 5
Total NEEWS Investment	\$ 3,413,142	Calculated

Incremental ROE:	1.25%	0.00438	Calculated
FIT:		0.00236	Per Attach. F
State Income Taxes:		0.00038	Per Attach. F
Cost of Capital Rate		0.00711	
Incremental Return and Taxes on NEEWS PTF Investment		\$ 24,275	

NEEWS Allocation Factor	
Total Trans Investment	\$1,375,270,230
Total NEEWS In-Service	\$5,893,661
For Accum Depreciation	0.4285%
Post-2003 PTF Allocation Factor	0.4285%
Plant Allocation Factor	0.992163
For Accum Deferred	0.4252%

New England Power Company

Shading denotes an input							
Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1	Transmission Plant			\$0		\$664,596,724	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					\$0	Attachment 1, Page 2
3	General Plant	\$6,563,943	99.7633% (a)	\$6,548,406	48.3248%	\$3,164,504	FERC Form 1 page 207.99
4	Total (line 1+2+ 3)			\$6,548,406		\$667,761,228	
5	Transmission Plant Held for Future Use	\$1,027,771		\$1,027,771	48.3248%	\$496,668	FERC Form 1 page 214.2,4,9
	Transmission Accumulated Depreciation						
6	Transmission Accum. Depreciation	\$303,640,607		\$303,640,607	48.3248%	\$146,733,716	FERC Form 1 page 219.25
7	General Plant Accum. Depreciation	\$4,666,793	99.7633% (a)	\$4,655,747	48.3248%	\$2,249,880	FERC Form 1 Page 219.28
8	Total (line 6+ 7)			\$308,296,354		\$148,983,596	
	Transmission Accumulated Deferred Taxes						
9	Accumulated Deferred Taxes (281-283)	-\$430,463,140	99.2163%	(\$427,089,600)	48.3248%	(\$206,390,195)	FERC Form 1 page 113.62-64
10	Accumulated Deferred Taxes (190)	\$150,916,705	99.2163%	\$149,733,971	48.3248%	\$72,358,642	FERC Form 1 page 111.82
11	Total (line 9+ 10)			(\$277,355,629)		(\$134,031,553)	
12	Transmission Loss on Reacquired Debt	\$990,643	100.0000%	\$990,643	48.3248%	\$478,726	FERC Form 1 Page 111.81c
	Other Regulatory Assets						
13	FAS 106	\$0	99.7633% (a)	\$0	48.3248%	\$0	
14	FAS 109 (Asset Account 182.3)	\$61,414,823	100.0000%	\$61,414,823	48.3248%	\$29,678,590	FERC Form 1 Page 232.7f
15	FAS 109 ( Liability Account 254 )	\$0	100.0000%	\$0	48.3248%	\$0	
16	Total (line 13+14+ 15)	\$61,414,823		\$61,414,823		\$29,678,590	
17	Transmission Prepayments	\$0	99.7633% (a)	\$0	48.3248%	\$0	FERC Form 1 Page 111.57c
18	Transmission Materials and Supplies	\$3,885,867		\$3,885,867	48.3248%	\$1,877,837	FERC Form 1 Page 227.8c
	Cash Working Capital						
19	Operation & Maintenance Expense					\$16,615,219	Worksheet 1, Line 20
20	Administrative & General Expense					\$13,601,635	Worksheet 1, Line 21
21	Transmission Support Expense					\$0	Worksheet 6
22	Subtotal (line 20+21+22)					\$30,216,854	
23						0.1250	x 45 / 360
24	Total (line 23 * line 24)					\$3,777,107	

(a) Worksheet 6 Line 11  
(b) Worksheet 6 Line 3

**New England Power Company**

Shading denotes an input

Line No.	(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
	<b>Depreciation Expense</b>					
1	Transmission Depreciation		\$28,239,845	48.3248%	\$13,646,849	FERC Form 1 Page 336.7b
2	General Depreciation	99.7633% (a)	\$349,629	48.3248%	\$168,557	FERC Form 1 Page 336.10b
3	Total (line 1+2)		\$28,588,646		\$13,815,406	
4	<b>Amortization of Loss on Recquired Debt</b>	100.0000%	\$293,292	48.3248%	\$141,733	FERC Form 1 Page 117.64c
5	<b>Amortization of Investment Tax Credits</b>	100.0000%	\$406,136	48.3248%	\$196,264	FERC Form 1 Page 266.8f - Footnote (f)
6	<b>Property Taxes</b>	100.0000%	\$20,960,123	48.3248%	\$10,128,938	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
	<b>Transmission Operation and Maintenance</b>					
7	Operation and Maintenance		\$62,195,739	48.3248%	\$30,055,966	FERC Form 1 Page 321.112b
8	Transmission of Electricity by Others - #565		\$15,883,436	48.3248%	\$7,675,639	FERC Form 1 Page 321.96b
9	Load Dispatching - #561 (excl #561.3)		\$11,929,915	48.3248%	\$5,765,108	FERC Form 1 Page 321.84-92b less 87b
10	**Station Expenses & Rents - #562 & #567		\$0		\$0	FERC Form 1 Page 321.93b & .98b
11	O&M less lines 8, 9 & 10		\$34,382,388	48.3248%	\$16,615,219	
	<b>Transmission Administrative and General</b>					
12	Total Administrative and General		\$29,814,013			FERC Form 1 Page 323.197b
13	less Property Insurance (#924)		-\$440,927			FERC Form 1 Page 323.185b
14	less Regulatory Commission Expenses (#928)		\$4,241,188			FERC Form 1 Page 323.189b
15	less General Advertising Expense (#930.1)		\$24,704			FERC Form 1 Page 323.191b
16	Subtotal [line 12 minus (13 thru 15)]	99.7633% (a)	\$25,989,048	48.3248%	\$12,529,428	
17	PLUS Property Insurance alloc. using Plant Allocator	99.2163% (c)	-\$440,927	48.3248%	-\$211,407	Line 13
18		99.2163% (c)	\$2,608,204	48.3248%	\$1,250,532	Attachment 5 Line 6
19	PLUS Specifically identified T rans. Related General Advertising Expense		\$24,704	48.3248%	\$11,938	Line 15
20	PLUS Specifically identified Trans. Related Regulatory Expense		\$43,753	48.3248%	\$21,144	FERC Form 1 Page 350.18c
21	Total A&G [line 16 + (17 thru 20)]		\$28,224,782		\$13,601,635	
22	<b>Payroll Tax Expense</b>	99.7633% (a)	\$1,966,189	48.3248%	\$947,908	FERC Form 1 Page 263.3,4i - Footnote (d)
(a) Worksheet 6, Line 11						
(b) Worksheet 6 Line 3						
(c) Worksheet 6 Line 16						
(d) Payroll taxes FERC Form 1, page 263.i						
	Federal Unemployment		\$13,994			
	FICA		\$1,952,195			
	Payroll Taxes		\$0			
	State Unemployment		\$0			
	Total		\$1,966,189			
(e) Property Taxes FF1, Page 263i						
	Massachusetts		\$17,745,431			
	New Hampshire		\$2,340,263			
	Vermont		\$730,106			
	Maine		\$0			
	Rhode Island		\$144,323			
	Connecticut		\$0			
			\$20,960,123			

(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$664,596,724	Attachment 1, Page 1
2	Total Transmission Investment	\$1,375,270,230	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	48.3248%	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	\$22,154,668	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$22,154,668	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	\$22,207,232	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$22,207,232	
11	Percent Allocation (Line 6/Line 10)	99.7633%	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,375,270,230	Line 2
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	\$6,548,406	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	\$1,381,818,636	
15	Total Plant in Service	\$1,392,733,917	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	99.2163%	
	<b><u>Post-2003 PTF Allocation Factor</u></b>		
17	Total Post-2003 PTF Investment	\$ 206,004,443	Attachment 1 Line 7
18	Total Transmission Investment	\$1,375,270,230	Line 2
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	14.9792%	
20	Total Invst in Tx Plant/Total Plant in Serv *		
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	14.8618%	Line 19 * Line 16

Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.

Participant	PTF Supporting Facilities	FERC Form 1	TOTAL	
			Revenues (a)	Expenses (b)
BECO	345 kV Sherman - Medway 336 line			
	115 kV Somerville 402 Substation			
	115/345 kV North Cambridge 509 Substation			
	345 kV Golden Hills -Mystic 389 (x&y) line			\$0
	West Medway 345 kV breaker	Page 332 Line 6 Column (g)		\$0
	115 kV Millbury-Medway 201 line	Page 332 Line 2 Column (g)		\$0
	HQ Phase II - AC in MA	Page 332 Line 5 Column (g)		\$0
	345 kV "stabilizer" 342 line	Page 332 Line 3 Column (g)		\$0
	345 kV Walpole - Medway 325 line			
	345 kV Carver - Walpole 331 line	Page 332 Line 4 Column (g)		\$0
	345 kV Jordan Rd - Canal 342 line			
CEC	Second Canal line	Page 332 Line 7 Column (g)		\$0
	345 kV Pilgrim-Bridgewater - 355 line			\$0
	345 kV Myles Standish - Canal 342 line			\$0
	Bell Rock Road		\$0	\$0
CMP	345 kV Buxton-South Gorham 386 line			\$0
	115 kV Wyman 164-167 lines	Page 332.1 Line 3		\$0
	115 kV Maine Yankee transmission			
EUA	345 kV Carver - Walpole 331 line		\$0	
	345 kV Medway - Bridgewater 344 Line		\$0	
	Northern Rhode Island transmission		N/A	N/A
NEP	Chester SVC			\$0
	Fitchburg Support			\$0
	MWRA Transmission			\$0
	Comerford 115 kV Substation	Page 330.1 Line 12	\$0	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line			
	345 kV Tewksbury-Woburn 338 line]	Page 330 Line 4	\$0	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line			
	115 kV Tewksbury - Woburn N140 line]	Page 330 Line 3	\$0	
	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$0	
	HQ Phase II - AC in MA	Page 300 Line 10	\$0	\$0
	Boston Edison -345 kV Golden Hills-Mystic 349 line	Page 300 Line 2	\$0	
	345 kV NH/MA border-Tewksbury 394 line	Page 300.1 Line 8	\$0	\$0
	115 kV Read - Washington V148 line	Page 300.1 Line 3	\$0	\$0
NU	PSNH 345 kV 363, 369 and 394 Seabrook lines	Page 332 Line 11 & Montuap Fin		\$0
	Fairmont 115 kV Substation			
	345 kV Millstone-Manchester 310 line	Page 332.1 Line 5		\$0
	UI Substations			
Black Pond				
Total =			\$0	\$0

New England Power Company  
2009 Informational Filing  
PTF Plant Allocation

				<b><u>Percent Pre/Post</u></b>
1	2008	Pre-1997 PTF Transmission Plant	\$353,995,853	
2	2008	Post-1996 PTF Transmission Plant	\$503,285,683	
3	2009	Additions/Retirements	\$159,702,008	
4	2009	Pre-1997 PTF Transmission Plant	\$352,386,820	34.65%
5	2009	Post-1996 PTF Transmission Plant	\$664,596,724	65.35%
6	2009	Total PTF Transmission Plant	\$1,016,983,544	100.00%
7	2009	Post-2003 PTF Transmission Plant	\$206,004,443	

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects

**Attachment 2**

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES  
2009**

<b>LINE NO</b>		<b>(HVDC) NHH/NEH LEASE</b>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2009</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$900,396
2	Less: Specifically identified Transmission-Related	
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	<u>\$23,561</u>
		\$513,021
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2163%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,339
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$513,021</u>
7	Total Transmission-Related Equity AFUDC	\$897,360
8	Post-96 PTF Allocation Factor	48.3248%
9	Transmission-Related Equity AFUDC	\$433,647

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 6 - Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8



Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b><u>Narragansett</u></b> <b><u>2009</u></b>	<b><u>MECO</u></b> <b><u>2009</u></b>
1 Total Integrated Facilities Charges	\$0	\$0
2 Total 2009 PTF Property	\$0	\$0
3 Total Transmission Plant in 2009	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0
6 <b>Total Integrated Facilities</b>		<b><u><u>\$0</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2009 Regulatory Commission Expense

<b>Line No.</b>		<b><u>2009</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,241,188	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$54,748	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$249,867	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$0	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,328,369	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,608,204	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2009</u></b>
Revenues	\$887,595
Plant Allocation Factor	100.00%
Transmission Allocated	\$887,595
PTF Allocation	48.3248%
Total PTF Revenue	\$428,929

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

**Attachment 7**

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2009</u></b>
Revenues	\$923,870
Post-96 PTF Percent	65.3498%
Total Post-96 PTF Revenue	\$603,747

***Source: Short Term Through and Out Revenues from ISO New England***

Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2009
Rates Effective for the Period: Through:	June 2010 May 2011
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNS number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$90,404,997 <sup>(a)</sup>	\$110,240,121 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$7,130,058 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$963,053 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$547,552) <sup>(d)</sup>	(\$1,032,676) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$83,690,440 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$109,207,445 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$25,171,563 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$83,690,440 <sup>(n)=(e) + (l)</sup>	\$134,379,008 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		\$218,069,448 <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2009**

**PRE-1997**

Shading denotes an input

Line No.	I. <u>INVESTMENT BASE</u>	Attachment F	NEP	Reference
		Reference		
		Section:		
1	Transmission Plant	(A)(1)(a)	\$339,300,092	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$1,677,905	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$263,347	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		\$341,241,344	
5	Accumulated Depreciation	(A)(1)(d)	\$78,995,083	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	\$71,067,110	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$253,833	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$15,736,382	Worksheet 3, line 16 column 5
9	Net Investment (Line 4-5-6+7+8)		\$207,169,366	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$995,680	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$2,002,723	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		\$210,167,769	
	II. <u>REVENUE REQUIREMENTS</u>			
14	Investment Return and Income Taxes	(A)	\$26,914,505	Worksheet 2
15	Depreciation Expense	(B)	\$7,325,298	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$75,151	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$104,065)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$5,370,633	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$502,606	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$8,809,833	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$7,211,949	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$34,299,087	Attachment 4, line 6
23	Transmission Support Revenue	(J)	(\$7,130,058)	Worksheet 6
24	Transmission Support Expense	(K)	\$963,053	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$320,123)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	(\$227,429)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		\$83,690,440	

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2009**

Shading denotes an input

	CAPITALIZATION 12/31/2009	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.48%	1.58%	0.56%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$745,076,320	64.42%	11.64%	7.50%	7.50%
TOTAL INVESTMENT RETURN	\$1,156,538,020	100.00%		8.07%	7.51%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0807

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right)}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$$

= 
$$\left( \frac{0.0751 + \left( \frac{(\$104,065) + \$229,931}{\$210,167,769} \right)}{1} \right) \times \frac{0.35}{0.35}$$

= 0.0407609

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right)}{1} \right) + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}}$$

= 
$$\left( \frac{0.0751 + \left( \frac{(\$104,065) + \$229,931}{\$210,167,769} \right)}{1} \right) + \frac{0.0407609}{0.053641}$$

= 0.0066011

(a)+(b)+(c) Cost of Capital Rate = 0.1280620

	<u>(PTF)</u>	
INVESTMENT BASE	\$210,167,769	From Worksheet 1
x Cost of Capital Rate	0.1280620	
= Investment Return and Income Taxes	<u>\$26,914,505</u>	To Worksheet 1

Source: Attachment 2

New England Power Company

Shading denotes an input

Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1	Transmission Plant			\$0		\$352,386,820	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					(\$13,086,728)	Attachment 1, Page 2
3	General Plant	\$6,563,943	99.7633% (a)	\$6,548,406	25.6231%	\$1,677,905	FERC Form 1 Page 207.99g
4	Total (line 1+2+ 3)			<u>\$6,548,406</u>		<u>\$340,977,997</u>	
5	<u>Transmission Plant Held for Future Use</u>	\$1,027,771		\$1,027,771	25.6231%	<u>\$263,347</u>	FERC Form 1 Page 214.2,4,9
	<u>Transmission Accumulated Depreciation</u>						
6	Transmission Accum. Depreciation	\$303,640,607		\$303,640,607	25.6231%	\$77,802,136	FERC Form 1 Page 219.25
7	General Plant Accum.Depreciation	\$4,666,793	99.7633% (a)	\$4,655,747	25.6231%	\$1,192,947	FERC Form 1 Page 219.28
8	Total (line 6+ 7)			<u>\$308,296,354</u>		<u>\$78,995,083</u>	
	<u>Transmission Accumulated Deferred Taxes</u>						
9	Accumulated Deferred Taxes (281-283)	-\$430,463,140	99.2163%	(\$427,089,600)	25.6231%	(\$109,433,595)	FERC Form 1 Page 113.62-64
10	Accumulated Deferred Taxes (190)	\$150,916,705	99.2163%	\$149,733,971	25.6231%	\$38,366,485	FERC Form 1 Page 111.82
11	Total (line 9+ 10)			<u>(\$277,355,629)</u>		<u>(\$71,067,110)</u>	
12	<u>Transmission Loss on Reacquired Debt</u>	\$990,643	100.0000%	\$990,643	25.6231%	<u>\$253,833</u>	FERC Form 1 Page 111.81c
	<u>Other Regulatory Assets</u>						
13	FAS 106	\$0	99.7633% (a)	\$0	25.6231%	\$0	
14	FAS 109 (Asset Account 182.3)	\$61,414,823	100.0000%	\$61,414,823	25.6231%	\$15,736,382	FERC Form 1 Page 232.7f
15	FAS 109 ( Liability Account 254 )	\$0	100.0000%	\$0	25.6231%	\$0	
16	Total (line 13+14+ 15)	<u>\$61,414,823</u>		<u>\$61,414,823</u>		<u>\$15,736,382</u>	
17	<u>Transmission Prepayments</u>	\$0	99.7633% (a)	\$0	25.6231%	\$0	FERC Form 1 Page 111.57c
18	<u>Transmission Materials and Supplies</u>	\$3,885,867		\$3,885,867	25.6231%	<u>\$995,680</u>	FERC Form 1 Page 227.8c
19	<u>Cash Working Capital</u>						
20	Operation & Maintenance Expense					\$8,809,833	Worksheet 1, Line 20
21	Administrative & General Expense					\$7,211,949	Worksheet 1, Line 21
22	Transmission Support Expense					\$0	Worksheet 6
23	Subtotal (line 20+21+22)					<u>\$16,021,782</u>	
24						0.1250	x 45 / 360
25	Total (line 23 * line 24)					<u>\$2,002,723</u>	

(a) Worksheet 5 Line 11

(b) Worksheet 5 Line 3



**New England Power Company**

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
	<u>Depreciation Expense</u>					
1	Transmission Depreciation		\$28,239,845	25.6231%	\$7,235,924	FERC Form 1 Page 336.7b
2	General Depreciation	99.7633% (a)	\$349,629	25.6231%	\$89,374	FERC Form 1 Page 336.10b
3			<u>\$28,588,646</u>		<u>\$7,325,298</u>	
4	<u>Amortization of Loss on Reacquired Debt</u>	100.0000%	\$293,292	25.6231%	<u>\$75,151</u>	FERC Form 1 Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>	100.0000%	\$406,136	25.6231%	<u>\$104,065</u>	FERC Form 1 Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>	100.0000%	<u>\$20,960,123</u>	25.6231%	<u>\$5,370,633</u>	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
	<u>Transmission Operation and Maintenance</u>					
7	Operation and Maintenance		\$62,195,739	25.6231%	\$15,936,476	FERC Form 1 Page 321.112b
8	Transmission of Electricity by Others - #565		\$15,883,436	25.6231%	\$4,069,829	FERC Form 1 Page 321.96b
9	Load Dispatching - #561 (excl #561.3)		\$11,929,915	25.6231%	\$3,056,814	FERC Form 1 Page 321.84-92b less 87b
10	**Station Expenses & Rents - #562 / #567		\$0		\$0	FERC Form 1 Page 321.93b & .98b
11	O&M less lines 8, 9 & 10		<u>\$34,382,388</u>	25.6231%	<u>\$8,809,833</u>	
	<u>Transmission Administrative and General</u>					
12	Total Administrative and General		\$29,814,013			FERC Form 1 Page 323.197b
13	less Property Insurance (#924)		-\$440,927			FERC Form 1 Page 323.185b
14	less Regulatory Commission Expenses (#928)		\$4,241,188			FERC Form 1 Page 323.189b
15	less General Advertising Expense (#930.1)		\$24,704			FERC Form 1 Page 323.191b
16	Subtotal [(line 12 minus (13 thru 15))]	99.7633% (a)	\$25,927,532	25.6231%	\$6,643,437	
17	PLUS Property Insurance alloc. using Plant Allocator	99.2163% (c)	-\$437,471	25.6231%	-\$112,094	Line 13
18	PLUS Regulatory Comm. Exp.	99.2163% (c)	\$2,587,764	25.6231%	\$663,065	Attachment 5 Line 6
19	PLUS Specifically Identified Trans. Related General Advertising Expense		\$24,704	25.6231%	\$6,330	Line 15
20	PLUS Specifically Identified Trans. Related Regulatory Expense		\$43,753	25.6231%	\$11,211	FERC Form 1 Page 350.18c
21	Total A&G [(line 16 + (17 thru 20))]		<u>\$28,146,282</u>		<u>\$7,211,949</u>	
22	<u>Payroll Tax Expense</u>	99.7633% (a)	\$1,966,189	25.6231%	<u>\$502,606</u>	FERC Form 1 Page 263.3,4i - Footnote (d)
	(a) Worksheet 5 Line 11					
	(b) Worksheet 5 Line 3					
	(c) Worksheet 5 Line 16					
	(d) Payroll taxes FERC Form 1, page 263.i					
	Federal Unemployment		\$13,994			
	FICA		\$1,952,195			
	Payroll Taxes		\$0			
	State Unemployment		\$0			
	Total		<u>\$1,966,189</u>			
	(e) Property Taxes FF1, Page 263i					
	Massachusetts		\$17,745,431			
	New Hampshire		\$2,340,263			
	Vermont		\$730,106			
	Maine		\$0			
	Rhode Island		\$144,323			
	Connecticut		\$0			
					\$20,960,123	

(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$352,386,820	Attachment 1, Page 1
2		<b>\$1,375,270,230</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<b>25.6231%</b>	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$22,154,668</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<b>\$22,154,668</b>	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$22,207,232</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<b>\$22,207,232</b>	
11	Percent Allocation (Line 6/Line 10)	<b>99.7633%</b>	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,375,270,230	Line 2
13	plus Transmission-Related General Plant	<b>\$6,548,406</b>	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	<b>\$1,381,818,636</b>	
15	Total Plant in Service	<b>\$1,392,733,917</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<b>99.2163%</b>	

Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.

Participant	PTF Supporting Facilities	FERC Form 1	TOTAL	
			Revenues (a)	Expenses (b)
BECO	345 kV Sherman - Medway 336 line			
	115 kV Somerville 402 Substation			
	115/345 kV North Cambridge 509 Substation	14092582		
	345 kV Golden Hills -Mystic 389 (x&y) line	Contract Suspended Oct. 1997		\$0
	West Medway 345 kV breaker	Pg 332 Line 6 Col (g)		\$0
	115 kV Millbury-Medway 201 line	Pg 332 Line 2 Col (g)		\$9,334
	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$115,229
	345 kV "stabilizer" 342 line	Pg 332 Line 3 Col (g)		\$69,187
	345 kV Walpole - Medway 325 line			
	345 kV Carver - Walpole 331 line	Pg 332 Lines 12 & 13 Col (g)		\$19,462
	345 kV Jordan Rd - Canal 342 line			
CEC	Second Canal line	Pg 332 Line 4 Col (g)		\$47,040
	345 kV Pilgrim-Bridgewater - 355 line			\$0
	345 kV Myles Standish - Canal 342 line			\$0
	Bell Rock Road	Page 330.5 Line 12	-\$4,408	
CMP	345 kV Buxton-South Gorham 386 line	Page 332.1, Line 4		\$0
	115 kV Wyman 164-167 lines	Pg 332.1 Line 3 Col (g)		\$0
	115 kV Maine Yankee transmission			
NEP	345 kV Carver - Walpole 331 line		\$0	
	345 kV Medway - Bridgewater 344 Line	Pg 330.5, Line 11	\$166,069	
	Northern Rhode Island transmission	Reflect in Integr. Fac. Chg. Wksh1	N/A	N/A
VT Elec Co.	Chester SVC	Tx Billing		\$692,801
	Fitchburg Support	See Attachment 9		\$0
	MWRA Transmission (MDC)	Contract		\$10,000
	Comerford 115 kV Substation	Page 330.1 Line 12	\$41,705	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line			
	345 kV Tewksbury-Woburn 338 line]	Page 330 Line 4	\$854,688	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line			
	115 kV Tewksbury - Woburn N140 line]	Page 330 Line 3	\$110,499	
	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$13,319	
	HQ Phase II - AC in MA	Page 330 Line 11	\$5,099,585	
	Boston Edison -345 kV Golden Hills-Mystic 349 line	Page 330 Line 2	\$425,327	
	345 kV NH/MA border-Tewksbury 394 line (Seabrook)	Page 330.1 Line 8	\$423,274*	
NU	PSNH 345 kV 363, 369 and 394 Seabrook lines	Page 332 Line 11		\$0
	Fairmont 115 kV Substation			
	345 kV Millstone-Manchester 310 line	Page 332.1 Line 5		\$0
	UI Substations			
	Black Pond			
Total =			\$7,130,058	\$963,053

\* Adjusted FERC Form Pg 330.1 Line 8 to reflect FERC Order #ER09-1764-000 amending the Seabrook Transmission Support Agreement.

FF1 Pg 330.1 Line 8	\$	2,821,824
Revised @ 15% per FERC Order	\$	423,274
FF1 Adjustment	\$	<u>2,398,550</u>

**Attachment 1**

Shading denotes an input

New England Power Company  
2009 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2008	Pre-1997 PTF Transmission Plant	\$353,995,853	
2	2008	Post-1996 PTF Transmission Plant	\$503,285,683	
3	2009	Additions/Retirements	\$159,702,008	
4	2009	Pre-1997 PTF Transmission Plant	\$352,386,820	34.65%
5	2009	Post-1996 PTF Transmission Plant	\$664,596,724	65.35%
6	2009	Total PTF Transmission Plant	\$1,016,983,544	100.00%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES  
2009**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$14,269,187
	Allocation	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	253
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$12,699,576
6	Total Land from Sandy Pond to New Hampshire	\$1,106,146
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$13,086,728

**Source:**

- 1 FERC Form 1, Page 422.1-423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1 Lines 5 + 16 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

**Attachment 3**

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2009</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$900,396
2	Less: Specifically Identified Transmission-Related	
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	<u>\$23,561</u>
		\$513,021
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2163%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,339
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$513,021</u>
7	Total Transmission-Related Equity AFUDC	\$897,360
8	Pre-97 PTF Allocation Factor	25.6231%
9	Transmission-Related Equity AFUDC	\$229,931

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 PTF Allocation Factor
- 9 Line 7 \* Line 8

**Attachment 4**

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

		REVISED PTF	
		Narragansett	MECO
		<u>2009</u>	<u>2009</u>
1	Total Integrated Facilities Charges	\$42,294,362	\$7,830,887
2	Total 2009 PTF Property	\$173,100,030	\$21,108,649
3	Total Transmission Plant in 2009	\$239,329,792	\$44,568,938
4	NECO or MECO PTF Plant Allocator	72.33%	47.36%
5	PTF Related Integrated Facilities Charge	\$30,590,238	\$3,708,849
6	<b>Total Integrated Facilities</b>		<b><u><u>\$34,299,087</u></u></b>

Source:

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2009 Regulatory Commission Expense

<b><u>Line No.</u></b>		<b><u>2009</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,241,188	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$54,748	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$249,867	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$0	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,328,369	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,608,204	Line 1 - (Line 2-5)



**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2009</u></b>
Revenues	\$887,595
Plant Allocation Factor	100.00%
Transmission Allocated	\$887,595
PTF Allocation	25.6231%
Total PTF Revenue	\$227,429

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

**Attachment 7**

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2009</u></b>
Revenues	\$923,870
Pre-97 PTF Percent	34.6502%
Total Pre-97 PTF Revenue	\$ 320,123

***Source: Short Term Through and Out Revenues from ISO New England***

Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2010
Rates Effective for the Period: Through:	June 2011 May 2012
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$88,866,750 <sup>(a)</sup>	\$121,119,799 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$6,543,377 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$881,501 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$1,159,454) <sup>(d)</sup>	(\$2,495,328) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$82,045,420 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$118,624,471 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$19,133,246 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$82,045,420 <sup>(n)=(e)+(l)</sup>	\$137,757,717 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$219,803,137 <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2010**

**POST-1996**

Shading denotes an input

		Attachment F Reference	NEP	Reference
<b>I. <u>INVESTMENT BASE</u></b>				
<u>Line No.</u>		<u>Section:</u>		
1	Transmission Plant	(A)(1)(a)	\$755,657,102	Worksheet 5, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$3,501,114	Worksheet 5, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$523,217	Worksheet 5, line 5 column 5
4	Total Plant (Lines 1+2+3)		<u>\$759,681,433</u>	
5	Accumulated Depreciation	(A)(1)(d)	(\$168,493,923)	Worksheet 5, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$160,012,647)	Worksheet 5, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$355,007	Worksheet 5, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$22,586,072	Worksheet 5, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		<u>\$454,115,942</u>	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 5, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$2,273,926	Worksheet 5, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	<u>\$4,024,393</u>	Worksheet 5, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		<u><u>\$460,414,261</u></u>	
<b>II. <u>REVENUE REQUIREMENTS</u></b>				
14	Investment Return and Income Taxes	(A)	\$59,812,781	Worksheet 3
15	Depreciation Expense	(B)	\$16,593,368	Worksheet 6, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$149,309	Worksheet 6, line 4, column 5
17	Investment Tax Credit	(D)	(\$201,661)	Worksheet 6, line 5, column 5
18	Property Tax Expense	(E)	\$11,520,944	Worksheet 6, line 6, column 5
19	Payroll Tax Expense	(F)	\$1,049,911	Worksheet 6, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$16,817,224	Worksheet 6, line 11, column 5
21	Administrative & General Expense	(H)	\$15,377,923	Worksheet 6, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$0	Attachment 4, line 6
23	Transmission Support Revenue	(J)	\$0	Worksheet 8
24	Transmission Support Expense	(K)	\$0	Worksheet 8
25	Transmission Related Expense from Generators	(L)	\$0	
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$1,922,989)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	<u>(\$572,339)</u>	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		<u><u>\$118,624,471</u></u>	

PTF Revenue Requirements  
Worksheet 2 of 8

New England Power Company  
Post 1996 Regional Network Service Revenue Requirement  
For Test Year Ended 12/31/2010

Shading denotes an input

Line No.	Description	Attachment F Reference	Forecasted Amount \$	Reference
1	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTP)		\$ 11,629,831	Line 6
2	Forecasted Revenue Requirements for Forecasted Transmission CWIP		7,503,415	Line 9
3	<b>Forecasted Transmission Revenue Requirements</b>		<b>\$ 19,133,246</b>	Line 1 + Line 2
4	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTP)	Appendix C iv	\$ 73,388,000	Project Detail
5	Carrying Charge Factor (CCF)	Appendix C vi	15.84705%	Line 20
6	<b>Forecasted Revenue Requirements for FTP</b>		<b>\$ 11,629,831</b>	Line 4 * Line 5
7	Forecasted New England Power Company (NEP) NEEWS CWIP (FNCWIP)	Appendix C xiii	\$ 53,588,131	Filing Workpaper
8	NEEWS NEP Cost of Capital Rate (NCOC)	Appendix C xiv	14.00201%	Workpaper 4
9	<b>Forecasted Revenue Requirements for FNCWIP</b>		<b>\$ 7,503,415</b>	Line 7 * Line 8
<b>Derivation of Carrying Charge (CCF)</b>				
10	Investment Return and Income Taxes	(A)	\$58,442,316	Summary, Line 14
11	Depreciation Expense	(B)	16,593,368	Summary, Line 15
12	Amortization of Loss on Reacquired Debt	(C)	149,309	Summary, Line 16
13	Investment Tax Credit	(D)	(201,661)	Summary, Line 17
14	Property Tax Expense	(E)	11,520,944	Summary, Line 18
15	Payroll Tax Expense	(F)	1,049,911	Summary, Line 19
16	Operation & Maintenance Expense	(G)	16,817,224	Summary, Line 20
17	Administrative & General Expense	(H)	15,377,923	Summary, Line 21
18	Total Expenses (Lines 10 thru 17)		\$119,749,334	
19	PTF Transmission Plant	(A)(1)(a)	\$755,657,102	Summary, Line 1
20	<b>Carrying Charge Factor (FTP)</b>		<b>15.84705%</b>	Line 18 / Line 19

**New England Power Company**  
Annual Revenue Requirements  
For Costs in 2010

Shading denotes an input

	CAPITALIZATION 12/31/2010	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.93%	1.25%	0.45%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$730,712,639	63.98%	11.64%	7.45%	7.45%
<b>TOTAL INVESTMENT RETURN</b>	<b>\$1,142,173,739</b>	<b>100.01%</b>		<b>7.91%</b>	<b>7.46%</b>

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	0.0791
(b) Federal Income Tax	= (	$\frac{R.O.E. + \left( \frac{PTF \text{ Inv. (Tax Credit)}}{1} + \frac{Eq. AFUDC \text{ of Deprec. Exp.}}{1} \right) / PTF \text{ Inv. (Base)}}{1} \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$
	= (	$\frac{0.0746 + \left( \frac{(\$201,661)}{1} + \frac{\$497,607}{1} \right) / \$460,414,261}{1} \times \frac{0.35}{0.35}$
	=	0.0405153
(c) State Income Tax	= (	$\frac{R.O.E. + \left( \frac{PTF \text{ Inv. (Tax Credit)}}{1} + \frac{Eq. AFUDC \text{ of Deprec. Exp.}}{1} \right) / PTF \text{ Inv. (Base)}}{1} + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}} \times \text{State Income Tax Rate}$
	= (	$\frac{0.0746 + \left( \frac{(\$201,661)}{1} + \frac{\$497,607}{1} \right) / \$460,414,261}{1} + \frac{0.0405153}{0.059466} \times 0.059466$
	=	0.0073189
(a)+(b)+(c) Cost of Capital Rate	=	0.1269342

	(PTF)	
INVESTMENT BASE	\$460,414,261	From Worksheet 1
x Cost of Capital Rate	0.1269342	
= Investment Return and Income Taxes	<b>\$58,442,316</b>	To Worksheet 1

**Post 2003 PTF Investment Base w/ Incremental 100 bps:**

Plant In-Service	\$ 213,120,061	From Attachment 1
Accumulated Depreciation	(46,301,214)	From Worksheets 5 & 7
Accumulate Deferred Income Taxes	(44,793,319)	From Worksheets 5 & 7
<b>Total Post-2003 Investment</b>	<b>\$ 121,525,527</b>	Calculated
Incremental ROE:	1.00%	0.00640 Calculated
Federal Income Taxes:	0.00345	Per Attachment F
State Income Taxes:	0.00062	Per Attachment F
Cost of Capital Rate	0.01047	
Incremental Return and Taxes on Post-2003 PTF Investment	<b>\$ 1,271,815</b>	

**NEEWS CWIP w/ Incremental 125 bps:**

New England Power NEEWS In-Service	\$ 14,281,610	PowerPlant PTF 4 & 5 reports - PTF only
Accumulated Depreciation	(3,431,595)	From Worksheets 3 & 5
Accumulate Deferred Income Taxes	(3,308,970)	From Worksheets 3 & 5
<b>Total New England Power NEEWS Investment</b>	<b>\$ 7,541,046</b>	Calculated
Incremental ROE:	1.25%	0.00800 Calculated
Federal Income Taxes:	0.00431	Per Attachment F
State Income Taxes:	0.00078	Per Attachment F
Cost of Capital Rate	0.01308	
Incremental Return and Taxes on NEEWS PTF Investment	<b>\$ 98,650</b>	

<b>NEEWS Allocation Factor</b>		
Total Transmission Investment	\$1,484,361,243	Worksheet 7 Line 2
Total NEEWS In-Service - NEP	\$15,743,593	PowerPlant Report
For Accumulated Depreciation	1.0606%	
NEEWS Allocation Factor	1.0606%	
Plant Allocation Factor	0.992566	Worksheet 7 Line 16
For Accumulated Deferred Income Taxes	1.0527%	

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2010**

Shading denotes an input

	CAPITALIZATION 12/31/2010	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.93%	1.25%	0.45%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$730,712,039	63.98%	12.89%	8.25%	8.25%
TOTAL INVESTMENT RETURN	\$1,142,173,739	100.01%		8.71%	8.26%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0871

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{\text{Eq. AFUDC of Deprec. Exp.}} \right) / \text{PTF Inv. Base}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$$

= 
$$\left( \frac{0.0826 + \left( \frac{(\$201,661)}{\$497,607} \right) / \$460,414,261}{1} \right) \times \frac{0.35}{0.35}$$

= 0.0448230

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{\text{Eq. AFUDC of Deprec. Exp.}} \right) / \text{PTF Inv. Base}}{1} \right) + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}} \times \text{State Income Tax Rate}$$

= 
$$\left( \frac{0.0826 + \left( \frac{(\$201,661)}{\$497,607} \right) / \$460,414,261}{1} \right) + \frac{0.0448230}{0.059466} \times 0.059466$$

= 0.0080971

(a)+(b)+(c) Cost of Capital Rate = 0.1400201

New England Power Company

Shading denotes an input

Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1	Transmission Plant					\$755,657,102	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					\$0	Attachment 2
3	General Plant	\$6,894,870	99.7459% (a)	\$6,877,350	50.9079% (b)	\$3,501,114	FERC Form 1 page 207.99
4	Total (line 1+2+ 3)			\$6,877,350		\$759,158,216	
5	Transmission Plant Held for Future Use	\$1,027,771		\$1,027,771	50.9079% (b)	\$523,217	FERC Form 1 page 214.2,4,9
	Transmission Accumulated Depreciation						
6	Transmission Accumulated Depreciation	(\$325,966,071)		(\$325,966,071)	50.9079% (b)	(\$165,942,481)	FERC Form 1 page 219.25
7	General Plant Accumulated Depreciation	(\$5,024,647)	99.7459% (a)	(\$5,011,879)	50.9079% (b)	(\$2,551,442)	FERC Form 1 Page 219.28
8	Total (line 6+ 7)			(\$330,977,950)		(\$168,493,923)	
	Transmission Accumulated Deferred Taxes						
9	Accumulated Deferred Taxes (281-283)	(\$374,482,727)	99.2566% (c)	(\$371,698,822)	50.9079% (b)	(\$189,224,065)	FERC Form 1 page 113.62-64
10	Accumulated Deferred Taxes (190)	\$57,810,678	99.2566% (c)	\$57,380,913	50.9079% (b)	\$29,211,418	FERC Form 1 page 111.82
11	Total (line 9+ 10)			(\$314,317,909)		(\$160,012,647)	
12	Transmission Loss on Reacquired Debt	\$697,351	100.0000%	\$697,351	50.9079% (b)	\$355,007	FERC Form 1 Page 111.81c
	Other Regulatory Assets						
13	FAS 106	\$0	99.7459% (a)	\$0	50.9079% (b)	\$0	
14	FAS 109 (Asset Account 182.3)	\$44,366,536	100.0000%	\$44,366,536	50.9079% (b)	\$22,586,072	FERC Form 1 Page 232.7f
15	FAS 109 ( Liability Account 254 )	\$0	100.0000%	\$0	50.9079% (b)	\$0	FERC Form 1 Page 278
16	Total (line 13+14+ 15)	\$44,366,536		\$44,366,536		\$22,586,072	
17	Transmission Prepayments	\$0	99.7459% (a)	\$0	50.9079% (b)	\$0	FERC Form 1 Page 111.57c
18	Transmission Materials and Supplies	\$4,466,745		\$4,466,745	50.9079% (b)	\$2,273,926	FERC Form 1 Page 227.8c
19	Cash Working Capital						
20	Operation & Maintenance Expense					\$16,817,224	Worksheet 1, Line 20
21	Administrative & General Expense					\$15,377,923	Worksheet 1, Line 21
22	Transmission Support Expense					\$0	Worksheet 8
23	Subtotal (line 20+21+22)					\$32,195,147	
24						0.1250	x 45 / 360
25	Total (line 23 * line 24)					\$4,024,393	

(a) Worksheet 7 Line 11

(b) Worksheet 7 Line 3

(c) Worksheet 7 Line 16



New England Power Company

Shading denotes an input

Line No.	(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1	<u>Depreciation Expense</u>					
2	Transmission Depreciation		\$32,237,934	50.9079%	\$16,411,655	FERC Form 1 Page 336.7b
3	General Depreciation	99.7459% (a)	\$356,945	50.9079%	\$181,713	FERC Form 1 Page 336.10b
	Total (line 1+2)		\$32,594,879		\$16,593,368	
4	<u>Amortization of Loss on Reacquired Debt</u>		\$293,292	50.9079%	\$149,309	FERC Form 1 Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>		(\$396,129)	50.9079%	(\$201,661)	FERC Form 1 Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>		\$22,630,955	50.9079%	\$11,520,944	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
7	<u>Transmission Operation and Maintenance</u>					
8	Operation and Maintenance		\$60,951,521	50.9079%	\$31,029,139	FERC Form 1 Page 321.112b
9	Transmission of Electricity by Others - #565		\$16,215,370	50.9079%	\$8,254,904	FERC Form 1 Page 321.96b
10	Load Dispatching - #561 (excl #561.3)		\$11,701,546	50.9079%	\$5,957,011	FERC Form 1 Page 321.84-92b less 87b
11	** Station Expenses & Rents - #562 & #567		\$0		\$0	FERC Form 1 Page 321.93b & .98b
	O&M less lines 8, 9 & 10		\$33,034,605	50.9079%	\$16,817,224	
12	<u>Transmission Administrative and General</u>					
13	Total Administrative and General		\$32,504,326			FERC Form 1 Page 323.197b
14	Less: Property Insurance (#924)		(\$179,245)			FERC Form 1 Page 323.185b
15	Less: Regulatory Commission Expenses (#928)		\$4,562,078			FERC Form 1 Page 323.189b
16	Less: General Advertising Expense (#930.1)		\$0			FERC Form 1 Page 323.191b
17	Subtotal [line 12 minus (13 thru 15)]		\$28,121,493	50.9079%	\$14,279,684	
18	Plus: Property Insurance Allocated using Plant Allocator	99.7459% (a)	\$28,050,036	50.9079%	(\$90,571)	Line 13
19	Plus: Regulatory Commission Expense	99.2566% (c)	\$2,331,846	50.9079%	\$1,187,094	Attachment 5 Line 6
20	Plus: Specifically identified Trans. Related General Advertising Expense		\$0	50.9079%	\$0	Line 15
21	Plus: Specifically identified Trans. Related Regulatory Expense		\$3,370	50.9079%	\$1,716	FERC Form 1 Page 350.18c
22	Total A&G [line 16 + (17 thru 20)]		\$30,207,340		\$15,377,923	
23	<u>Payroll Tax Expense</u>		\$2,067,627	50.9079%	\$1,049,911	FERC Form 1 Page 263.3,4i - Footnote (d)
(d) (d) Payroll taxes FERC Form 1, page 263.i						
	Federal Unemployment		(\$37,667)			
	FICA		\$2,105,294			
	Payroll Taxes		\$0			
	State Unemployment		\$0			
	Total		\$2,067,627			
(e) Property Taxes FF1, Page 263i						
	Massachusetts		\$19,219,508			
	New Hampshire		\$2,582,427			
	Vermont		\$685,578			
	Maine		\$0			
	Rhode Island		\$143,442			
	Connecticut		\$0			
	Total		\$22,630,955			

(a) Worksheet 7, Line 11

(b) Worksheet 7 Line 3

(c) Worksheet 7 Line 16

(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1

(e) Transmission Only - Property Taxes - Specifically identified in FERC Form 1

(f) Transmission Only - Amortization of ITC - Specifically identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$755,657,102	Attachment 1, Page 1
2	Total Transmission Investment	\$1,484,361,243	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	50.9079%	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	\$22,444,501	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$22,444,501	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	\$22,501,688	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$22,501,688	
11	Percent Allocation (Line 6/Line 10)	99.7459%	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,484,361,243	Line 2
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	\$6,877,350	Worksheet 5, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	\$1,491,238,593	
15	Total Plant in Service	\$1,502,407,856	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	99.2566%	
	<b><u>Post-2003 PTF Allocation Factor</u></b>		
17	Total Post-2003 PTF Investment	\$ 213,120,061	Attachment 1 Line 7
18	Total Transmission Investment	\$1,484,361,243	Line 2
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	14.3577%	
20	Total Invst in Tx Plant/Total Plant in Serv *		
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	14.2510%	Line 19 * Line 16

**New England Power Company  
Post-96 RNs Revenue Requirements  
For Test Year Ended 12/31/2010**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues (a)	Expenses (b)
NSTAR	115 kV Millbury-Medway 201 Line	Pg 332 Line 2 Col (g)		\$0
	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$0
	345 kV "stabilizer" 342 Line	Pg 332 Line 3 Col (g)		\$0
	345 kV Carver - Walpole 331 Line	Pg 332 Line 13 Col (g)		\$0
	Second Canal Line	Pg 332 Line 4 Col (g)		\$0
	Bell Rock Road	Page 330.5 Line 12	\$0	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line-345kV Tewksbury-Woburn 338 Line]	Page 330 Line 4	\$0	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line - 115kV Tewksbury-Woburn N140 Line]	Page 330 Line 3	\$0	
	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$0	
	Boston Edison -345 kV Golden Hills-Mystic 349 Line	Page 330 Line 2	\$0	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook)	Page 330.1 Line 8	\$0	
EUA	345 kV Medway - Bridgewater 344 Line	Pg 330.5, Line 11	\$0	
NEP	Chester SVC	Transmission Billing		\$0
	HQ Phase II - AC in MA	Page 330 Line 11	\$0	
	MWRA Transmission (MDC)	Contract - Line Lease/Use		\$0
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12	\$0	
<b>Totals</b>			<b>\$0</b>	<b>\$0</b>

## Attachment 1

### New England Power Company 2010 Informational Filing PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2009	Pre-1997 PTF Transmission Plant	\$352,386,820	
2	2009	Post-1996 PTF Transmission Plant	\$664,596,724	
3	2010	Additions/Retirements	\$89,789,358	
4	2010	Pre-1997 PTF Transmission Plant	\$351,115,800	31.72%
5	2010	Post-1996 PTF Transmission Plant	\$755,657,102	68.28%
6	2010	Total PTF Transmission Plant	\$1,106,772,902	100.00%
7	2010	Post-2003 PTF Transmission Plant	\$213,120,061	

#### **Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects

**Attachment 2**

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2010**

<b>LINE NO</b>		<b>(HVDC) NHH/NEH <u>LEASE</u></b>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

Shading denotes an input

**Attachment 3**

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b>2010</b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$980,344
2	Less: Specifically identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
		\$592,969
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2566%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,495
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$592,969</u>
7	Total Transmission-Related Equity AFUDC	\$977,464
8	Post-96 PTF Allocation Factor	50.9079%
9	Transmission-Related Equity AFUDC	\$497,607

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 6 - Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8

Shading denotes an input

Attachment 4

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2010</u></b>	<b>MECO <u>2010</u></b>
1 Total Integrated Facilities Charges	\$0	\$0
2 Total 2010 PTF Property	\$0	\$0
3 Total Transmission Plant in 2010	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0
6 <b>Total Integrated Facilities</b>		<b><u><u>\$0</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

**Attachment 5**

New England Power Company  
Development of 2010 Regulatory Commission Expense

<b><u>Line</u></b> <b><u>No.</u></b>		<b><u>2010</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,562,078	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$57,482	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$293,722	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,861,563	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,349,311	Line 1 - (Line 2-5)



**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2010</u></b>
Revenues	\$1,124,263
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,124,263
PTF Allocation	50.9079%
Total PTF Revenue	\$572,339

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

**Attachment 7**

Revenue for Short-Term Transmission Service under the NEPOOL Tariff  
New England Power Company

	<b><u>2010</u></b>
Revenues	\$2,816,506
Post-96 PTF Percent	68.2757%
Total Post-96 PTF Revenue	\$1,922,989

***Source: Short Term Through and Out Revenues from ISO New England***

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2010
Rates Effective for the Period:	June 2011
Through:	May 2012
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$88,866,750 <sup>(a)</sup>	\$121,119,799 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$6,543,377 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$881,501 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$1,159,454) <sup>(d)</sup>	(\$2,495,328) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$82,045,420 <sup>(e)-(a)-(b)+(c)+(d)</sup>	\$118,624,471 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$19,133,246 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$82,045,420 <sup>(n)-(e)+(l)</sup>	\$137,757,717 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		\$219,803,137 <sup>(p)=(n)+(o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2010**

**PRE-1997**

Shading denotes an input

		Attachment F Reference	NEP	Reference
<b>I. INVESTMENT BASE</b>				
<u>Line No.</u>		Section:		
1	Transmission Plant	(A)(1)(a)	\$338,029,073	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$1,626,789	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$243,112	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		<u>\$339,898,974</u>	
5	Accumulated Depreciation	(A)(1)(d)	(\$78,290,517)	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$74,349,701)	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$164,953	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$10,494,594	Worksheet 3, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		<u>\$197,918,303</u>	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,056,577	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$1,869,930	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		<u><u>\$200,844,810</u></u>	
<b>II. REVENUE REQUIREMENTS</b>				
14	Investment Return and Income Taxes	(A)	\$25,499,438	Worksheet 2
15	Depreciation Expense	(B)	\$7,710,091	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$69,376	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$93,702)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$5,353,194	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$487,840	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$7,814,105	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$7,145,335	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$34,881,073	Attachment 4, line 6
23	Transmission Support Revenue	(J)	(\$6,543,377)	Worksheet 6
24	Transmission Support Expense	(K)	\$881,501	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$893,517)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	(\$265,937)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		<u><u>\$82,045,420</u></u>	

**New England Power Company**  
Annual Revenue Requirements  
For Costs in 2010

Shading denotes an input

	CAPITALIZATION 12/31/2010	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.93%	1.25%	0.45%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$730,712,039	63.98%	11.64%	7.45%	7.45%
TOTAL INVESTMENT RETURN	\$1,142,173,739	100.01%		7.91%	7.46%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0791

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit + Eq. AFUDC of Deprec. Exp.)}}{\text{PTF Inv. Base}} \right)}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$$

= 
$$\left( \frac{0.0746 + \left( \frac{(\$93,702) + \$231,212}{\$200,844,810} \right)}{1} \right) \times \frac{0.35}{0.35}$$

= 0.0405379

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit + Eq. AFUDC of Deprec. Exp.)}}{\text{PTF Inv. Base}} \right)}{1} \right) + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}}$$

= 
$$\left( \frac{0.0746 + \left( \frac{(\$93,702) + \$231,212}{\$200,844,810} \right)}{1} \right) + \frac{0.0405379}{0.059466}$$

= 0.0073230

(a)+(b)+(c) Cost of Capital Rate = 0.1269609

(PTF)

INVESTMENT BASE	\$200,844,810	From Worksheet 1
x Cost of Capital Rate	0.1269609	
= Investment Return and Income Taxes	<u>\$25,499,438</u>	To Worksheet 1

New England Power Company

Shading denotes an input

Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference
1	Transmission Plant					\$351,115,800	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					(\$13,086,728)	Attachment 2
3	General Plant	\$6,894,870	99.7459% (a)	\$6,877,350	23.6543% (b)	\$1,626,789	FERC Form 1 Page 207.99g
4	Total (line 1+2+ 3)			\$6,877,350		\$339,655,862	
5	<u>Transmission Plant Held for Future Use</u>	\$1,027,771		\$1,027,771	23.6543% (b)	\$243,112	FERC Form 1 Page 214.2,4,9
6	<u>Transmission Accumulated Depreciation</u>						
7	Transmission Accumulated Depreciation	(\$325,966,071)		(\$325,966,071)	23.6543% (b)	(\$77,104,992)	FERC Form 1 Page 219.25
8	General Plant Accumulated Depreciation	(\$5,024,647)	99.7459% (a)	(\$5,011,879)	23.6543% (b)	(\$1,185,525)	FERC Form 1 Page 219.28
9	Total (line 6+ 7)			(\$330,977,950)		(\$78,290,517)	
10	<u>Transmission Accumulated Deferred Taxes</u>						
11	Accumulated Deferred Taxes (281-283)	(\$374,482,727)	99.2566% (c)	(\$371,698,822)	23.6543% (b)	(\$87,922,754)	FERC Form 1 Page 113.62-64
12	Accumulated Deferred Taxes (190)	\$57,810,678	99.2566% (c)	\$57,380,913	23.6543% (b)	\$13,573,053	FERC Form 1 Page 111.82
13	Total (line 9+ 10)			(\$314,317,909)		(\$74,349,701)	
14	<u>Transmission Loss on Reacquired Debt</u>	\$697,351	100.0000%	\$697,351	23.6543% (b)	\$164,953	FERC Form 1 Page 111.81c
15	<u>Other Regulatory Assets</u>						
16	FAS 106	\$0	99.7459% (a)	\$0	23.6543% (b)	\$0	
17	FAS 109 (Asset Account 182.3)	\$44,366,536	100.0000%	\$44,366,536	23.6543% (b)	\$10,494,594	FERC Form 1 Page 232.7f
18	FAS 109 ( Liability Account 254 )	\$0	100.0000%	\$0	23.6543% (b)	\$0	FERC Form 1 Page 278
19	Total (line 13+14+ 15)	\$44,366,536		\$44,366,536		\$10,494,594	
20	<u>Transmission Prepayments</u>	\$0	99.7459% (a)	\$0	23.6543% (b)	\$0	FERC Form 1 Page 111.57c
21	<u>Transmission Materials and Supplies</u>	\$4,466,745		\$4,466,745	23.6543% (b)	\$1,056,577	FERC Form 1 Page 227.8c
22	<u>Cash Working Capital</u>						
23	Operation & Maintenance Expense					\$7,814,105	Worksheet 1, Line 20
24	Administrative & General Expense					\$7,145,335	Worksheet 1, Line 21
25	Transmission Support Expense					\$0	Worksheet 6
26	Subtotal (line 20+21+22)					\$14,959,440	
27						0.1250	x 45 / 360
28	Total (line 23 * line 24)					\$1,869,930	

(a) Worksheet 5 Line 11

(b) Worksheet 5 Line 3

(c) Worksheet 5 Line 16

New England Power Company						
Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
Shading denotes an input						
	<u>Depreciation Expense</u>					
1	Transmission Depreciation		\$32,237,934	23.6543% (b)	\$7,625,658	FERC Form 1 Page 336.7b
2	General Depreciation		\$357,854	23.6543% (b)	\$84,433	FERC Form 1 Page 336.10b
3			\$32,594,879		\$7,710,091	
4	<u>Amortization of Loss on Reacquired Debt</u>		\$293,292	23.6543% (b)	\$69,376	FERC Form 1 Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>		(\$396,129)	23.6543% (b)	(\$93,702)	FERC Form 1 Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>		\$22,630,955	23.6543% (b)	\$5,353,194	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
7	<u>Transmission Operation and Maintenance</u>					
8	Operation and Maintenance		\$60,951,521	23.6543% (b)	\$14,417,656	FERC Form 1 Page 321.112b
9	Transmission of Electricity by Others - #565		\$16,215,370	23.6543% (b)	\$3,835,632	FERC Form 1 Page 321.96b
10	Load Dispatching - #561 (excl #561.3)		\$11,701,546	23.6543% (b)	\$2,767,919	FERC Form 1 Page 321.84-92b less 87b
11	**Station Expenses & Rents - #562 / #567		\$0		\$0	FERC Form 1 Page 321.93b & .98b
	O&M less lines 8, 9 & 10		\$33,034,605	23.6543% (b)	\$7,814,105	
12	<u>Transmission Administrative and General</u>					
13	Total Administrative and General		\$32,504,326			FERC Form 1 Page 323.197b
14	Less: Property Insurance (#924)		(\$179,245)			FERC Form 1 Page 323.185b
15	Less: Regulatory Commission Expenses (#928)		\$4,562,078			FERC Form 1 Page 323.189b
16	Less: General Advertising Expense (#930.1)		\$0			FERC Form 1 Page 323.191b
17	Subtotal [(line 12 minus (13 thru 15))]		\$28,121,493	99.7459% (a)	\$6,635,040	
18	Plus: Property Insurance Allocated using Plant Allocator		(\$179,245)	99.2566% (c)	(\$42,084)	Line 13
19	Plus: Regulatory Commission Expense		\$2,349,311	99.2566% (c)	\$551,582	Attachment 5 Line 6
20	Plus: Specifically Identified Trans. Related General Advertising Expense		\$0	23.6543% (b)	\$0	Line 15
21	Plus: Specifically Identified Trans. Related Regulatory Expense		\$3,370	23.6543% (b)	\$797	FERC Form 1 Page 350.18c
	Total A&G [(line 16 + (17 thru 20))]		\$30,294,929		\$7,145,335	
22	<u>Payroll Tax Expense</u>		\$2,067,627	99.7459% (a)	\$2,062,373	FERC Form 1 Page 263.3.4i - Footnote (d)
(d) Payroll taxes FERC Form 1, page 263.i						
	Federal Unemployment		(\$37,667)			
	FICA		\$2,105,294			
	Payroll Taxes		\$0			
	State Unemployment		\$0			
	Total		\$2,067,627			
(e) Property Taxes FF1, Page 263i						
	Massachusetts				\$19,219,508	
	New Hampshire				\$2,582,427	
	Vermont				\$685,578	
	Maine				\$0	
	Rhode Island				\$143,442	
	Connecticut				\$0	
					\$22,630,955	

(a) Worksheet 5 Line 11

(b) Worksheet 5 Line 3

(c) Worksheet 5 Line 16

(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1

(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1

(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$351,115,800	Attachment 1, Page 1
2		\$1,484,361,243	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	23.6543%	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	\$22,444,501	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$22,444,501	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	\$22,501,688	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$22,501,688	
11	Percent Allocation (Line 6/Line 10)	99.7459%	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,484,361,243	Line 2
13	plus Transmission-Related General Plant	\$6,877,350	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	\$1,491,238,593	
15	Total Plant in Service	\$1,502,407,856	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	99.2566%	



Shading denotes input

**New England Power Company  
Pre-97 RNS Revenue Requirements  
For Test Year Ended 12/31/2010**

Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	115 kV Millbury-Medway 201 Line	Pg 332 Line 2 Col (g)		\$4,633
	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$106,178
	345 kV "stabilizer" 342 Line	Pg 332 Line 3 Col (g)		\$63,954
	345 kV Carver - Walpole 331 Line	Pg 332 Line 13 Col (g)		\$12,079
	Second Canal Line	Pg 332 Line 4 Col (g)		\$47,040
	Bell Rock Road	Page 330.5 Line 12	\$37,353	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line-345kV Tewksbury-Woburn 338 Line]	Page 330 Line 4	\$72,849	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line - 115kV Tewksbury-Woburn N140 Line]	Page 330 Line 3	\$108,916	
	Boston Edison -345 kV Golden Hills-Mystic 349 Line	Page 330 Line 2	\$477,334	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook)	Page 330.1 Line 8	\$240,367 *	
EUA	345 kV Medway - Bridgewater 344 Line	Pg 330.5, Line 11	\$193,987	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$13,319	
NEP	Chester SVC	Transmission Billing		\$647,617
	HQ Phase II - AC in MA	Page 330 Line 11	\$5,358,445	
	MWRA Transmission (MDC)	Contract - Line Lease/Use		\$0
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12	\$40,807	
		Totals	\$6,543,377	\$881,501

\* Adjusted FERC Form Pg 330.1 Line 8 to reflect FERC Order #ER09-1764-000 amending the Seabrook Transmission Support Agreement.

FF1 Pg 330.1 Line 8	\$	(3,957,093)
Add Back: FP&L Write-Off	\$	3,703,371
Add Back: Refunds to		
MMWEC, Taunton & Hudson	\$	494,089
FF1 Adjusted for RNS	\$	<u>240,367</u>

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

Shading denotes an input

New England Power Company  
2010 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2009	Pre-1997 PTF Transmission Plant	\$352,386,820	
2	2009	Post-1996 PTF Transmission Plant	\$664,596,724	
3	2010	Additions/Retirements	\$89,789,358	
4	2010	Pre-1997 PTF Transmission Plant	\$351,115,800	31.72%
5	2010	Post-1996 PTF Transmission Plant	\$755,657,102	68.28%
6	2010	Total PTF Transmission Plant	\$1,106,772,902	100.00%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2010**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$14,269,187
	<u>Allocation</u>	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	253
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$12,699,576
6	Total Land from Sandy Pond to New Hampshire	\$1,106,146
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$13,086,728

**Source:**

- 1 FERC Form 1, Page 422.1-423.1, Lines 5 + 16 col (l)
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1 Lines 5 + 16 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

Shading denotes an input

**Attachment 3**

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<u><b>2010</b></u>
1	Total Current Year Book Depreciation on Equity AFUDC	\$980,344
2	Less: Specifically Identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
		\$592,969
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2566%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,495
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$592,969</u>
7	Total Transmission-Related Equity AFUDC	\$977,464
8	Pre-97 PTF Allocation Factor	23.6543%
9	Transmission-Related Equity AFUDC	\$231,212

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 PTF Allocation Factor
- 9 Line 7 \* Line 8

**Attachment 4**

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2010</u></b>	<b>MECO <u>2010</u></b>
1 Total Integrated Facilities Charges	\$43,062,545	\$8,366,692
2 Total 2010 PTF Property	\$209,109,440	\$21,182,153
3 Total Transmission Plant in 2010	\$290,660,448	\$45,434,656
4 NECO or MECO PTF Plant Allocator	71.94%	46.62%
5 PTF Related Integrated Facilities Charge	\$30,980,427	\$3,900,647
6 <b>Total Integrated Facilities</b>		<b><u><u>\$34,881,073</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2010 Regulatory Commission Expense

<b><u>Line</u></b> <b><u>No.</u></b>		<b><u>2010</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,562,078	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$57,482	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$293,722	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,861,563	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,349,311	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2010</u></b>
Revenues	\$1,124,263
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,124,263
PTF Allocation	23.6543%
Total PTF Revenue	\$265,937

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2010</u></b>
Revenues	\$2,816,506
Pre-97 PTF Percent	31.7243%
Total Pre-97 PTF Revenue	\$ 893,517

***Source: Short Term Through and Out Revenues from ISO New England***



Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2011
Rates Effective for the Period: Through:	June 2012 May 2013
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$101,550,462 <sup>(a)</sup>	\$131,389,736 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,663,545 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$723,254 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$507,986) <sup>(d)</sup>	(\$1,191,607) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$96,102,185 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$130,198,129 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$37,048,823 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$96,102,185 <sup>(n)=(e)+(l)</sup>	\$167,246,952 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$263,349,137 <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2011**

**POST-1996**

Shading denotes an input

		Attachment F Reference	NEP	Reference
I. <u>INVESTMENT BASE</u>		Section:		
Line No.				
1	Transmission Plant	(A)(1)(a)	\$819,449,952	Worksheet 5, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$3,282,852	Worksheet 5, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$528,485	Worksheet 5, line 5 column 5
4	Total Plant (Lines 1+2+3)		\$823,261,289	
5	Accumulated Depreciation	(A)(1)(d)	(\$181,769,040)	Worksheet 5, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$179,110,753)	Worksheet 5, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$215,570	Worksheet 5, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$21,943,602	Worksheet 5, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		\$484,540,668	
10	Prepayments	(A)(1)(h)	\$71,225	Worksheet 5, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,967,145	Worksheet 5, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$4,083,981	Worksheet 5, line 25 column 5
13	NEEWS CWIP	(A)(1)(k)	\$10,910,787	Worksheet 5, line 26 column 5
14	Total Investment Base (Line 9+10+11+12+13)		\$501,573,805	
II. <u>REVENUE REQUIREMENTS</u>				
15	Investment Return and Income Taxes	(A)	\$65,757,864	Worksheet 3
16	Depreciation Expense	(B)	\$17,882,627	Worksheet 6, line 3, column 5
17	Amortization of Loss on Reacquired Debt	(C)	\$143,011	Worksheet 6, line 4, column 5
18	Investment Tax Credit	(D)	(\$203,026)	Worksheet 6, line 5, column 5
19	Property Tax Expense	(E)	\$13,971,698	Worksheet 6, line 6, column 5
20	Payroll Tax Expense	(F)	\$1,165,718	Worksheet 6, line 22, column 5
21	Operation & Maintenance Expense	(G)	\$17,931,179	Worksheet 6, line 11, column 5
22	Administrative & General Expense	(H)	\$14,740,665	Worksheet 6, line 21, column 5
23	Transmission Related Integrated Facilities Charge	(I)	\$0	Attachment 4, line 6
24	Transmission Support Revenue	(J)	\$0	Worksheet 8
25	Transmission Support Expense	(K)	\$0	Worksheet 8
26	Transmission Related Expense from Generators	(L)	\$0	
27	Transmission Related Taxes and Fees Charge	(M)	\$0	
28	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$567,475)	Attachment 7
29	Transmission Rents Received from Electric Property	(O)	(\$624,132)	Attachment 6
30	Total Revenue Requirements (Line 14 thru 28)		\$130,198,129	

**New England Power Company  
Post 1996 Regional Network Service Revenue Requirement  
For Test Year Ended 12/31/2011**

Shading denotes an input

<u>Line No.</u>	<u>Description</u>	<u>Attachment F Reference</u>	<u>Forecasted Amount \$</u>	<u>Reference</u>
1	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTPA)		\$ 37,168,678	Line 6
2	Forecasted Revenue Requirements for Forecasted Transmission CWIP		<b>\$119,855</b>	Line 9
3	<b>Forecasted Transmission Revenue Requirements</b>		<b>\$ 37,048,823</b>	Line 1 + Line 2
4	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTPA)	Appendix C iv	<b>\$237,573,000</b>	Project Detail
5	Carrying Charge Factor (CCF)	Appendix C vi	15.64516%	Line 20
6	<b>Forecasted Revenue Requirements for FTPA</b>		<b>\$ 37,168,678</b>	Line 4 * Line 5
7	Forecasted New England Power Company (NEP) NEEWS CWIP (FNCWIP)	Appendix C xiii	<b>\$ (851,389)</b>	Project Detail
8	NEEWS NEP Cost of Capital Rate (NCOC)	Appendix C xiv	14.07757%	Workpaper 4
9	<b>Forecasted Revenue Requirements for FNCWIP</b>		<b>\$ (119,855)</b>	Line 7 * Line 8
<b><u>Derivation of Carrying Charge (CCF)</u></b>				
10	Investment Return and Income Taxes	(A)	\$62,572,390	Summary, Line 14
11	Depreciation Expense	(B)	17,882,627	Summary, Line 15
12	Amortization of Loss on Reacquired Debt	(C)	143,011	Summary, Line 16
13	Investment Tax Credit	(D)	<b>(203,026)</b>	Summary, Line 17
14	Property Tax Expense	(E)	13,971,698	Summary, Line 18
15	Payroll Tax Expense	(F)	1,165,718	Summary, Line 19
16	Operation & Maintenance Expense	(G)	17,931,179	Summary, Line 20
17	Administrative & General Expense	(H)	14,740,665	Summary, Line 21
18	Total Expenses (Lines 10 thru 17)		\$128,204,262	
19	PTF Transmission Plant	(A)(1)(a)	\$819,449,952	Summary, Line 1
20	<b>Carrying Charge Factor (FTPA)</b>		<b>15.64516%</b>	Line 18 / Line 19

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2011**

Shading denotes an input

	CAPITALIZATION 12/31/2011	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.45%	1.18%	0.42%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$746,206,523	64.45%	11.64%	7.50%	7.50%
<b>TOTAL INVESTMENT RETURN</b>	<b>\$1,157,668,223</b>	<b>100.00%</b>		<b>7.93%</b>	<b>7.51%</b>

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	0.0793	
(b) Federal Income Tax	= (	$\frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{1} \right) / \text{PTF Inv. Base}}{1} \times \text{Federal Income Tax Rate}$	)
	= (	$\frac{0.0751 + \left( \frac{(\$203,026)}{1} + \frac{\$583,896}{\$501,573,805} \right)}{1} \times 0.35$	)
	=	0.0408473	
(c) State Income Tax	= (	$\frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{1} \right) / \text{PTF Inv. Base}}{1} + \text{Federal Income Tax Rate}$	) * State Income Tax Rate
	= (	$\frac{0.0751 + \left( \frac{(\$203,026)}{1} + \frac{\$583,896}{\$501,573,805} \right)}{1} + 0.0408473$	) * 0.059466
	=	0.0073789	
(a)+(b)+(c) Cost of Capital Rate	=	0.1275262	

	(PTF)	
INVESTMENT BASE	\$501,573,805	From Worksheet 1
x Cost of Capital Rate	0.1275262	
= Investment Return and Income Taxes	<b>\$63,963,801</b>	To Worksheet 1
INVESTMENT BASE (Excluding NEEWS CWIP)	\$490,663,019	From Worksheet 1
x Cost of Capital Rate	0.1275262	
= Investment Return and Income Taxes	<b>\$62,572,390</b>	To Worksheet 2

**Post 2003 PTF Investment Base w/ Incremental 100 bps:**

Plant In-Service	\$ 213,375,099	From Attachment 1
Accumulated Depreciation	(46,695,224)	From Worksheets 5 & 7
Accumulate Deferred Income Taxes	(46,311,697)	From Worksheets 5 & 7
<b>Total Post-2003 Investment</b>	<b>\$ 120,368,177</b>	Calculated
Incremental ROE:	1.00%	0.00645
Federal Income Taxes:		0.00347
State Income Taxes:		0.00063
Cost of Capital Rate		0.01054
Incremental Return and Taxes on Post-2003 PTF Investment	<b>\$ 1,268,957</b>	

**NEEWS In-Service w/ Incremental 125 bps:**

New England Power NEEWS In-Service	\$ 52,962,648	PowerPlant PTF 4 & 5 reports - PTF only
Accumulated Depreciation	(12,062,457)	From Worksheets 3 & 5
Accumulate Deferred Income Taxes	(11,963,383)	From Worksheets 3 & 5
<b>Total New England Power NEEWS Investment</b>	<b>\$ 28,936,808</b>	Calculated
Incremental ROE:	1.25%	0.00806
Federal Income Taxes:		0.00434
State Income Taxes:		0.00078
Cost of Capital Rate		0.01318
Incremental Return and Taxes on NEEWS PTF Investment	<b>\$ 381,325</b>	

<b>NEEWS Allocation Factor</b>		
Total Transmission Investment	\$1,593,625,753	Worksheet 7 Line 2
Total NEEWS In-Service - NEP	\$55,119,725	Plant Accounting Records
For Accumulated Depreciation	3.4588%	
NEEWS Allocation Factor	3.4588%	
Plant Allocation Factor	0.992997	Worksheet 7 Line 16
For Accumulated Deferred Income Taxes	3.4345%	

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2011**

Shading denotes an input

	CAPITALIZATION 12/31/2011	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.45%	1.18%	0.42%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$746,206,523	64.46%	12.89%	8.31%	8.31%
TOTAL INVESTMENT RETURN	\$1,157,668,223	100.00%		8.74%	8.32%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0874

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{0.35}$$

= 0.0452089

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{State Income Tax Rate}}{1} \right) \times \frac{\text{State Income Tax Rate}}{0.059466}$$

= 0.0081668

(a)+(b)+(c) Cost of Capital Rate = 0.1407757

New England Power Company

Shading denotes an input							
Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1	Transmission Plant					\$819,449,952	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					\$0	Attachment 2
3	General Plant	\$6,396,486	99.8099% (a)	\$6,384,326	51.4205% (b)	\$3,282,852	FERC Form 1 page 207.99
4	Total (line 1+2+ 3)			\$6,384,326		\$822,732,804	
5	Transmission Plant Held for Future Use	\$1,027,771		\$1,027,771	51.4205% (b)	\$528,485	FERC Form 1 page 214.2,4,10
	<u>Transmission Accumulated Depreciation</u>						
6	Transmission Accumulated Depreciation	(\$348,750,683)		(\$348,750,683)	51.4205% (b)	(\$179,329,345)	FERC Form 1 page 219.25
7	General Plant Accumulated Depreciation	(\$4,753,633)	99.8099% (a)	(\$4,744,596)	51.4205% (b)	(\$2,439,695)	FERC Form 1 Page 219.28
8	Total (line 6+ 7)			(\$353,495,279)		(\$181,769,040)	
	<u>Transmission Accumulated Deferred Taxes</u>						
9	Accumulated Deferred Taxes (281-283)	(\$402,325,609)	99.2997% (c)	(\$399,508,123)	51.4205% (b)	(\$205,429,074)	FERC Form 1 page 113.62-64
10	Accumulated Deferred Taxes (190)	\$51,543,505	99.2997% (c)	\$51,182,546	51.4205% (b)	\$26,318,321	FERC Form 1 page 111.82
11	Total (line 9+ 10)			(\$348,325,577)		(\$179,110,753)	
12	Transmission Loss on Reacquired Debt	\$419,230	100.0000%	\$419,230	51.4205% (b)	\$215,570	FERC Form 1 Page 111.81c
	<u>Other Regulatory Assets</u>						
13	FAS 106	\$0	99.8099% (a)	\$0	51.4205% (b)	\$0	
14	FAS 109 (Asset Account 182.3)	\$42,674,813	100.0000%	\$42,674,813	51.4205% (b)	\$21,943,602	FERC Form 1 Page 232.6f
15	FAS 109 ( Liability Account 254 )	\$0	100.0000%	\$0	51.4205% (b)	\$0	FERC Form 1 Page 278
16	Total (line 13+14+ 15)	\$42,674,813		\$42,674,813		\$21,943,602	
17	Transmission Prepayments	\$138,779	99.8099% (a)	\$138,515	51.4205% (b)	\$71,225	FERC Form 1 Page 111.57c
18	Transmission Materials and Supplies	\$3,825,605		\$3,825,605	51.4205% (b)	\$1,967,145	FERC Form 1 Page 227.8c
19	<u>Cash Working Capital</u>						
20	Operation & Maintenance Expense					\$17,931,179	Worksheet 1, Line 20
21	Administrative & General Expense					\$14,740,665	Worksheet 1, Line 21
22	Transmission Support Expense					\$0	Worksheet 8
23	Subtotal (line 20+21+22)					\$32,671,844	
24						0.1250	x 45 / 360
25	Total (line 23 * line 24)					\$4,083,981	
26	NEEWS CWIP	\$10,910,787				\$10,910,787	Plant Accounting Records

(a) Worksheet 7 Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16

New England Power Company

Shading denotes an input

Line No.	(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
	<u>Depreciation Expense</u>					
1	Transmission Depreciation		\$34,416,139	51.4205%	\$17,696,951	FERC Form 1 Page 336.7b
2	General Depreciation		\$361,094	51.4205%	\$185,676	FERC Form 1 Page 336.10b
3	Total (line 1+2)		\$34,777,233		\$17,882,627	
4	<u>Amortization of Loss on Reacquired Debt</u>		\$278,121	51.4205%	\$143,011	FERC Form 1 Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>		(\$394,835)	51.4205%	(\$203,026)	FERC Form 1 Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>		\$27,171,454	51.4205%	\$13,971,698	FERC Form 1 Page 263.10,17,23,28,31i - Footnote (e)
	<u>Transmission Operation and Maintenance</u>					
7	Operation and Maintenance		\$61,295,709	51.4205%	\$31,518,560	FERC Form 1 Page 321.112b
8	Transmission of Electricity by Others - #565		\$14,532,110	51.4205%	\$7,472,484	FERC Form 1 Page 321.96b
9	Load Dispatching - #561 (excl #561.3)		\$11,891,943	51.4205%	\$6,114,897	FERC Form 1 Page 321.84-92b less 87b
10	** Station Expenses & Rents - #562 & #567		\$0		\$0	FERC Form 1 Page 321.93b & .98b
11	O&M less lines 8, 9 & 10		\$34,871,656	51.4205%	\$17,931,179	
	<u>Transmission Administrative and General</u>					
12	Total Administrative and General		\$30,296,960			FERC Form 1 Page 323.197b
13	Less: Property Insurance (#924)		(\$135,569)			FERC Form 1 Page 323.185b
14	Less: Regulatory Commission Expenses (#928)		\$4,168,438			FERC Form 1 Page 323.189b
15	Less: General Advertising Expense (#930.1)		\$0			FERC Form 1 Page 323.191b
16	Subtotal [line 12 minus (13 thru 15)]		\$26,264,091	51.4205%	\$13,479,454	
17	Plus: Property Insurance Allocated using Plant Allocator		(\$135,569)	51.4205%	(\$69,222)	Line 13
18	Plus: Regulatory Commission Expense		\$2,605,606	51.4205%	\$1,330,433	Attachment 5 Line 6
19	Plus: Specifically identified Trans. Related General Advertising Expense		\$0	51.4205%	\$0	Line 15
20	Plus: Specifically identified Trans. Related Regulatory Expense		\$0	51.4205%	\$0	FERC Form 1 Page 350.18c
21	Total A&G [line 16 + (17 thru 20)]		\$28,734,128		\$14,740,665	
22	<u>Payroll Tax Expense</u>		\$2,271,348	51.4205%	\$1,165,718	FERC Form 1 Page 263.3,4i - Footnote (d)

(d) Payroll taxes FERC Form 1, page 263.i

Federal Unemployment	\$9,327
FICA	\$2,262,021
Payroll Taxes	\$0
State Unemployment	\$0
Total	\$2,271,348

(e) Property Taxes FF1, Page 263i

Massachusetts	\$23,571,202
New Hampshire	\$2,662,307
Vermont	\$786,615
Maine	\$0
Rhode Island	\$151,330
Connecticut	\$0
Total	\$27,171,454

- (a) Worksheet 7, Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16  
(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1  
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line  
No.

Source  
Reference

**PTF Transmission Plant Allocation Factor**

**NEP**

1	PTF Transmission Investment	\$819,449,952
2	Total Transmission Investment	\$1,593,625,753
3	Percent Allocation (Line 1/Line 2)	51.4205%

Attachment 1, Page 1  
FERC Form 1 Page 207.58g - Page 200.4b

**Transmission Wages and Salaries Allocation Factor**

4	Direct Transmission Wages and Salaries	\$0
5	Affiliated Company Transmission Wages and Salaries	\$23,467,616
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$23,467,616
7	Total Wages and Salaries	\$0
8	Administrative and General Wages and Salaries	\$0
9	Affiliated Company Wages and Salaries less A&G	\$23,512,307
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$23,512,307
11	Percent Allocation (Line 6/Line 10)	99.8099%

FERC Form 1 Page 354.14b  
General Ledger Query

FERC Form 1 Page 354.28b  
FERC Form 1 Page 354.27b  
General Ledger Query

**Plant Allocation Factor**

12	Total Transmission Investment	\$1,593,625,753
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	\$6,384,326
14	= Revised Numerator (Line 12 + Line 13)	\$1,600,010,079
15	Total Plant in Service	\$1,611,293,575
16	Percent Allocation (Line 14 / Line 16)	99.2997%

Line 2  
Worksheet 5, Line 3, Column 3

FERC Form 1 Page 207.104g - Page 200.4b

**Post-2003 PTF Allocation Factor**

17	Total Post-2003 PTF Investment	\$ 213,375,099
18	Total Transmission Investment	\$1,593,625,753
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	13.3893%
20	Total Invst in Tx Plant/Total Plant in Serv *	
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	13.2955%

Attachment 1 Line 7  
Line 2

Line 19 \* Line 16



**New England Power Company  
Post-96 RNs Revenue Requirements  
For Test Year Ended 12/31/2011**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues (a)	Expenses (b)
NSTAR	115 kV Millbury-Medway 201 Line	Pg 332 Line 2 Col (g)		\$0
	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$0
	345 kV "stabilizer" 342 Line	Pg 332 Line 3 Col (g)		\$0
	345 kV Carver - Walpole 331 Line	Pg 332 Line 13 Col (g)		\$0
	Second Canal Line	Pg 332 Line 4 Col (g)		\$0
	Bell Rock Road	Page 330.5 Line 12	\$0	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line-345kV Tewksbury-Woburn 338 Line]	Page 330 Line 4	\$0	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line - 115kV Tewksbury-Woburn N140 Line]	Page 330 Line 3	\$0	
	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$0	
	Boston Edison -345 kV Golden Hills-Mystic 349 Line	Page 330 Line 2	\$0	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook	Page 330.1 Line 8	\$0	
	345 kV Medway - Bridgewater 344 Line	Pg 330.5, Line 11	\$0	
EUA				
NEP	Chester SVC	Transmission Billing		\$0
	HQ Phase II - AC in MA	Page 330 Line 11	\$0	
	MWRA Transmission (MDC)	Contract - Line Lease/Use		\$0
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12	\$0	
<b>Totals</b>			<b>\$0</b>	<b>\$0</b>

New England Power Company  
2011 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2010	Pre-1997 PTF Transmission Plant	\$351,115,800	
2	2010	Post-1996 PTF Transmission Plant	\$755,657,102	
3	2011	Additions/Retirements	\$62,011,432	
4	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	29.89%
5	2011	Post-1996 PTF Transmission Plant	\$819,449,952	70.11%
6	2011	Total PTF Transmission Plant	\$1,168,784,335	100.00%
7	2011	Post-2003 PTF Transmission Plant	\$213,375,099	

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects

Shading denotes an input

GROSS PLANT ASSOC. WITH HVDC LEASES  
**2011**

LINE <u>NO</u>		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

**Attachment 3**

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2011</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,138,245
2	Less: Specifically identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$157,814
		<u>\$750,783</u>
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,462
4	Plant Allocator Factor	99.2997%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,749
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$750,783</u>
7	Total Transmission-Related Equity AFUDC	\$1,135,532
8	Post-96 PTF Allocation Factor	51.4205%
9	Transmission-Related Equity AFUDC	\$583,896

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 6 - Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2011</u></b>	<b>MECO <u>2011</u></b>
1 Total Integrated Facilities Charges	\$0	\$0
2 Total 2011 PTF Property	\$0	\$0
3 Total Transmission Plant in 2011	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0
6 <b>Total Integrated Facilities</b>		<b>\$0</b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

**Attachment 5**

New England Power Company  
Development of 2011 Regulatory Commission Expense

<b>Line No.</b>		<b><u>2011</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,168,438	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$78,276	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,255,423	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,605,606	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2011</u></b>
Revenues	\$1,213,781
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,213,781
PTF Allocation	51.4205%
Total PTF Revenue	\$624,132

**Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details**

**Attachment 7**

Revenue for Short-Term Transmission Service under the NEPOOL Tariff  
New England Power Company

	<b><u>2011</u></b>
Revenues	\$809,392
Post-96 PTF Percent	70.1113%
Total Post-96 PTF Revenue	\$567,475

***Source: Short Term Through and Out Revenues from ISO New England***



ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on: \_\_\_\_\_

Revenue Requirements for (year): Calendar Year 2011

Rates Effective for the Period:  
Through: June 2012  
May 2013

Customer: New England Power Company

Customer's NABs Number: \_\_\_\_\_

Name of Participant responsible for customer's billing: \_\_\_\_\_

DUNS number of Participant responsible for customer's billing: \_\_\_\_\_

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	<u>\$101,550,462</u> <sup>(a)</sup>	<u>\$131,389,736</u> <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	<u>\$5,663,545</u> <sup>(b)</sup>	<u>\$0</u> <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	<u>\$723,254</u> <sup>(c)</sup>	<u>\$0</u> <sup>(h)</sup>
Total of Attachment F - Section (L through O)	<u>(\$507,986)</u> <sup>(d)</sup>	<u>(\$1,191,607)</u> <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	<u>\$96,102,185</u> <sup>(e)=(a)-(b)+(c)+(d)</sup>	<u>\$130,198,129</u> <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	<u>N/A</u>	<u>\$37,048,823</u> <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	<u>N/A</u> <sup>(l)</sup>	<u>N/A</u> <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	<u>\$96,102,185</u> <sup>(n)=(e) + (l)</sup>	<u>\$167,246,952</u> <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		<u>\$263,349,137</u> <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2011**

**PRE-1997**

Shading denotes an input

		Attachment F Reference	NEP	Reference
<b>I. INVESTMENT BASE</b>				
<u>Line No.</u>		Section:		
1	Transmission Plant	(A)(1)(a)	\$336,247,655	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$1,399,489	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$225,295	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		<u>\$337,872,439</u>	
5	Accumulated Depreciation	(A)(1)(d)	(\$77,488,640)	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$76,355,405)	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$91,898	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$9,354,618	Worksheet 3, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		<u>\$193,474,910</u>	
10	Prepayments	(A)(1)(h)	\$30,363	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$838,599	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	<u>\$1,741,012</u>	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		<u><u>\$196,084,884</u></u>	
<b>II. REVENUE REQUIREMENTS</b>				
14	Investment Return and Income Taxes	(A)	\$25,014,431	Worksheet 2
15	Depreciation Expense	(B)	\$7,623,413	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$60,966	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$86,551)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$5,956,173	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$496,949	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$7,644,111	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$6,283,985	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$48,556,985	Attachment 4, line 6
23	Transmission Support Revenue	(J)	(\$5,663,545)	Worksheet 6
24	Transmission Support Expense	(K)	\$723,254	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$241,917)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	<u>(\$266,069)</u>	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		<u><u>\$96,102,185</u></u>	

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2011**

Shading denotes an input

	CAPITALIZATION 12/31/2011	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.45%	1.18%	0.42%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$746,206,523	64.46%	11.64%	7.50%	7.50%
TOTAL INVESTMENT RETURN	\$1,157,668,223	100.00%		7.93%	7.51%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0793

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) \times \left( \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}} \right)$$

= 
$$\left( \frac{0.0751 + \left( \frac{(\$86,551) + \$248,755}{\$196,084,884} \right) / 0.35}{1} \right) \times 0.35$$

= 0.0408839

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) + \left( \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}} \right) \times \text{State Income Tax Rate}$$

= 
$$\left( \frac{0.0751 + \left( \frac{(\$86,551) + \$248,755}{\$196,084,884} \right) / 0.0408839}{1} \right) + 0.059466$$

= 0.0073855

(a)+(b)+(c) Cost of Capital Rate = 0.1275694

	<u>(PTF)</u>	
INVESTMENT BASE	\$196,084,884	From Worksheet 1
x Cost of Capital Rate	0.1275694	
= Investment Return and Income Taxes	<u>\$25,014,431</u>	To Worksheet 1

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference
1					\$349,334,382	Attachment 1, Page 1
2					(\$13,086,728)	Attachment 2
3	\$6,396,486	99.8099% (a)	\$6,384,326	21.9207% (b)	\$1,399,489	FERC Form 1 Page 207.99g
4			\$6,384,326		\$337,647,144	
5	\$1,027,771		\$1,027,771	21.9207% (b)	\$225,295	FERC Form 1 Page 214.2,4,9
6	(\$348,750,683)		(\$348,750,683)	21.9207% (b)	(\$76,448,591)	FERC Form 1 Page 219.25
7	(\$4,753,633)	99.8099% (a)	(\$4,744,596)	21.9207% (b)	(\$1,040,049)	FERC Form 1 Page 219.28
8			(\$353,495,279)		(\$77,488,640)	
9	(\$402,325,609)	99.2997% (c)	(\$399,508,123)	21.9207% (b)	(\$87,574,977)	FERC Form 1 Page 113.62-64
10	\$51,543,505	99.2997% (c)	\$51,182,546	21.9207% (b)	\$11,219,572	FERC Form 1 Page 111.82
11			(\$348,325,577)		(\$76,355,405)	
12	\$419,230	100.0000%	\$419,230	21.9207% (b)	\$91,898	FERC Form 1 Page 111.81c
13	\$0	99.8099% (a)	\$0	21.9207% (b)	\$0	
14	\$42,674,813	100.0000%	\$42,674,813	21.9207% (b)	\$9,354,618	FERC Form 1 Page 232.7f
15	\$0	100.0000%	\$0	21.9207% (b)	\$0	FERC Form 1 Page 278
16	\$42,674,813		\$42,674,813		\$9,354,618	
17	\$138,779	99.8099% (a)	\$138,515	21.9207% (b)	\$30,363	FERC Form 1 Page 111.57c
18	\$3,825,605		\$3,825,605	21.9207% (b)	\$838,599	FERC Form 1 Page 227.8c
19						
20					\$7,644,111	Worksheet 1, Line 20
21					\$6,283,985	Worksheet 1, Line 21
22					\$0	Worksheet 6
23					\$13,928,096	
24					0.1250	x 45 / 360
25					\$1,741,012	

(a) Worksheet 5 Line 11  
(b) Worksheet 5 Line 3  
(c) Worksheet 5 Line 16

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
<u>Depreciation Expense</u>						
1	\$34,416,139		\$34,416,139	21.9207% (b)	\$7,544,259	FERC Form 1 Page 336.7b
2	\$361,782	99.8099% (a)	\$361,094	21.9207% (b)	\$79,154	FERC Form 1 Page 336.10b
3			\$34,777,233		\$7,623,413	
<u>Amortization of Loss on Reacquired Debt</u>						
4	\$278,121	100.0000%	\$278,121	21.9207% (b)	\$60,966	FERC Form 1 Page 117.64c
<u>Amortization of Investment Tax Credits</u>						
5	(\$394,836)	100.0000%	(\$394,836)	21.9207% (b)	(\$86,551)	FERC Form 1 Page 266.8f - Footnote (f)
<u>Property Taxes</u>						
6	\$27,171,454	100.0000%	\$27,171,454	21.9207% (b)	\$5,956,173	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
<u>Transmission Operation and Maintenance</u>						
7	\$61,295,709		\$61,295,709	21.9207% (b)	\$13,436,448	FERC Form 1 Page 321.112b
8	\$14,532,110		\$14,532,110	21.9207% (b)	\$3,185,540	FERC Form 1 Page 321.96b
9	\$11,891,943		\$11,891,943	21.9207% (b)	\$2,606,797	FERC Form 1 Page 321.84-92b less 87b
10	\$0		\$0		\$0	FERC Form 1 Page 321.93b & .98b
11	\$34,871,656		\$34,871,656	21.9207% (b)	\$7,644,111	
<u>Transmission Administrative and General</u>						
12	\$30,296,960					FERC Form 1 Page 323.197b
13	(\$135,569)					FERC Form 1 Page 323.185b
14	\$4,168,438					FERC Form 1 Page 323.189b
15	\$0					FERC Form 1 Page 323.191b
16	\$26,264,091	99.8099% (a)	\$26,214,163	21.9207% (b)	\$5,746,328	
17	(\$135,569)	99.2997% (c)	(\$134,620)	21.9207% (b)	(\$29,510)	Line 13
18	\$2,605,606	99.2997% (c)	\$2,587,359	21.9207% (b)	\$567,167	Attachment 5 Line 6
19	\$0		\$0	21.9207% (b)	\$0	Line 15
20	\$0		\$0	21.9207% (b)	\$0	FERC Form 1 Page 350.18c
21	\$28,734,128		\$28,666,902		\$6,283,985	
<u>Payroll Tax Expense</u>						
22	\$2,271,348	99.8099% (a)	\$2,267,030	21.9207% (b)	\$496,949	FERC Form 1 Page 263.3,4i - Footnote (d)
(d) <u>Payroll taxes FERC Form 1, page 263.i</u>						
	\$9,327		Massachusetts	\$23,571,202		
FICA	\$2,262,021		New Hampshire	\$2,662,307		
Payroll Taxes	\$0		Vermont	\$786,615		
State Unemployment	\$0		Maine	\$0		
Total	\$2,271,348		Rhode Island	\$151,330		
			Connecticut	\$0		
				\$27,171,454		
(e) <u>Property Taxes FF1, Page 263i</u>						

- (a) Worksheet 5 Line 11  
(b) Worksheet 5 Line 3  
(c) Worksheet 5 Line 16  
(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1  
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$349,334,382	Attachment 1, Page 1
2		<b>\$1,593,625,753</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<u>21.9207%</u>	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$23,467,616</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<u>\$23,467,616</u>	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$23,512,307</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<u>\$23,512,307</u>	
11	Percent Allocation (Line 6/Line 10)	<u>99.8099%</u>	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,593,625,753	Line 2
13	plus Transmission-Related General Plant	<u>\$6,384,326</u>	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	<u>\$1,600,010,079</u>	
15	Total Plant in Service	<b>\$1,611,293,575</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<u>99.2997%</u>	

Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirements  
For Test Year Ended 12/31/2011**

Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$102,578
	345 kV "stabilizer" 342 Line	Pg 332 Line 3 Col (g)		(446)
	345 kV Switch Tap Bridge - Station 451 Whitman	Pg 332 Line 13 Col (g)		\$774
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$38,953	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line-345kV Tewksbury-Woburn 338 Line]	Page 330 Line 4 Col (n)	\$61,463	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line - 115kV Tewksbury-Woburn N140 Line]	Page 330 Line 3 Col (n)	\$11,594	
	Boston Edison -345 kV Golden Hills-Mystic 349 Line	Page 330 Line 2 Col (n)	\$47,313	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook	Page 330.1 Line 8 Col (n)	\$423,318	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$13,319	
NEP	Chester SVC	Transmission Billing		\$620,348
	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$5,027,675	
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$39,910	
		Totals	\$5,663,545	\$723,254

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

Shading denotes an input

New England Power Company  
2011 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2010	Pre-1997 PTF Transmission Plant	\$351,352,992	
2	2010	Post-1996 PTF Transmission Plant	\$725,670,117	
3	2011	Additions/Retirements	\$91,761,225	
4	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	29.89%
5	2011	Post-1996 PTF Transmission Plant	\$819,449,952	70.11%
6	2011	Total PTF Transmission Plant	\$1,168,784,335	100.00%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5



Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2011**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$14,269,187
	<u>Allocation</u>	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	253
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$12,699,576
6	Total Land from Sandy Pond to New Hampshire	\$1,106,146
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$13,086,728

**Source:**

- 1 FERC Form 1, Page 422.1-423.1, Lines 5 + 16 col (l)
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1 Lines 5 + 16 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2011</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,137,510
2	Less: Specifically Identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$157,122
		\$750,091
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,419
4	Plant Allocator Factor	99.2997%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,706
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$750,091</u>
7	Total Transmission-Related Equity AFUDC	\$1,134,797
8	Pre-97 PTF Allocation Factor	21.9207%
9	Transmission-Related Equity AFUDC	\$248,755

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 PTF Allocation Factor
- 9 Line 7 \* Line 8

**Attachment 4**

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

		REVISED PTF	
		Narragansett	MECO
		<u>2011</u>	<u>2011</u>
1	Total Integrated Facilities Charges	\$60,868,519	\$8,564,781
2	Total 2011 PTF Property	\$234,900,022	\$21,875,675
3	Total Transmission Plant in 2011	\$321,180,057	\$46,378,064
4	NECO or MECO PTF Plant Allocator	73.14%	47.17%
5	PTF Related Integrated Facilities Charge	\$44,517,136	\$4,039,849
6	<b>Total Integrated Facilities</b>		<b><u>\$48,556,985</u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2011 Regulatory Commission Expense

<b><u>Line No.</u></b>		<b><u>2011</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,168,438	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$78,276	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,255,423	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,605,606	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2011</u></b>
Revenues	\$1,213,781
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,213,781
PTF Allocation	21.9207%
Total PTF Revenue	\$266,069

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2011</u></b>
Revenues	\$809,392
Pre-97 PTF Percent	29.8887%
Total Pre-97 PTF Revenue	\$ 241,917

***Source: Short Term Through and Out Revenues from ISO New England***

Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2011
Rates Effective for the Period: Through:	June 2012 May 2013
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$100,395,777 <sup>(a)</sup>	\$128,354,111 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,663,545 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$723,254 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$507,986) <sup>(d)</sup>	(\$1,191,607) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$94,947,500 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$127,162,504 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$36,193,039 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$94,947,500 <sup>(n)=(e)+(l)</sup>	\$163,355,543 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$258,303,043 <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2011**

**POST-1996**

Shading denotes an input

Line No.		Attachment F	NEP	Reference
		Reference		
	<b>I. <u>INVESTMENT BASE</u></b>	<i>Section:</i>		
1	Transmission Plant	(A)(1)(a)	\$819,449,952	Worksheet 5, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$3,282,852	Worksheet 5, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$528,485	Worksheet 5, line 5 column 5
4	Total Plant (Lines 1+2+3)		<u>\$823,261,289</u>	
5	Accumulated Depreciation	(A)(1)(d)	(\$181,769,040)	Worksheet 5, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$179,110,753)	Worksheet 5, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$215,570	Worksheet 5, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$21,943,602	Worksheet 5, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		<u>\$484,540,668</u>	
10	Prepayments	(A)(1)(h)	\$71,225	Worksheet 5, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,967,145	Worksheet 5, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$4,083,981	Worksheet 5, line 25 column 5
13	NEEWS CWIP	(A)(1)(k)	\$10,910,787	Worksheet 5, line 26 column 5
14	Total Investment Base (Line 9+10+11+12+13)		<u><u>\$501,573,805</u></u>	
	<b>II. <u>REVENUE REQUIREMENTS</u></b>			
15	Investment Return and Income Taxes	(A)	\$62,722,239	Worksheet 3
16	Depreciation Expense	(B)	\$17,882,627	Worksheet 6, line 3, column 5
17	Amortization of Loss on Reacquired Debt	(C)	\$143,011	Worksheet 6, line 4, column 5
18	Investment Tax Credit	(D)	(\$203,026)	Worksheet 6, line 5, column 5
19	Property Tax Expense	(E)	\$13,971,698	Worksheet 6, line 6, column 5
20	Payroll Tax Expense	(F)	\$1,165,718	Worksheet 6, line 22, column 5
21	Operation & Maintenance Expense	(G)	\$17,931,179	Worksheet 6, line 11, column 5
22	Administrative & General Expense	(H)	\$14,740,665	Worksheet 6, line 21, column 5
23	Transmission Related Integrated Facilities Charge	(I)	\$0	Attachment 4, line 6
24	Transmission Support Revenue	(J)	\$0	Worksheet 8
25	Transmission Support Expense	(K)	\$0	Worksheet 8
26	Transmission Related Expense from Generators	(L)	\$0	
27	Transmission Related Taxes and Fees Charge	(M)	\$0	
28	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$567,475)	Attachment 7
29	Transmission Rents Received from Electric Property	(O)	(\$624,132)	Attachment 6
30	Total Revenue Requirements (Line 14 thru 28)		<u><u>\$127,162,504</u></u>	



**New England Power Company**  
**Post 1996 Regional Network Service Revenue Requirement**  
**For Test Year Ended 12/31/2011**

Shading denotes an input

<u>Line No.</u>	<u>Description</u>	<u>Attachment F Reference</u>	<u>Forecasted Amount \$</u>	<u>Reference</u>
1	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTPA)		\$ 36,307,741	Line 6
2	Forecasted Revenue Requirements for Forecasted Transmission CWIP		<b>\$114,702</b>	Line 9
3	<b>Forecasted Transmission Revenue Requirements</b>		<b>\$ 36,193,039</b>	Line 1 + Line 2
4	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTPA)	Appendix C iv	<b>\$237,573,000</b>	Project Detail
5	Carrying Charge Factor (CCF)	Appendix C vi	15.28277%	Line 20
6	<b>Forecasted Revenue Requirements for FTPA</b>		<b>\$ 36,307,741</b>	Line 4 * Line 5
7	Forecasted New England Power Company (NEP) NEEWS CWIP (FNCWIP)	Appendix C xiii	<b>\$ (851,389)</b>	Project Detail
8	NEEWS NEP Cost of Capital Rate (NCOC)	Appendix C xiv	13.47235%	Workpaper 4
9	<b>Forecasted Revenue Requirements for FNCWIP</b>		<b>\$ (114,702)</b>	Line 7 * Line 8
<b><u>Derivation of Carrying Charge (CCF)</u></b>				
10	Investment Return and Income Taxes	(A)	\$59,602,800	Summary, Line 14
11	Depreciation Expense	(B)	17,882,627	Summary, Line 15
12	Amortization of Loss on Reacquired Debt	(C)	143,011	Summary, Line 16
13	Investment Tax Credit	(D)	<b>(203,026)</b>	Summary, Line 17
14	Property Tax Expense	(E)	13,971,698	Summary, Line 18
15	Payroll Tax Expense	(F)	1,165,718	Summary, Line 19
16	Operation & Maintenance Expense	(G)	17,931,179	Summary, Line 20
17	Administrative & General Expense	(H)	14,740,665	Summary, Line 21
18	Total Expenses (Lines 10 thru 17)		\$125,234,672	
19	PTF Transmission Plant	(A)(1)(a)	\$819,449,952	Summary, Line 1
20	<b>Carrying Charge Factor (FTPA)</b>		<b>15.28277%</b>	Line 18 / Line 19

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2011**

Shading denotes an input

	CAPITALIZATION 12/31/2011	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.45%	1.18%	0.42%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$746,206,523	64.45%	11.07%	7.13%	7.13%
TOTAL INVESTMENT RETURN	\$1,157,668,223	100.00%		7.56%	7.14%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	0.0756
(b) Federal Income Tax	= (	$\frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{1} \right) / \text{PTF Inv. Base}}{1} \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$
	= (	$\frac{0.0714 + \left( \frac{(\$203,026)}{1} + \frac{\$583,896}{1} \right) / \$501,573,805}{1} \times \frac{0.35}{0.35}$
	=	0.0388550
(c) State Income Tax	= (	$\frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{1} \right) / \text{PTF Inv. Base}}{1} + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}} \times \text{State Income Tax Rate}$
	= (	$\frac{0.0714 + \left( \frac{(\$203,026)}{1} + \frac{\$583,896}{1} \right) / \$501,573,805}{1} + \frac{0.0388550}{0.059466} \times 0.059466$
	=	0.0070190
(a)+(b)+(c) Cost of Capital Rate	=	0.1214740

	(PTF)	
INVESTMENT BASE	\$501,573,805	From Worksheet 1
x Cost of Capital Rate	0.1214740	
= Investment Return and Income Taxes	\$60,928,176	To Worksheet 1
INVESTMENT BASE (Excluding NEEWS CWIP)	\$490,663,019	From Worksheet 1
x Cost of Capital Rate	0.1214740	
= Investment Return and Income Taxes	\$59,602,800	To Worksheet 2

**Post 2003 PTF Investment Base w/ Incremental 100 bps:**

Plant In-Service	\$ 213,375,099	From Attachment 1
Accumulated Depreciation	(46,695,224)	From Worksheets 5 & 7
Accumulate Deferred Income Taxes	(46,311,697)	From Worksheets 5 & 7
<b>Total Post-2003 Investment</b>	<b>\$ 120,368,177</b>	Calculated
Incremental ROE:	1.00%	0.00645 Calculated
Federal Income Taxes:		0.00347 Per Attachment F
State Income Taxes:		0.00063 Per Attachment F
Cost of Capital Rate		0.01054
Incremental Return and Taxes on Post-2003 PTF Investment	<b>\$ 1,268,957</b>	

**NEEWS In-Service w/ Incremental 125 bps:**

New England Power NEEWS In-Service	\$ 52,962,648	PowerPlant PTF 4 & 5 reports - PTF only
Accumulated Depreciation	(12,062,457)	From Worksheets 3 & 5
Accumulate Deferred Income Taxes	(11,963,383)	From Worksheets 3 & 5
<b>Total New England Power NEEWS Investment</b>	<b>\$ 28,936,808</b>	Calculated
Incremental ROE:	1.25%	0.00806 Calculated
Federal Income Taxes:		0.00434 Per Attachment F
State Income Taxes:		0.00078 Per Attachment F
Cost of Capital Rate		0.01318
Incremental Return and Taxes on NEEWS PTF Investment	<b>\$ 381,325</b>	

<b>NEEWS Allocation Factor</b>		
Total Transmission Investment	\$1,593,625,753	Worksheet 7 Line 2
Total NEEWS In-Service - NEP	\$55,119,725	Plant Accounting Records
For Accumulated Depreciation	3.4588%	
NEEWS Allocation Factor	3.4588%	
Plant Allocation Factor	0.992997	Worksheet 7 Line 16
For Accumulated Deferred Income Taxes	3.4345%	

**New England Power Company**  
Annual Revenue Requirements  
For Costs in 2011

Shading denotes an input

	CAPITALIZATION 12/31/2011	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.45%	1.18%	0.42%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$746,206,523	64.46%	12.32%	7.94%	7.94%
TOTAL INVESTMENT RETURN	\$1,157,668,223	100.00%		8.37%	7.95%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0837

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{\frac{0.0795}{1} + \left( \frac{(\$203,026)}{\text{Federal Income Tax Rate}} + \frac{\$583,896}{\$501,573,805} \right) / 0.35} \right) \times 0.35$$

= 0.0432166

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{State Income Tax Rate}}{\frac{0.0795}{1} + \left( \frac{(\$203,026)}{0.059466} + \frac{\$583,896}{\$501,573,805} \right) / 0.059466} \right) \times 0.059466$$

= 0.0078069

(a)+(b)+(c) Cost of Capital Rate = 0.1347235

New England Power Company

Shading denotes an input

Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1	Transmission Plant					\$819,449,952	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					\$0	Attachment 2
3	General Plant	\$6,396,486	99.8099% (a)	\$6,384,326	51.4205% (b)	\$3,282,852	FERC Form 1 page 207.99
4	Total (line 1+2+ 3)			<u>\$6,384,326</u>		<u>\$822,732,804</u>	
5	<u>Transmission Plant Held for Future Use</u>	\$1,027,771		\$1,027,771	51.4205% (b)	<u>\$528,485</u>	FERC Form 1 page 214.2,4,10
	<u>Transmission Accumulated Depreciation</u>						
6	Transmission Accumulated Depreciation	(\$348,750,683)		(\$348,750,683)	51.4205% (b)	(\$179,329,345)	FERC Form 1 page 219.25
7	General Plant Accumulated Depreciation	(\$4,753,633)	99.8099% (a)	(\$4,744,596)	51.4205% (b)	(\$2,439,695)	FERC Form 1 Page 219.28
8	Total (line 6+ 7)			<u>(\$353,495,279)</u>		<u>(\$181,769,040)</u>	
	<u>Transmission Accumulated Deferred Taxes</u>						
9	Accumulated Deferred Taxes (281-283)	(\$402,325,609)	99.2997% (c)	(\$399,508,123)	51.4205% (b)	(\$205,429,074)	FERC Form 1 page 113.62-64
10	Accumulated Deferred Taxes (190)	\$51,543,505	99.2997% (c)	\$51,182,546	51.4205% (b)	\$26,318,321	FERC Form 1 page 111.82
11	Total (line 9+ 10)			<u>(\$348,325,577)</u>		<u>(\$179,110,753)</u>	
12	<u>Transmission Loss on Reacquired Debt</u>	\$419,230	100.0000%	\$419,230	51.4205% (b)	<u>\$215,570</u>	FERC Form 1 Page 111.81c
	<u>Other Regulatory Assets</u>						
13	FAS 106	\$0	99.8099% (a)	\$0	51.4205% (b)	\$0	
14	FAS 109 (Asset Account 182.3)	\$42,674,813	100.0000%	\$42,674,813	51.4205% (b)	\$21,943,602	FERC Form 1 Page 232.6f
15	FAS 109 ( Liability Account 254 )	\$0	100.0000%	\$0	51.4205% (b)	\$0	FERC Form 1 Page 278
16	Total (line 13+14+ 15)	<u>\$42,674,813</u>		<u>\$42,674,813</u>		<u>\$21,943,602</u>	
17	<u>Transmission Prepayments</u>	\$138,779	99.8099% (a)	\$138,515	51.4205% (b)	<u>\$71,225</u>	FERC Form 1 Page 111.57c
18	<u>Transmission Materials and Supplies</u>	\$3,825,605		\$3,825,605	51.4205% (b)	<u>\$1,967,145</u>	FERC Form 1 Page 227.8c
19	<u>Cash Working Capital</u>						
20	Operation & Maintenance Expense					\$17,931,179	Worksheet 1, Line 20
21	Administrative & General Expense					\$14,740,665	Worksheet 1, Line 21
22	Transmission Support Expense					\$0	Worksheet 8
23	Subtotal (line 20+21+22)					<u>\$32,671,844</u>	
24						<u>0.1250</u>	x 45 / 360
25	Total (line 23 * line 24)					<u>\$4,083,981</u>	
26	NEEWS CWIP	\$10,910,787				<u>\$10,910,787</u>	Plant Accounting Records

(a) Worksheet 7 Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16

New England Power Company

Shading denotes an input

Line No.		(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
	<u>Depreciation Expense</u>						
1	Transmission Depreciation	\$34,416,139		\$34,416,139	51.4205%	\$17,696,951	FERC Form 1 Page 336.7b
2	General Depreciation	\$361,782	99.8099% (a)	\$361,094	51.4205%	\$185,676	FERC Form 1 Page 336.10b
3	Total (line 1+2)			\$34,777,233		\$17,882,627	
4	<u>Amortization of Loss on Reacquired Debt</u>	\$278,121		\$278,121	51.4205%	\$143,011	FERC Form 1 Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>	(\$394,835)		(\$394,835)	51.4205%	(\$203,026)	FERC Form 1 Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>	\$27,171,454		\$27,171,454	51.4205%	\$13,971,698	FERC Form 1 Page 263.10,17,23,28,31i - Footnote (e)
7	<u>Transmission Operation and Maintenance</u>						
8	Operation and Maintenance	\$61,295,709		\$61,295,709	51.4205%	\$31,518,560	FERC Form 1 Page 321.112b
9	Transmission of Electricity by Others - #565	\$14,532,110		\$14,532,110	51.4205%	\$7,472,484	FERC Form 1 Page 321.96b
10	Load Dispatching - #561 (excl #561.3)	\$11,891,943		\$11,891,943	51.4205%	\$6,114,897	FERC Form 1 Page 321.84-92b less 87b
11	Station Expenses & Rents - #562 & #567	\$0		\$0		\$0	FERC Form 1 Page 321.93b & .98b
11	O&M less lines 8, 9 & 10	\$34,871,656		\$34,871,656	51.4205%	\$17,931,179	
	<u>Transmission Administrative and General</u>						
12	Total Administrative and General	\$30,296,960					FERC Form 1 Page 323.197b
13	Less: Property Insurance (#924)	(\$135,569)					FERC Form 1 Page 323.185b
14	Less: Regulatory Commission Expenses (#928)	\$4,168,438					FERC Form 1 Page 323.189b
15	Less: General Advertising Expense (#930.1)	\$0					FERC Form 1 Page 323.191b
16	Subtotal [line 12 minus (13 thru 15)]	\$26,264,091	99.8099% (a)	\$26,214,163	51.4205%	\$13,479,454	
17	Plus: Property Insurance Allocated using Plant Allocator	(\$135,569)	99.2997% (c)	(\$134,620)	51.4205%	(\$69,222)	Line 13
18	Plus: Regulatory Commission Expense	\$2,605,606	99.2997% (c)	\$2,587,359	51.4205%	\$1,330,433	Attachment 5 Line 6
19	Plus: Specifically Identified Trans. Related General Advertising Expense	\$0		\$0	51.4205%	\$0	Line 15
20	Plus: Specifically Identified Trans. Related Regulatory Expense	\$0		\$0	51.4205%	\$0	FERC Form 1 Page 350.18c
21	Total A&G [line 16 + (17 thru 20)]	\$28,734,128		\$28,666,902		\$14,740,665	
22	<u>Payroll Tax Expense</u>	\$2,271,348	99.8099% (a)	\$2,267,030	51.4205%	\$1,165,718	FERC Form 1 Page 263.3.4i - Footnote (d)
(d) (d) Payroll taxes FERC Form 1, page 263.i			(e) Property Taxes FF1, Page 263i				
	Federal Unemployment	\$9,327		Massachusetts	\$23,571,202		
	FICA	\$2,262,021		New Hampshire	\$2,662,307		
	Payroll Taxes	\$0		Vermont	\$786,615		
	State Unemployment	\$0		Maine	\$0		
	Total	\$2,271,348		Rhode Island	\$151,330		
				Connecticut	\$0		
					\$27,171,454		

- (a) Worksheet 7, Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16  
(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1  
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$819,449,952	Attachment 1, Page 1
2	Total Transmission Investment	\$1,593,625,753	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	51.4205%	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	\$23,467,616	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	\$23,467,616	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	\$23,512,307	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	\$23,512,307	
11	Percent Allocation (Line 6/Line 10)	99.8099%	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,593,625,753	Line 2
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	\$6,384,326	Worksheet 5, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	\$1,600,010,079	
15	Total Plant in Service	\$1,611,293,575	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	99.2997%	
	<b><u>Post-2003 PTF Allocation Factor</u></b>		
17	Total Post-2003 PTF Investment	\$ 213,375,099	Attachment 1 Line 7
18	Total Transmission Investment	\$1,593,625,753	Line 2
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	13.3893%	
20	Total Invst in Tx Plant/Total Plant in Serv *		
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	13.2955%	Line 19 * Line 16

**New England Power Company  
Post-96 RNs Revenue Requirements  
For Test Year Ended 12/31/2011**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues (a)	Expenses (b)
NSTAR	115 kV Millbury-Medway 201 Line	Pg 332 Line 2 Col (g)		\$0
	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$0
	345 kV "stabilizer" 342 Line	Pg 332 Line 3 Col (g)		\$0
	345 kV Carver - Walpole 331 Line	Pg 332 Line 13 Col (g)		\$0
	Second Canal Line	Pg 332 Line 4 Col (g)		\$0
	Bell Rock Road	Page 330.5 Line 12	\$0	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line-345kV Tewksbury-Woburn 338 Line]	Page 330 Line 4	\$0	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line - 115kV Tewksbury-Woburn N140 Line]	Page 330 Line 3	\$0	
	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5	\$0	
	Boston Edison -345 kV Golden Hills-Mystic 349 Line	Page 330 Line 2	\$0	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook	Page 330.1 Line 8	\$0	
	345 kV Medway - Bridgewater 344 Line	Pg 330.5, Line 11	\$0	
EUA				
NEP	Chester SVC	Transmission Billing		\$0
	HQ Phase II - AC in MA	Page 330 Line 11	\$0	
	MWRA Transmission (MDC)	Contract - Line Lease/Use		\$0
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12	\$0	
		<b>Totals</b>	<b>\$0</b>	<b>\$0</b>

**Attachment 1**

New England Power Company  
2011 Informational Filing  
PTF Plant Allocation

				<b><u>Percent Pre/Post</u></b>
1	2010	Pre-1997 PTF Transmission Plant	\$351,115,800	
2	2010	Post-1996 PTF Transmission Plant	\$755,657,102	
3	2011	Additions/Retirements	\$62,011,432	
4	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	29.89%
5	2011	Post-1996 PTF Transmission Plant	\$819,449,952	70.11%
6	2011	Total PTF Transmission Plant	\$1,168,784,335	100.00%
7	2011	Post-2003 PTF Transmission Plant	\$213,375,099	

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects



**Attachment 2**

Shading denotes an input

GROSS PLANT ASSOC. WITH HVDC LEASES  
2011

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

**Attachment 3**

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2011</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,138,245
2	Less: Specifically identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$157,814
		<u>\$750,783</u>
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,462
4	Plant Allocator Factor	99.2997%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,749
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$750,783</u>
7	Total Transmission-Related Equity AFUDC	\$1,135,532
8	Post-96 PTF Allocation Factor	51.4205%
9	Transmission-Related Equity AFUDC	\$583,896

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 6 - Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2011</u></b>	<b>MECO <u>2011</u></b>
1 Total Integrated Facilities Charges	\$0	\$0
2 Total 2011 PTF Property	\$0	\$0
3 Total Transmission Plant in 2011	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0
6 <b>Total Integrated Facilities</b>		<b><u><u>\$0</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2011 Regulatory Commission Expense

<b>Line No.</b>		<b><u>2011</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,168,438	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$78,276	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,255,423	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,605,606	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2011</u></b>
Revenues	\$1,213,781
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,213,781
PTF Allocation	51.4205%
Total PTF Revenue	\$624,132

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff  
New England Power Company

	<b><u>2011</u></b>
Revenues	\$809,392
Post-96 PTF Percent	70.1113%
Total Post-96 PTF Revenue	\$567,475

***Source: Short Term Through and Out Revenues from ISO New England***

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on: \_\_\_\_\_

Revenue Requirements for (year): Calendar Year 2011

Rates Effective for the Period: June 2012  
Through: May 2013

Customer: New England Power Company

Customer's NABs Number: \_\_\_\_\_

Name of Participant responsible for customer's billing: \_\_\_\_\_

DUNS number of Participant responsible for customer's billing: \_\_\_\_\_

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	<u>\$100,395,777</u> <sup>(a)</sup>	<u>\$128,354,111</u> <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	<u>\$5,663,545</u> <sup>(b)</sup>	<u>\$0</u> <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	<u>\$723,254</u> <sup>(c)</sup>	<u>\$0</u> <sup>(h)</sup>
Total of Attachment F - Section (L through O)	<u>(\$507,986)</u> <sup>(d)</sup>	<u>(\$1,191,607)</u> <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	<u>\$94,947,500</u> <sup>(e)=(a)-(b)+(c)+(d)</sup>	<u>\$127,162,504</u> <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	<u>N/A</u>	<u>\$36,193,039</u> <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	<u>N/A</u> <sup>(l)</sup>	<u>N/A</u> <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	<u>\$94,947,500</u> <sup>(n)=(e) + (l)</sup>	<u>\$163,355,543</u> <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		<u>\$258,303,043</u> <sup>(p) = (n) + (o)</sup>

**New England Power Company  
Annual Revenue Requirements of PTF Facilities  
For Costs in 2011**

**PRE-1997**

Shading denotes an input

		Attachment F Reference	NEP	Reference
<b>I. INVESTMENT BASE</b>				
<u>Line No.</u>		Section:		
1	Transmission Plant	(A)(1)(a)	\$336,247,655	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$1,399,489	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$225,295	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		<u>\$337,872,439</u>	
5	Accumulated Depreciation	(A)(1)(d)	(\$77,488,640)	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$76,355,405)	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$91,898	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$9,354,618	Worksheet 3, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		<u>\$193,474,910</u>	
10	Prepayments	(A)(1)(h)	\$30,363	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$838,599	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	<u>\$1,741,012</u>	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		<u><u>\$196,084,884</u></u>	
<b>II. REVENUE REQUIREMENTS</b>				
14	Investment Return and Income Taxes	(A)	\$23,859,746	Worksheet 2
15	Depreciation Expense	(B)	\$7,623,413	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$60,966	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$86,551)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$5,956,173	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$496,949	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$7,644,111	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$6,283,985	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$48,556,985	Attachment 4, line 6
23	Transmission Support Revenue	(J)	(\$5,663,545)	Worksheet 6
24	Transmission Support Expense	(K)	\$723,254	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$241,917)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	<u>(\$266,069)</u>	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		<u><u>\$94,947,500</u></u>	



**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2011**

Shading denotes an input

	CAPITALIZATION 12/31/2011	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$410,350,000	35.45%	1.18%	0.42%	
PREFERRED STOCK	\$1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$746,206,523	64.46%	11.07%	7.14%	7.14%
TOTAL INVESTMENT RETURN	\$1,157,668,223	100.00%		7.57%	7.15%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0757

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. of Deprec. Exp.} + \text{Eq. AFUDC}}{\text{Tax Credit} + \text{PTF Inv. Base}} \right) / \text{PTF Inv. Base}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$$

= 
$$\left( \frac{0.0715 + \left( \frac{(\$86,551) + \$248,755}{-} \right) / \$196,084,884}{1} \right) \times \frac{0.35}{0.35}$$

= 0.0389454

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. of Deprec. Exp.} + \text{Eq. AFUDC}}{\text{Tax Credit} + \text{PTF Inv. Base}} \right) / \text{PTF Inv. Base}}{1} \right) + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}} \times \text{State Income Tax Rate}$$

= 
$$\left( \frac{0.0715 + \left( \frac{(\$86,551) + \$248,755}{-} \right) / \$196,084,884}{1} \right) + \frac{0.0389454}{0.059466} \times 0.059466$$

= 0.0070353

(a)+(b)+(c) Cost of Capital Rate = 0.1216807

	(PTF)	
INVESTMENT BASE	\$196,084,884	From Worksheet 1
x Cost of Capital Rate	0.1216807	
= Investment Return and Income Taxes	<u>\$23,859,746</u>	To Worksheet 1

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference
1					\$349,334,382	Attachment 1, Page 1
2					(\$13,086,728)	Attachment 2
3	\$6,396,486	99.8099% (a)	\$6,384,326	21.9207% (b)	\$1,399,489	FERC Form 1 Page 207.99g
4			\$6,384,326		\$337,647,144	
5	\$1,027,771		\$1,027,771	21.9207% (b)	\$225,295	FERC Form 1 Page 214.2,4,9
6	(\$348,750,683)		(\$348,750,683)	21.9207% (b)	(\$76,448,591)	FERC Form 1 Page 219.25
7	(\$4,753,633)	99.8099% (a)	(\$4,744,596)	21.9207% (b)	(\$1,040,049)	FERC Form 1 Page 219.28
8			(\$353,495,279)		(\$77,488,640)	
9	(\$402,325,609)	99.2997% (c)	(\$399,508,123)	21.9207% (b)	(\$87,574,977)	FERC Form 1 Page 113.62-64
10	\$51,543,505	99.2997% (c)	\$51,182,546	21.9207% (b)	\$11,219,572	FERC Form 1 Page 111.82
11			(\$348,325,577)		(\$76,355,405)	
12	\$419,230	100.0000%	\$419,230	21.9207% (b)	\$91,898	FERC Form 1 Page 111.81c
13	\$0	99.8099% (a)	\$0	21.9207% (b)	\$0	
14	\$42,674,813	100.0000%	\$42,674,813	21.9207% (b)	\$9,354,618	FERC Form 1 Page 232.7f
15	\$0	100.0000%	\$0	21.9207% (b)	\$0	FERC Form 1 Page 278
16	\$42,674,813		\$42,674,813		\$9,354,618	
17	\$138,779	99.8099% (a)	\$138,515	21.9207% (b)	\$30,363	FERC Form 1 Page 111.57c
18	\$3,825,605		\$3,825,605	21.9207% (b)	\$838,599	FERC Form 1 Page 227.8c
19						
20					\$7,644,111	Worksheet 1, Line 20
21					\$6,283,985	Worksheet 1, Line 21
22					\$0	Worksheet 6
23					\$13,928,096	
24					0.1250	x 45 / 360
25					\$1,741,012	

(a) Worksheet 5 Line 11

(b) Worksheet 5 Line 3

(c) Worksheet 5 Line 16

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
<u>Depreciation Expense</u>						
1	\$34,416,139		\$34,416,139	21.9207% (b)	\$7,544,259	FERC Form 1 Page 336.7b
2	\$361,782	99.8099% (a)	\$361,094	21.9207% (b)	\$79,154	FERC Form 1 Page 336.10b
3			\$34,777,233		\$7,623,413	
<u>Amortization of Loss on Reacquired Debt</u>						
4	\$278,121	100.0000%	\$278,121	21.9207% (b)	\$60,966	FERC Form 1 Page 117.64c
<u>Amortization of Investment Tax Credits</u>						
5	(\$394,836)	100.0000%	(\$394,836)	21.9207% (b)	(\$86,551)	FERC Form 1 Page 266.8f - Footnote (f)
<u>Property Taxes</u>						
6	\$27,171,454	100.0000%	\$27,171,454	21.9207% (b)	\$5,956,173	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
<u>Transmission Operation and Maintenance</u>						
7	\$61,295,709		\$61,295,709	21.9207% (b)	\$13,436,448	FERC Form 1 Page 321.112b
8	\$14,532,110		\$14,532,110	21.9207% (b)	\$3,185,540	FERC Form 1 Page 321.96b
9	\$11,891,943		\$11,891,943	21.9207% (b)	\$2,606,797	FERC Form 1 Page 321.84-92b less 87b
10	\$0		\$0		\$0	FERC Form 1 Page 321.93b & .98b
11	\$34,871,656		\$34,871,656	21.9207% (b)	\$7,644,111	
<u>Transmission Administrative and General</u>						
12	\$30,296,960					FERC Form 1 Page 323.197b
13	(\$135,569)					FERC Form 1 Page 323.185b
14	\$4,168,438					FERC Form 1 Page 323.189b
15	\$0					FERC Form 1 Page 323.191b
16	\$26,264,091	99.8099% (a)	\$26,214,163	21.9207% (b)	\$5,746,328	
17	(\$135,569)	99.2997% (c)	(\$134,620)	21.9207% (b)	(\$29,510)	Line 13
18	\$2,605,606	99.2997% (c)	\$2,587,359	21.9207% (b)	\$567,167	Attachment 5 Line 6
19	\$0		\$0	21.9207% (b)	\$0	Line 15
20	\$0		\$0	21.9207% (b)	\$0	FERC Form 1 Page 350.18c
21	\$28,734,128		\$28,666,902		\$6,283,985	
<u>Payroll Tax Expense</u>						
22	\$2,271,348	99.8099% (a)	\$2,267,030	21.9207% (b)	\$496,949	FERC Form 1 Page 263.3,4i - Footnote (d)
(d) Payroll taxes FERC Form 1, page 263.i						
	Federal Unemployment	\$9,327	Massachusetts	\$23,571,202		
	FICA	\$2,262,021	New Hampshire	\$2,662,307		
	Payroll Taxes	\$0	Vermont	\$786,615		
	State Unemployment	\$0	Maine	\$0		
	Total	\$2,271,348	Rhode Island	\$151,330		
			Connecticut	\$0		
				\$27,171,454		
(e) Property Taxes FF1, Page 263i						

- (a) Worksheet 5 Line 11  
(b) Worksheet 5 Line 3  
(c) Worksheet 5 Line 16  
(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1  
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$349,334,382	Attachment 1, Page 1
2		<b>\$1,593,625,753</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<u>21.9207%</u>	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$23,467,616</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<u>\$23,467,616</u>	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$23,512,307</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<u>\$23,512,307</u>	
11	Percent Allocation (Line 6/Line 10)	<u>99.8099%</u>	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,593,625,753	Line 2
13	plus Transmission-Related General Plant	<u>\$6,384,326</u>	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	<u>\$1,600,010,079</u>	
15	Total Plant in Service	<b>\$1,611,293,575</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<u>99.2997%</u>	

Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirements  
For Test Year Ended 12/31/2011**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$102,578
	345 kV "stabilizer" 342 Line	Pg 332 Line 3 Col (g)		(446)
	345 kV Switch Tap Bridge - Station 451 Whitman	Pg 332 Line 13 Col (g)		\$774
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$38,953	
	Boston-Edison [345 kV Sandy-Tewksbury 337 line-345kV Tewksbury-Woburn 338 Line]	Page 330 Line 4 Col (n)	\$61,463	
	Boston-Edison [115 kV Tewksbury - Woburn M139 line - 115kV Tewksbury-Woburn N140 Line]	Page 330 Line 3 Col (n)	\$11,594	
	Boston Edison -345 kV Golden Hills-Mystic 349 Line	Page 330 Line 2 Col (n)	\$47,313	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook	Page 330.1 Line 8 Col (n)	\$423,318	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$13,319	
NEP	Chester SVC	Transmission Billing		\$620,348
	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$5,027,675	
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$39,910	
		<b>Totals</b>	<b>\$5,663,545</b>	<b>\$723,254</b>

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

Shading denotes an input

New England Power Company  
2011 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2010	Pre-1997 PTF Transmission Plant	\$351,352,992	
2	2010	Post-1996 PTF Transmission Plant	\$725,670,117	
3	2011	Additions/Retirements	\$91,761,225	
4	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	29.89%
5	2011	Post-1996 PTF Transmission Plant	\$819,449,952	70.11%
6	2011	Total PTF Transmission Plant	\$1,168,784,335	100.00%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2011**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$14,269,187
	<u>Allocation</u>	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	253
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$12,699,576
6	Total Land from Sandy Pond to New Hampshire	\$1,106,146
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$13,086,728

**Source:**

- 1 FERC Form 1, Page 422.1-423.1, Lines 5 + 16 col (l)
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1 Lines 5 + 16 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2011</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,137,510
2	Less: Specifically Identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission Only 1990 - 1999	\$9,713
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$157,122
		\$750,091
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,419
4	Plant Allocator Factor	99.2997%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,706
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$750,091</u>
7	Total Transmission-Related Equity AFUDC	\$1,134,797
8	Pre-97 PTF Allocation Factor	21.9207%
9	Transmission-Related Equity AFUDC	\$248,755

**Sources:**

- 1 & 2 Transmission Rates includes \$9,713 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 PTF Allocation Factor
- 9 Line 7 \* Line 8



Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2011</u></b>	<b>MECO <u>2011</u></b>
1 Total Integrated Facilities Charges	\$60,868,519	\$8,564,781
2 Total 2011 PTF Property	\$234,900,022	\$21,875,675
3 Total Transmission Plant in 2011	\$321,180,057	\$46,378,064
4 NECO or MECO PTF Plant Allocator	73.14%	47.17%
5 PTF Related Integrated Facilities Charge	\$44,517,136	\$4,039,849
6 <b>Total Integrated Facilities</b>		<b><u><u>\$48,556,985</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2011 Regulatory Commission Expense

<b><u>Line No.</u></b>		<b><u>2011</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$4,168,438	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$78,276	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$1,255,423	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,605,606	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property  
New England Power Company

	<b><u>2011</u></b>
Revenues	\$1,213,781
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,213,781
PTF Allocation	21.9207%
Total PTF Revenue	\$266,069

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2011</u></b>
Revenues	\$809,392
Pre-97 PTF Percent	29.8887%
Total Pre-97 PTF Revenue	\$ 241,917

***Source: Short Term Through and Out Revenues from ISO New England***

Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2012
Rates Effective for the Period: Through:	June 2013 May 2014
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$119,273,424 <sup>(a)</sup>	\$144,708,124 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,407,628 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$703,144 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$526,111) <sup>(d)</sup>	(\$1,368,365) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$114,042,830 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$143,339,759 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$53,230,475 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$114,042,830 <sup>(n)=(e)+(l)</sup>	\$196,570,234 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$310,613,063 <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2012**

**POST-1996**

Shading denotes an input

		Attachment F		
		Reference	NEP	Reference
<b>I. INVESTMENT BASE</b>		<i>Section:</i>		
<b>Line No.</b>				
1	Transmission Plant	(A)(1)(a)	\$918,015,798	Worksheet 5, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$3,421,788	Worksheet 5, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$551,011	Worksheet 5, line 5 column 5
4	Total Plant (Lines 1+2+3)		<u>\$921,988,597</u>	
5	Accumulated Depreciation	(A)(1)(d)	(\$201,785,268)	Worksheet 5, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$210,488,062)	Worksheet 5, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$151,668	Worksheet 5, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$24,851,635	Worksheet 5, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		<u>\$534,718,570</u>	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 5, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$2,621,268	Worksheet 5, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$4,629,975	Worksheet 5, line 25 column 5
13	NEEWS CWIP	(A)(1)(k)	\$14,550,755	Worksheet 5, line 26 column 5
14	Total Investment Base (Line 9+10+11+12+13)		<u><u>\$556,520,569</u></u>	
<b>II. REVENUE REQUIREMENTS</b>				
15	Investment Return and Income Taxes	(A)	\$71,452,053	Worksheet 3
16	Depreciation Expense	(B)	\$20,122,458	Worksheet 6, line 3, column 5
17	Amortization of Loss on Reacquired Debt	(C)	\$73,091	Worksheet 6, line 4, column 5
18	Investment Tax Credit	(D)	(\$209,438)	Worksheet 6, line 5, column 5
19	Property Tax Expense	(E)	\$15,372,820	Worksheet 6, line 6, column 5
20	Payroll Tax Expense	(F)	\$857,337	Worksheet 6, line 22, column 5
21	Operation & Maintenance Expense	(G)	\$18,125,978	Worksheet 6, line 11, column 5
22	Administrative & General Expense	(H)	\$18,913,825	Worksheet 6, line 21, column 5
23	Transmission Related Integrated Facilities Charge	(I)	\$0	Attachment 4, line 6
24	Transmission Support Revenue	(J)	\$0	Worksheet 8
25	Transmission Support Expense	(K)	\$0	Worksheet 8
26	Transmission Related Expense from Generators	(L)	\$0	
27	Transmission Related Taxes and Fees Charge	(M)	\$0	
28	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$762,866)	Attachment 7
29	Transmission Rents Received from Electric Property	(O)	(\$605,499)	Attachment 6
30	Total Revenue Requirements (Line 14 thru 28)		<u><u>\$143,339,759</u></u>	

**New England Power Company**  
**Post 1996 Regional Network Service Revenue Requirement**  
**For Test Year Ended 12/31/2012**

Shading denotes an input

<u>Line No.</u>	<u>Description</u>	<u>Attachment F Reference</u>	<u>Forecasted Amount \$</u>	<u>Reference</u>
1	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTP)		\$ 53,403,146	Line 6
2	Forecasted Revenue Requirements for Forecasted Transmission CWIP		<b>\$172,671</b>	Line 9
3	<b>Forecasted Transmission Revenue Requirements</b>		<b>\$ 53,230,475</b>	Line 1 + Line 2
4	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTP)	Appendix C iv	<b>\$ 347,591,621</b>	Project Detail
5	Carrying Charge Factor (CCF)	Appendix C vi	15.36376%	Line 20
6	<b>Forecasted Revenue Requirements for FTP</b>		<b>\$ 53,403,146</b>	Line 4 * Line 5
7	Forecasted New England Power Company (NEP) NEEWS CWIP (FNCWIP)	Appendix C xiii	<b>\$ (1,248,323)</b>	Project Detail
8	NEEWS NEP Cost of Capital Rate (NCOC)	Appendix C xiv	13.83223%	Workpaper 4
9	<b>Forecasted Revenue Requirements for FNCWIP</b>		<b>\$ (172,671)</b>	Line 7 * Line 8
<b><u>Derivation of Carrying Charge (CCF)</u></b>				
10	Investment Return and Income Taxes	(A)	\$67,785,682	Summary, Line 14
11	Depreciation Expense	(B)	20,122,458	Summary, Line 15
12	Amortization of Loss on Reacquired Debt	(C)	73,091	Summary, Line 16
13	Investment Tax Credit	(D)	<b>(209,438)</b>	Summary, Line 17
14	Property Tax Expense	(E)	15,372,820	Summary, Line 18
15	Payroll Tax Expense	(F)	857,337	Summary, Line 19
16	Operation & Maintenance Expense	(G)	18,125,978	Summary, Line 20
17	Administrative & General Expense	(H)	18,913,825	Summary, Line 21
18	Total Expenses (Lines 10 thru 17)		\$141,041,753	
19	PTF Transmission Plant	(A)(1)(a)	\$918,015,798	Summary, Line 1
20	<b>Carrying Charge Factor (FTP)</b>		<b>15.36376%</b>	Line 18 / Line 19

New England Power Company  
Annual Revenue Requirements  
For Costs in 2012

Shading denotes an input

	CAPITALIZATION 12/31/2012	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	35.77%	0.65%	0.23%	
PREFERRED STOCK	\$ 1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 735,600,299	64.13%	11.64%	7.46%	7.46%
<b>TOTAL INVESTMENT RETURN</b>	<b>\$1,147,061,999</b>	<b>100.00%</b>		<b>7.70%</b>	<b>7.47%</b>

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0770

(b) Federal Income Tax = ( R.O.E. + ( PTF Inv. ( Tax Credit + Eq. AFUDC of Deprec. Exp. ) / PTF Inv. Base ) x Federal Income Tax Rate )  
 ( 1 - Federal Income Tax Rate )  
 = ( 0.0747 + ( (\$209,438) + \$720,355 ) / \$556,520,569 ) x 0.35  
 ( 1 - 0.35 )  
 = 0.0407174

(c) State Income Tax = ( R.O.E. + ( PTF Inv. ( Tax Credit + Eq. AFUDC of Deprec. Exp. ) / PTF Inv. Base ) + Federal Income Tax ) \* State Income Tax Rate  
 ( 1 - State Income Tax Rate )  
 = ( 0.0747 + ( (\$209,438) + \$720,355 ) / \$556,520,569 ) + 0.0407174 ) \* 0.059466  
 ( 1 - 0.059466 )  
 = 0.0073554

(a)+(b)+(c) Cost of Capital Rate = 0.1250728

(PTF)  
 INVESTMENT BASE \$556,520,569 From Worksheet 1  
 x Cost of Capital Rate 0.1250728  
 = Investment Return and Income Taxes \$69,605,586 To Worksheet 1  
 INVESTMENT BASE (Excluding NEEWS CWIP) \$541,969,813 From Worksheet 1  
 x Cost of Capital Rate 0.1250728  
 = Investment Return and Income Taxes \$67,785,682 To Worksheet 2

**Post 2003 PTF Investment Base w/ Incremental 100 bps:**

Plant In-Service \$ 213,518,137 From Attachment 1  
 Accumulated Depreciation (46,296,429) From Worksheets 5 & 7  
 Accumulate Deferred Income Taxes (48,612,947) From Worksheets 5 & 7  
**Total Post-2003 Investment** \$ 118,608,761 Calculated  
 Incremental ROE: 1.00% 0.00641 Calculated  
 Federal Income Taxes: 0.00345 Per Attachment F  
 State Income Taxes: 0.00062 Per Attachment F  
 Cost of Capital Rate 0.01049  
 Incremental Return and Taxes on Post-2003 PTF Investment \$ 1,244,200

**NEEWS In-Service w/ Incremental 125 bps:**

New England Power NEEWS In-Service \$ 56,490,343 PowerPlant PTF 4 & 5 reports - PTF only  
 Accumulated Depreciation (12,248,613) From Worksheets 3 & 5  
 Accumulate Deferred Income Taxes (12,861,493) From Worksheets 3 & 5  
**Total New England Power NEEWS Investment** \$ 31,380,236 Calculated  
 Incremental ROE: 1.25% 0.00802 Calculated  
 Federal Income Taxes: 0.00432 Per Attachment F  
 State Income Taxes: 0.00078 Per Attachment F  
 Cost of Capital Rate 0.01311  
 Incremental Return and Taxes on NEEWS PTF Investment \$ 411,471

**NEEWS Allocation Factor**

Total Transmission Investment	\$1,712,325,359	Worksheet 7 Line 2
Total NEEWS In-Service - NEP	\$ 56,490,343	Plant Accounting Records
For Accumulated Depreciation	3.2990%	
NEEWS Allocation Factor	3.2990%	
Plant Allocation Factor	0.992978	Worksheet 7 Line 16
For Accumulated Deferred Income Taxes	3.2759%	



**New England Power Company**  
Annual Revenue Requirements  
For Costs in 2012

Shading denotes an input

	CAPITALIZATION 12/31/2012	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	35.77%	0.65%	0.23%	
PREFERRED STOCK	\$ 1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 735,600,299	64.13%	12.89%	8.27%	8.27%
TOTAL INVESTMENT RETURN	\$1,147,061,999	100.00%		8.51%	8.28%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	0.0851
(b) Federal Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{1} \right) / \text{PTF Inv. Base}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$
	=	$\left( \frac{0.0828 + \left( \frac{(\$209,438)}{1} + \frac{\$720,355}{\$556,520,569} \right) / 1}{1} \right) \times \frac{0.35}{0.35}$
	=	0.0450790
(c) State Income Tax	=	$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)}}{1} + \frac{\text{Eq. AFUDC of Deprec. Exp.}}{1} \right) / \text{PTF Inv. Base}}{1} \right) + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}} \times \text{State Income Tax Rate}$
	=	$\left( \frac{0.0828 + \left( \frac{(\$209,438)}{1} + \frac{\$720,355}{\$556,520,569} \right) / 1}{1} \right) + \frac{0.0450790}{0.059466} \times 0.059466$
	=	0.0081433
(a)+(b)+(c) Cost of Capital Rate	=	0.1383223

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1					\$918,015,798	Attachment 1, Page 1
2					\$0	Attachment 2
3	\$ 6,396,194	99.7856% (a)	\$6,382,481	53.6122% (b)	\$3,421,788	FERC Form 1 page 207.99g
4			<u>\$6,382,481</u>		<u>\$921,437,586</u>	
5	\$ 1,027,771		\$1,027,771	53.6122% (b)	<u>\$551,011</u>	FERC Form 1 page 214.2d,4d,9d
6	\$ (371,277,823)		(\$371,277,823)	53.6122% (b)	(\$199,050,209)	FERC Form 1 page 219.25b
7	\$ (5,112,522)	99.7856% (a)	(\$5,101,561)	53.6122% (b)	(\$2,735,059)	FERC Form 1 Page 219.28b
8			<u>(\$376,379,384)</u>		<u>(\$201,785,268)</u>	
9	\$ (508,206,767)	99.2978% (c)	(\$504,638,139)	53.6122% (b)	(\$270,547,608)	FERC Form 1 page 113.62-64
10	\$ 112,818,102	99.2978% (c)	\$112,025,893	53.6122% (b)	\$60,059,546	FERC Form 1 page 111.82
11			<u>(\$392,612,246)</u>		<u>(\$210,488,062)</u>	
12	\$ 282,898	100.0000%	\$282,898	53.6122% (b)	<u>\$151,668</u>	FERC Form 1 Page 111.81c
13	\$ -	99.7856% (a)	\$0	53.6122% (b)	\$0	FERC Form 1 Page 232.8f
14	\$ 46,354,440	100.0000%	\$46,354,440	53.6122% (b)	\$24,851,635	FERC Form 1 Page 232.6f
15	\$ -	100.0000%	\$0	53.6122% (b)	\$0	FERC Form 1 Page 278
16	<u>\$46,354,440</u>		<u>\$46,354,440</u>		<u>\$24,851,635</u>	
17	\$ -	99.7856% (a)	\$0	53.6122% (b)	<u>\$0</u>	FERC Form 1 Page 111.57c
18	\$ 4,889,313		\$4,889,313	53.6122% (b)	<u>\$2,621,268</u>	FERC Form 1 Page 227.8c
19						
20					\$18,125,978	Worksheet 1, Line 20
21					\$18,913,825	Worksheet 1, Line 21
22					\$0	Worksheet 8
23					\$37,039,803	
24					0.1250	x 45 / 360
25					<u>\$4,629,975</u>	
26	\$ 14,550,755				<u>\$14,550,755</u>	Plant Accounting Records

(a) Worksheet 7 Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16

New England Power Company

Shading denotes an input

Line No.	(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
<u>Depreciation Expense</u>						
1	\$37,176,180		\$37,176,180	53.6122%	\$19,930,968	FERC Form 1 Page 336.7b
2	\$357,944	99.7856% (a)	\$357,177	53.6122%	\$191,490	FERC Form 1 Page 336.10b
3			\$37,533,357		\$20,122,458	
4	\$136,332		\$136,332	53.6122%	\$73,091	FERC Form 1 Page 117.64c
5	(\$390,654)		(\$390,654)	53.6122%	(\$209,438)	FERC Form 1 Page 266.8f - Footnote (f)
6	\$28,674,108		\$28,674,108	53.6122%	\$15,372,820	FERC Form 1 Page 263.10,17,23,28,31i - Footnote (e)
<u>Transmission Operation and Maintenance</u>						
7	\$56,023,206		\$56,023,206	53.6122%	\$30,035,273	FERC Form 1 Page 321.112b
8	\$12,561,903		\$12,561,903	53.6122%	\$6,734,712	FERC Form 1 Page 321.96b
9	\$9,651,875		\$9,651,875	53.6122%	\$5,174,583	FERC Form 1 Page 321.84-92b less 87b
10	\$0				\$0	FERC Form 1 Page 321.93b & .98b
11	\$33,809,428		\$33,809,428	53.6122%	\$18,125,978	
<u>Transmission Administrative and General</u>						
12	\$36,456,496					FERC Form 1 Page 323.197b
13	\$113,624					FERC Form 1 Page 323.185b
14	\$3,645,548					FERC Form 1 Page 323.189b
15	\$0					FERC Form 1 Page 323.191b
16	\$32,697,324	99.7856% (a)	\$32,627,221	53.6122%	\$17,492,171	
17	\$113,624	99.2978% (c)	\$112,826	53.6122%	\$60,489	Line 13
18	\$2,502,632	99.2978% (c)	\$2,485,059	53.6122%	\$1,332,295	Attachment 5 Line 6
19	\$0		\$0	53.6122%	\$0	Line 15
20	\$53,850		\$53,850	53.6122%	\$28,870	FERC Form 1 Page 350.18c
21	\$35,367,430		\$35,278,956		\$18,913,825	
22	\$1,602,581	99.7856% (a)	\$1,599,145	53.6122%	\$857,337	FERC Form 1 Page 263.3.4i - Footnote (d)
(d) <u>Payroll taxes - G/L 408.1</u>						
	\$0	Line 4(i)	Massachusetts	\$24,657,699		Property Taxes
	\$0	Line 3(i)	New Hampshire	\$2,788,702		FERC Form 1 Page 263.10(i)
	\$1,602,581		Vermont	\$1,080,853		FERC Form 1 Page 263.17(i)
	\$0	Line 9 (i)	Maine	\$0		FERC Form 1 Page 263.23(i)
	\$1,602,581		Rhode Island	\$146,854		n/a
			Connecticut	\$0		FERC Form 1 Page 263.28(i) & 35(i)
				\$28,674,108		FERC Form 1 Page 263.23(i)
(e) <u>Property Taxes FF1, Page 263i</u>						

- (a) Worksheet 7, Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16  
(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1  
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$918,015,798	Attachment 1, Page 1
2	Total Transmission Investment	<b>\$1,712,325,359</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<b>53.6122%</b>	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$18,493,757</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<b>\$18,493,757</b>	
7	Total Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$18,533,501</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<b>\$18,533,501</b>	
11	Percent Allocation (Line 6/Line 10)	<b>99.7856%</b>	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,712,325,359	Line 2
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	<b>\$6,382,481</b>	Worksheet 5, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	<b>\$1,718,707,840</b>	
15	Total Plant in Service	<b>\$1,730,862,090</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<b>99.2978%</b>	
	<b><u>Post-2003 PTF Allocation Factor</u></b>		
17	Total Post-2003 PTF Investment	\$ 213,518,137	Attachment 1 Line 7
18	Total Transmission Investment	\$1,712,325,359	Line 2
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	12.4695%	
20	Total Invst in Tx Plant/Total Plant in Serv *		
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	12.3819%	Line 19 * Line 16

Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirments  
For Test Year Ended 12/31/2012**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$0
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$0	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabroo	Page 330.1 Line 8 Col (n)	\$0	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$0	
NEP	Chester SVC	Transmission Billing		\$0
	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$0	
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$0	
		<b>Totals</b>	<b>\$0</b>	<b>\$0</b>

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

New England Power Company  
2012 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	
2	2011	Post-1996 PTF Transmission Plant	\$819,449,952	
3	2012	Additions/Retirements	\$102,191,455	
4	2012	Pre-1997 PTF Transmission Plant	\$352,959,991	27.77%
5	2012	Post-1996 PTF Transmission Plant	\$918,015,798	72.23%
6	2012	Total PTF Transmission Plant	\$1,270,975,789	100.00%
7	2012	Post-2003 PTF Transmission Plant	\$213,518,137	172.23%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects

**Attachment 2**

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2012**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

**Attachment 3**

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2012</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,346,360
2	Less: Specifically identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission	\$9,777
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$155,706
	2012 Transmission	\$210,246
		\$958,985
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2978%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,655
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	\$958,985
7	Total Transmission-Related Equity AFUDC	\$1,343,640
8	Post-96 PTF Allocation Factor	53.6122%
9	Transmission-Related Equity AFUDC	\$720,355

**Sources:**

- 1 & 2 Transmission Rates includes \$9,777 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 6 - Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8



Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2012</u></b>	<b>MECO <u>2012</u></b>
1 Total Integrated Facilities Charges	\$0	\$0
2 Total 2012 PTF Property	\$0	\$0
3 Total Transmission Plant in 2012	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0
6 <b>Total Integrated Facilities</b>		<b><u><u>\$0</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2012 Regulatory Commission Expense

<b><u>Line No.</u></b>		<b><u>2012</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$3,645,548	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$63,704	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$850,079	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,502,632	Line 1 - (Line 2-5)

## Transmission Rents Received from Electric Property

### New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,129,406
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,129,406
PTF Allocation	53.6122%
Total PTF Revenue	\$605,499

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,056,174
Post-96 PTF Percent	72.2292%
Total Post-96 PTF Revenue	\$762,866

***Source: Short Term Through and Out Revenues from ISO New England***

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2012
Rates Effective for the Period:	June 2013
Through:	May 2014
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	<u>Pre-97 Revenue Requirements</u>	<u>Post-96 Revenue Requirements</u>
Total of Attachment F - Sections A through I	\$119,273,424 <sup>(a)</sup>	\$144,708,124 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,407,628 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$703,144 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$526,111) <sup>(d)</sup>	(\$1,368,365) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$114,042,830 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$143,339,759 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$53,230,475 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$114,042,830 <sup>(n)=(e) + (l)</sup>	\$196,570,234 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		\$310,613,063 <sup>(p) = (n) + (o)</sup>

**New England Power Company  
Annual Revenue Requirements of PTF Facilities  
For Costs in 2012**

**PRE-1997**

Shading denotes an input

		Attachment F Reference	NEP	Reference
I. <u>INVESTMENT BASE</u>		Section:		
Line No.				
1	Transmission Plant	(A)(1)(a)	\$339,265,312	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$1,315,614	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$211,853	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		\$340,792,779	
5	Accumulated Depreciation	(A)(1)(d)	(\$77,582,706)	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$80,928,770)	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$58,313	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$9,554,994	Worksheet 3, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		\$191,894,610	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,007,829	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$1,780,140	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		\$194,682,579	
II. <u>REVENUE REQUIREMENTS</u>				
14	Investment Return and Income Taxes	(A)	\$24,360,748	Worksheet 2
15	Depreciation Expense	(B)	\$7,736,714	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$28,102	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$80,525)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$5,910,565	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$329,630	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$6,969,104	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$7,272,016	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$66,747,070	Attachment 4, line 6
23	Transmission Support Revenue	(J)	(\$5,407,628)	Worksheet 6
24	Transmission Support Expense	(K)	\$703,144	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$293,308)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	(\$232,803)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		\$114,042,830	

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2012**

Shading denotes an input

	CAPITALIZATION 12/31/2012	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	35.77%	0.65%	0.23%	
PREFERRED STOCK	\$ 1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 735,600,299	64.13%	11.64%	7.46%	7.46%
TOTAL INVESTMENT RETURN	\$1,147,061,999	100.00%		7.70%	7.47%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0770

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit} + \text{Eq. AFUDC of Deprec. Exp.} \right) / \text{PTF Inv. Base}}{1} \right) \times \text{Federal Income Tax Rate}}{\left( \frac{0.0747 + \left( \frac{(\$80,525) + \$276,963}{\$194,682,579} \right)}{1} \right) \times 0.35} \right) \times 0.35$$

= 0.0407664

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit} + \text{Eq. AFUDC of Deprec. Exp.} \right) / \text{PTF Inv. Base}}{1} \right) \times \text{Federal Income Tax Rate}}{\left( \frac{0.0747 + \left( \frac{(\$80,525) + \$276,963}{\$194,682,579} \right)}{1} \right) \times 0.059466} \right) \times 0.059466$$

= 0.0073642

(a)+(b)+(c) Cost of Capital Rate = 0.1251306

**(PTF)**

INVESTMENT BASE	\$194,682,579	From Worksheet 1
x Cost of Capital Rate	0.1251306	
= Investment Return and Income Taxes	<u>\$24,360,748</u>	To Worksheet 1

New England Power Company

Shading denotes an input

Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference
1	Transmission Plant					\$352,959,991	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					<u>(\$13,694,679)</u>	Attachment 2
3	General Plant	\$ 6,396,194	99.7856% (a)	\$6,382,481	20.6129% (b)	\$1,315,614	FERC Form 1 Page 207.99g
4	Total (line 1+2+ 3)			<u>\$6,382,481</u>		<u>\$340,580,926</u>	
5	<u>Transmission Plant Held for Future Use</u>	\$ 1,027,771		\$1,027,771	20.6129% (b)	\$211,853	FERC Form 1 page 214.2d,4d,9d
	<u>Transmission Accumulated Depreciation</u>						
6	Transmission Accumulated Depreciation	\$ (371,277,823)		<u>(\$371,277,823)</u>	20.6129% (b)	<u>(\$76,531,126)</u>	FERC Form 1 page 219.25b
7	General Plant Accumulated Depreciation	\$ (5,112,522)	99.7856% (a)	<u>(\$5,101,561)</u>	20.6129% (b)	<u>(\$1,051,580)</u>	FERC Form 1 Page 219.28b
8	Total (line 6+ 7)			<u>(\$376,379,384)</u>		<u>(\$77,582,706)</u>	
	<u>Transmission Accumulated Deferred Taxes</u>						
9	Accumulated Deferred Taxes (281-283)	\$ (508,206,767)	99.2978% (c)	<u>(\$504,638,139)</u>	20.6129% (b)	<u>(\$104,020,555)</u>	FERC Form 1 Page 113.62-64
10	Accumulated Deferred Taxes (190)	\$ 112,818,102	99.2978% (c)	<u>\$112,025,893</u>	20.6129% (b)	<u>\$23,091,785</u>	FERC Form 1 Page 111.82
11	Total (line 9+ 10)			<u>(\$392,612,246)</u>		<u>(\$80,928,770)</u>	
12	<u>Transmission Loss on Reacquired Debt</u>	\$ 282,898	100.0000%	\$282,898	20.6129% (b)	\$58,313	FERC Form 1 Page 111.81c
	<u>Other Regulatory Assets</u>						
13	FAS 106	\$ -	99.7856% (a)	\$0	20.6129% (b)	\$0	FERC Form 1 Page 232.8f
14	FAS 109 (Asset Account 182.3)	\$ 46,354,440	100.0000%	\$46,354,440	20.6129% (b)	\$9,554,994	FERC Form 1 Page 232.6f
15	FAS 109 ( Liability Account 254 )	\$ -	100.0000%	\$0	20.6129% (b)	\$0	FERC Form 1 Page 278
16	Total (line 13+14+ 15)	<u>\$46,354,440</u>		<u>\$46,354,440</u>		<u>\$9,554,994</u>	
17	<u>Transmission Prepayments</u>	\$ -	99.7856% (a)	\$0	20.6129% (b)	\$0	FERC Form 1 Page 111.57c
18	<u>Transmission Materials and Supplies</u>	\$ 4,889,313		\$4,889,313	20.6129% (b)	\$1,007,829	FERC Form 1 Page 227.8c
19	<u>Cash Working Capital</u>						
20	Operation & Maintenance Expense					\$6,969,104	Worksheet 1, Line 20
21	Administrative & General Expense					\$7,272,016	Worksheet 1, Line 21
22	Transmission Support Expense					\$0	Worksheet 6
23	Subtotal (line 20+21+22)					<u>\$14,241,120</u>	
24						<u>0.1250</u>	x 45 / 360
25	Total (line 23 * line 24)					<u>\$1,780,140</u>	

(a) Worksheet 5 Line 11

(b) Worksheet 5 Line 3

(c) Worksheet 5 Line 16



New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
<u>Depreciation Expense</u>						
1	\$37,176,180		\$37,176,180	20.6129% (b)	\$7,663,089	FERC Form 1 Page 336.7b
2	\$357,944	99.7856% (a)	\$357,177	20.6129% (b)	\$73,625	FERC Form 1 Page 336.10b
3			\$37,533,357		\$7,736,714	
<u>Amortization of Loss on Reacquired Debt</u>						
4	\$136,332	100.0000%	\$136,332	20.6129% (b)	\$28,102	FERC Form 1 Page 117.64c
<u>Amortization of Investment Tax Credits</u>						
5	(\$390,654)	100.0000%	(\$390,654)	20.6129% (b)	(\$80,525)	FERC Form 1 Page 266.8f - Footnote (f)
<u>Property Taxes</u>						
6	\$28,674,108	100.0000%	\$28,674,108	20.6129% (b)	\$5,910,565	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
<u>Transmission Operation and Maintenance</u>						
7	\$56,023,206		\$56,023,206	20.6129% (b)	\$11,548,007	FERC Form 1 Page 321.112b
8	\$12,561,903		\$12,561,903	20.6129% (b)	\$2,589,372	FERC Form 1 Page 321.96b
9	\$9,651,875		\$9,651,875	20.6129% (b)	\$1,989,531	FERC Form 1 Page 321.84-92b less 87b
10	\$0				\$0	FERC Form 1 Page 321.93b & .98b
11	\$33,809,428		\$33,809,428	20.6129% (b)	\$6,969,104	
<u>Transmission Administrative and General</u>						
12	\$36,456,496					FERC Form 1 Page 323.197b
13	\$113,624					FERC Form 1 Page 323.185b
14	\$3,645,548					FERC Form 1 Page 323.189b
15	\$0					FERC Form 1 Page 323.191b
16	\$32,697,324	99.7856% (a)	\$32,627,221	20.6129% (b)	\$6,725,416	
17	\$113,624	99.2978% (c)	\$112,826	20.6129% (b)	\$23,257	Line 13
18	\$2,502,632	99.2978% (c)	\$2,485,059	20.6129% (b)	\$512,243	Attachment 5 Line 6
19	\$0		\$0	20.6129% (b)	\$0	Line 15
20	\$53,850		\$53,850	20.6129% (b)	\$11,100	FERC Form 1 Page 350.10c
21	\$35,367,430		\$35,278,956		\$7,272,016	
<u>Payroll Tax Expense</u>						
22	\$1,602,581	99.7856% (a)	\$1,599,145	20.6129% (b)	\$329,630	FERC Form 1 Page 263.3,4i - Footnote (d)
(d) <u>Payroll taxes - G/L 408.1</u>						
	\$0		Massachusetts	\$24,657,699		FERC Form 1 Page 263.10(i)
	\$0		New Hampshire	\$2,788,702		FERC Form 1 Page 263.17(i)
	\$1,602,581		Vermont	\$1,080,853		FERC Form 1 Page 263.23(i)
	\$0		Maine	\$0		n/a
	\$1,602,581		Rhode Island	\$146,854		FERC Form 1 Page 263.28(i) & 35(i)
			Connecticut	\$0		FERC Form 1 Page 263.31(i)
				\$28,674,108		
(e) <u>Property Taxes FF1, Page 263i</u>						

- (a) Worksheet 5 Line 11  
(b) Worksheet 5 Line 3  
(c) Worksheet 5 Line 16  
(d) Transmission Only - Payroll Taxes - Specifically Identified in FERC Form 1  
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
<b><u>PTF Transmission Plant Allocation Factor</u></b>		<b>NEP</b>	
1	PTF Transmission Investment	\$352,959,991	Attachment 1, Page 1
2		<b>\$1,712,325,359</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<u>20.6129%</u>	
<b><u>Transmission Wages and Salaries Allocation Factor</u></b>			
4	Direct Transmission Wages and Salaries	\$0	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$18,493,757</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<u>\$18,493,757</u>	
7	Total Wages and Salaries	\$0	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	\$0	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$18,533,501</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<u>\$18,533,501</u>	
11	Percent Allocation (Line 6/Line 10)	<u>99.7856%</u>	
<b><u>Plant Allocation Factor</u></b>			
12	Total Transmission Investment	\$1,712,325,359	Line 2
13	plus Transmission-Related General Plant	<u>\$6,382,481</u>	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	<u>\$1,718,707,840</u>	
15	Total Plant in Service	<b>\$1,730,862,090</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<u>99.2978%</u>	

Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirements  
For Test Year Ended 12/31/2012**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$99,271
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$44,768	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook)	Page 330.1 Line 8 Col (n)	\$366,468	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$13,571	
NEP	Chester SVC	Transmission Billing		\$603,873
	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$4,946,997	
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$35,824	
		Totals	\$5,407,628	\$703,144

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

**Attachment 1**

Shading denotes an input

New England Power Company  
2012 Informational Filing  
PTF Plant Allocation

				<b>Percent Pre/Post</b>
1	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	
2	2011	Post-1996 PTF Transmission Plant	\$819,449,952	
3	2012	Additions/Retirements	\$102,191,455	
4	2012	Pre-1997 PTF Transmission Plant	\$352,959,991	27.77%
5	2012	Post-1996 PTF Transmission Plant	\$918,015,798	72.23%
6	2012	Total PTF Transmission Plant	\$1,270,975,789	100.00%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2012**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$14,952,279
	<u>Allocation</u>	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	253
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$13,307,528
6	Total Land from Sandy Pond to New Hampshire	\$1,106,146
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$13,694,679

**Source:**

- 1 FERC Form 1, Page 422.1-423.1, Lines 5 + 16 col (l)
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1 Lines 5 + 16 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15 col (j)
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b>2012</b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,346,360
2	Less: Specifically Identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission	\$9,777
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$155,706
	2012 Transmission	\$210,246
		\$958,985
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2978%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,655
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$958,985</u>
7	Total Transmission-Related Equity AFUDC	\$1,343,640
8	Pre-97 PTF Allocation Factor	20.6129%
9	Transmission-Related Equity AFUDC	\$276,963

**Sources:**

- 1 & 2 Transmission Rates includes \$9,777 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 PTF Allocation Factor
- 9 Line 7 \* Line 8

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

		<b>Narragansett <u>2012</u></b>	<b>MECO <u>2012</u></b>
1	Total Integrated Facilities Charges	\$77,884,781	\$9,279,091
2	Total 2012 PTF Property (NECO includes \$88M topside)	\$386,991,881	\$24,868,977
3	Total Transmission Plant in 2012 (NECO includes \$88M topside)	\$486,729,573	\$47,856,277
4	NECO or MECO PTF Plant Allocator	79.51%	51.97%
5	PTF Related Integrated Facilities Charge	\$61,925,101	\$4,821,969
6	<b>Total Integrated Facilities</b>		<b><u><u>\$66,747,070</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2012 Regulatory Commission Expense

<b><u>Line No.</u></b>		<b><u>2012</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$3,645,548	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$63,704	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$850,079	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,502,632	Line 1 - (Line 2-5)



**Attachment 6**

Transmission Rents Received from Electric Property

New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,129,406
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,129,406
PTF Allocation	20.6129%
Total PTF Revenue	\$232,803

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,056,174
Pre-97 PTF Percent	27.7708%
Total Pre-97 PTF Revenue	\$ 293,308

***Source: Short Term Through and Out Revenues from ISO New England***

Sheet: Input Panel

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2012
Rates Effective for the Period: Through:	June 2013 May 2014
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNs number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$118,127,016 <sup>(a)</sup>	\$141,430,997 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,407,628 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$703,144 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$526,111) <sup>(d)</sup>	(\$1,368,365) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$112,896,422 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$140,062,632 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$52,042,711 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$112,896,422 <sup>(n)=(e)+(l)</sup>	\$192,105,342 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements & Post-96 Revenue Requirements Subtotals, Forecasted Revenue Requirements and True-ups (including interest)		\$305,001,764 <sup>(p) = (n) + (o)</sup>

**New England Power Company  
Annual Revenue Requirements of PTF Facilities  
For Costs in 2012**

**POST-1996**

Shading denotes an input

		Attachment F		
		Reference	NEP	Reference
<b>I. <u>INVESTMENT BASE</u></b>		<i>Section:</i>		
Line No.				
1	Transmission Plant	(A)(1)(a)	\$918,015,798	Worksheet 5, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$3,421,788	Worksheet 5, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$551,011	Worksheet 5, line 5 column 5
4	Total Plant (Lines 1+2+3)		\$921,988,597	
5	Accumulated Depreciation	(A)(1)(d)	(\$201,785,268)	Worksheet 5, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$210,488,062)	Worksheet 5, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$151,668	Worksheet 5, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$24,851,635	Worksheet 5, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		\$534,718,570	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 5, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$2,621,268	Worksheet 5, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$4,629,975	Worksheet 5, line 25 column 5
13	NEEWS CWIP	(A)(1)(k)	\$14,550,755	Worksheet 5, line 26 column 5
14	Total Investment Base (Line 9+10+11+12+13)		\$556,520,569	
<b>II. <u>REVENUE REQUIREMENTS</u></b>				
15	Investment Return and Income Taxes	(A)	\$68,174,926	Worksheet 3
16	Depreciation Expense	(B)	\$20,122,458	Worksheet 6, line 3, column 5
17	Amortization of Loss on Reacquired Debt	(C)	\$73,091	Worksheet 6, line 4, column 5
18	Investment Tax Credit	(D)	(\$209,438)	Worksheet 6, line 5, column 5
19	Property Tax Expense	(E)	\$15,372,820	Worksheet 6, line 6, column 5
20	Payroll Tax Expense	(F)	\$857,337	Worksheet 6, line 22, column 5
21	Operation & Maintenance Expense	(G)	\$18,125,978	Worksheet 6, line 11, column 5
22	Administrative & General Expense	(H)	\$18,913,825	Worksheet 6, line 21, column 5
23	Transmission Related Integrated Facilities Charge	(I)	\$0	Attachment 4, line 6
24	Transmission Support Revenue	(J)	\$0	Worksheet 8
25	Transmission Support Expense	(K)	\$0	Worksheet 8
26	Transmission Related Expense from Generators	(L)	\$0	
27	Transmission Related Taxes and Fees Charge	(M)	\$0	
28	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$762,866)	Attachment 7
29	Transmission Rents Received from Electric Property	(O)	(\$605,499)	Attachment 6
30	Total Revenue Requirements (Line 14 thru 28)		\$140,062,632	

**New England Power Company**  
**Post 1996 Regional Network Service Revenue Requirement**  
**For Test Year Ended 12/31/2012**

Shading denotes an input

<u>Line No.</u>	<u>Description</u>	<u>Attachment F Reference</u>	<u>Forecasted Amount \$</u>	<u>Reference</u>
1	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTPA)		\$ 52,194,758	Line 6
2	Forecasted Revenue Requirements for Forecasted Transmission CWIP		<b>\$152,047</b>	Line 9
3	<b>Forecasted Transmission Revenue Requirements</b>		<b>\$ 52,042,711</b>	Line 1 + Line 2
4	Forecasted Revenue Requirements for Forecasted Transmission Plant Additions (FTPA)	Appendix C iv	<b>\$347,591,621</b>	Project Detail
5	Carrying Charge Factor (CCF)	Appendix C vi	15.01612%	Line 20
6	<b>Forecasted Revenue Requirements for FTPA</b>		<b>\$ 52,194,758</b>	Line 4 * Line 5
7	Forecasted New England Power Company (NEP) NEEWS CWIP (FNCWIP)	Appendix C xiii	<b>\$ (1,248,323)</b>	Project Detail
8	NEEWS NEP Cost of Capital Rate (NCOC)	Appendix C xiv	12.18014%	Workpaper 4
9	<b>Forecasted Revenue Requirements for FNCWIP</b>		<b>\$ (152,047)</b>	Line 7 * Line 8
<b><u>Derivation of Carrying Charge (CCF)</u></b>				
10	Investment Return and Income Taxes	(A)	\$64,594,239	Summary, Line 14
11	Depreciation Expense	(B)	20,122,458	Summary, Line 15
12	Amortization of Loss on Reacquired Debt	(C)	73,091	Summary, Line 16
13	Investment Tax Credit	(D)	<b>(209,438)</b>	Summary, Line 17
14	Property Tax Expense	(E)	15,372,820	Summary, Line 18
15	Payroll Tax Expense	(F)	857,337	Summary, Line 19
16	Operation & Maintenance Expense	(G)	18,125,978	Summary, Line 20
17	Administrative & General Expense	(H)	18,913,825	Summary, Line 21
18	Total Expenses (Lines 10 thru 17)		\$137,850,309	
19	PTF Transmission Plant	(A)(1)(a)	\$918,015,798	Summary, Line 1
20	<b>Carrying Charge Factor (FTPA)</b>		<b>15.01612%</b>	Line 18 / Line 19

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2012**

Shading denotes an input

	CAPITALIZATION 12/31/2012	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	35.77%	0.65%	0.23%	
PREFERRED STOCK	\$ 1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 735,600,299	64.13%	11.07%	7.10%	7.10%
<b>TOTAL INVESTMENT RETURN</b>	<b>\$1,147,061,999</b>	<b>100.00%</b>		<b>7.34%</b>	<b>7.11%</b>

**Cost of Capital Rate=**

(a) Weighted Cost of Capital	=	<u>0.0734</u>	
(b) Federal Income Tax	= (	$\frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) \times \text{Federal Income Tax Rate}}{1 - \text{Federal Income Tax Rate}}$	)
	= (	$\frac{0.0711 + \left( \frac{(\$209,438) + \$720,355}{\$556,520,569} \right) \times 0.35}{1 - 0.35}$	)
	=	<u>0.0387790</u>	
(c) State Income Tax	= (	$\frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) \times \text{Federal Income Tax Rate}}{1 - \text{State Income Tax Rate}}$	) * State Income Tax Rate
	= (	$\frac{0.0711 + \left( \frac{(\$209,438) + \$720,355}{\$556,520,569} \right) \times 0.0387790}{1 - 0.059466}$	)
	=	<u>0.0070052</u>	
(a)+(b)+(c) Cost of Capital Rate	=	<u><b>0.1191842</b></u>	

	<u>(PTF)</u>	
INVESTMENT BASE	\$556,520,569	From Worksheet 1
x Cost of Capital Rate	0.1191842	
= Investment Return and Income Taxes	<u>\$66,328,459</u>	To Worksheet 1
INVESTMENT BASE (Excluding NEEWS CWIP)	\$541,969,813	From Worksheet 1
x Cost of Capital Rate	0.1191842	
= Investment Return and Income Taxes	<u>\$64,594,239</u>	To Worksheet 2

**Post 2003 PTF Investment Base w/ Incremental 100 bps:**

<u>Investment Base w/ Incremental Returns:</u>			
Plant In-Service	\$	213,518,137	From Attachment 1
Accumulated Depreciation		(46,296,429)	From Worksheets 5 & 7
Accumulate Deferred Income Taxes		(48,612,947)	From Worksheets 5 & 7
<b>Total Post-2003 Investment</b>	<b>\$</b>	<b>118,608,761</b>	Calculated
Incremental ROE:	1.00%	0.00641	Calculated
Federal Income Taxes:		0.00345	Per Attachment F
State Income Taxes:		0.00062	Per Attachment F
Cost of Capital Rate		0.01049	
Incremental Return and Taxes on Post-2003 PTF Investment	<b>\$</b>	<b>1,244,200</b>	

**NEEWS In-Service w/ Incremental 125 bps:**

<u>New England Power NEEWS In-Service</u>	\$	56,490,343	PowerPlant PTF 4 & 5 reports - PTF only
Accumulated Depreciation		(12,248,613)	From Worksheets 3 & 5
Accumulate Deferred Income Taxes		(12,861,493)	From Worksheets 3 & 5
<b>Total New England Power NEEWS Investment</b>	\$	31,380,236	Calculated
Incremental ROE:	1.25%	0.00802	Calculated
Federal Income Taxes:		0.00432	Per Attachment F
State Income Taxes:		0.00078	Per Attachment F
Cost of Capital Rate		0.01311	
Incremental Return and Taxes on NEEWS PTF Investment	\$	411,471	

<b>NEEWS Allocation Factor</b>		
Total Transmission Investment	\$1,712,325,359	Worksheet 7 Line 2
Total NEEWS In-Service - NEP	\$ 56,490,343	Plant Accounting Records
For Accumulated Depreciation	3.2990%	
NEEWS Allocation Factor	3.2990%	
Plant Allocation Factor	0.992978	Worksheet 7 Line 16
For Accumulated Deferred Income Taxes	3.2759%	

**New England Power Company**  
Annual Revenue Requirements  
For Costs in 2012

Shading denotes an input

	CAPITALIZATION 12/31/2012	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	35.77%	0.65%	0.23%	
PREFERRED STOCK	\$ 1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 735,600,299	64.13%	11.32%	7.26%	7.26%
TOTAL INVESTMENT RETURN	\$1,147,061,999	100.00%		7.50%	7.27%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0750

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{0.35}$$

= 0.0396405

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{State Income Tax Rate}}{1} \right) \times \frac{\text{State Income Tax Rate}}{0.059466}$$

= 0.0071609

(a)+(b)+(c) Cost of Capital Rate = 0.1218014

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
1					\$918,015,798	Attachment 1, Page 1
2					\$0	Attachment 2
3	\$ 6,396,194	99.7856% (a)	\$6,382,481	53.6122% (b)	\$3,421,788	FERC Form 1 page 207.99g
4			<u>\$6,382,481</u>		<u>\$921,437,586</u>	
5	\$ 1,027,771		\$1,027,771	53.6122% (b)	<u>\$551,011</u>	FERC Form 1 page 214.2d,4d,9d
6	\$ (371,277,823)		(\$371,277,823)	53.6122% (b)	(\$199,050,209)	FERC Form 1 page 219.25b
7	\$ (5,112,522)	99.7856% (a)	(\$5,101,561)	53.6122% (b)	(\$2,735,059)	FERC Form 1 Page 219.28b
8			<u>(\$376,379,384)</u>		<u>(\$201,785,268)</u>	
9	\$ (508,206,767)	99.2978% (c)	(\$504,638,139)	53.6122% (b)	(\$270,547,608)	FERC Form 1 page 113.62-64
10	\$ 112,818,102	99.2978% (c)	\$112,025,893	53.6122% (b)	\$60,059,546	FERC Form 1 page 111.82
11			<u>(\$392,612,246)</u>		<u>(\$210,488,062)</u>	
12	\$ 282,898	100.0000%	\$282,898	53.6122% (b)	<u>\$151,668</u>	FERC Form 1 Page 111.81c
13	\$ -	99.7856% (a)	\$0	53.6122% (b)	\$0	FERC Form 1 Page 232.8f
14	\$ 46,354,440	100.0000%	\$46,354,440	53.6122% (b)	\$24,851,635	FERC Form 1 Page 232.6f
15	\$ -	100.0000%	\$0	53.6122% (b)	\$0	FERC Form 1 Page 278
16	<u>\$46,354,440</u>		<u>\$46,354,440</u>		<u>\$24,851,635</u>	
17	\$ -	99.7856% (a)	\$0	53.6122% (b)	<u>\$0</u>	FERC Form 1 Page 111.57c
18	\$ 4,889,313		\$4,889,313	53.6122% (b)	<u>\$2,621,268</u>	FERC Form 1 Page 227.8c
19						
20					\$18,125,978	Worksheet 1, Line 20
21					\$18,913,825	Worksheet 1, Line 21
22					\$0	Worksheet 8
23					\$37,039,803	
24					0.1250	x 45 / 360
25					<u>\$4,629,975</u>	
26	\$ 14,550,755				<u>\$14,550,755</u>	Plant Accounting Records

(a) Worksheet 7 Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16



New England Power Company

Shading denotes an input

Line No.		(1) Total (g)	Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
	<u>Depreciation Expense</u>						
1	Transmission Depreciation	\$37,176,180		\$37,176,180	53.6122%	\$19,930,968	FERC Form 1 Page 336.7b
2	General Depreciation	\$357,944	99.7856% (a)	\$357,177	53.6122%	\$191,490	FERC Form 1 Page 336.10b
3	Total (line 1+2)			\$37,533,357		\$20,122,458	
4	<u>Amortization of Loss on Reacquired Debt</u>	\$136,332		\$136,332	53.6122%	\$73,091	FERC Form 1 Page 117.64c
5	<u>Amortization of Investment Tax Credits</u>	(\$390,654)		(\$390,654)	53.6122%	(\$209,438)	FERC Form 1 Page 266.8f - Footnote (f)
6	<u>Property Taxes</u>	\$28,674,108		\$28,674,108	53.6122%	\$15,372,820	FERC Form 1 Page 263.10,17,23,28,31i - Footnote (e)
7	<u>Transmission Operation and Maintenance</u>						
8	Operation and Maintenance	\$56,023,206		\$56,023,206	53.6122%	\$30,035,273	FERC Form 1 Page 321.112b
9	Transmission of Electricity by Others - #565	\$12,561,903		\$12,561,903	53.6122%	\$6,734,712	FERC Form 1 Page 321.96b
10	Load Dispatching - #561 (excl #561.3)	\$9,651,875		\$9,651,875	53.6122%	\$5,174,583	FERC Form 1 Page 321.84-92b less 87b
11	Station Expenses & Rents - #562 & #567	\$0		\$0		\$0	FERC Form 1 Page 321.93b & .98b
11	O&M less lines 8, 9 & 10	\$33,809,428		\$33,809,428	53.6122%	\$18,125,978	
	<u>Transmission Administrative and General</u>						
12	Total Administrative and General	\$36,456,496					FERC Form 1 Page 323.197b
13	Less: Property Insurance (#924)	\$113,624					FERC Form 1 Page 323.185b
14	Less: Regulatory Commission Expenses (#928)	\$3,645,548					FERC Form 1 Page 323.189b
15	Less: General Advertising Expense (#930.1)	\$0					FERC Form 1 Page 323.191b
16	Subtotal [line 12 minus (13 thru 15)]	\$32,697,324	99.7856% (a)	\$32,627,221	53.6122%	\$17,492,171	
17	Plus: Property Insurance Allocated using Plant Allocator	\$113,624	99.2978% (c)	\$112,826	53.6122%	\$60,489	Line 13
18	Plus: Regulatory Commission Expense	\$2,502,632	99.2978% (c)	\$2,485,059	53.6122%	\$1,332,295	Attachment 5 Line 6
19	Plus: Specifically Identified Trans. Related General Advertising Expense	\$0		\$0	53.6122%	\$0	Line 15
20	Plus: Specifically Identified Trans. Related Regulatory Expense	\$53,850		\$53,850	53.6122%	\$28,870	FERC Form 1 Page 350.18c
21	Total A&G [line 16 + (17 thru 20)]	\$35,367,430		\$35,278,956		\$18,913,825	
22	<u>Payroll Tax Expense</u>	\$1,602,581	99.7856% (a)	\$1,599,145	53.6122%	\$857,337	FERC Form 1 Page 263.3.4i - Footnote (d)
(d)	<u>Payroll taxes - G/L 408.1</u>			(e) <u>Property Taxes FF1, Page 263i</u>			
	Federal Unemployment	\$0	Line 4(i)	Massachusetts	\$24,657,699		Property Taxes
	FICA	\$0	Line 3(i)	New Hampshire	\$2,788,702		FERC Form 1 Page 263.10(i)
	Payroll Taxes	\$1,602,581		Vermont	\$1,080,853		FERC Form 1 Page 263.17(i)
	State Unemployment	\$0	Line 9 (i)	Maine	\$0		FERC Form 1 Page 263.23(i)
	Total	\$1,602,581		Rhode Island	\$146,854		n/a
				Connecticut	\$0		FERC Form 1 Page 263.28(i) & 35(i)
					\$28,674,108		FERC Form 1 Page 263.1(i)

- (a) Worksheet 7, Line 11  
(b) Worksheet 7 Line 3  
(c) Worksheet 7 Line 16  
(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1  
(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1  
(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$918,015,798	Attachment 1, Page 1
2	Total Transmission Investment	<b>\$1,712,325,359</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<u>53.6122%</u>	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$18,493,757</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<b>\$18,493,757</b>	
7	Total Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$18,533,501</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<b>\$18,533,501</b>	
11	Percent Allocation (Line 6/Line 10)	<u>99.7856%</u>	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,712,325,359	Line 2
13	plus Transmission-Related General Plant (Line 2 of Wkst. 3)	<u>\$6,382,481</u>	Worksheet 5, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	<b>\$1,718,707,840</b>	
15	Total Plant in Service	<b>\$1,730,862,090</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<u>99.2978%</u>	
	<b><u>Post-2003 PTF Allocation Factor</u></b>		
17	Total Post-2003 PTF Investment	\$ 213,518,137	Attachment 1 Line 7
18	Total Transmission Investment	\$1,712,325,359	Line 2
19	Percent Allocation (Line 17/Line 18) for Post-2003 to Total Tx	12.4695%	
20	Total Invst in Tx Plant/Total Plant in Serv *		
21	Post-2003 PTF Tx Plant/Total Invst in Tx Plant	12.3819%	Line 19 * Line 16

Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirements  
For Test Year Ended 12/31/2012**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$0
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$0	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook)	Page 330.1 Line 8 Col (n)	\$0	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$0	
NEP	Chester SVC	Transmission Billing		\$0
	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$0	
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$0	
		<b>Totals</b>	<b>\$0</b>	<b>\$0</b>

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

**Attachment 1**

New England Power Company  
2012 Informational Filing  
PTF Plant Allocation

			Total	<b>Percent Pre/Post</b>
1	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	
2	2011	Post-1996 PTF Transmission Plant	\$819,449,952	
3	2012	Additions/Retirements	\$103,978,575	
4	2012	Pre-1997 PTF Transmission Plant	\$352,959,991	27.77%
5	2012	Post-1996 PTF Transmission Plant	\$918,015,798	72.23%
6	2012	Total PTF Transmission Plant	\$1,270,975,789	100.00%
7	2012	Post-2003 PTF Transmission Plant	\$213,518,137	172.23%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5
- 7 PTF Plant Report: Post 2003 RSP Projects

**Attachment 2**

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2012**

LINE NO		(HVDC) NHH/NEH <u>LEASE</u>
1	Gross Plant Value Comerford Station to Tewksbury Line	\$0
	Allocation	
2	Miles used by NHH (a)	0
3	Total miles at Comerford Station	0
4	Percentage of Total Gross Plant leased by NHH (a)	0%
5	Total Gross Plant leased by NHH (a)	\$0
6	Total Land from Sandy Pond to New Hampshire	\$0
7	HVDC lines occupy 35% of Right of Way	0%
8	Total Land leased by NEH (a)	\$0
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$0

**Source:**

- 1 FERC Form 1, Page 423.1, Lines 5 + 16
- 2 Total miles used per lease agreement
- 3 Total miles per lease agreement
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

**Attachment 3**

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b><u>2012</u></b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,346,360
2	Less: Specifically identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission	\$9,777
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$155,706
	2012 Transmission	\$210,246
		\$958,985
3	Total unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2978%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,655
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	\$958,985
7	Total Transmission-Related Equity AFUDC	\$1,343,640
8	Post-96 PTF Allocation Factor	53.6122%
9	Transmission-Related Equity AFUDC	\$720,355

**Sources:**

- 1 & 2 Transmission Rates includes \$9,777 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 6 - Post-96 PTF Allocation Factor
- 9 Line 7 \* Line 8

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

	<b>Narragansett <u>2012</u></b>	<b>MECO <u>2012</u></b>
1 Total Integrated Facilities Charges	\$0	\$0
2 Total 2012 PTF Property	\$0	\$0
3 Total Transmission Plant in 2012	\$0	\$0
4 NECO or MECO PTF Plant Allocator	0.00%	0.00%
5 PTF Related Integrated Facilities Charge	\$0	\$0
6 <b>Total Integrated Facilities</b>		<b><u><u>\$0</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2012 Regulatory Commission Expense

<b><u>Line No.</u></b>		<b><u>2012</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$3,645,548	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$63,704	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$850,079	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,502,632	Line 1 - (Line 2-5)



## Transmission Rents Received from Electric Property

### New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,129,406
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,129,406
PTF Allocation	53.6122%
Total PTF Revenue	\$605,499

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,056,174
Post-96 PTF Percent	72.2292%
Total Post-96 PTF Revenue	\$762,866

***Source: Short Term Through and Out Revenues from ISO New England***

ISO Tariff Billing  
ISO Annual Transmission Revenue Requirements  
per Tariff Attachment F and ISO Agreement Part 2, Section 6.3

Shading denotes an input

Submitted on:	
Revenue Requirements for (year):	Calendar Year 2012
Rates Effective for the Period: Through:	June 2013 May 2014
Customer:	New England Power Company
Customer's NABs Number:	
Name of Participant responsible for customer's billing:	
DUNS number of Participant responsible for customer's billing:	

	Pre-97 Revenue Requirements	Post-96 Revenue Requirements
Total of Attachment F - Sections A through I	\$118,127,016 <sup>(a)</sup>	\$141,430,997 <sup>(f)</sup>
Total of Attachment F - Section J - Support Revenue	\$5,407,628 <sup>(b)</sup>	\$0 <sup>(g)</sup>
Total of Attachment F - Section K - Support Expense	\$703,144 <sup>(c)</sup>	\$0 <sup>(h)</sup>
Total of Attachment F - Section (L through O)	(\$526,111) <sup>(d)</sup>	(\$1,368,365) <sup>(i)</sup>
Sub Total - Sum (A through I) - J + K + (L through O)	\$112,896,422 <sup>(e)=(a)-(b)+(c)+(d)</sup>	\$140,062,632 <sup>(j)</sup>
Forecasted Transmission Revenue Requirements (per Attachment C to Attachment F Implementation Rule)	N/A	\$52,042,711 <sup>(k)</sup>
Annual True-up (per Attachment C to Attachment F Implementation Rule)	N/A <sup>(l)</sup>	N/A <sup>(m)</sup>
Adjusted Sub Total - Sum (Sub Total + Forecast + True-up)	\$112,896,422 <sup>(n)=(e) + (l)</sup>	\$192,105,342 <sup>(o)=(j)+(k)+(m)</sup>
Annual Revenue Requirement Total = Sum of Pre-97 Revenue Requirements and Post-96 Revenue Requirements Subtotals for rate calculations under the Tariff:		\$305,001,764 <sup>(p) = (n) + (o)</sup>

**New England Power Company**  
**Annual Revenue Requirements of PTF Facilities**  
**For Costs in 2012**

**PRE-1997**

Shading denotes an input

Line No.	I. INVESTMENT BASE	Attachment F	NEP	Reference
		Reference		
		Section:		
1	Transmission Plant	(A)(1)(a)	\$339,265,312	Worksheet 3, line 1&2 column 5
2	General Plant	(A)(1)(b)	\$1,315,614	Worksheet 3, line 3 column 5
3	Plant Held For Future Use	(A)(1)(c)	\$211,853	Worksheet 3, line 5 column 5
4	Total Plant (Lines 1+2+3)		<u>\$340,792,779</u>	
5	Accumulated Depreciation	(A)(1)(d)	(\$77,582,706)	Worksheet 3, line 8 column 5
6	Accumulated Deferred Income Taxes	(A)(1)(e)	(\$80,928,770)	Worksheet 3, line 11 column 5
7	Loss On Reacquired Debt	(A)(1)(f)	\$58,313	Worksheet 3, line 12 column 5
8	Other Regulatory Assets	(A)(1)(g)	\$9,554,994	Worksheet 3, line 16 column 5
9	Net Investment (Line 4+5+6+7+8)		<u>\$191,894,610</u>	
10	Prepayments	(A)(1)(h)	\$0	Worksheet 3, line 17 column 5
11	Materials & Supplies	(A)(1)(i)	\$1,007,829	Worksheet 3, line 18 column 5
12	Cash Working Capital	(A)(1)(j)	\$1,780,140	Worksheet 3, line 25 column 5
13	Total Investment Base (Line 9+10+11+12)		<u><u>\$194,682,579</u></u>	
	II. REVENUE REQUIREMENTS			
14	Investment Return and Income Taxes	(A)	\$23,214,340	Worksheet 2
15	Depreciation Expense	(B)	\$7,736,714	Worksheet 4, line 3, column 5
16	Amortization of Loss on Reacquired Debt	(C)	\$28,102	Worksheet 4, line 4, column 5
17	Investment Tax Credit	(D)	(\$80,525)	Worksheet 4, line 5, column 5
18	Property Tax Expense	(E)	\$5,910,565	Worksheet 4, line 6, column 5
19	Payroll Tax Expense	(F)	\$329,630	Worksheet 4, line 22, column 5
20	Operation & Maintenance Expense	(G)	\$6,969,104	Worksheet 4, line 11, column 5
21	Administrative & General Expense	(H)	\$7,272,016	Worksheet 4, line 21, column 5
22	Transmission Related Integrated Facilities Charge	(I)	\$66,747,070	Attachment 4, line 6
23	Transmission Support Revenue	(J)	(\$5,407,628)	Worksheet 6
24	Transmission Support Expense	(K)	\$703,144	Worksheet 6
25	Transmission Related Expense from Generators	(L)	\$0	Worksheet 7
26	Transmission Related Taxes and Fees Charge	(M)	\$0	
27	Revenue for ST Trans. Service Under NEPOOL Tariff	(N)	(\$293,308)	Attachment 7
28	Transmission Rents Received from Electric Property	(O)	(\$232,803)	Attachment 6
29	Total Revenue Requirements (Line 14 thru 28)		<u><u>\$112,896,422</u></u>	

**New England Power Company**  
**Annual Revenue Requirements**  
**For Costs in 2012**

Shading denotes an input

	CAPITALIZATION 12/31/2012	CAPITALIZATION RATIOS	COST OF CAPITAL	COST OF CAPITAL	EQUITY PORTION
LONG-TERM DEBT	\$ 410,350,000	35.77%	0.65%	0.23%	
PREFERRED STOCK	\$ 1,111,700	0.10%	6.02%	0.01%	0.01%
COMMON EQUITY	\$ 735,600,299	64.13%	11.07%	7.10%	7.10%
TOTAL INVESTMENT RETURN	\$1,147,061,999	100.00%		7.34%	7.11%

**Cost of Capital Rate=**

(a) Weighted Cost of Capital = 0.0734

(b) Federal Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) \times \frac{\text{Federal Income Tax Rate}}{\text{Federal Income Tax Rate}}$$

= 
$$\left( \frac{0.0711 + \left( \frac{(\$80,525) + \$276,963}{\$194,682,579} \right) / 0.35}{1} \right) \times \frac{0.35}{0.35}$$

= 0.0388279

(c) State Income Tax = 
$$\left( \frac{\text{R.O.E.} + \left( \frac{\text{PTF Inv. (Tax Credit)} + \text{Eq. AFUDC of Deprec. Exp.}}{\text{PTF Inv. Base}} \right) / \text{Federal Income Tax Rate}}{1} \right) + \frac{\text{Federal Income Tax}}{\text{State Income Tax Rate}}$$

= 
$$\left( \frac{0.0711 + \left( \frac{(\$80,525) + \$276,963}{\$194,682,579} \right) / 0.0388279}{1} \right) + \frac{0.0388279}{0.059466}$$

= 0.0070141

(a)+(b)+(c) Cost of Capital Rate = 0.1192420

	<u>(PTF)</u>	
INVESTMENT BASE	\$194,682,579	From Worksheet 1
x Cost of Capital Rate	0.1192420	
= Investment Return and Income Taxes	<u>\$23,214,340</u>	To Worksheet 1

New England Power Company

Shading denotes an input							
Line No.		(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference
1	Transmission Plant					\$352,959,991	Attachment 1, Page 1
2	Less: Plant Assoc. HVDC Leases					(\$13,694,679)	Attachment 2
3	General Plant	\$ 6,396,194	99.7856% (a)	\$6,382,481	20.6129% (b)	\$1,315,614	FERC Form 1 Page 207.99g
4	Total (line 1+2+ 3)			<u>\$6,382,481</u>		<u>\$340,580,926</u>	
5	<u>Transmission Plant Held for Future Use</u>	\$ 1,027,771		\$1,027,771	20.6129% (b)	<u>\$211,853</u>	FERC Form 1 page 214.2d,4d,9d
	<u>Transmission Accumulated Depreciation</u>						
6	Transmission Accumulated Depreciation	\$ (371,277,823)		(\$371,277,823)	20.6129% (b)	(\$76,531,126)	FERC Form 1 page 219.25b
7	General Plant Accumulated Depreciation	\$ (5,112,522)	99.7856% (a)	(\$5,101,561)	20.6129% (b)	(\$1,051,580)	FERC Form 1 Page 219.28b
8	Total (line 6+ 7)			<u>(\$376,379,384)</u>		<u>(\$77,582,706)</u>	
	<u>Transmission Accumulated Deferred Taxes</u>						
9	Accumulated Deferred Taxes (281-283)	\$ (508,206,767)	99.2978% (c)	(\$504,638,139)	20.6129% (b)	(\$104,020,555)	FERC Form 1 Page 113.62-64
10	Accumulated Deferred Taxes (190)	\$ 112,818,102	99.2978% (c)	\$112,025,893	20.6129% (b)	\$23,091,785	FERC Form 1 Page 111.82
11	Total (line 9+ 10)			<u>(\$392,612,246)</u>		<u>(\$80,928,770)</u>	
12	<u>Transmission Loss on Reacquired Debt</u>	\$ 282,898	100.0000%	\$282,898	20.6129% (b)	<u>\$58,313</u>	FERC Form 1 Page 111.81c
	<u>Other Regulatory Assets</u>						
13	FAS 106	\$ -	99.7856% (a)	\$0	20.6129% (b)	\$0	FERC Form 1 Page 232.8f
14	FAS 109 (Asset Account 182.3)	\$ 46,354,440	100.0000%	\$46,354,440	20.6129% (b)	\$9,554,994	FERC Form 1 Page 232.6f
15	FAS 109 ( Liability Account 254 )	\$ -	100.0000%	\$0	20.6129% (b)	\$0	FERC Form 1 Page 278
16	Total (line 13+14+ 15)	<u>\$46,354,440</u>		<u>\$46,354,440</u>		<u>\$9,554,994</u>	
17	<u>Transmission Prepayments</u>	\$ -	99.7856% (a)	\$0	20.6129% (b)	<u>\$0</u>	FERC Form 1 Page 111.57c
18	<u>Transmission Materials and Supplies</u>	\$ 4,889,313		\$4,889,313	20.6129% (b)	<u>\$1,007,829</u>	FERC Form 1 Page 227.8c
19	<u>Cash Working Capital</u>						
20	Operation & Maintenance Expense					\$6,969,104	Worksheet 1, Line 20
21	Administrative & General Expense					\$7,272,016	Worksheet 1, Line 21
22	Transmission Support Expense					\$0	Worksheet 6
23	Subtotal (line 20+21+22)					<u>\$14,241,120</u>	
24						0.1250	x 45 / 360
25	Total (line 23 * line 24)					<u>\$1,780,140</u>	

(a) Worksheet 5 Line 11  
(b) Worksheet 5 Line 3  
(c) Worksheet 5 Line 16

New England Power Company

Shading denotes an input

Line No.	(1) Total	(2) Wage/Plant Allocation Factors	(3) = (1)*(2) Transmission Allocated	(4) PTF Allocation Factor (b)	(5) = (3)*(4) PTF Allocated	Source Reference for Col (1)
<u>Depreciation Expense</u>						
1	\$37,176,180		\$37,176,180	20.6129% (b)	\$7,663,089	FERC Form 1 Page 336.7b
2	\$357,944	99.7856% (a)	\$357,177	20.6129% (b)	\$73,625	FERC Form 1 Page 336.10b
3			\$37,533,357		\$7,736,714	
4	\$136,332	100.0000%	\$136,332	20.6129% (b)	\$28,102	FERC Form 1 Page 117.64c
5	(\$390,654)	100.0000%	(\$390,654)	20.6129% (b)	(\$80,525)	FERC Form 1 Page 266.8f - Footnote (f)
6	\$28,674,108	100.0000%	\$28,674,108	20.6129% (b)	\$5,910,565	FERC Form 1 Page 263.10,17,23,28i - Footnote (e)
<u>Transmission Operation and Maintenance</u>						
7	\$56,023,206		\$56,023,206	20.6129% (b)	\$11,548,007	FERC Form 1 Page 321.112b
8	\$12,561,903		\$12,561,903	20.6129% (b)	\$2,589,372	FERC Form 1 Page 321.96b
9	\$9,651,875		\$9,651,875	20.6129% (b)	\$1,989,531	FERC Form 1 Page 321.84-92b less 87b
10	\$0				\$0	FERC Form 1 Page 321.93b & .98b
11	\$33,809,428		\$33,809,428	20.6129% (b)	\$6,969,104	
<u>Transmission Administrative and General</u>						
12	\$36,456,496					FERC Form 1 Page 323.197b
13	\$113,624					FERC Form 1 Page 323.185b
14	\$3,645,548					FERC Form 1 Page 323.189b
15	\$0					FERC Form 1 Page 323.191b
16	\$32,697,324	99.7856% (a)	\$32,627,221	20.6129% (b)	\$6,725,416	
17	\$113,624	99.2978% (c)	\$112,826	20.6129% (b)	\$23,257	Line 13
18	\$2,502,632	99.2978% (c)	\$2,485,059	20.6129% (b)	\$512,243	Attachment 5 Line 6
19	\$0		\$0	20.6129% (b)	\$0	Line 15
20	\$53,850		\$53,850	20.6129% (b)	\$11,100	FERC Form 1 Page 350.10c
21	\$35,367,430		\$35,278,956		\$7,272,016	
22	\$1,602,581	99.7856% (a)	\$1,599,145	20.6129% (b)	\$329,630	FERC Form 1 Page 263.3,4i - Footnote (d)
(d) <u>Payroll taxes - G/L 408.1</u>						
	\$0		Massachusetts	\$24,657,699		FERC Form 1 Page 263.10(i)
FICA	\$0		New Hampshire	\$2,788,702		FERC Form 1 Page 263.17(i)
Payroll Taxes	\$1,602,581		Vermont	\$1,080,853		FERC Form 1 Page 263.23(i)
State Unemployment	\$0		Maine	\$0		n/a
Total	\$1,602,581		Rhode Island	\$146,854		FERC Form 1 Page 263.28(i) & 35(i)
			Connecticut	\$0		FERC Form 1 Page 263.31(i)
				\$28,674,108		
(e) <u>Property Taxes FF1, Page 263i</u>						

(a) Worksheet 5 Line 11

(b) Worksheet 5 Line 3

(c) Worksheet 5 Line 16

(d) Transmission Only - Payroll Taxes - Specifically identified in FERC Form 1

(e) Transmission Only - Property Taxes - Specifically Identified in FERC Form 1

(f) Transmission Only - Amortization of ITC - Specifically Identified in FERC Form 1

\*\* Subtract Accounts #562 & #567 from O&M Expense to the extent that they include PTF Support Payments.

Shading denotes an input

Line No.			Source Reference
	<b><u>PTF Transmission Plant Allocation Factor</u></b>	<b><u>NEP</u></b>	
1	PTF Transmission Investment	\$352,959,991	Attachment 1, Page 1
2		<b>\$1,712,325,359</b>	FERC Form 1 Page 207.58g - Page 200.4b
3	Percent Allocation (Line 1/Line 2)	<u>20.6129%</u>	
	<b><u>Transmission Wages and Salaries Allocation Factor</u></b>		
4	Direct Transmission Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.14b
5	Affiliated Company Transmission Wages and Salaries	<b>\$18,493,757</b>	General Ledger Query
6	Total Transmission Wages and Salaries (Line 4 + Line 5)	<u>\$18,493,757</u>	
7	Total Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.28b
8	Administrative and General Wages and Salaries	<b>\$0</b>	FERC Form 1 Page 354.27b
9	Affiliated Company Wages and Salaries less A&G	<b>\$18,533,501</b>	General Ledger Query
10	Total Wages and Salaries net of A&G (Line 7 - 8 + 9)	<u>\$18,533,501</u>	
11	Percent Allocation (Line 6/Line 10)	<u>99.7856%</u>	
	<b><u>Plant Allocation Factor</u></b>		
12	Total Transmission Investment	\$1,712,325,359	Line 2
13	plus Transmission-Related General Plant	<u>\$6,382,481</u>	Worksheet 3, Line 3, Column 3
14	= Revised Numerator (Line 12 + Line 13)	<u>\$1,718,707,840</u>	
15	Total Plant in Service	<b>\$1,730,862,090</b>	FERC Form 1 Page 207.104g - Page 200.4b
16	Percent Allocation (Line 14 / Line 16)	<u>99.2978%</u>	



Shading denotes input

**New England Power Company  
Pre-97 RNs Revenue Requirements  
For Test Year Ended 12/31/2012**

*Input Revenues associated with the PTF Supporting Facilities in columns (a) and expenses associated with the facilities in columns (b). The totals are then linked to Worksheet 1, Lines 23 and 24.*

Participant	PTF Supporting Facilities	FERC Form 1 Reference	TOTAL	
			Revenues	Expenses
			(a)	(b)
NSTAR	HQ Phase II - AC in MA	Pg 332 Line 5 Col (g)		\$99,271
	Bell Rock Road	Page 330.5 Line 12 Col (n)	\$44,768	
	Boston Edison -345 kV NH/MA border - Tewksbury 394 Line (Seabrook	Page 330.1 Line 8 Col (n)	\$366,468	
NU	Public Service Co. -Moore 115 kV Substation	Page 330.1 Line 5 Col (n)	\$13,571	
NEP	Chester SVC	Transmission Billing		\$603,873
	HQ Phase II - AC in MA	Page 330 Line 11 Col (n)	\$4,946,997	
VT Elec Co.	Comerford 115 kV Substation	Page 330.1 Line 12 Col (n)	\$35,824	
		<b>Totals</b>	<b>\$5,407,628</b>	<b>\$703,144</b>

Amount by which Support Expense exceeds Support Revenues  
(To Worksheet 3, Line 22, Column 5)

\$0

Shading denotes an input

New England Power Company  
2012 Informational Filing  
PTF Plant Allocation

			Total	<u>Percent Pre/Post</u>
1	2011	Pre-1997 PTF Transmission Plant	\$349,334,382	
2	2011	Post-1996 PTF Transmission Plant	\$819,449,952	
3	2012	Additions/Retirements	\$103,978,575	
4	2012	Pre-1997 PTF Transmission Plant	\$352,959,991	27.77%
5	2012	Post-1996 PTF Transmission Plant	\$918,015,798	72.23%
6	2012	Total PTF Transmission Plant	\$1,270,975,789	100.00%

**Sources:**

- 1 PTF Plant Reports for previous year
- 2 PTF Plant Reports for previous year
- 3 Line 6 - Line 1 + Line 2
- 4 PTF Plant Reports for current year
- 5 PTF Plant Reports for current year
- 6 Line 4 + 5

**Attachment 2**

Shading denotes an input

**GROSS PLANT ASSOC. WITH HVDC LEASES**  
**2012**

<b>LINE NO</b>		<b>(HVDC) NHH/NEH <u>LEASE</u></b>
1	Gross Plant Value Comerford Station to Tewksbury Line	<b>\$14,952,279</b>
	<u>Allocation</u>	
2	Miles used by NHH (a)	224
3	Total miles at Comerford Station	<b>253</b>
4	Percentage of Total Gross Plant leased by NHH (a)	89%
5	Total Gross Plant leased by NHH (a)	\$13,307,528
6	Total Land from Sandy Pond to New Hampshire	<b>\$1,106,146</b>
7	HVDC lines occupy 35% of Right of Way	35%
8	Total Land leased by NEH (a)	\$387,151
9	Total NEP Gross Plant leased by HVDC to be excluded from PTF Revenue requirement	\$13,694,679

**Source:**

- 1 FERC Form 1, Page 422.1-423.1, Lines 5 + 16 col (l)
- 2 Total miles used per lease agreement
- 3 FERC Form 1, Page 422.1 Lines 5 + 16 col (f)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 FERC Form 1, Page 422-423, Line 15 col (j)
- 7 Percentage per lease agreement
- 8 Line 6 \* Line 7
- 9 Line 5 + Line 8

**Note:**

- (a) NEH and NHH are acronyms for two of the three "Hydro Companies, New England Hydro Transmission (NEH) Electric Company, New England Electric Transmission Corporation, and New England Hydro Transmission Electric Company, Inc. (NHH)" which own and lease the HVDC interconnection facilities to the participants to the NEPOOL HVDC agreements.

Shading denotes an input

New England Power Company  
Determination of Book Depreciation on Equity AFUDC

		<b>2012</b>
1	Total Current Year Book Depreciation on Equity AFUDC	\$1,346,360
2	Less: Specifically Identified Transmission-Related	
	Tewksbury Line	\$54,708
	Hydro-Quebec	\$23,543
	Montaup Transmission	\$9,777
	1998 Transmission	\$13,959
	1999 Transmission	\$42,457
	2000 Transmission	(\$8,299)
	2001 Transmission	\$23,561
	2002 Transmission	\$8,889
	2003 Transmission	\$16,500
	2004 Transmission	\$15,518
	2005 Transmission	\$49,757
	2006 Transmission	\$64,352
	2007 Transmission	\$42,418
	2008 Transmission	\$57,508
	2009 Transmission	\$98,437
	2010 Transmission	\$79,948
	2011 Transmission	\$155,706
	2012 Transmission	\$210,246
		\$958,985
3	Total Unidentified Book Depreciation on Equity AFUDC	\$387,375
4	Plant Allocator Factor	99.2978%
5	Allocated Transmission Related Book Depreciation on Equity AFUDC	\$384,655
6	Plus: Specifically Identified Transmission-Related Equity AFUDC	<u>\$958,985</u>
7	Total Transmission-Related Equity AFUDC	\$1,343,640
8	Pre-97 PTF Allocation Factor	20.6129%
9	Transmission-Related Equity AFUDC	\$276,963

**Sources:**

- 1 & 2 Transmission Rates includes \$9,777 from Montaup
- 3 Line 1 - Line 2
- 4 Worksheet 5 - PTF Plant Allocation Factor
- 5 Line 3 \* Line 4
- 6 Line 2
- 7 Line 5 + Line 6
- 8 Worksheet 5 - Pre-97 PTF Allocation Factor
- 9 Line 7 \* Line 8

**Attachment 4**

Shading denotes an input

New England Power Company  
Determination of the PTF Related Integrated Facilities Charges

		<b>Narragansett <u>2012</u></b>	<b>MECO <u>2012</u></b>
1	Total Integrated Facilities Charges	\$77,884,781	\$9,279,091
2	Total 2012 PTF Property (NECO includes \$88M topside)	\$386,991,881	\$24,868,977
3	Total Transmission Plant in 2012 (NECO includes \$88M topside)	\$486,729,573	\$47,856,277
4	NECO or MECO PTF Plant Allocator	79.51%	51.97%
5	PTF Related Integrated Facilities Charge	\$61,925,101	\$4,821,969
6	<b>Total Integrated Facilities</b>		<b><u><u>\$66,747,070</u></u></b>

**Source:**

- 1 FF1 Page 330.4 Lines 13 & 14 Col (n)
- 2 PowerPlant Reports
- 3 FF1 Page 207 Line 58 (g)
- 4 Line 2 / Line 3
- 5 Line 1 \* Line 4
- 6 Line 5 Totals for Narragansett and Massachusetts Electric

Shading denotes an input

New England Power Company  
Development of 2012 Regulatory Commission Expense

<b>Line No.</b>		<b><u>2012</u></b>	<b><u>Source</u></b>
1	Total Regulatory Commission Expense - NEP	\$3,645,548	FERC Form1 Page 350.46d
2	Less: New Hampshire PUC Assessment	\$63,704	FERC Form1 Page 350.2d
3	Less: Mass Emergency Fund	\$0	FERC Form1 Page 350.7d
4	Less Mass DPU Special Assessment	\$229,133	FERC Form1 Page 350.8d
5	Less: Utility Expenses	\$850,079	FERC Form1 Page 350.46c
6	Total Federal Assessments	\$2,502,632	Line 1 - (Line 2-5)

**Attachment 6**

Transmission Rents Received from Electric Property

New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,129,406
Plant Allocation Factor	100.00%
Transmission Allocated	\$1,129,406
PTF Allocation	20.6129%
Total PTF Revenue	\$232,803

***Source: Peoplesoft Activities #454002, 454020 and 454024 - see Analysis for details***

Revenue for Short-Term Transmission Service under the NEPOOL Tariff

New England Power Company

	<b><u>2012</u></b>
Revenues	\$1,056,174
Pre-97 PTF Percent	27.7708%
Total Pre-97 PTF Revenue	\$ 293,308

***Source: Short Term Through and Out Revenues from ISO New England***



**Service List of State Regulators and Other Interested Parties**

Connecticut Public Utilities Regulatory Authority  
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New Britain, CT 06051-2605  
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[robert.luysterborghs@po.state.ct.us](mailto:robert.luysterborghs@po.state.ct.us)

Maine Public Utilities Commission  
18 State House Station  
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[Maine.puc@maine.gov](mailto:Maine.puc@maine.gov)

MA Department of Public Utilities  
One South Station, 2d Floor  
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[RegionalEnergy@puc.nh.gov](mailto:RegionalEnergy@puc.nh.gov)  
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RI Public Utilities Commission  
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## **Attachment 6**

### **Service List of Participating Transmission Owners**

**Service List of  
Participating Transmission Owners**

Emera Maine

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21 Telcom Drive (P.O. Box 932)  
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