

June 11, 2024

LS Power Grid New York Corporation I Segment A Informational Workpaper

LS Power Grid New York Corporation I (“LSPG New York” or “LSPG-NY”) and the New York Power Authority (“NYPA”) were selected by the New York Independent System Operator (“NYISO”), through its Federal Energy Regulatory Commission (“FERC” or “Commission”) Order No. 1000 competitive process, to jointly develop and own a new 345 kV transmission facilities between the existing Marcy/Edic substations near Utica, New York, and the existing New Scotland substation near Albany, New York (“Segment A Project”). The final facilities of the Segment A Project were placed in service on December 11, 2023.

Section 7 of the LSPG New York Formula Rate Implementation Protocols (“Protocols”), included in Section 6.10.6.2.1 of the NYISO open access transmission tariff, states that, “within six months of placing the entire “Segment A Project,” as is defined in the Offer of Settlement approved by the Commission in Docket No. ER20-716-001, in service, LSPG-NY will provide an informational workpaper identifying the final assets owned by LSPG-NY and the NYPA respectively, the total ratebase [*sic*] of the assets, details including accounting entries of any transfers of assets that may have occurred between the parties that changed the ownership of any assets, the amount of any costs greater than the “Cost Cap” or less than the “Adjusted Cost Cap” as those terms are defined in the Offer of Settlement approved by the Commission in Docket No. ER20-716-001, as the case may be, and details on the operations and maintenance costs incurred to date” (“Informational Workpaper”). In fulfillment of these requirements, LSPG New York provides the attached Informational Workpaper, in the form of an Excel workbook, with two worksheets.

- Summary Costs
 - Gross plant, which represents the total project costs, or rate base of the assets, as specified in the Protocols, is listed by FERC account for LSPG New York, totals for NYPA,¹ and totals Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”).² Data are presented as follows:
 - Actual values for LSPG New York at December 31, 2023.
 - Additional values for the first quarter 2024, January 1, 2024, through March 31, 2024.

¹ Values for LSPG New York are based on company records as indicated. Values for NYPA and National Grid are derived based on ownership shares and may not correspond to the records of those entities due to differences in the timing and recording of accounting entries.

² Totals for National Grid are related to the portion of the Segment A Project that is funded and recovered by National Grid as described in the settlement agreement in Docket No. ER24-67.

- Estimated trailing costs for future periods are presented because final trailing costs and the final cost ownership true-up have not yet been determined.
 - Totals of the three sections above to calculate preliminary total costs.
- Statement confirming that there are no accounting entries to report for any transfers of assets that changed the ownership of any assets between LSPG New York and NYPA. During construction, LSPG New York and NYPA billed each other monthly for their respective shares of the Segment A Project so no assets owned by NYPA were placed in service by LSPG New York and subsequently transferred. Similarly, no assets owned by LSPG New York were placed in service by NYPA and subsequently transferred.
- Table illustrating that the preliminary total Segment A Project costs shown are not greater than the Cost Cap and not less than the Adjusted Cost Cap.
- Operations & Maintenance
 - LSPG New York's operations and maintenance expenses for 2021, 2022, 2023, and the first quarter of 2024.

The Informational Workpaper and this explanatory letter will be published on the NYISO website (nyiso.com/billing-rates) and on LSPG New York's own website (lspgridnewyork.com/documents).

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