June 30, 2026

LS Power Grid New York 2025 Annual Update Posting Notice and Stakeholder Information

In accordance with the LS Power Grid New York Corporation I ("LSPG New York") Formula Rate Implementation Protocols ("Protocols") included in Section 6.10.6.2.1 of the New York Independent System Operator, Inc. ("NYISO") Open Access Transmission Tariff, LSPG New York provides this notice of the posting of its Annual Update for rate year 2025 ("2025 Annual Update") on the NYISO website (nyiso.com/billing-rates) along with additional stakeholder information herein. The 2025 Annual Update includes the populated formula rate template and additional workpapers in native Excel and PDF formats. LSPG New York has also posted the 2025 Annual Update and this document to its website (lspowergrid.com/utilities/ls-power-grid-new-york) under Postings & Notices > Formula Rates > 2025.

Please direct inquiries, information requests, and challenges to rates@lspgridnewyork.com.

Payments to NYPA

Section 3.C.6 of the Protocols calls for LSPG New York to identify payments to the New York Power Authority ("NYPA") for operations and maintenance and justify any mark-up as an appropriate expense to be recovered under the formula rate.

Total payments to NYPA for operations and maintenance in 2025 amounted to $19,210, which includes a 15 percent adder that is provided in an agreement between LSPG New York and NYPA. For services performed by NYPA, this adder is intended to reasonably cover, without duplication, indirect costs including, but not limited to, labor overheads, storage, and administrative and general expenses. For services provided by NYPA where a third-party contractor is engaged, the adder covers, without duplication, contract work administration. Similar provisions can be found in other utility industry maintenance agreements.

Changes in Formula References and Form No. 1 data

Sections 3.C.7 and 3.C.8 of the Protocols call for LSPG New York to identify any changes in formula references and material adjustments made to the Federal Energy Regulatory Commission ("FERC") Form No. 1 data. Please refer to Page 106b of LSPGNY's 2025 FERC Form No. 1 for a listing of schedules with variances. The footnotes to the schedules on Page 200 (Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion) and Page 219 (Accumulated Provision for Depreciation of Electric Utility Plant) reconcile the values populating Appendix A, Page 2, Line 13 (Transmission Accumulated

Depreciation) and Line 15 (General and Intangible Accumulated Depreciation) of the formula rate template.

Accounting Changes and Disclosures

Section 3.C.10 of the Protocols calls for LSPG New York to identify any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate ("Accounting Change") along with a narrative explanation of the individual impact of such changes on the True-Up Adjustment.

Accounting Changes

1. New standard or policy (3.C.10.a.i)

   Pursuant to Order 898 in FERC Docket No. RM21-11, certain plant has been reclassified to newly created FERC accounts effective January 1, 2025. Existing depreciation rates are being applied to the newly classified plant until LSPGNY's next depreciation rate study, the timing of which is subject to the moratorium period provision in the settlement agreement resolving FERC Docket No. ER20-716. The reclassification of plant to new FERC accounts has no effect on the calculated net revenue requirement.

2. Issues of first impression (3.C.10.a.ii and 3.C.10.d)

   None to report.

3. Corrections and prior period adjustments (3.C.10.a.iii and 3.C.10.d)

   None to report.

4. New estimation methods (3.C.10.a.iv and 3.C.10.d)

   None to report.

5. Income tax elections (3.C.10.a.v and 3.C.10.d)

   A change to New York state tax law enacted on April 19, 2021, increased the income tax rate from 6.5% to 7.25% for taxpayers with business income base exceeding $5 million. The tax rate was effective for tax years beginning on or after January 1, 2021, and before January 1, 2024. This tax law change was expected to affect LSPG New York for 2023. As such, the 2023 projected revenue requirement was based on the 7.25% tax rate. However, actual taxable income for 2023 did not exceed $5 million and, accordingly, the 6.5% tax rate applied to the 2023 tax year. The actual revenue requirement (true-up) for 2023 was based on the 6.5% tax rate. A regulatory asset related to this ADIT remeasurement and one-year amortization to recover this amount was reflected in the 2023 projected revenue requirement. Neither the regulatory asset nor the amortization was reflected in the 2023 actual revenue requirement (true-up).

In May 2023, New York State enacted a law that extended the increased corporate franchise tax rate of 7.25 percent for a three-year period, through tax year 2026, for taxpayers with taxable income greater than $5 million. The tax rate is 6.5 percent for other taxpayers. LSPG New York did not record regulatory assets or regulatory liabilities for deficient ADIT or excess ADIT during 2023 for this tax law change involving potential application of a higher state income tax rate for a temporary period.

The 2024 projected revenue requirement was based on the 6.5% tax rate. However, actual taxable income for 2024 exceeded $5 million and, accordingly, the 7.25% rate applied to tax year 2024. The temporary differences resulting in 2024 deferred tax expense are expected to reverse in tax years in which a 6.5% tax rate is expected to apply. A regulatory liability resulting from the application of a 7.25% in computing recoverable income tax based on the equity return and the expectation of the 6.5% tax rate applying to temporary differences originating in 2024 is computed below and has been reflected in the 2026 projected revenue requirement. The impact of the temporary increase in tax rates when taxable income exceeds $5 million on the 2024 revenue requirement does not affect the 2025 revenue requirement.

The 2025 projected revenue requirement was based on the 6.5% tax rate. This is the tax rate expected to apply for 2025 tax reporting. Thus, the tax rate applied to temporary differences originating in 2024 is the same tax rate expected to apply when the temporary differences reverse.

In May 2026, New York State enacted a law that extended the increased corporate franchise rate of 7.25% for an additional three years (i.e., through tax year 2029).

Other Disclosures

6. Fair Value Adjustments (3.C.10.b and 3.C.10.d)

   None to report.

7. Reorganization/Merger (3.C.10.c and 3.C.10.d)

   None to report.