SCHEDULE [X]

COST ALLOCATION TREATMENT OF STRATEGIC CLEAN ENERGY TRANSMISSION

This Schedule [X] relates to Strategic Clean Energy Transmission upgrades, modifications or additions ("SCET Upgrades") selected by the New England states in direct response to the New England Governors' Infrastructure Initiative that commenced in 2013. It describes the manner of allocating costs to be included in the charges for PTO-owned SCET Upgrades. Cost recovery for SCET Upgrades (the "Strategic Clean Energy Transmission Annual Cost") shall be separately set forth in a filing to FERC under Section 205 of the Federal Power Act. A non-PTO that is selected by the New England states for SCET Upgrades may request that FERC approve application of this Schedule for purposes of cost allocation.   The ISO's implementation of this Schedule [X] is conditioned on the FERC's acceptance of this Schedule and the filings discussed in the two preceding sentences.

A Transmission Customer that has Regional Network Load in the New England Control Area shall pay to the ISO each month for the SCET Upgrades the amount determined in accordance with the following formula:

$$A = SCET\ AC\ /12 * BCAP * LRS$$

Where:

(1) A = the amount to be paid;

(2) SCET AC = the Strategic Clean Energy Transmission Annual Cost;

(3) BCAP = the Base Cost Allocation Percentages, which shall initially be set at the following percentages for each state through December 31, 2018:

	Initial BCAP
Connecticut	
Maine	
Massachusetts	
New Hampshire	

Rhode Island	
Vermont	

(4) LRS = the Transmission Customer's Monthly Regional Network Load as a ratio to the total Monthly Regional Network Load within the applicable state for the actual month.

Effective January 1, 2019 the BCAP shall be determined annually in accordance with the following formula:

BCAP == ERS * State Multiplier

<u>Where:</u>

(1) ERS = Energy Ratio Share, which shall be ratio of the energy consumed in each state compared to the total New England Control Area energy consumed in the prior year; and
(2) State Multiplier = the multipliers set at the following percentages for each state.

	State Multiplier
Connecticut	
Maine	
Massachusetts	
New Hampshire	
Rhode Island	
Vermont	

To the extent that the sum of each state's BCAP derived in any year under the preceding formula (the "Annual Derived BCAP") is greater than or less than 100%, each state's initial BCAP determined under the preceding formula will be adjusted up or down by the ratio of 1/Annual Derived BCAP, so that the sum of each state's BCAP for cost allocation purposes in any year will equal 100 percent.