

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:

New York Independent System Operator, Inc.,  
Niagara Mohawk Power Corporation  
Docket No. ER22-1201-000

Issued: April 28, 2022

National Grid USA  
40 Sylvan Road  
Waltham, MA 02451

Attention: David Lodemore, Esq.

Reference: Smart Path Connect Project Cost Recovery and Incentive Rate Treatment

On March 4, 2022, New York Independent System Operator, Inc. (NYISO) filed, on behalf of Niagara Mohawk Power Corporation (Niagara Mohawk), pursuant to section 205 and 219 of the Federal Power Act (FPA),<sup>1</sup> 18 C.F.R. Part 35, and Order No. 679,<sup>2</sup> proposed amendments to NYISO's Open Access Transmission Tariff (OATT) to allocate and recover the costs of Niagara Mohawk's investment in the Smart Path Connect Project (Project), along with a request for authorization of certain transmission rate incentives associated with the Project.<sup>3</sup>

Please be advised that your filing is deficient, and that additional information is required in order to process the filing. Please provide the information requested below.

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057, *order on reh'g*, Order No. 679-A, 117 FERC ¶ 61,345 (2006), *order on reh'g*, 119 FERC ¶ 61,062 (2007).

<sup>3</sup> New York Independent System Operator, Inc., NYISO Tariffs, [NYISO OATT, 6.18 OATT Schedule 18 Rate Mechanism for the Recovery of the \(0.0.0\)](#), and [NYISO OATT, 14.2-14.2.1 OATT Att H Attachment 1 to Attachment H \(21.0.0\)](#).

1. Niagara Mohawk requests that the Commission accept a project specific base return on equity (ROE) of 10.5% for the Project,<sup>4</sup> while maintaining its company-wide base ROE of 10.3% inclusive of the RTO participation adder for all its other transmission assets.<sup>5</sup>
  - a. Provide additional support for your proposal to adopt a project-specific base ROE rather than apply the existing company-wide base ROE to the Project. Provide a basis for maintaining two different base ROEs, one applicable to the Project, and a second one applicable to all other transmission assets.
  - b. Identify any Commission precedent where the Commission has authorized a utility to have a project-specific base ROE that is different than the base ROE approved for the utility's transmission rate base and explain why Niagara Mohawk's request is consistent with that precedent.
2. Provide Niagara Mohawk's formula rate template as proposed in its filing in a workable format (e.g., Excel file).

This letter is issued pursuant to 18 C.F.R. § 375.307 and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713. A response to this letter must be filed with the Secretary of the Commission within 30 days of the date of this letter by making a deficiency filing in accordance with the Commission's electronic tariff requirements. For your response, use Type of Filing Code 170 if your company is registered under program code "M" (Electric Market Based Rate Public Utilities) or Type of Filing Code 180 if your company is registered under program code "E" (Electric Traditional Cost of Service and Market Based Rates Public Utilities).<sup>6</sup> In addition, submit an electronic version of your response to Stephanie Eyocko at [JackyNicole.Eyocko@ferc.gov](mailto:JackyNicole.Eyocko@ferc.gov). The information requested in this letter order will

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<sup>4</sup> We note that Mr. Adrien M. McKenzie's testimony in Exhibit Nos. NMPC-300 – NMPC-311 is based on Niagara Mohawk's financial situation, rather than on the Project.

<sup>5</sup> See *New York Power Assn. v. Niagara Mohawk Power Corp.*, 151 FERC ¶ 61,121 (2015) (order approving Niagara Mohawk's filing of an Offer of Settlement and Settlement Agreement and approving, *inter alia*, section 2.1 of the Settlement Agreement, an ROE of "10.3 percent, inclusive of any incentive adders").

<sup>6</sup> The filing must include at least one tariff record to restart the statutory timeframe for Commission action even though a tariff revision might not otherwise be needed. See generally *Elec. Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (explaining that the Commission uses the data elements resulting from the tariff filing process to establish statutory filing and other procedural dates).

constitute an amendment to your filing and a new filing date will be established.<sup>7</sup> A notice will be issued upon receipt of your filing.

Pending receipt of the above information, a filing date will not be assigned to your filing. Failure to respond to this letter order within the time period specified may result in a further order rejecting your filing.

Issued by: Kurt M. Longo, Director, Division of Electric Power Regulation – East

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<sup>7</sup> See *Duke Power Co.*, 57 FERC ¶ 61,215, at 61,713 (1991) (“the Commission will consider any amendment or supplemental filing filed after a utility’s initial filing . . . to establish a new filing date for the filing in question”).