

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

New York Independent System Operator, Inc.
Docket No. ER24-1434-000

Issued: 5/6/2024

On March 8, 2024, pursuant to section 205 of the Federal Power Act, New York Independent System Operator, Inc. (NYISO) submitted, on behalf of Central Hudson Gas and Electric Corporation (Central Hudson), a new proposed Rate Schedule 21 under NYISO's Open Access Transmission Tariff (OATT). Rate Schedule 21 would provide for Central Hudson's recovery of costs associated with the provision of Wholesale Distribution Service (WDS) to customers who own electric resources connected to Central Hudson's distribution system and sell the output of those resources through NYISO wholesale markets, as well as customers charging electric energy storage systems for the purposes of making wholesale sales in NYISO wholesale markets.

Please be advised that the submittal is deficient and that additional information is required to process the filing. Please provide complete responses to the following:

1. You state that the basis for the proposed WDS rates are the retail rates accepted by the New York State Public Service Commission's (New York Commission) March 2022 order,¹ as adjusted to exclude transmission revenue requirement, as shown in Attachment C.²
 - a. Please show how the Base Delivery Requirement was derived and explain why the Base Delivery Requirement is an appropriate basis to derive the WDS rates.
 - b. Please show how the revenue numbers on page 2 of Attachment C were derived and how they relate to Central Hudson's retail rates, as approved by the New York Commission. Please explain why the revenue components on

¹ See Order Establishing Updated Standby Service Rates and Implementing Optional Mass Market Demand Rates, *In the Matter of the Value of Distributed Energy Resources*, Case No. 15-E-0751 (N.Y. Pub. Serv. Comm'n Mar. 16, 2022).

² Transmittal at 5-6.

page 2 of Attachment C are an appropriate basis from which to determine the WDS rates.

- c. In the spreadsheet version of Attachment C, the Transmission Revenue Requirement is calculated by subtracting the WDS Revenue Requirement from the Base Delivery Requirement. The WDS Revenue Requirement is calculated by adding revenues from Daily As Used Demand Peak, Daily As Used Demand Super Peak, Contract Demand, and Monthly Customer Charge. There appears to be a mismatch between the calculation of the WDS Revenue Requirement in Attachment C and the explanation in your transmittal. Please clarify and explain in more detail how the WDS Revenue Requirement is derived and provide any relevant quantitative analysis.
2. Please provide additional explanation on certain aspects of proposed Rate Schedule 21, as requested below.
 - a. Please clarify whether, if the Contract Demand charge exceeds the Minimum Charge, the Minimum Charge in the rate for Wholesale Distribution Export Service is applied in addition to the Contract Demand charge. If not, explain which one is used (i.e., either the Minimum Charge or of the Contract Demand charge) and how that determination is made.
 - b. Please clarify whether one of the two service level categories labeled “Primary in Excess of 1,000 kW” is incorrectly labeled in proposed section 6.21.6 (Statement of Export Rates). If so, please propose separate categories to distinguish the service levels.
 - c. In proposed section 6.21.7 (Statement of Charging Rates), please clarify whether and which one of the service level categories will include Primary Demand at 1000 kW, given that the service level categories are currently defined as “up to” or “in excess of” 1000 kW.
 - d. Proposed section 6.21.5.2.1.2(2) provides that Contract Demand for a new customer “shall be determined by assessing the nameplate rating of the equipment to be served and projecting the coincidence and diversity of the new customer's load.” Please explain in more detail the methodology with which Central Hudson plans to project the coincidence and diversity of

the new customer's load to determine its Contract Demand. Please further explain how this methodology ensures that the calculation is consistent with the Contract Demand methodology for existing customers, which is the maximum metered demand over the past 12 months, and how it ensures the calculation is consistent among different new customers, such that the Contract Demand methodology does not result in undue discrimination among new customers.

- e. Proposed section
6.21.5.2.1.2(2) provides that Central Hudson shall provide the determined Contract Demand to a new customer at least ten days prior to the customer commencing service. Please explain how this timeframe was selected and support why it is appropriate. Please also explain if new customers may dispute the determined Contract Demand, and if so, explain the dispute resolution process for doing so.
- f. Please define the
following terms: Merchant Function Charge (MFC), MFC Admin Charge, and MFC Supply Charge.

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).³ In addition, submit an electronic version of your response to Emily Chen at emily.chen@ferc.gov. The information requested in this letter order will constitute an amendment to your filing and a new filing date will be established.⁴ A notice will be issued upon receipt of your filing.

³ 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).

⁴ *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").

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