

December 30, 2015

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Niagara Mohawk Power Corporation d/b/a National Grid
Docket No. ER16-___-000
Filing of Amended Cost Reimbursement Agreement with New
York Power Authority and Request for Waiver of Commission
Notice Requirement**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ and Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,² Niagara Mohawk Power Corporation d/b/a/ National Grid (“National Grid”) submits an amended Cost Reimbursement Agreement (“Amended Reimbursement Agreement”) between National Grid and the New York Power Authority (“NYPA”).³ The Amended Reimbursement Agreement is designated as Service Agreement No. 2177 under the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”).

The Amended Reimbursement Agreement is an undisputed agreement pursuant to which National Grid will engineer, design, procure, construct, test, and commission replacement or upgrade facilities on the National Grid transmission system that are directly affected by NYPA’s planned installation of new Series Compensation Equipment on the existing Edic-Frazier 345 kV transmission line. National Grid respectfully requests that the Commission grant waiver of its notice requirement to permit the Amended Reimbursement Agreement to go into effect as of September 30, 2015, the effective date agreed to by the Parties.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Together, National Grid and NYPA are referred to in the Amended Reimbursement Agreement and in this transmittal letter as the “Parties.” The Amended Reimbursement Agreement amends the original version of that agreement (“Original Reimbursement Agreement”).

I. Background

National Grid is a public utility with a transmission system in the State of New York. NYPA is a corporate instrumentality of the State of New York with its own transmission system in the State of New York. Both National Grid and NYPA have placed their transmission systems under the operational control of the NYISO.

National Grid and NYPA entered into the Original Reimbursement Agreement to facilitate NYPA's planned installation of new Series Compensation Equipment on the existing Edic-Frazier 345 kV transmission line (the Marcy South Series Compensation Project or the "Project"). Previous to executing the Original Reimbursement Agreement, NYPA undertook a study of adjoining transmission facilities and identified equipment on National Grid's transmission system that would require National Grid to engineer, design, procure, construct, test, and commission replacement or upgrade facilities as part of the Project. The scope of work addressed in the Original Reimbursement Agreement covered National Grid facilities directly affected by the Project. The Commission accepted the Original Reimbursement Agreement for filing effective November 21, 2014.⁴

Since the Commission accepted the Original Reimbursement Agreement for filing, NYPA has requested changes to the existing scope of work under that agreement to better ensure satisfaction of Northeast Power Coordinating Council ("NPCC") Bulk Power separation criteria and to make other changes.

II. The Amended Reimbursement Agreement

The Parties have revised the following provisions in the Amended Reimbursement Agreement to reflect the changes described above:

- Section 6.1 (setting forth the estimated cost of work); and
- Schedule A, including the addition of new Annex 1 thereto (setting forth the scope of work).

As is true under the Original Reimbursement Agreement, National Grid is performing services at actual cost as set forth in Articles 1.0 and 7.0 to the Amended Reimbursement Agreement. The Commission should find the price of the services to be performed pursuant to the Amended Reimbursement Agreement to be just and reasonable because National Grid will perform these services at actual cost.

⁴ Commission Letter Order, Docket No. ER15-674-000 (Feb. 2, 2015).

III. Effective Date and Request for Waiver

Pursuant to section 35.11 of the Commission's regulations,⁵ National Grid respectfully requests waiver of the notice requirement contained in section 35.3 of the Commission's regulations⁶ to allow the Amended Reimbursement Agreement to become effective as of September 30, 2015, the effective date agreed to by the Parties.⁷

Good cause exists for the Commission to grant this waiver. Granting the waiver will accord with the intent of National Grid and NYPA to make the Amended Reimbursement Agreement effective as of September 30, 2015. No prejudice will result to any party from granting the waiver. For these reasons, the Commission should find that good cause exists to grant an effective date of September 30, 2015.

IV. Attachments

In addition to this transmittal letter, this filing includes the following attachments:

- Clean version of the Amended Reimbursement Agreement (Attachment A);
- A document showing in red-line the differences between the Original Reimbursement Agreement and the Amended Reimbursement Agreement (Attachment B); and
- An agreement between the Parties to revise the Original Reimbursement Agreement as reflected in the Amended Reimbursement Agreement (Attachment C).

⁵ 18 C.F.R. § 35.11.

⁶ 18 C.F.R. § 35.3.

⁷ See the agreement between the Parties contained in Attachment C to this filing.

V. Communications and Service

Communications regarding this filing should be addressed to the following individuals, whose names should be entered on the official service list maintained by the Secretary for this proceeding:

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Copies of this filing have been served on NYPA, the NYISO, and the New York State Public Service Commission.

VI. Conclusion

For the reasons stated herein, National Grid respectfully requests that the Commission accept the Amended Reimbursement Agreement effective as of September 30, 2015.

Respectfully submitted,

/s/ Amanda C. Downey

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