



Jeffrey A. Rosenbloom
General Counsel, NYSEG and RG&E

May 18, 2020

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

Re: *New York State Electric & Gas Corporation*
Docket No. ER20-____-000
Filing of Executed Engineering & Procurement Agreement

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”),² New York State Electric & Gas Corporation (“NYSEG”), an indirect subsidiary of Avangrid, Inc., hereby submits for filing an Engineering & Procurement Agreement (“E&P Agreement”) by and between NYSEG and New York Transco, LLC (“NY Transco”). The E&P Agreement is designated as Service Agreement No. 2534 under the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”).

For the reasons set forth below, NYSEG respectfully requests that the Commission accept the E&P Agreement for filing effective April 23, 2020.

I. COMMUNICATIONS

All communications and service related to this filing should be directed to:

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¹ 16 U.S.C. § 824d (2012).

² 18 C.F.R. Pt. 35 (2016).

89 East Ave Rochester, NY 14649



II. BACKGROUND AND DESCRIPTION OF THE E&P AGREEMENT

NYSEG is a public utility subject to the Commission's jurisdiction that own transmission facilities under the operational control of the NYISO. NY Transco is a partnership of New York State's investor-owned utilities formed to facilitate the planning, development, construction, ownership, and operation of new transmission projects that will enhance the current capabilities of the bulk power system across New York State.

NY Transco is proposing to build a new 54 mile 345/115 kV double-circuit transmission line from Schodack to Pleasant Valley, a new Knickerbocker 345 kV switching station, the demolition and complete rebuild of the Churchtown switching station; modifications to the existing Pleasant Valley 345 kV substation; a new Van Wagner Capacitor Bank Substation and the retirement of various 115 kV lines between the Greenbush 115 kV station and Pleasant Valley 115 kV station (the "Project"). To accommodate the Project, NYSEG or its affiliates or contractors must perform certain services for NY Transco, including but not limited to, services set forth in Attachment A to the E&P Agreement. NYSEG projects that the work to be performed under the E&P Agreement will be completed as set forth in paragraph 3.1 and Attachment A of the E&P Agreement, unless terminated earlier in accordance with the terms of the E&P Agreement.

Pursuant to the E&P Agreement, NY Transco will provide all information, documents and technical data required and deemed necessary by the Company to perform the Engineering & Procurement services as outlined in Attachment A of the E&P Agreement. The E&P Agreement sets forth the terms and conditions of this work and certain related commitments by NY Transco. The E&P Agreement includes provisions addressing the performance of the work, confidentiality, liability and indemnification, and various standard provisions for utility engineering and procurement agreements.

NYSEG is performing these services at actual costs as set forth in Paragraph 4.1 of the E&P Agreement. The estimated cost is \$2,592,119 (as set forth in paragraph 4.1(a)), with the first payment of \$518,424 due within ten days of the date of the E&P Agreement (as set forth in paragraph 4.1(b)). As set forth in Paragraph 4.1, no payment security is required, and NYSEG has arranged a payment schedule so that NYSEG will not be required to perform work until the funding to pay for that work has been received. The process for compensation of "Additional Costs" is set forth in Section 4 of the E&P Agreement. The Commission should find the price of the services to be performed pursuant to the E&P Agreement to be just and reasonable because NYSEG will perform these services at actual cost (*i.e.*, its out-of-pocket expenses), and does not include any return on investment, carrying charge, or any other amount to be collected for profit.

III. REQUESTED EFFECTIVE DATE AND WAIVER

NYSEG respectfully requests that the Commission grant waiver of the 60-day notice requirement and accept the E&P Agreement with an effective date of April 23, 2020. Good cause exists to grant waiver. The Commission previously has granted waiver of the 60-day prior notice requirement where an agreement was filed within 30 days of the commencement of service. In addition, granting waiver is appropriate because it will ensure that the effective date of the E&P Agreement aligns with that agreed upon by the Parties. Granting the proposed effective date will have no adverse effect on NY Transco, and will have no adverse effect on NYSEG or its customers.

To the extent necessary, NYSEG requests a waiver of any Commission regulation or requirement not otherwise satisfied by this filing in order to permit acceptance of the E&P Agreement, effective as requested.

IV. SERVICE

A copy of this filing will be served on NY Transco and the NYISO.

V. CONTENTS OF FILING

In accordance with the Commission's eTariff regulations and other filing requirements,³ in addition to this transmittal letter this filing consists of the E&P Agreement.

VI. CONCLUSION

For the foregoing reasons, NYSEG respectfully requests that the Commission accept the E&P Agreement with an effective date of April 23, 2020.

Respectfully submitted,

/s/ Jeffrey A. Rosenbloom

Counsel to New York State Electric & Gas Corporation

³ *Id.* § 35.7.