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December 9, 2024

VIA E-TARIFF FILING

Hon. Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
Dockets Room, Room 1A
888 First Street, N.E.
Washington, DC 20426

**Re: Central Hudson Gas and Electric Corporation, Docket No. ER23-2507
Settlement Order Compliance Filing**

Dear Secretary Reese:

In accordance with the Federal Energy Regulatory Commission's ("Commission" or "FERC")¹ Letter Order issued November 8, 2024 in the above-referenced proceeding approving the Joint Offer of Settlement on Rate Schedule 19 submitted August 20, 2024 ("Rate Schedule 19 Settlement"),² Central Hudson Gas and Electric Corporation ("Central Hudson") respectfully submits this compliance filing to reflect certain revisions to its formula rate template related to the ceiling return on equity ("ROE") value for Rate Schedule 19 projects, as well clarify that Schedule 19 projects are not eligible for ROE incentive adders.

This compliance filing modifies Central Hudson's formula rate template contained in Section 6.19.9.2.2 of Attachment 4 to Rate Schedule 19 ("Formula Rate Template") to reflect the ceiling ROE value set forth in Article 3.2(a) of the Settlement for Rate Schedule 19 projects on Workpaper 6-Project Cost of Capital. This compliance filing also includes a new Note O on Appendix A of the Formula Rate Template that clarifies that Schedule 19 projects are not eligible for ROE incentive adders, as stated in Article 3.2(b) of the Settlement. These revisions ensure consistency with the Settlement.

¹ The New York Independent System Operator, Inc. ("NYISO") submits this filing on behalf of Central Hudson solely in its role as administrator of the NYISO Open Access Transmission Tariff ("OATT") and takes no position on any substantive aspect of this filing at this time. The burden of demonstrating that the proposed tariff amendments comply with the requirements of the Commission's November 8, 2024 letter order in this proceeding rests on Central Hudson.

² See *Consol. Edison Co. of N.Y., Inc. et al*, 189 FERC ¶ 61,107 (2024) ("Settlement Order").
284 South Avenue
Poughkeepsie, NY 12601

Background and Description of Filing

On July 28, 2023, as amended on October 23, 2023, the NYISO submitted, on behalf of Central Hudson, proposed revisions to the NYISO OATT in Docket No. ER23-2507. These revisions included Central Hudson's formula rate template, associated formula rate implementation protocols, and conforming tariff amendments to enable the derivation and recovery of costs for eligible transmission projects under Rate Schedule 19³ of the OATT. Central Hudson also requested a ROE ceiling value for Rate Schedule 19.

On December 22, 2023, the Commission issued an order conditionally accepting Central Hudson's filing.⁴ The Commission approved the formula rate protocols and tariff amendments effective September 27, 2023, but subjected the formula rate template to further compliance and suspended its effectiveness for a nominal period, subject to refund and pending hearing and settlement judge procedures.⁵ Consolidated Edison Company of New York filed a Joint Offer of Settlement addressing ceiling ROE proposals under Rate Schedule 19, including the ceiling ROE for Central Hudson's formula rate.⁶

On September 27, 2024, the Settlement Judge certified the Rate Schedule 19 Settlement to the Commission as an uncontested settlement.⁷ On November 8, 2024, the Commission issued the Settlement Order approving the Settlement.⁸ The Settlement Order directed Central Hudson to make compliance filings for its formula rate template, including the following requirements:⁹

- Rate Schedule 19: Central Hudson must incorporate the ceiling ROE value for Rate Schedule 19 projects set forth in Appendix A-2 of the Rate Schedule 19 Settlement as reflected by revisions to Lines 2, 6, 10, and 14 on "Workpaper 6: Project Cost of Capital." Central Hudson also needs to clarify that Schedule 19 projects are not eligible for ROE Incentives, per Article 3.2(b) of the Rate Schedule 19 Settlement.

³ Central Hudson submitted its proposed formula rate template for Rate Schedule 19 as a new Attachment 4 to Rate Schedule 19. *See* NYISO, NYISO Tariffs, NYISO OATT, 6.19.9-6.19.9.2.1 (Schedule 19 – Attachment 4 - Rate Mechanism for the Recovery of CLCPA Eligible Projects for Central Hudson) (1.0.0); *id.* § 6.19.9.2.2 (Schedule 19 - Attach. 4 - Formula Rate Template).

⁴ *See Central Hudson*, 185 FERC ¶ 61,217 (2023).

⁵ *Id.*

⁶ Consolidated Edison, Joint Offer of Settlement, Docket No. ER23-2507-003 (filed Aug. 20, 2024).

⁷ *See Central Hudson*, 188 FERC ¶ 63,028 (2024).

⁸ *See* Settlement Order at P 16.

⁹ *See id.* at P 18.

List of Documents

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

1. Attachment A: clean version of the proposed compliance revisions to Section 6.19.9.2.2 of Attachment 4 to Rate Schedule 19 of the OATT;¹⁰ and
3. Attachment B: redline version of the proposed compliance revisions to Section 6.19.9.2.2 of Attachment 4 to Rate Schedule 19 of the OATT.

Service

Central Hudson will send an electronic copy of this filing to the official representative of each party to this proceeding, which includes the New York State Public Service Commission. In addition, a complete copy of this filing will be posted in the NYISO's website at www.nyiso.com. The NYISO has confirmed to Central Hudson that it will send an electronic link to this filing to the official representative of each of its customers and each participant on its stakeholder committees. Central Hudson provides a Certificate of Service with this filing.

Conclusion

Central Hudson was directed by the Commission to submit a compliance filing for these revisions in eTariff format within 30 days of the November 8, 2024 letter order.¹¹ This compliance filing, therefore, ensures alignment with FERC's directives and the approved Rate Schedule 19 Settlement.

Respectfully submitted,

¹⁰ A clean version of the formula rate template in native Excel format that reflects the proposed compliance revisions is also being submitted with this filing.

¹¹ Settlement Order at P. 18.

/s/ Paul A. Colbert

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Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Poughkeepsie, New York, this 9th day of December, 2024.

Respectfully submitted,

/s/ Paul A. Colbert

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