

June 26, 2025

**Via eTariff**

The Honorable Debbie-Anne A. Reese  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Changes to Rate Schedule 12 – Highway Facilities Charge for the  
Hurley Avenue System Deliverability Upgrade  
Central Hudson Gas & Electric Corporation  
Docket No. ER25-\_\_\_\_-000

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”),<sup>2</sup> Central Hudson Gas & Electric Corporation (“Central Hudson” or “Applicant”) hereby submits for filing proposed revisions to its transmission formula rate under Rate Schedule 12 of the New York Independent System Operator, Inc. (“NYISO”) Open Access Transmission Tariff (“OATT”) as set forth in Section 6.12.5.2.1 of Attachment 1 to Rate Schedule 12.<sup>3</sup> Central Hudson uses Attachment 1 to Rate Schedule 12 to calculate its annual transmission revenue requirement (“ATRR”) for its Hurley Avenue System Deliverability Upgrade project (“Hurley Avenue Formula Rate”).<sup>4</sup>

By this filing, Central Hudson is updating its depreciations rates to synchronize with those determined by the New York State Public Service Commission (“NYPSC”) and used in

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Pt. 35.

<sup>3</sup> The NYISO is submitting this filing in FERC’s eTariff system on behalf of Central Hudson solely in the NYISO’s role as the tariff administrator of the NYISO OATT. The burden of demonstrating that the proposed tariff amendments are just and reasonable rests on Central Hudson, the sponsoring party/applicant. The NYISO takes no position on any substantive aspect of this filing at this time. Unless otherwise defined herein, capitalized terms used in this transmittal letter shall have the meanings ascribed to them in the NYISO OATT.

<sup>4</sup> Attachment 1 to Rate Schedule 12 of the NYISO OATT calculates the ATRR for Central Hudson’s Hurley Avenue System Deliverability Upgrade project which the NYISO bills in accordance with the cost allocation approach in Rate Schedule 12.



determining Central Hudson's retail transmission and distribution rates effective July 1, 2024. In addition, since Central Hudson implemented its Hurley Avenue Formula Rate in 2023, it has discovered several corrections and enhancements it wishes to make. For example, Central Hudson determined that it needed additional worksheets to address potential changes in income tax rates in the future in accordance with the requirements of Order No. 864,<sup>5</sup> and to prorate accumulated deferred income taxes in accordance with United States Treasury regulations. Additionally, the Hurley Avenue Formula Rate has some worksheets or sections of worksheets that are not used and should be eliminated, and Central Hudson would like to add additional comments in the formula for clarity and transparency. Lastly, Central Hudson made many references within worksheets and to other worksheets dynamic, so the references change when making changes to referenced worksheets.

Central Hudson respectfully requests Commission approval of these modifications. Moreover, Central Hudson requests that the revised depreciation rates contained in the revised Hurley Avenue Formula Rate be effective July 1, 2024, to coincide with the effective date of these same depreciation rates used in determining Central Hudson's retail transmission and distribution rates by the NYPSC.<sup>6</sup> Finally, Central Hudson requests the revised Hurley Avenue Formula Rate be effective June 1, 2025, so that this revised Hurley Avenue Formula Rate can be used to determine the actual ATRR and the Annual True-up Adjustment for the rate year June 2025 to May 2026.

## **I. Identification of Applicant**

Central Hudson is a regulated utility operating in the State of New York. It is engaged in the transmission, distribution, and retail sale of electric power and natural gas in the Hudson Valley of upstate New York. Central Hudson is a founding member of the NYISO and a signatory to the ISO-TO Agreement.<sup>7</sup> It is also a participant in the NYISO electricity markets on behalf of certain of its end-use customers and serves as a load-serving entity to its retail customers.

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<sup>5</sup> *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019), *order on reh'g and clarification*, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

<sup>6</sup> In Docket No. ER25-1847, the Commission recently, in a Delegated Order dated May 27, 2025, accepted for filing revised depreciation rates effective July 1, 2024, that the utility requested to synchronize its transmission formula rate depreciation rates with depreciation rates approved in a state proceeding.

<sup>7</sup> The ISO-TO Agreement can be found at:

[http://www.nyiso.com/public/webdocs/markets\\_operations/documents/Legal\\_and\\_Regulatory/Agreement s/ NYISO/nyiso\\_to\\_agreement.pdf](http://www.nyiso.com/public/webdocs/markets_operations/documents/Legal_and_Regulatory/Agreement%20s/NYISO/nyiso_to_agreement.pdf).

## II. Persons to Whom Correspondence Should be Addressed

All communications and service regarding this Application should be directed to the following:

Marina W. Chu  
Regulatory Attorney  
Central Hudson Gas & Electric  
Corporation  
284 South Avenue  
Poughkeepsie, NY 12601  
Tel: 845-452-2000  
Email: mchu@cenhud.com

Walter Rojowsky  
Director, Energy Policy & Regulation  
Central Hudson Gas & Electric Corporation  
284 South Avenue  
Poughkeepsie, NY 12601  
Tel: 845-452-2000  
Email: wrojowsky@cenhud.com

## III. Background and Support for Filing

The Hurley Avenue Formula Rate template was agreed to as a settlement and approved by a Commission order issued on October 4, 2021, in FERC Docket No. ER20-715-001.<sup>8</sup>

Central Hudson submits this filing to revise its Hurley Avenue Formula Rate template as set forth in Section 6.12.5.2.1 of Attachment 1 to Rate Schedule 12 of the NYISO OATT to update its depreciation rates and to make additional changes as described below. Central Hudson is updating its depreciations rates to synchronize with those determine by the NYPSC and used in determining Central Hudson's retail transmission and distribution rates effective July 1, 2024. In addition, since Central Hudson implemented its Hurley Avenue Formula Rate in 2023, it has discovered several corrections and enhancements it would like to make. For example, Central Hudson determined that it needed additional worksheets to address potential changes in income tax rates in the future pursuant to Order No. 864, and to prorate accumulated deferred income taxes in accordance with U.S. Treasury regulations. Additionally, the Hurley Avenue Formula Rate has some worksheets or sections of worksheets that are not used and should be eliminated, and Central Hudson desires to add additional comments in the formula for clarity and transparency. Lastly, Central Hudson made multiple references within worksheets and to other worksheets dynamic, so the references change when making changes to referenced worksheets.

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<sup>8</sup> *Central Hudson Gas & Electric Corporation*, 177 FERC ¶ 61,007 (2021).

#### **IV. Depreciation Rate Changes**

Central Hudson's electric rates contain both distribution and transmission costs; therefore, the NYPSC determines the depreciation and amortization rates used in Central Hudson's retail delivery rates. Central Hudson's most recent depreciation study for retail ratemaking used data as of June 2022 and was submitted by Central Hudson in NYPSC Case 23-E-0418. Central Hudson provides various documents from that case in Attachment A to this transmittal letter. In Attachment A1, Central Hudson provides the June 2022 Depreciation Study. Attachment A2 is the Recommended Decision in NYPSC Case 23-E-0418, which discusses various parameters of the recommended depreciation rates, but does not contain the resulting calculated rates. Attachment A3 is Central Hudson's Brief on Exceptions dated May 21, 2024. Appendix 5, Schedule D of this Brief on Exceptions contains the depreciation rates supported by the Recommended Decision to become effective July 1, 2024. Attachment A4 is the July 18, 2024, NYPSC Order in that proceeding, which notes on Page 28 that no party took exception to the depreciation parameters proposed in the Recommended Decisions and ultimately approves the recommended depreciation rates, though it does not contain a schedule of the final depreciation rates used in the revenue requirement determination. In Central Hudson's subsequent rate case (Case 24-E-0461), Central Hudson did not request changes to depreciation rates. There is a Joint Proposal dated May 13, 2025, pending before the Commission in Case 24-E-0461, which is provided in Attachment A5. Central Hudson provides this document since it contains "Appendix K," which includes a schedule of depreciation and amortization rates effective July 1, 2024, which were approved by the NYPSC in Case 23-E-0418 and are proposed to remain in effect prospectively throughout the term of the Joint Proposal in Case 24-E-0461.

#### **V. Other Hurley Avenue Formula Rate Changes**

A complete, detailed list of each change made to the Central Hudson's formula rate template for Rate Schedule 12 and the reason for each such change is provided in Attachment E.

The purpose of this filing is solely to make the changes specified above to revise the formula rate template as set forth in Section 6.12.5.2.1 of Attachment 1 to Rate Schedule 12 of the NYISO OATT. Clean and redlined versions of the proposed changes are attached as Attachments B and C, respectively.

#### **VI. Compliance with Commission Requirements**

##### **a. List of Documents Submitted**

Applicant submits herewith:

1. This transmittal letter;

2. Attachment A:  
A1: June 2022 Depreciation Study - NYPSC Case 23-E-0418;  
A2: Recommended Decision - NYPSC Case 23-E-0418;  
A3: Central Hudson Brief on Exceptions - NYPSC Case 23-E-0418;  
A4: Order Establishing Rates for Electric and Gas Service - NYPSC Case 23-E-0418;  
A5: Joint Proposal and Appendices - NYPSC Case 24-E-0461;
3. Attachment B: Clean version of the proposed revisions to the NYISO OATT;
3. Attachment C: Redlined version of proposed revisions to the NYISO OATT;
4. Attachment D: A clean version of the revised unpopulated Rate Schedule 12 formula rate template in excel format; and,
5. Attachment E: List of changes to Central Hudson's Rate Schedule 12 formula rate template.

**b. Proposed Effective Date and Request for Waiver**

Central Hudson respectfully requests Commission approval of these modifications. Moreover, Central Hudson requests that the revised depreciation rates contained in the revised Hurley Avenue Formula Rate be effective July 1, 2024, to coincide with the effective date of these same depreciation rates used in determining Central Hudson's retail transmission and distribution rates by the NYPSC and by Central Hudson for accounting purposes. Finally, Central Hudson requests the revised Hurley Avenue Formula Rate (other than the revised depreciation rates) be effective June 1, 2025, so that this revised Hurley Avenue Formula Rate can be used to determine the actual ATRR and the Annual True-up Adjustment for the rate year June 2025 to May 2026. To the extent necessary, good cause exists to waive the prior notice requirements to permit these effective dates.<sup>9</sup> For depreciation rates, a July 1, 2024, effective date is consistent with the Formula Rate, which provides that the rates for transmission service shall reflect actual costs, including the depreciation expenses resulting from the depreciation rates recently adopted by Central Hudson for accounting purposes. As noted, the Updated Depreciation Rates became effective for accounting purposes on July 1, 2024, and these updated rates will be reflected in Central Hudson's actual depreciation expenses, including the depreciation expenses set out in Central Hudson's 2024 FERC Form No. 1, together with Central Hudson's other costs and expenses. If the depreciation rates and related expense applicable to the Formula Rate do not correspond to the depreciation rates and related expense Central Hudson uses for accounting purposes, then Central Hudson's

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<sup>9</sup> 18 C.F.R. § 35.11.



Formula Rate will not reflect its actual costs, thereby undermining the purpose and design of the Formula Rate.<sup>10</sup> For the non-depreciation rate changes, Central Hudson requests an effective date of June 1, 2025, so that the revised Hurley Avenue Formula Rate can be used to determine the actual ATRR and the Annual True-up Adjustment for the rate year June 2025 to May 2026, avoiding the complications resulting from Central Hudson needing to use two different formula rates for that Rate Year.

### **c. Section 205 Compliance Requirements**

#### **i. Names and Addresses of Persons to Whom a Copy of this Filing has Been Provided**

Central Hudson has served a copy of this filing on the NYPSC as well as all entities that have been “Interested Parties” in prior Hurley Avenue Formula Rate annual stakeholder process under the protocols set forth in Section 6.12.5.2.2 of Attachment 1 to Rate Schedule 12 of the NYISO OATT. Central Hudson has confirmed with the NYISO that a complete copy of this filing will be posted on the NYISO’s website at [www.nyiso.com](http://www.nyiso.com). Central Hudson has also been informed that the NYISO will send an electronic link to this filing to the official representative of each of its customers and to each participant on its stakeholder committees. Also, a copy of this filing will be available on the Commission’s eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission’s regulations and Order No. 714.

#### **ii. Description of the Filing**

A description of the filing is set forth above.

#### **iii. Statement of the Reasons for Submission**

This transmittal letter explains the reasons for the filing.

#### **iv. Requisite Agreement**

No additional agreement is required by contract for the filing of proposed changes.

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<sup>10</sup> To the extent necessary, waiver of the prior notice requirement to allow Central Hudson to align the effective date of its depreciation rates for accounting and rate purposes is also consistent with prior the Commission decisions. See Okla. Gas & Electric Co., Docket No. ER23-597-000 (issued Feb. 28, 2023) (letter order) (accepting depreciation rates to be effective on February 11, 2023); Okla. Gas & Elec. Co., Docket No. ER17-2288-000 (issued Sept. 26, 2017) (letter order) (accepting depreciation rates to be effective on June 1, 2017); and Okla. Gas & Elec. Co., Docket No. ER17-1467-000 (issued June 2, 2017) (letter order) (accepting depreciation rates to be effective on July 1, 2016).

**v. Illegal, Duplicative, or Unnecessary Costs**

There are no costs included in this filing that have been alleged or adjudged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs, nor has any expense or cost been demonstrated to be the product of discriminatory or employment practices, within the meaning of Section 35.13(d)(3) of the Commission's regulations.

**vi. Cost of Service Information and Request for Waivers**

Central Hudson believes that it has provided sufficient information for the Commission to determine the reasonableness of the proposed changes. To the extent that this filing requires waivers of Section 35.13 of the Commission's regulations, Applicant respectfully requests such waivers, including waivers of Section 35.13(c), (d), (e), and (h) of the Commission's regulations, 18 C.F.R. §§ 35.13(c), (d), (e), and (h).

**VII. Conclusion**

For all the reasons set forth herein, Central Hudson Gas & Electric Corporation respectfully requests that the Commission accept for filing its revised Rate Schedule 12 formula rate template, effective June 1, 2025, with the revised depreciation rates effective July 1, 2024.

Please contact the undersigned should you have any questions.

Respectfully submitted,

/s/ Marina W. Chu

Marina W. Chu  
Regulatory Attorney  
Central Hudson Gas & Electric Corporation  
284 South Avenue  
Poughkeepsie, NY 12601  
Tel: 845-452-2000  
Email: mchu@cenhud.com  
*Counsel for Central Hudson Gas & Electric Corporation*