

**ATTACHMENT E**  
**EXHIBIT NOS. NMPC-100-105**

**PREPARED DIRECT TESTIMONY AND EXHIBITS**  
**OF TIFFANY M. ESCALONA**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Niagara Mohawk Power Corporation            )  
d/b/a National Grid                                )**       **Docket No.   ER26-\_\_\_\_-000**

**PREPARED DIRECT TESTIMONY AND EXHIBITS  
OF TIFFANY M. ESCALONA  
ON BEHALF OF NIAGARA MOHAWK POWER CORPORATION  
D/B/A NATIONAL GRID**

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q1. Please state your name and business address.**

3 A. My name is Tiffany Escalona. My business address is National Grid, 2 Hanson  
4 Place, Brooklyn, NY 11217.

5 **Q2. By whom are you employed and in what capacity?**

6 A. I am employed by National Grid USA Service Company as Director of FERC  
7 Revenue Requirements. National Grid USA Service Company provides  
8 administrative, accounting, finance, IT, engineering, regulatory, and legal services  
9 for the National Grid operating companies (collectively, the “Company”), one of  
10 which is Niagara Mohawk Power Corporation d/b/a National Grid (“NMPC”).  
11 In my current position, I support National Grid’s Federal Energy Regulatory  
12 Commission (“FERC”) regulated companies on rate matters, including those  
13 relating to NMPC rates.

14 **Q3. Please summarize your education and professional background**

15 A. I graduated from St. Francis College with a Bachelor of Science degree in  
16 Accounting and Business Management and from Baruch College in New York,  
17 New York with a Master of Business Administration in Finance. I have been with  
18 National Grid USA for twenty years in various positions in the Accounting and  
19 Regulatory functions.

20 **Q4. Have you submitted testimony in any prior rate proceedings?**

21 A. Yes, I have submitted pre-filed testimony in Dockets 4485, 4599, and 4691 before  
22 the Rhode Island Public Utilities Commission and in Dockets 14-02, 16-13, and  
23 17-11 before the Massachusetts Department of Public Utilities. My testimony in

1 those dockets addressed the Company's estimated annual calendar year  
2 transmission expenses, including administrative expenses charged to the  
3 Company by ISO New England Inc. ("ISO-NE"). In FERC Docket No. ER19-  
4 132-000, I provided testimony on behalf of NMPC to update the depreciation  
5 rates in NMPC's wholesale Transmission Service Charge ("TSC") formula rate  
6 under the New York Independent System Operator's ("NYISO") Open Access  
7 Transmission Tariff ("OATT"). In FERC Docket Nos. ER23-973-001 and ER23-  
8 974-001, I provided testimony on NMPC's behalf to revise the NYISO OATT to  
9 establish a new rate schedule and to amend NMPC's TSC formula rate.

10 I also testified on behalf of New England Power Company d/b/a National  
11 Grid ("NEP") in FERC Docket Nos. ER22-246-000 and ER22-248-000 to update  
12 the depreciation rates stated in NEP's wholesale Regional Network Service  
13 ("RNS") and Local Network Service ("LNS") rate formulas under the ISO-NE  
14 OATT and NEP's Generation in Support of Transmission ("GISOT") rate formula  
15 under a Local Service Agreement among NEP, Massachusetts Electric Company,  
16 and Nantucket Electric Company. Lastly, I provided direct testimony in National  
17 Grid LNG LLC general rate case filings pursuant to Section 4 of the Natural Gas  
18 Act and Part 154 of the Commission's regulations in FERC Dockets No. RP21-  
19 100-000 and RP25-473-000.

1    **II.    PURPOSE OF TESTIMONY**

2    **Q5.    What is the purpose of your testimony?**

3    A.    The purpose of my testimony is to support the updates to the depreciation rates in  
4           NMPC's TSC formula rate under the NYISO OATT proposed in this filing and to  
5           explain the proposed revisions to NMPC's TSC formula rate and template to  
6           comply with the Commission's Order No. 898.

7                   NMPC respectfully requests that the Commission accept the revisions to  
8           its TSC formula rate and template proposed in this filing to be effective as of May  
9           1, 2025. Granting the requested effective date will allow the effective date of  
10          NMPC's transmission depreciation rates to be aligned with the effective date of  
11          NMPC's most recently approved retail rates and allow the changes proposed in  
12          this filing to be reflected in NMPC's revenue requirement for Calendar Year  
13          2025, which will be used as the basis for determining the TSC formula rate that  
14          will become effective as of July 1, 2026. As I explain below, these depreciation  
15          rates will be reflected in transmission rates paid by NMPC's wholesale  
16          transmission customers prospectively, as part of an annual update to become  
17          effective July 1, 2026.

18   **Q6.    Please provide a summary of the changes to NMPC's TSC formula rate and**  
19   **template proposed in this proceeding.**

20   A.    NMPC is proposing to update the depreciation rates in its TSC formula rate to  
21          reflect new depreciation rates approved by the New York State Public Service  
22          Commission ("NYPSC") as part of NMPC's most recent retail rate case and  
23          promote alignment with actual costs. Specifically, the depreciation rates proposed

1 in this filing are the same as the depreciation rates approved for the corresponding  
 2 accounts by the NYPS&C in Case Number 24-E-0322 on August 14, 2025, with an  
 3 effective date of May 1, 2025, except for the updated rate proposed for Account  
 4 302, which was not addressed as part of that proceeding. As noted above, NMPC  
 5 is also proposing updates to its TSC formula rate and template to comply with  
 6 requirements in the Commission's Order No. 898 and to ensure that these  
 7 requirements are implemented in a timely manner.

8 **Q7. Are you sponsoring any exhibits as part of this proceeding?**

9 A. Yes. The table below lists the exhibits I am sponsoring in this proceeding.

Exhibit	Exhibit Description
Exhibit NMPC-101	Testimony and Depreciation Rate Study from Depreciation Consultant Ned W. Allis, Sponsored by Niagara Mohawk
Exhibit NMPC-102	Testimony and Depreciation Rate Study Prepared by the New York State Department of Public Service Staff Depreciation Panel
Exhibit NMPC-103 (provided as NMPC-103a and -103b)	NYPS&C August 14, 2025 Order in Case Number 24-E-0322 and Joint Proposal Setting Forth the Approved Depreciation and Amortization Rates
Exhibit NMPC-104	Estimated Cost of Service Impacts for Niagara Mohawk – Comparison of Revenue Requirements and Rates, Based on Current and Proposed Depreciation Rates
Exhibit NMPC-105	Adjusted 2025 TSC Annual Update - Estimated Cost of Service Impacts for Niagara Mohawk with Implementation of Order No. 898

10 **III. BACKGROUND**

11 **Q8. Please describe NMPC's TSC formula rate.**

12 A. NMPC's TSC formula rate was established pursuant to a settlement agreement  
 13 accepted by the Commission in Docket No. ER08-552-000. The provisions of

1 NMPC's TSC formula rate are set forth in Section 14.1.9 to Attachment H of the  
2 NYISO OATT, and its TSC formula rate template is set forth in Section 14.2.1. In  
3 accordance with the settlement approved in Docket No. ER08-552-000, NMPC is  
4 required to annually calculate updated values for the Revenue Requirements  
5 ("RR"), control center costs ("CCC"), and billing units ("BU") components of its  
6 TSC formula rate using updated data inputs ("TSC Annual Update").

7 **Q9. Does NMPC have any project-specific charges that will be impacted by the**  
8 **TSC formula rate updates proposed in this filing?**

9 A. Yes, the Company uses Rate Schedule 17 and Rate Schedule 20 to the NYISO  
10 OATT, approved by the Commission in Docket Nos. ER17-1629 and ER23-1271,  
11 respectively, to calculate the Western New York Facilities Charge ("WNY-FC")  
12 and Niagara Mohawk Segment A Facilities Charge ("NMSA-FC"). These project-  
13 specific charges are separately stated in the TSC Annual Update. Although Rate  
14 Schedules 17 and 20 do not include separately stated depreciation rates, the  
15 calculation of these project-specific charges is impacted by changes to the inputs  
16 to the RR component of the TSC formula rate, including deprecation rate changes.

17 The Company's project-specific Smart Path Connect Facilities charge  
18 ("SPC-FC") under Rate Schedule 18 to the NYISO OATT is not currently  
19 affected by the proposed changes, as the Smart Path Connect project is not yet in  
20 service. Once the project enters service, the SPC-FC will be subject to the then-  
21 effective approved depreciation rates.

1 **IV. PROPOSED AMENDMENTS TO NMPC'S TSC FORMULA RATE AND**  
2 **TEMPLATE**

3 **Q10. Please describe the proposed revisions to NMPC's TSC formula rate and**  
4 **template under Attachment H to the NYISO OATT.**

5 A. On August 14, 2025, the NYPSC issued an order in Case Number 24-E-0322  
6 accepting a settlement in that case (the "Joint Proposal") establishing new rates  
7 for NMPC's electric retail customers effective May 1, 2025. The approved rates  
8 include changes to NMPC's retail depreciation rates. The NYPSC's order,  
9 including approved rate plans, as well as the Joint Proposal, is provided as Exhibit  
10 NMPC-103. Separately, on June 29, 2023, the Commission, in Order No. 898,  
11 revised its electric Uniform System of Accounts to address Accounting and  
12 Reporting Treatment of Certain Renewable Energy Assets.

13 NMPC's proposed revisions reflect both orders and are primarily intended  
14 to (1) align the depreciation rates set forth and utilized in NMPC's TSC formula  
15 rate under Attachment H to the NYISO OATT with those approved in its most  
16 recent NYPSC retail rate case; and (2) update its TSC formula rate and template  
17 to implement the new accounts and classifications established by the Commission  
18 in Order No. 898. Additionally, Niagara Mohawk is proposing to decrease the  
19 composite depreciation rate applicable to Account 302, which—as shown in in  
20 Exhibit NMPC-104, Worksheet 10—is calculated as a weighted average  
21 reflecting the useful life of the current project assets determined based on the  
22 terms of contracts specific to each project.

1 **Q11. Why are these updates being proposed at this time?**

2 A. According to Section 14.1.9.4 of Attachment H, NMPC recalculates its RR, CCC,  
3 and BU components as part of its TSC Annual Update to become effective as of  
4 July 1 of each year. With the exception of forecasted information, the cost data  
5 used in the TSC Annual Update is the cost data from NMPC's Annual FERC  
6 Form 1 or NMPC's official Books of Record from the prior calendar year. The  
7 depreciation rate changes approved by the NYPSC to become effective as of May  
8 1, 2025, will be reflected in NMPC's 2025 FERC Form 1. Granting the May 1,  
9 2025 effective date requested for the changes proposed in this filing will allow the  
10 updated depreciation rates to be reflected in NMPC's 2026 TSC Annual Update  
11 and utilized to calculate the TSC formula rate that will become effective as of July  
12 1, 2026.

13 **Q12. Please describe the nature of the updates to depreciation rates.**

14 A. In this proceeding, NMPC is proposing to modify its depreciation rates listed in  
15 Section 14.1.9.1.14 of Attachment H to the NYISO OATT to match  
16 corresponding rates approved by the NYPSC. These approved rates are the result  
17 of a settlement process with the NYPSC and were informed by the depreciation  
18 rate study conducted by NMPC's consultant Ned W. Allis, as detailed in Exhibit  
19 NMPC-101, as well as the depreciation rate testimony and rate study prepared by  
20 the NYPSC and provided as Exhibit NMPC-102.

21 As part of the New York State Department of Public Service's ("DPS")  
22 retail rate review process, a DPS Staff Depreciation Panel ("SDP") reviewed the  
23 depreciation rate study submitted by NMPC in Case Number 24-E-0322 and then

1 conducted an independent study and provided their recommended depreciation  
2 rates, including their recommendation for average service lives, survivor curves,  
3 net salvage, and reserve deficiencies factors. Detailed comparisons of the NMPC  
4 study and the SDP study can be found beginning on page 263 of the testimony  
5 and depreciation rate study prepared by the SDP, which are provided as Exhibit  
6 NMPC-102. NMPC generally accepted the SDP's recommended depreciation  
7 rates. However, some of the final rates reflect the SDP's acceptance of the  
8 Company's proposed rate or a compromise rate bridging the gap between the two.  
9 These final rates were incorporated into the Joint Proposal, which was approved  
10 by the NYPSC in its August 14, 2025 order.

11 **Q13. Why is it important to adopt updated depreciation rates for NMPC that are**  
12 **identical to those approved by the NYPSC?**

13 A. The goal of depreciation accounting is to charge to operations a reasonable  
14 estimate of the cost of the service potential of an asset or group of assets  
15 consumed during an accounting interval. Appropriate recovery of investor-  
16 supplied capital is dependent upon appropriate levels of depreciation expense.  
17 The NYPSC has determined that the proposed depreciation rates are appropriate.  
18 However, NMPC recognizes that the Commission's approval is needed to ensure  
19 NMPC's depreciation rates approved by the NYPSC can be uniformly and  
20 consistently applied across the entire Company, including in the transmission  
21 rates subject to the Commission's jurisdiction. Consistently applied depreciation  
22 rates are administratively efficient for the Company and its customers and result  
23 in consistent reporting and cost recovery from all rate payers.

1 **Q14. When are these depreciation rate updates proposed to become effective?**

2 A. The depreciation rate changes are proposed to become effective as of May 1,  
3 2025, consistent with the effective date established by the NYPSC in its August  
4 14, 2025 order. These depreciation rate changes to NMPC's calendar year 2025  
5 revenue requirement will be reflected in NMPC's 2026 TSC Annual Update that  
6 will become effective for TSC rates as of July 1, 2026.

7 **Q15. What parts of Attachment H to the NYISO OATT is NMPC proposing to**  
8 **amend to reflect these depreciation rate updates?**

9 A. NMPC is proposing to change the depreciation rates in Section 14.1.9.1.14 of  
10 Attachment H to align with the revisions to its retail electric rates approved by the  
11 NYPSC in Case Number 24-E-0322.

12 **Q16. Please describe the Commission's Order No. 898.**

13 A. On June 29, 2023, the Commission issued Order No. 898 to address Accounting  
14 and Reporting Treatment of Certain Renewable Energy Assets, to be effective  
15 January 1, 2025. Order No. 898 revised the Commission's electric Uniform  
16 System of Accounts to: create new accounts for wind, solar, and other renewable  
17 generating assets; create a new functional class for energy storage accounts;  
18 codify the accounting treatment of environmental credits; create new accounts  
19 within existing functions for computer hardware, software, and communication  
20 equipment, and amend the relevant FERC forms to accommodate these changes.

1 **Q17. What parts of Attachment H to the NYISO OATT is NMPC proposing to**  
2 **amend to reflect the Order No. 898 implementation?**

3 A. NMPC is proposing to amend its TSC formula rate and template—sections  
4 14.1.9 and 14.2.1, respectively, of Attachment H to NYISO OATT—to  
5 implement the new accounts and classifications implemented by the Commission  
6 in Order No. 898. Specifically, NMPC is proposing to list the relevant new  
7 accounts in its TSC formula rate and to revise Schedule 5, Line 15 of its TSC  
8 formula rate template to exclude additional Asset Retirement Costs (“ARC”)  
9 associated with Wind, Solar, and Other Non-Hydro Renewable Production  
10 assets, as well as ARC balances for the new functional class related to energy  
11 storage assets established in compliance with Order No. 898.

12 **Q18. Are there are any differences between the accounts NMPC is proposing to**  
13 **establish in compliance with Order No. 898 and the accounts reflected in the**  
14 **depreciation rates approved by the NYPSC?**

15 A. Yes; certain accounts established to comply with Order No. 898 were not yet  
16 established at the time of NMPC’s retail rate case (Case Number 24-E-0322) and  
17 were therefore not included in the rate case or NMPC’s associated depreciation  
18 rate study. The depreciation rate study was conducted as of December 2022, while  
19 Order No. 898 was a subsequent event, with an effective date of January 1, 2025.

20 As part of its Order No. 898 compliance initiatives, NMPC created new  
21 accounts to reflect the new function and subfunction assets established pursuant to  
22 the Order. Because Order No. 898 was issued after the initiation of the retail rate

1 case, these new accounts were not included in either the retail rate case or the  
2 depreciation rate study.

3 To ensure consistency with the broader depreciation rate updates proposed  
4 in this filing, NMPC is proposing to establish depreciation rates for the newly  
5 created Order No. 898 accounts that align with the NYPSC-approved rates for the  
6 prior accounts where relevant assets would have been recorded. Specifically,  
7 NMPC is proposing to establish a 6.67% depreciation rate for new Accounts  
8 351.1 (Computer hardware) and 351.3 (Communication equipment) to align with  
9 the updated depreciation rates applicable to accounts for comparable equipment  
10 approved by the NYPSC in its August 14, 2025 order.

11 **V. RATE IMPACT**

12 **Q19. Does NMPC anticipate any rate impact as a result of the changes proposed**  
13 **in this filing?**

14 A. Yes. The Company's Order No. 898 implementation, considered alone, results in  
15 a base revenue requirement decrease. Taken together with the proposed  
16 depreciation rate updates corresponding to depreciation rates approved by the  
17 NYPSC, the changes proposed in this filing result in a modest overall estimated  
18 annual increase to TSC customers.

19 **Q20. Please describe the rate impact as a result of the Company's Order No. 898**  
20 **implementation.**

21 A. A key objective of Order No. 898 is to amend the Uniform System of Accounts to  
22 establish certain new accounts related to renewable production assets and create a  
23 new functional class for energy storage. As of December 31, 2024, the Company

1 did not have any plant in service related to these production assets or  
2 transmission-related energy storage assets. The current TSC formula rate also  
3 excludes depreciation expenses associated with these production assets and  
4 electric distribution related energy storage. Additionally, the associated ARC  
5 balances are excluded from Niagara Mohawk's electric total plant balance. As a  
6 result, these changes have no rate impact on Niagara Mohawk's TSC, WNY-FC  
7 or NMSA-FC rates.

8           However, the proposed implementation of Order No. 898 would also  
9 require NMPC to reclass existing balances to new functional accounts. As the  
10 affected accounts are subject to different allocation factors in the TSC formula  
11 rate, these reclasses result in an estimated rate decrease of \$0.0265/MWh. These  
12 reclasses are shown in Exhibit NMPC-105, Worksheet 4. The resulting changes to  
13 NMPC's Transmission Investment Base precipitate a base revenue requirement  
14 decrease of \$929,073, or \$72,294, based on the BUs from TSC customers, as  
15 shown on Exhibit NMPC-105, Worksheet 1, column C, lines 47 and 57,  
16 respectively.

17 **Q21. Please explain the depreciation expense changes expected as a result of the**  
18 **updated depreciation rates.**

19 A. Exhibit NMPC-104, Worksheet 5 details the changes in depreciation expense  
20 expected to result from the proposed depreciation rate changes, by FERC account,  
21 for the twelve months of depreciation expense reported in NMPC's 2024 FERC  
22 Form 1. This worksheet also shows the depreciation rates in effect for calendar  
23 year 2024, and the proposed depreciation rates approved by the NYPSC to

1 become effective as of May 1, 2025. Column E labeled “Estimated Depreciation  
2 Expense based on Proposed Rates” on this worksheet calculates depreciation  
3 expense for calendar year 2025 under NMPC’s proposed depreciation rates. Line  
4 14 demonstrates that the proposed depreciation rate change results in an increase  
5 to NMPC’s total Transmission Depreciation Expense of \$9,104,227. The change  
6 in depreciation rates also impacts the calculation of depreciation reserves,  
7 deferred taxes, return on investment, revenue credit from the WNY-FC and  
8 NMSA-FC, and the forecasted revenue requirement in the revenue requirement  
9 calculation.

10 In total, the depreciation rate changes result in an increase of \$9,162,614  
11 to NMPC’s RR calculation, as reflected on line 47, column E of Worksheet 1 in  
12 Exhibit NMPC-104. Approximately 8% of NMPC’s transmission revenue  
13 requirements are paid by TSC customers. As a result, the increase to TSC  
14 customers would be 8% of the total depreciation rate change increase, or  
15 \$712,968. The depreciation rate changes will also result in an increase of \$35,080  
16 for the WNY-FC revenue rate and an increase of \$2,116 for the NMSA-FC  
17 revenue rate. The detailed calculations for the WNY-FC and NMSA-FC revenue  
18 rates impacts are outlined in Exhibit NMPC-104, Worksheet 8, Lines 9 and 41,  
19 respectively.

20 **Q22. Please provide additional detail regarding the customer rate impact of**  
21 **implementing the changes to the TSC formula rate proposed in this filing.**

22 A. As shown in Exhibit NMPC-104, Worksheet 1, Line 57, Column G, a comparison  
23 of the TSC rate filed on June 13, 2025, and adjusted TSC rate with

1 implementation of Order No. 898 and the proposed depreciation rates, using  
2 calendar year 2024 actual data, yields a total revenue increase of \$640,675 on an  
3 annual basis. The estimated increase in the TSC rate of \$0.235 per MWh is  
4 calculated in Exhibit NMPC-104, Worksheet 1, Line 53, Column G. This increase  
5 is a result of the \$8,233,541 increase in NMPC's total RR, divided by Total BUs  
6 of 35,054,563 MWh. The BUs from TSC customers, totaling 2,727,693 MWh,  
7 multiplied by the projected increase in the TSC rate of \$0.235/MWh, yields a  
8 total increase of \$640,675. This \$640,675 in incremental TSC revenue from  
9 wholesale customers constitutes 0.105% of Niagara Mohawk's adjusted total  
10 transmission revenue requirement, or 0.107% in comparison to the total  
11 transmission revenue requirement filed on June 13, 2025.

12 **VI. CONCLUSION**

13 **Q23. Does this conclude your testimony?**

14 A Yes, it does.

**UNITED STATES OF AMERICA  
BEFORE THE  
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**Niagara Mohawk Power Corporation            )**       **Docket No.    ER26-\_\_\_\_-000**  
**d/b/a National Grid                            )**

**DECLARATION OF TIFFANY M. ESCALONA**

I depose and state under penalty of perjury that the foregoing testimony was prepared or assembled by me or under my direction; that I have read the questions and answers labeled as my testimony; that if asked the same questions my answers in response would be as shown; and that the facts contained in my answers are true to the best of my knowledge, information, and belief.

Executed on October 27, 2025.

*/s/ Tiffany M. Escalona*  
Tiffany M. Escalona