

**EVAN C. REESE III**  
Attorney at Law

555 11th Street NW  
Washington, DC 20004-1300  
T: (202) 218-3917 F: (202) 513-8952  
ereese@daypitney.com

December 29, 2025

**SUBMITTED VIA eTARIFF FILING**

The Honorable Debbie-Anne Reese  
Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *New York Transco LLC***  
**Depreciation Study and Proposed Revisions to Depreciation Rates for New**  
**York Transco LLC**  
**Docket No. ER26-\_\_\_\_-000**

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Part 35 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) regulations,<sup>2</sup> New York Transco LLC (“Transco” or the “Company”) submits for filing this request for approval to revise its depreciation rates included in Attachment 9 of its Formula Rate included in Attachment DD, Section 36.3.1.1 of the New York Independent System Operator, Inc. (“NYISO”) Open Access Transmission Tariff (“OATT” or “Tariff”) (“Formula Rate”).<sup>3</sup> Transco submits this request and the supporting testimony and depreciation study pursuant to the commitment it made to perform an updated depreciation study and submit any modifications to depreciation rates by January 1, 2026, in Docket No. ER15-572-000.

---

<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Part 35 (2025).

<sup>3</sup> NYISO submits this filing in its role as Tariff Administrator. The burden of demonstrating that the proposed Tariff amendments are just and reasonable rests with Transco, the sponsoring party. NYISO takes no position on any substantive aspect of this filing at this time and reserves its right to subsequently file comments relating to this filing. Capitalized terms not defined herein shall have the meaning set forth in the NYISO OATT.

December 29, 2025

Page 2

Transco requests that the proposed changes to the NYISO OATT and approval of the requested depreciation rates become effective June 1, 2026.

## **I. BACKGROUND**

### **A. Description of Transco**

Transco is a New York limited liability company that develops high voltage bulk transmission facilities and maintains those projects under the functional and operational control of the NYISO.<sup>4</sup> Transco's corporate objective is to plan, develop and own new high-voltage electric transmission projects designed to reduce energy prices for consumers, facilitate the integration of renewable generation resources into the grid, and provide long-term grid reliability and resiliency. Transco is a transmission-owning member of NYISO and recovers its revenue requirements in accordance with the formula rate included in Attachment DD and the Transco Facilities Charge under Rate Schedule 13 of the NYISO OATT.

### **B. Description of Transco Formula Rate**

Transco's formula rate template and formula rate implementation protocols were first established in Docket No. ER15-572-000 ("Formula Rate Filing"), as a result of two settlement agreements accepted by the Commission. These settlements addressed Transco's investment in the Transmission Owner Transmission Solution ("TOTS") portfolio of projects and the potential development of the proposed solutions to relieve historic congestion on the transmission lines near Albany known as the "Central East" and the "Upstate New York – Southeastern New York" constraints that were identified in the long-standing New York State Public Service Commission regulatory process (the "AC Transmission Projects").

In the first settlement, achieved in 2016 concerning the TOTS Projects, the parties established among other things, the general formula rate that would apply for Transco's investment in all electric transmission facilities.<sup>5</sup>

The second settlement in Docket No. ER15-572-000, *et al.*, concerned the AC Transmission Projects and would apply in the event Transco was awarded one or more aspects of the AC Transmission Projects consistent with the NYISO's Public Policy Transmission Planning Process ("PPTPP") and a competitive solicitation NYISO administered in accordance with the

---

<sup>4</sup> Transco is owned by the following affiliates of the "New York Transmission Owners": Consolidated Edison Transmission, LLC, Grid NY LLC; Avangrid Networks New York TransCo, LLC; and Central Hudson Electric Transmission LLC.

<sup>5</sup> See *Certification of Uncontested Settlement*, 154 FERC ¶ 63,007 (2016).

December 29, 2025

Page 3

PPTPP.<sup>6</sup> Transco was ultimately awarded the Segment B and Segment B Additions components of the AC Transmission Projects.

At the time of these settlements, Transco was newly formed and without assets. Accordingly, it calculated depreciation rates using an average of the FERC-approved depreciation rates for the New York Transmission Owner affiliates of Transco. In the AC Transmission Project settlement, Transco committed to submit a new depreciation study within five years of the in-service date of the first project to be placed in service. This was addressed in Section 3.2(h) of the settlement:

The depreciation rates applicable to all classifications of capital assets associated with the AC Transmission Projects are set forth in Attachment A to this Settlement. By January 1, 2026, NY Transco shall submit to FERC a limited Section 205 filing to implement any modification to depreciation rates as a result of a depreciation study.<sup>7</sup>

On January 9, 2025, Transco filed revisions to its Formula Rate in Docket No. ER25-885-000. Transco filed an uncontested Offer of Settlement in that docket on October 2, 2025 (“2025 Settlement”). The 2025 Settlement was certified to the Commission on November 4, 2025, and approved by the Commission on December 22, 2025.<sup>8</sup> The settlement in that docket does not impact Transco’s commitment to submit the instant filing in accordance with the 2017 Settlement.

Accordingly, Transco hereby submits its request to revise its depreciation rates consistent with the 2024 Depreciation Study and the testimony provided herein.

## **II. THE PROPOSED REVISIONS TO THE DEPRECIATION RATES ARE JUST AND REASONABLE.**

### **A. Proposed Depreciation Rate Updates**

Transco requests approval to revise Attachment 9 of its Formula Rate to update the average service life estimates, depreciation rates, and accruals for each depreciable plant account

---

<sup>6</sup> See *Certification of Uncontested Settlement*, 160 FERC ¶ 63,021 (2017). Transco was awarded development rights to the Segment B and Segment B Additions components of the AC Transmission Projects through a NYISO competitive solicitation.

<sup>7</sup> *Id.*

<sup>8</sup> See *Order Approving Settlement*, 193 FERC ¶ 61,230 (2025) (delegated letter order).

December 29, 2025

Page 4

based on the 2024 Depreciation Study and as further described in the Testimony of Ned W. Allis (Attachment C).

In preparing the Depreciation Study, Mr. Allis relied on the straight line method and the remaining life technique, which allocate the unrecovered costs of fixed capital assets over the estimated remaining useful life of each asset or group of assets.<sup>9</sup> For the service life and negative salvage estimates, Mr. Allis reviewed Transco's plant operation, and retirement practices; performed site visits to Transco facilities; reviewed Transco's general practices and forward looking plans; considered current practices in the electric industry; and, considered comparative data and estimates used for survivor curve estimates of similar utilities and New York companies.<sup>10</sup> As Mr. Allis notes, Transco's historical data is limited because it began owning and operating transmission assets in 2016.<sup>11</sup>

In addition to the changes to the depreciation rates included in Transco's existing Attachment 9 to its Formula Rate, Transco proposes to modify Note 1 of Attachment 9 to include Account No. 358 – Underground Conductor and Devices for calculating the weighted average depreciation rate that will be used to amortize Transco's Intangible Transmission Plant. Note 1 currently provides that, if a Contribution in Aid of Construction ("CIAC") is made for a transmission facility, the depreciation rates for Account Nos. 350, 352 through 357 will be weighted based on the relative amount of underlying plant booked to each of those accounts and that weighted average depreciation rate will apply to amortize the CIAC. Account No. 358 was not previously included in Note 1 because Transco, at the time, did not have any underground assets.<sup>12</sup> Transco now seeks to include Account No. 358 as part of the Propel New York Energy Alternate Solution 5 Project, which will include underground conductors and devices.

As demonstrated in Mr. Allis's testimony, the results of the Depreciation Study support an increase in Transco's depreciation expense of approximately \$1,442,122 as of December 31, 2024, reflecting the continued growth in Transco's plant investment.<sup>13</sup> The proposed depreciation rates do not constitute a significant departure from Transco's existing rates, and are accordingly, just and reasonable.<sup>14</sup>

---

<sup>9</sup> See Attachment C, Direct Testimony of Ned W. Allis at 5 ("Allis Testimony"); see also Exhibit No. TRANSCO-103, 2024 Depreciation Study at ii, I-2, I-3 ("Depreciation Study").

<sup>10</sup> Allis Testimony at 6-7; see also Depreciation Study at IV-2-IV-3.

<sup>11</sup> *Id.* at 6.

<sup>12</sup> See Attachment A at 45-47; Attachment B at 45-46.

<sup>13</sup> Allis Testimony at 12.

<sup>14</sup> *Id.*

December 29, 2025

Page 5

### III. CONTENTS OF FILING

In addition to this filing letter, which provides support for the approval requested herein, this filing contains the following components:

- Attachment A: Redline revisions to Attachment 9 of Transco's Formula Rate included in Attachment DD (Section 36) of the NYISO OATT with proposed revisions to include the proposed depreciation rates;<sup>15</sup>
- Attachment B: Clean version of the proposed revisions to Attachment 9 of Transco's Formula Rate included in Attachment DD (Section 36) of the NYISO OATT;
- Attachment C: Direct Testimony and supporting exhibits of Ned W. Allis (Exhibit Nos. TRANSCO-100 through TRANSCO-102); and
- Attachment D: 2024 Depreciation Study (Exhibit No. TRANSCO-103).

### IV. PROPOSED EFFECTIVE DATE AND REQUESTED WAIVERS

Transco requests that the proposed changes to the NYISO OATT and approval of the requested depreciation rates become effective on June 1, 2026. To the extent necessary, Transco requests waiver to make the change in depreciation rates beyond the 120 days after filing of the change in rates<sup>16</sup> Good cause exists for the proposed depreciation rates to become effective on June 1, 2026.<sup>17</sup> First, allowing a June 1, 2026 effective date will minimize the slight increase in

---

<sup>15</sup> On October 2, 2025, Transco filed an Offer of Settlement containing revisions to its formula rate and establishing a company-wide Return on Equity on October 2, 2025. On November 4, 2025, this Settlement was certified to the Commission by the Honorable Patricia E. Hurt. The Commission approved the 2025 Settlement on December 22, 2025, and accordingly, Transco provides both redlined and clean versions of Attachment 9 of its Formula Rate and Attachment DD, Section 36.3.1.1 of the NYISO OATT as revised to reflect the 2025 Settlement rates and formula rate revisions. In accordance with the Commission's order approving the 2025 Settlement, Transco will submit a compliance filing in that docket by January 21, 2026.

<sup>16</sup> 18 C.F.R. §§ 35.3(a)(1), 35.11.

<sup>17</sup> Transco submits this filing now in accordance with the settlement in FERC Docket No. ER15-572-000 that required the filing by January 1, 2026. Transco deemed it inappropriate to seek settlement party agreement to delay the filing by two months to align the requested effective date with the 120-day maximum period.

December 29, 2025

Page 6

Transco's depreciation expense due to the short reduction in the facility useful lives. Second, it would allow Transco to shorten the true-up period during which the new rates will apply.

In addition, consistent with the Commission's precedent in formula-rate related proceedings, Transco respectfully requests waiver of any component of the Commission's filing requirements not met by this application.<sup>18</sup>

## V. OTHER REGULATORY FILINGS AND APPROVALS

Other than the administrative changes described above, Transco does not anticipate any other FERC or state approval will be necessary.

## VI. CORRESPONDENCE AND COMMUNICATIONS

The following persons are authorized to receive notices and communications with respect to this filing:

David Appelbaum  
Senior Counsel  
New York Transco LLC  
800 Westchester Avenue  
Suite 601  
Rye Brook, NY 10574  
(845) 329-0810  
[david.appelbaum@nytransco.com](mailto:david.appelbaum@nytransco.com)

Evan C. Reese, III  
Margaret Czepiel  
Dina A. Goldman  
Day Pitney LLP  
555 11<sup>th</sup> Street NW  
Washington, DC 20004  
(202) 218-3900  
[ereese@daypitney.com](mailto:ereese@daypitney.com)  
[mczepiel@daypitney.com](mailto:mczepiel@daypitney.com)  
[dgoldman@daypitney.com](mailto:dgoldman@daypitney.com)

## VII. SERVICE

Transco 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). The NYISO has also informed Transco that it 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.

---

<sup>18</sup> See *Okla. Gas & Elec. Co.*, 122 FERC ¶ 61,071, at P 41 (2008).

December 29, 2025

Page 7

### **VIII. CONCLUSION**

For the reasons set forth above, Transco respectfully requests that the Commission accept the proposed revisions to Attachment 9 of its Formula Rate and Attachment DD, Section 36.3.1.1 of the NYISO OATT and make such other determinations as requested herein.

Respectfully submitted,

/s/ Evan C. Reese, III  
Evan C. Reese, III  
Margaret Czepiel  
Dina A. Goldman  
555 11<sup>th</sup> Street NW  
Washington, D.C. 20004

*Counsel to New York Transco LLC*