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August 24, 2026

Via eTariff

Ms. Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Central Hudson Gas & Electric Corporation, New York Independent System Operator, Inc., Docket No. ER26-___-000
Transmission Formula Rate Filing

Dear Secretary Reese:

On June 26, 2025, in Docket No. ER25-2636, Central Hudson Gas & Electric Corporation ("Central Hudson") filed, pursuant to section 205 of the Federal Power Act ("FPA"),[1] 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 Attachment 1 to Rate Schedule 12 ("Filing").[2] On November 17, 2025, the Federal Energy Regulatory Commission ("the Commission" or "FERC") issued an Order Accepting Proposed Tariff Revisions, Subject to Condition, and Establishing a Show Cause Proceeding ("Order").[3] In the Order, the Commission accepted Central Hudson's filing, subject to conditions, effective as of August 26, 2025,[4] and a compliance filing.[5]

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[1] 16 U.S.C. § 824d.
[2] Docket No. ER25-2636-000, *Central Hudson Gas & Electric* Corporation, Rate Schedule 12 Filing Transmittal Letter at 1 (June 26, 2025).
[3] 193 FERC § 61,126 (2025).
[4] Ibid at 1.
[5] In the Order, the Commission also initiated a show cause proceeding pursuant to section 206 of the FPA and directed Central Hudson, within 60 days of that Order, to either: (1) show cause as to why the Hurley Avenue formula rate protocols under Rate Schedule 12 of the NYISO OATT remain just and reasonable and not unduly discriminatory or preferential; or (2) explain what changes to such formula rate protocols it believes would remedy the identified concerns if the Commission were to determine that such formula rate protocols have, in fact, become unjust and unreasonable or unduly discriminatory or preferential. On January 16, 2026, in Docket No. ER26-1068, Central Hudson filed pursuant to section 205 revisions to its Hurley Avenue formula rate protocols under Rate Schedule 12 of the NYISO OATT to address the Commission's concerns contained in the Order. The Commission issued an order on March 17, 2026 approving Central Hudson's proposed revisions to the Hurley Avenue formula rate protocols, as well as the Central Hudson's December 12, 2025 compliance filing in Docket No. ER25-2636.

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On December 12, 2025, Central Hudson made the required formula rate template compliance filing in Docket No. ER25-2636, which the Commission approved in an order issued on March 17, 2026. This present filing is to add a worksheet and make related revisions to the Hurley Avenue formula rate template (as set forth in Attachment 1 to Rate Schedule 12 of the NYISO OATT) to comply with Order No. 864, Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes,[6] and in response to the Order which rejected Central Hudson's previous proposal to address Order No. 864.[7]

Excess or Deficient Accumulated Deferred Income Tax Worksheet

As mentioned above, the Commission rejected Central Hudson's prior proposed revisions for excess or deficient accumulated deferred income taxes in the Hurley Avenue formula rate template.[8] In addition, the Commission reminded Central Hudson that it had a remaining obligation to submit an Order No. 864 compliance filing with respect to the Hurley Avenue formula rate template.[9]

As described in the December 12, 2025 compliance filing in Docket No. ER25-2636, the Hurley Avenue System Deliverability Upgrade project ("Project") entered commercial operation after the effective date of the Tax Cut and Jobs Act ("TCJA"). As a result, the accumulated deferred income taxes related to the Project were not impacted by the TCJA and thus the Order No. 864 required formula rate template worksheet has not been necessary for the Project. Notwithstanding, Central Hudson in this filing proposes to include such a worksheet in its Hurley Avenue formula rate template (as set forth in Attachment 1 to Rate Schedule 12 of the NYISO OATT) to accommodate any changes in income tax rates in the future, in accordance with the requirements of Order No. 864.

Central Hudson proposes the following revisions to its Hurley Avenue formula rate template to comply with Order No. 864:[10]

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[6] 169 FERC § 61,139 (2019).
[7] 193 FERC § 61,126 at P. 21. The NYISO submits this filing in its role as Tariff Administrator for the NYISO OATT. The burden of demonstrating that the revisions proposed in this filing are just and reasonable rests with Central Hudson, the sponsoring party. The NYISO takes no position on any substantive aspect of this filing at this time.
[8] Ibid.
[9] Ibid at P. 22.
[10] In addition to the changes needed to comply with Order No. 864, Central Hudson is correcting the summation equation on Lines 14 through 19 of Attachment 4 of the Hurley Avenue formula rate template as the sums currently incorrectly include 13 months of expense data.

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1. Add Attachment 5 to the Hurley Avenue formula rate template. This worksheet complies with Order No. 864, as more fully described below, and is the worksheet in which Central Hudson would: (1) remeasure accumulated deferred income taxes if federal or state income tax rates change in the future, (2) ensure rate base neutrality and (3) determine the amortization of the excess or deficient accumulated deferred income taxes in accordance with Internal Revenue Service requirements;

2. Add Line 22 to Appendix A of the Hurley Avenue formula rate template to include the excess or deficient accumulated deferred income taxes from new Attachment 5 in rate base, thus maintaining rate base neutrality. Line 22 links to Attachment 3 of the Hurley Avenue formula rate template which links to the appropriate cells (which change from to year) on new Attachment 5;

3. Add Lines 55 and 58 to Appendix A of the Hurley Avenue formula rate template to include the amortization of excess or deficient accumulated deferred income taxes (Line 55) and along with the current income tax impacts (Line 58). Line 55 links to the appropriate cells (which change from year to year) on new Attachment 5; and

4. Add Lines 56, 57 and 58 to Attachment 3 of the Hurley Avenue formula rate template to include the excess accumulated deferred income taxes and deficient accumulated deferred income taxes from Attachment 5 and the total for inclusion in Line 22 of Appendix A.

Attachment 5 and Compliance with Order No. 864

Central Hudson's proposed new Attachment 5, Excess/Deficient Accumulated Deferred Income Tax ("ADIT Worksheet"), to its Hurley Avenue formula rate template complies with the requirements of Order No. 864, which requires all public utilities with transmission formula rates to include the ADIT Worksheet as a permanent worksheet that will annually track information related to excess and deficient ADIT in their transmission formula rates. The Commission stated that it found that such a worksheet is necessary to provide interested parties and the Commission adequate transparency regarding how public utilities with transmission formula rates adjust their rate bases and income tax allowances to account for excess or deficient ADIT.[11] In Order No. 864, the Commission required that five categories of information be included in the ADIT Worksheet[12] (the

[11] 169 FERC 61,139 at P. 62 (2019).
[12] Ibid at P. 52.

descriptions of the five categories below contain where on Central Hudson's proposed Attachment 5 to the Hurley Avenue formula rate template such information is provided):

i. How any ADIT accounts were re-measured and the excess or deficient ADIT contained therein - see columns b, c and d of Attachment 5;

ii. The accounting for any excess or deficient amounts in Accounts 182.3 (Other Regulatory Assets) and 254 (Other Regulatory Liabilities) - see lines 20 and 38 of Attachment 5;

iii. Whether the excess or deficient ADIT is protected or unprotected - see Column i of Attachment 5;

iv. The accounts to which the excess or deficient ADIT are amortized - see Excel lines 9 and 38 of Attachment 5; and

v. The amortization period of the excess or deficient ADIT being returned or recovered through rates - see column j, l, etc. and Note B of Attachment 5.

Central Hudson's proposed Attachment 5 worksheet is the same as included in the formula rate template of other electric utilities (including another formula rate template for Central Hudson under the NYISO OATT) which have been approved by the Commission.[13]

List of filing documents:

- Attachment A - Marked version of Central Hudson's proposed revisions to Section 6.12.5.2.1 of Attachment 1 to Rate Schedule 12 of the NYISO OATT.
- Attachment B - Clean version of Central Hudson's proposed revisions to Section 6.12.5.2.1 of Attachment 1 to Rate Schedule 12 of the NYISO OATT.
- Attachment C - Excel version of the revised unpopulated Hurley Avenue formula rate template under Rate Schedule 12 of the NYISO OATT.

[13] See, e.g., PJM OATT, Attachment H-15A, The Dayton Power and Light Corporation; NYISO OATT, Section 6.19.6.2.2, New York State Electric and Gas Corporation; NYISO OATT, Section 6.19.7.2.2, Rochester Gas and Electric Corporation; NYISO OATT, Section 6.19.9.2.2, Central Hudson Gas and Electric Corporation; NYISO OATT, Section 6.19.10.2.2, Orange and Rockland Utilities, Inc.; and NYISO OATT, Section 6.19.8.2.2, Consolidated Edison of New York.

Central Hudson would appreciate the Commission's approval of this filing with an effective date of October 24, 2026. Thank you for your attention to this matter. Please direct any further questions to the undersigned.

Respectfully submitted,

*/s/Marina W. Chu*______
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