

**Niagara Mohawk Power
Corporation Docket No.
ER25-312-001**

**Filing of Large Generator Interconnection Agreement with Sterling Power Partners, L.P.
Fourth Revised Service Agreement No. 1144**

Settlement Agreement and Offer of Settlement

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

Niagara Mohawk Power Corporation

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Docket No. ER25-312-001

**SETTLEMENT AGREEMENT
AND
OFFER OF SETTLEMENT**

This Settlement Agreement (“Settlement”) is being submitted to the Federal Energy Regulatory Commission (“Commission”) for approval as an Offer of Settlement pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602, to resolve comprehensively all issues in these dockets. This Settlement is entered into as of June 12, 2026, by and among Niagara Mohawk Power Corporation (“Niagara Mohawk”) and Sterling Power Partners L.P. (“Sterling”), each a “Settling Party.” Subject to the conditions in this Settlement, including the approval by the Commission of this Settlement in its entirety without condition or modification unacceptable to the Settling Parties and with the understanding that each term of this Settlement, including any attachment or appendix to this Settlement, is in consideration and support of every other term, the Settling Parties agree as follows:

**ARTICLE 1
PROCEDURAL BACKGROUND**

1.1. On October 31, 2024, as amended on January 29, 2025, pursuant to Section 205 of the Federal Power Act (FPA)¹ and Part 35 of the Commission’s regulations,² the New York Independent System Operator, Inc. (NYISO) filed, on behalf of Niagara Mohawk, an unexecuted

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35 (2024).

amended and restated Large Generator Interconnection Agreement (Amended LGIA) between Niagara Mohawk and Sterling.³

1.2. On November 20, 2024, Sterling filed a motion to intervene under 18 C.F.R. § 385.214.⁴ On November 21, 2024, pursuant to Rule 211 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.11, Sterling filed a protest that, among other things, alleged that the Amended LGIA contained terms and conditions that are not just and reasonable and would impose an improper allocation of cost related to the interconnection of Sterling's generating facility to National Grid's system.⁵

1.3. On December 6, 2024, Niagara Mohawk submitted an answer and motion to supplement and supplement in response to Sterling's protest.⁶ On December 19, 2024, Sterling filed an answer to Niagara Mohawk's motion to supplement while asserting Niagara Mohawk's answer to Sterling's protest was improper.⁷

1.4. On December 30, 2024, the Office of Energy Market Regulation advised Niagara Mohawk that its Amended LGIA filing was deficient and that additional information as set forth in the deficiency letter was requested to process the filing.⁸ Niagara Mohawk filed a response to the deficiency letter with a supplemental affidavit, arguing, among other things, that Sterling benefited

³ *Niagara Mohawk Power Corp., et al.*, Filing of Large Generator Interconnection Agreement with Sterling Power Partners, L.P. (Alliance Energy), Fourth Revised Service Agreement No. 1144, Docket No. ER25-312-000 (filed, Oct. 31, 2024).

⁴ Motion to Intervene of Sterling Power Partners, L.P., Docket No. ER25-312-000 (filed, Nov. 20, 2024)

⁵ Protest of Sterling Power Partners, L.P., Docket No. ER25-312-000 (filed Nov. 21, 2024).

⁶ Answer and Motion to Supplement and Supplement of Niagara Mohawk Power Corporation, Docket No. ER25-312-000 (filed Dec. 6, 2024).

⁷ Sterling Power Partners L.P.'s Answer to Niagara Mohawk Power Corporation's Motion to Supplement, Docket No. ER25-312-000 (filed Dec. 19, 2024).

⁸ Letter from Kurt M. Long, Director, Division of Electric Power Regulation – East to Niagara Mohawk Power Corporation, Docket ER25-312-000 (filed Dec. 30, 2024).

from a redesign of the Oneida Substation to a breaker and one half design.⁹ Sterling filed reply comments arguing, among other things, the redesign is not required by Sterling's interconnection, good utility practice, law or governmental authority, and provides benefits to other customers.¹⁰

1.5. On March 27, 2025, the Commission accepted the Amended LGIA, suspended it for a nominal period, to become effective November 1, 2024, as requested, subject to refund, and established hearing and settlement judge procedures.¹¹ On April 2, 2025, the Chief Administrative Law Judge issued an order appointing the Honorable Cheryl Feik Ryan as Settlement Judge in these proceedings.¹²

1.6. In connection with the settlement proceedings, Commission Trial Staff and Sterling propounded discovery to Niagara Mohawk, in response to which Niagara Mohawk produced documents and responses detailing the work to be completed to interconnect Sterling to the new Oneida Substation, including modifications to Sterling Line No. 4, and remote-end upgrade needs within Sterling's attachment facilities. Settlement discussions among the participants have resulted in this Settlement.

ARTICLE II TERMS OF SETTLEMENT

2.1. The Settling Parties agree to the revisions to the Amended LGIA as modified by the Settling Parties to implement this Settlement. Niagara Mohawk and Sterling agree to execute the Amended LGIA upon execution of the Settlement. The Settling Parties further agree that the Amended LGIA as modified by the Settling Parties to implement this Settlement shall be

⁹ NMPC Deficiency Response, Docket No. 25-312-000 (filed Jan 29, 2025).

¹⁰ Sterling Power Partners L.P.'s Reply Comments to Niagara Mohawk Corporation's Response to Deficiency Letter, Docket ER25-312-000 (filed Feb. 2, 2025).

¹¹ *Niagara Mohawk Power Corp., et al.*, 190 FERC ¶ 61,190 (Mar. 27, 2025) (March 27, 2025 Hearing Order).

¹² *Order of Chief Judge Designating Settlement Judge*, Docket No. ER25-312-001 (Apr. 2, 2025).

designated as Fourth Revised Service Agreement No. 1144 and shall supersede the Third Revised Service Agreement No. 1144 previously accepted by the Commission by letter order on August 7, 2008, in Docket No. ER07-1019-005.

2.2. Niagara Mohawk and Sterling agree to be bound by the revisions to Appendix A to the Amended LGIA (“Appendix A”), which includes: (i) a revised description of the facilities that are necessary to Sterling’s interconnection; (ii) Sterling’s options for the payment of Operation and Maintenance expense; and (iii) a revised one-line diagram of the interconnection and supporting facilities; provided that, Settling Parties do not waive the right to make filings after the Effective Date under Section 205 or 206 of the Federal Power Act to amend the terms and conditions of Appendix A without the consent of the other Settling Party except to the extent that such filing seeks to effect a modification or change to the Settlement Amount prescribed in Article 2.5 of this Settlement.

2.3. Niagara Mohawk has prepared a three-year forecast of its expected Operation and Maintenance expense necessary for the Transmission Owner Attachment Facilities that Sterling will be cost responsible for over the course of the forecast term commencing from the expected commercial operation date of the new Oneida Substation. Niagara Mohawk has provided a copy of this forecast to Sterling.

2.4. This Settlement and the Amended LGIA do not address, and the Settling Parties do not release ongoing or future Operation and Maintenance charges associated with Transmission Owner Attachment Facilities serving Sterling, other than the three-year Operation and Maintenance forecast provided to Sterling.

2.5. Sterling agrees to compensate Niagara Mohawk in the lump sum amount of nine hundred sixty four thousand one hundred sixty nine dollars (\$964,169.00) (“Settlement Amount”) for all

costs necessary to resolve this proceeding. The dispute centered around cost responsibility for certain (a) Attachment Facilities, and (b) System Protection Facilities, and associated telecommunications and fiber-optic communications facilities (including, but not limited to, dark fiber, conduit, and terminal equipment) installed or upgraded for the Sterling interconnection under the Amended LGIA and related tariff filing. Sterling agrees to pay the Settlement Amount to Niagara Mohawk within five (5) business days of the Commission's approval of this Settlement.

2.6. Modifications to the Amended LGIA to Implement Settlement

Modifications to the Amended LGIA and its appendices implementing the terms of this Settlement are attached hereto in clean and redline form as Attachments A and B, respectively, and shall implement the terms of this Settlement. Such modifications to the Amended LGIA shall be made effective as of November 1, 2024.

2.7. Resolution of Issues

The Settling Parties agree that the Commission's approval of this Settlement shall fully and finally resolve all issues raised in Docket Nos. ER25-312-000 and ER25-312-001. Therefore, upon the Effective Date, and upon Sterling's full satisfaction of the Settlement Amount, Niagara Mohawk forever releases and discharges all its claims for costs disputed in Docket Nos. ER25-312-000 and ER25-312-001. For the avoidance of doubt, the foregoing release shall not apply to costs arising from a future elective modification or new interconnection request initiated by Sterling after the Effective Date that is outside the interconnection configuration reflected in the Amended LGIA as modified by this Settlement.

As of the Effective Date, as defined in Article III of this Settlement, Niagara Mohawk and Sterling shall be foreclosed from filing or supporting, in any proceeding before the Commission, a challenge to the terms and conditions of the Settlement. As long as the Settlement remains in

effect, the Settling Parties, individually and collectively, retain all rights to participate in any Commission proceedings under Section 205 or 206 of the FPA, and in subsequent appellate proceedings in which modifications to the NYISO's Standard Interconnection Procedures are under review and subject to change.

ARTICLE III EFFECTIVE DATE AND CONDITIONS

3.1. Effective Date

This Settlement shall take effect ("Effective Date") on the date a Commission order approving this Settlement becomes final ("Final Order"), provided that such order either (i) approves the Settlement without condition or modification, or (ii) approves the Settlement subject to condition(s) or modification(s) and all Settling Parties accept all such conditions or modifications in accordance with Article 3.2. For purposes of this Settlement, such an order will be considered a "Final Order": (i) as of the date it is issued by the Commission if no comments or protests were filed in opposition to this Settlement; (ii) as of the date that rehearing is denied by the Commission by order or by operation of law if comments or protests in opposition were filed, or (iii) as of the date on which the right to seek Commission rehearing expires, if rehearing was not sought.

3.2. Conditions

If the Commission approves this Settlement with conditions or modifications, either Settling Party shall have 15 days to notify the other Settling Party in writing that it wishes to terminate the Settlement or to request additional negotiations in order to restore the balance of consideration under the Settlement in light of the changes the Commission has ordered. If neither Settling Party submits such notice, the Settlement shall become effective with the modifications or conditions imposed by the Commission. If either Settling Party requests additional negotiations

to attempt to restore the balance of consideration hereunder, the Settling Parties shall have an additional 30 days to attempt to negotiate changes to this Settlement consistent with the Commission order. If the Settling Parties are unable to reach an agreement on such changes during such 30-day period, either Settling Party shall have five days to notify the other Settling Party in writing that it is terminating the Settlement. If either Settling Party files such notice to terminate, this Settlement shall not become effective and shall be null and void. Neither Settling Party shall be bound or prejudiced by any part of this Settlement, and no Settling Party shall be deemed to have made any concession or incurred any obligation to the other Settling Party by virtue of its execution of the Settlement. Each Settling Party shall cooperate with, and shall not take any action inconsistent with: (i) the filing of this Settlement with the Commission, and (ii) efforts to obtain Commission approval of this Settlement without change or condition.

ARTICLE IV MODIFICATIONS TO SETTLEMENT AND STANDARD OF REVIEW

4.1. Modifications

The terms of this Settlement shall be subject to change solely by written amendment executed by all Settling Parties and approved by the Commission. No provision of this Settlement may be waived except through a writing signed by an authorized representative of the waiving Settling Party. Waiver of any particular provision of this Settlement shall not be deemed to waive any other provision of this Settlement. Niagara Mohawk reserves its right to later file with the Commission an amendment to the terms and conditions of the Amended LGIA or its appendices pursuant to Section 205 of the Federal Power Act, which is expressly permitted under Article 29.13 of the Amended LGIA. Sterling reserves its right to contest any future unexecuted amendment that is proposed to the Amended LGIA. Sterling's right to contest an unexecuted amendment shall

include, but is not limited to, its right to: (i) intervene in the Commission docket established pursuant to the filing; (ii) protest the submission; (iii) challenge the submission, (iv) or otherwise dispute such filing. Sterling reserves its right to make filings pursuant to Section 206 of the Federal Power Act, which is expressly permitted under Article 29.13 of the Amended LGIA. Except as provided for in Article 2.2, no amendment submitted pursuant to Section 205 or 206 to the Amended LGIA shall be considered a modification to this Settlement nor shall any such amendment require mutual consent by the Settling Parties. Moreover, the terms and conditions of the Amended LGIA and its appendices are not incorporated herein. Requirements to modify the Amended LGIA to implement this Settlement are prescribed in Article 2.6 of this Settlement.

4.2. Standard of Review

Unless the Settling Parties otherwise agree in writing, any modification to this Settlement (a “Modification”) proposed by one of the Settling Parties after the Effective Date shall, as between them, be subject to the “public interest” application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008) and refined in *NRG Power Mktg. v. Maine Pub. Utils. Comm’n*, 558 U.S. 165 (2010). The standard of review for any Modifications requested by any party other than a Settling Party or initiated by the Commission acting *sua sponte* shall be the most stringent standard permissible under applicable law. See *NRG Power Mktg. LLC v. Maine Pub. Utils. Comm’n*, 558 U.S. at 174-75.

ARTICLE V MISCELLANEOUS PROVISIONS

5.1. Termination of Proceedings

The Commission's acceptance pursuant to order or delegated letter order of final tariff records for the Amended LGIA shall terminate the hearing and settlement judge procedures the Commission set out in Docket No. ER25-312-000 and all sub-dockets through its March 27, 2025 Hearing Order.

5.2. Declaration of Privilege

The discussions that produced this Settlement have been conducted with the explicit understanding that all such discussions, including offers of settlement, are and shall remain privileged, and shall be without prejudice to the positions of any Settling Party or participant presenting any such offer or participating in any such discussion and are not to be publicly disclosed. In the event the Commission rejects the Settlement, Rule 602(e) of the Commission's Rules of Practice and Procedure shall apply to bar the admissibility of this Settlement and disclosure of the contents of the negotiations leading up to this Settlement in this proceeding or otherwise.

5.3. No Admission

This Settlement is entered into upon the understanding that it constitutes an integrated, negotiated agreement and, except as explicitly set forth herein, no Settling Party shall be deemed to have approved, accepted, agreed to, or consented to any principle or position advanced or taken in this proceeding by any other participant, or to have prejudiced positions taken, or that may be taken, by such Settling Party in this or any other proceeding.

5.4. Headings

Article headings are used in this Settlement solely for convenience of reference and shall not be used to interpret or modify the terms of this Settlement.

5.5. Execution in Counterparts

This Settlement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute only one legal document.

5.6. Ambiguities

This Settlement is the result of negotiations among, and has been reviewed by, each Settling Party and its respective counsel. Accordingly, no ambiguity shall be construed in favor of or against any Settling Party.

5.7. Authorization

Each person executing this Settlement represents and warrants that they are duly authorized and empowered to act on behalf of, and to sign for, the Settling Party on whose behalf they have signed.

IN WITNESS WHEREOF, this Settlement is entered into as of the date first written above by and between the Settling Parties through their authorized representatives, who represent that they are fully authorized to do so on behalf of their principals.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Settlement is entered into as of the date first written above by and between the Settling Parties through their authorized representatives, who represent that they are fully authorized to do so on behalf of their principals.

Niagara Mohawk Power Corporation d/b/a National Grid

By: 

Name: Natasha Deschene

Title: Vice President, Electric Asset Management &
Engineering NY

Date: 7/16/26

IN WITNESS WHEREOF, this Settlement is entered into as of the date first written
above by and between the Settling Parties through their authorized representatives, who
represent that they are fully authorized to do so on behalf of their principals.

Sterling Power Partners LP by its general partner
Sterling Power LLC

By: _____

Name: Samuel G. Nappi

Title: Manager

Date: July 15, 2026