

ATTACHMENT I

EXHIBITS NMPC-100 – NMPC-105

PREPARED DIRECT TESTIMONY
OF CAROL TEIXEIRA

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

**Niagara Mohawk Power Corporation
d/b/a National Grid**

)
)

Docket No. ER26-_____

**PREPARED DIRECT TESTIMONY
OF CAROL TEIXEIRA
ON BEHALF OF NIAGARA MOHAWK POWER CORPORATION
D/B/A NATIONAL GRID**

1 **I. BACKGROUND AND QUALIFICATIONS**

2 **Q. Please state your name, current title, and business address.**

3 A. My name is Carol Teixeira. I am Manager of New York Electric Pricing for
4 National Grid USA Service Company, Inc. (“National Grid”). My business
5 address is 300 Erie Blvd. West, A-4, Syracuse, NY 13202.

6 **Q. Please summarize your education and professional background.**

7 A. I graduated from Syracuse University with a Bachelor of Science degree in
8 Electrical Engineering and from Le Moyne College with a Master of Business
9 Administration. I have been with National Grid and its subsidiary Niagara
10 Mohawk Power Corporation (“NMPC,” or the “Company”) for 37 years in
11 various positions and was promoted to my current role as Manager of New York
12 Electric Pricing in May 2014. My responsibilities in this role include supervising
13 the development of electric rates for National Grid’s New York operations.

14 **Q. Have you previously been a witness in proceedings before the Federal Energy**
15 **Regulatory Commission (“Commission” or “FERC”) or any other regulatory**
16 **commission?**

17 A. I have not previously testified before FERC but have testified before the New
18 York Public Service Commission (“NYPSC”) on behalf of National Grid,
19 including in the last NMPC electric retail rate case (Case 24-E-0322).

20 **II. PURPOSE OF TESTIMONY**

21 **Q. What is the purpose of your testimony in this filing?**

22 A. The purpose of my testimony is to describe how NMPC developed its wholesale
23 distribution services (“WDS”) rates for inclusion in proposed Rate Schedule 23 to

the New York Independent System Operator (“NYISO”) Open Access Transmission Tariff (“OATT”). This will include providing background regarding the NYPSC process that lead to the development of NMPC’s state-jurisdictional Standby and Buyback service rates, which produced the methodologies that were used to develop the NMPC WDS rates. Additionally, my testimony will provide support for proposed Rate Schedule 23 itself, which sets forth the rate mechanisms through which eligible generators and customers that charge an electric energy storage system (“Energy Storage Resource”) for purposes of wholesale sales to the NYISO will pay NMPC for the provision of service over NMPC’s facilities necessary to facilitate the export of that energy (“Wholesale Export Service”) and for the provision of service over NMPC’s facilities necessary for the charging of these same Energy Storage Resources (“Wholesale Charging Service”).

Clean and redlined versions of proposed Rate Schedule 23 to the NYISO OATT are included as attachments this filing.

Q. Are you sponsoring any exhibits to support your testimony?

A. Yes. In addition to this testimony, I am sponsoring the following exhibits:

Exhibit	Exhibit Description
Exhibit NMPC-101	Summary of NMPC WDS Rates – RY2, RY3, and Post RY3
Exhibit NMPC-102	NMPC WDS Blended Rates by Voltage Delivery Level – RY2, RY3, and Post RY3
Exhibit NMPC-103	NMPC WDS Revenue Requirement – RY2, RY3, and Post RY3
Exhibit NMPC-104	Summary of Standby ACOS and Standby ACOS – WDS Cost Allocations
Exhibit NMPC-105	Supporting Workpapers

1 **III. WDS REVENUE REQUIREMENT DEVELOPMENT**

2 **Q. What approach was used to develop NMPC’s proposed WDS charging rates?**

3 A. NMPC’s proposed WDS rate structure is cost-based and uses NMPC’s current
4 retail rate plan total revenue requirement (“RR”) for each rate year—and the
5 NMPC Embedded Cost of Service (“ECOS”) Study also from the Company’s
6 current retail rate plan—as the starting point for the development of WDS rates.
7 These costs, subject to further adjustments as described in this testimony, are
8 incurred in providing distribution service to generators and Energy Storage
9 Resources requiring WDS.

10 NMPC prepares the RR and an ECOS Study part of each base distribution
11 retail rate case that the Company files, with the most recent having been
12 developed as part of the current retail rate plan in NYPSC Case 24-E-0322. *See*
13 Section 1 of Exhibit NMPC-103 for each rate year, which is from the Final
14 Computed Revenue as provided in Exhibit NMPC-105, Schedule 5-1, for the RR
15 for each year of the current retail rate plan, and Exhibit NMPC-105, Schedule 5-5
16 for the ECOS Study of the current retail rate plan.

17 NMPC’s proposed WDS rates include rates for three separate rate-year
18 periods of the current retail rate plan. The WDS rates for each rate year are
19 developed from the RR specific to that rate year. The rate years for which WDS
20 rates were developed are as follows:

- 21 • Rate Year 2 of the current retail rate plan, which is the period beginning April
22 1, 2026, through March 31, 2027 (“RY2”);
- 23 • Rate Year 3 of the current retail rate plan, which is for the period beginning

1 April 1, 2027, through March 31, 2028 (“RY3”), and;

- 2 • Post Rate Year 3 of the current retail rate plan, which is for the period
3 beginning April 1, 2028, if a new rate plan is not approved prior to this date
4 (“Post RY3”).

5 **Q. How has the RR to be recovered in retail rates been adjusted to reflect only**
6 **those costs that should be recovered from WDS customers?**

7 A. NMPC has adjusted each year’s RR to remove certain costs that are not proposed
8 to be recovered from WDS customers, resulting in an adjusted RR that will be
9 recovered through WDS rates (“WDS RR”). These adjustments include removing
10 transmission costs from the RR so that the costs to be recovered are distribution
11 only.

12 NMPC has also removed the NMPC energy efficiency budget costs and
13 associated NMPC energy efficiency labor costs (“EE Costs”) from the RR. *See*
14 Exhibit NMPC-105, Schedule 5-2 for the derivation of the EE Costs removed.

15 The NYPSC issued two Orders¹ on May 15, 2025, which required New York
16 utilities to remove EE costs from base distribution delivery rates in their next
17 retail rate case and collect the EE costs through the Systems Benefits Charge
18 thereafter. Because EE costs are still being recovered through base distribution
19 delivery rates in the current retail rate plan, but are not expected to be collected

¹ See Case 25-M-0248, *In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios*, Order Authorizing Non-Low- To Moderate-Income Energy Efficiency And Building Electrification Portfolios For 2026-2030 (issued and effective May 15, 2025) and Case 25-M-0249, *In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio*, Order Authorizing Low- To Moderate-Income Energy Efficiency And Building Electrification Portfolio For 2026-2030 (issued and effective May 15, 2025).

1 from WDS customers, they are removed from the RR when developing WDS
2 rates. The WDS RR for each rate year, after these adjustments, reflects the costs
3 that will be recovered from WDS rates.

4 **Q. What rate components are used for the WDS rates?**

5 A. NMPC's WDS rates were developed using the rate design components and rate
6 design methodology approved by the NYPSC in NMPC's development of its
7 Standby and Buyback Rates under the current retail rate plan. Standby Rates
8 compensate the utility for being available when a customer's on-site distributed
9 generation fails or does not fully offset a customer's load. These rates apply to
10 customers who fully supply their own power through on-site generation but
11 maintain a connection to the electric grid for service during generator failure or
12 maintenance and customers that supply part of their own power through on-site
13 generation but frequently supplement it with electricity supplied through the
14 electric grid. These rates also apply to energy storage customers using the
15 distribution system to support the charging of their Energy Storage Resources.
16 Buyback Rates compensate the utility for a generator's or Energy Storage
17 Resource's use of the distribution system to export power for sale.

18 **Q. How is the Standby Rate design and methodology used to develop WDS**
19 **rates?**

20 A. NMPC used the NYPSC-approved Standby and Buyback Rate design
21 methodology as the basis for developing WDS charging rates and WDS export
22 rates. As the first step, NMPC prepared the ECOS Study as part of its current
23 electric retail rate plan filing. The ECOS Study apportions NMPC's RR among

1 the service classes served by NMPC. The ECOS Study includes three steps: (1)
2 functionalization, (2) classification, and (3) class allocation of NMPC's costs at
3 the FERC account level.

4 The results of the ECOS Study provide NMPC's costs for each retail
5 service class at the FERC account level. The NMPC retail service classes for
6 which costs are allocated and used in the development of WDS rates are as
7 follows:

- 8 • SC2 Non-demand (Small General Service);
- 9 • SC2 Demand (Small General Service Demand);
- 10 • SC3 (Large General Service); and
- 11 • SC3A (Large General Service Time-of-Use Rate).

12 Service classes SC3 and SC3A are further delineated by Secondary,
13 Primary, Sub-transmission, and Transmission voltage delivery levels.

14 **Q. How are the functionalized, classified, and class-allocated cost elements of the**
15 **ECOS Study used to develop the Standby Rate design components?**

16 A. The results of the ECOS Study provide the functionalized, classified, and class-
17 allocated cost elements by FERC account, retail service class, and for the SC3 and
18 SC3A service classes, by voltage delivery service level as well. To develop the
19 Standby Rate components, NMPC then performs a separate Standby Allocated
20 Cost of Service Study ("Standby ACOS Study") to further allocate the ECOS
21 Study allocated costs for each FERC account as "shared," "local," and "customer"
22 costs.

1 **Q. What is the purpose of the Standby ACOS Study?**

2 A. The Standby ACOS Study, which is performed in accordance with the NYPSC's
3 Standby ACOS Order,² is used to further allocate the costs in the ECOS Study as
4 "shared," "local," and "customer" on a FERC account level basis. This allocation
5 of costs supports the development of the RR for the rate components used for
6 Standby Rates in compliance with the NYPSC's Standby Rates Order.³ The
7 Standby Rate components, which will also be used for the WDS Charging rate
8 components, are the Standby As-used Daily Demand Charges, which are
9 developed from the "shared" cost allocation; the Standby Contract Demand
10 Charges, which are developed from the "local" cost allocation; and customer
11 charges, which for Standby Rates are currently based on the customer's otherwise
12 applicable standard retail service class, but for WDS Charging rates are based on
13 the "customer" cost allocation.

14 **Q. Describe the methodology used in the Standby ACOS Study for allocating**
15 **costs.**

16 A. To separately map costs as "shared," "local," and "customer" for customers at the
17 secondary, primary, sub-transmission, and transmission voltage levels, NMPC
18 applied the full "Decision Tree" methodology, as described in the Standby ACOS
19 Order,⁴ to the costs relevant to the voltage to which a given customer class

² Case 15-E-0751 *In the Matter of the Value of Distributed Energy Resources*, Order Establishing an Allocated Cost of Service Methodology for Standby and Buyback Service Rates and Energy Storage Contract Demand Charge Exemptions (issued and effective March 16, 2022) ("Standby ACOS Order").

³ Case 15-E-0751 *In the Matter of the Value of Distributed Energy Resources*, Order Directing Standby and Buyback Service Tariff Filings (issued and effective March 16, 2022) ("Standby Rates Order").

⁴ Together, the "Decision Tree" and "Higher Voltage Decision Tree" comprise an allocation methodology ("Decision Tree Methodology") that uses "a series of yes or no answers mapped to various outcomes" that is

1 interconnects to NMPC's distribution system. The "Higher Voltage Decision
2 Tree," as described in the Standby ACOS Order, was employed for all costs at
3 voltage levels above that which the customer class interconnects to NMPC's
4 distribution system.⁵

5 The results of the secondary voltage level mapping were used to develop
6 the shared/local/customer costs and the allocation percentages for customers in
7 the otherwise applicable service classifications of SC1, SC2 Non-demand
8 ("SCND"), SC2 Demand ("SCD"), and SC3 Secondary. The results of the
9 primary voltage level mapping were used to support the shared/local/customer
10 costs and the allocation percentages for customers in the SC3 Primary and SC3A
11 Secondary/Primary service classes. The results of the transmission level mapping
12 were used to support the shared/local/customer costs and the allocation
13 percentages for customers in the SC3 Sub-transmission/Transmission, SC3A Sub-
14 transmission, and SC3A Transmission service classes.

15 This Standby ACOS Study mapping identifies all costs as either "shared,"
16 "local," "customer," or "allocated." "Allocated" refers to costs that cannot be
17 directly categorized as "shared" or "local" but are not "customer." "Allocated"
18 costs were identified based on responses to the Decision Tree Methodology
19 questions. As specified in the Standby ACOS Order, "allocated" costs were
20 further mapped as "shared" using the Coincident Peak/Non-Coincident Peak
21 allocator for each parent service class as determined in the ECOS Study for

employed "to determine how embedded costs are to be allocated to the shared, local, and customer cost categories." Standby ACOS Order at 5 & n.10.

⁵ See Excel file NMPC Standby ACOS Decision Tree(S) – Adjusted, provided in Attachment J to this filing.

1 NMPC's most recent rate case. *See* Exhibit NMPC-105, Schedule 5-3 for the
2 Coincident Peak/Non-Coincident Peak allocator. The remaining "allocated" costs
3 that were not assigned as "shared" were assigned to "local."

4 **Q. Why is it necessary to allocate NMPC's costs between "shared," "local," and**
5 **"customer" costs for purposes of developing WDS rates?**

6 A. For WDS Charging rates, the costs allocated to "shared" are used to establish the
7 RR for the WDS As-used Daily Demand charges, subject to the RR adjustments
8 described above. Similarly, the costs allocated to "local" and "customer" are used
9 to establish the RR for the WDS Contract Demand charges and the WDS
10 Customer charges.

11 WDS Export rates are developed in the same manner as the WDS
12 Charging rates with a few notable exceptions. The Standby ACOS Study
13 Decision Tree Methodology includes questions designed to identify costs that
14 should be excluded for buyback (*i.e.*, export) charges. The WDS Export rate has
15 only two rate components. The first is the customer charge, which, for the WDS
16 Export rate, is renamed as the Minimum Charge, but which is set equal to the
17 Customer Charge of the WDS Charging rate. The second is the Contract Demand
18 Charge, which is based on the WDS Contract Demand RR specified above, but
19 with the excluded buyback costs removed. *See* section 6 of Exhibit NMPC-103
20 for each rate year for the calculation of the WDS Export Revenue Requirement.

1 Q. **How are the transmission costs removed from the RR for the development of**
2 **WDS rates?**

3 A. To identify the transmission costs that should be excluded when developing WDS
4 Rates, the Standby ACOS Study was performed both with and without the
5 Transmission-Demand functionalized output from the ECOS Study by setting all
6 the Transmission Demand functionalized costs to zero in the Standby ACOS
7 model. The Standby ACOS model with the Transmission Demand functionalized
8 costs set to zero is referred to as the Standby ACOS – WDS. *See* each rate year's
9 NMPC WDS Allocation & Rate Design Excel file provided in Attachment J of
10 this filing which includes the full Standby ACOS – WDS Study and the NMPC
11 Standby ACOS Decision Tree(S) – Adjusted Excel file for the full Standby ACOS
12 Study. A summary of the results of both the Standby ACOS Study and Standby
13 ACOS Study – WDS is provided in Exhibit NMPC-104.

14 The sum of the resulting cost allocations in each study is used to calculate
15 a ratio to determine the percentage of transmission costs that are included in the
16 original Standby ACOS Study. This percentage is applied to the RR of each rate
17 year to determine the transmission RR, which is then subtracted from the overall
18 RR, resulting in a net RR excluding transmission costs. *See* section 2 of each
19 year's WDS Revenue Requirement calculation in Exhibit NMPC-103.

20 Q. **How were EE Costs removed from the RR for the development of WDS**
21 **rates?**

22 A. NMPC identified the EE Costs that are included in base distribution delivery rates
23 in each year of the rate plan and subtracted these costs from the customer charge

1 revenues identified in the Company's ECOS Study. The resulting net customer
2 charges are further adjusted by the ratio of the customer cost components of the
3 Standby ACOS Study to the customer cost components of the Standby ACOS
4 Study – WDS, to reflect the removal of transmission costs as well. The resulting
5 customer charge revenue requirement was used to develop WDS Customer
6 Charge rates. See Section 3 of the WDS Revenue Requirement calculation for
7 each year in Exhibit NMPC-103.

8 **Q. How were the revenue requirements developed for the WDS As-used Daily**
9 **Demand charges and the WDS Contract Demand charges?**

10 A. NMPC calculates a balance of Revenue Requirements for WDS from the original
11 RR by subtracting the previously calculated transmission RR; the WDS customer
12 charge RR; the reactive demand RR, which may be charged separately to WDS
13 customers, if applicable; and the retail NYPA sur-credit revenue requirement
14 whose revenues are not applicable to WDS customers. See Section 3 of Exhibit
15 NMPC-103.

16 Additionally, the shared and local costs resulting from the Standby ACOS
17 Study – WDS are each ratioed from the sum of those shared and local costs to
18 develop a shared percentage and local percentage. See Section 4 of Exhibit
19 NMPC-103. The shared percentage is applied to this Balance of Revenue
20 Requirement for WDS to determine the WDS As-used Daily Demand RR. The
21 local percentage is similarly applied to the Balance of Revenue Requirement for
22 WDS to determine the WDS Contract Demand RR. The same rate design
23 parameter of 60 percent that is used in the retail Standby rate design to determine

1 the on-peak component of the As-used Daily Demand RR is also applied here,
2 with the remaining costs apportioned to the super-peak As-used Daily Demand
3 RR. See Section 5 of Exhibit NMPC-103.

4 **IV. WDS RATE DEVELOPMENT**

5 **Q. How were the resulting WDS revenue requirements of each rate design**
6 **component used to develop the WDS rates?**

7 A. The ECOS Study, Standby ACOS Study, and Standby ACOS Study – WDS, are
8 all developed on a retail service class basis, with certain retail classes also
9 developed on a voltage delivery level basis. The final WDS Charging and Export
10 rates are specified by voltage delivery service level rather than by retail service
11 class. As a result, the WDS RR are summed among the service classes with a
12 common voltage delivery level service and then divided by the sum of those same
13 classes' billing determinants for each component. The results are WDS rates
14 which have been blended by voltage delivery level. The billing determinants used
15 are the same as those used in the retail Standby rate design, because the standby
16 rates are revenue-neutral to the otherwise applicable retail service classes. The
17 blending of the WDS RR and the resulting WDS rates by component for each rate
18 year is provided in Exhibit NMPC-102 for both WDS Charging rates and WDS
19 Export rates.

1 **Q. The RR for the SC3 sub-transmission and SC3 transmission classes are**
2 **combined in the ECOS Study, as are the RR for the SC3A secondary and**
3 **SC3A primary classes. How were these RR separated in the WDS rate**
4 **development to allow for the blending of WDS rates by separate voltage**
5 **delivery levels?**

6 A. NMPC calculated an allocation factor for each of these classes to separate the RR
7 by voltage delivery level. The allocation factors were developed based on the
8 kilowatt-hour (“kWh”) forecast for each of these rate subclasses in each year of
9 the retail rate plan. See Exhibit NMPC-105, Schedule 5-4 for the calculation of
10 these allocation factors. These factors are then used in the blending of the WDS
11 RR by component in Exhibit NMPC-102.

12 **Q. What are the final WDS Charging and WDS Export rates for each rate year?**

13 A. The final WDS rates for both Charging and Export are summarized in Exhibit
14 NMPC-101 for each rate year.

15 **Q. Does this conclude your testimony?**

16 A. Yes. This concludes my testimony.

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

Niagara Mohawk Power Corporation
d/b/a National Grid

)
)

Docket No. ER26-_____

DECLARATION OF CAROL TEIXEIRA

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 September 30, 2026.

/s/ Carol Teixeira
Carol Teixeira