

December 13, 2019

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Niagara Mohawk Power Corporation
Docket No. ER20-____-000**

**Filing of Cost Reimbursement Agreement with
Northbrook Lyons Falls LLC**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ and Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,² Niagara Mohawk Power Corporation (“Niagara Mohawk”) submits a Cost Reimbursement Agreement (“Reimbursement Agreement”) between Niagara Mohawk and Northbrook Lyons Falls LLC (“Northbrook”).³ The Reimbursement Agreement is designated as Service Agreement No. 2499 under the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”).

The Reimbursement Agreement is an undisputed agreement to facilitate the performance of certain work that Northbrook has requested Niagara Mohawk to do, specifically, the removal of an existing obsolete remote terminal unit (RTU) board and an existing gateway device at a substation owned by Niagara Mohawk and the replacement of this equipment with updated equipment that allows for a secure connection to enable transfer of non-billing meter data to the NYISO. Niagara Mohawk requests that the Commission accept the Reimbursement Agreement effective as of November 15, 2019, the effective date agreed to by the Parties.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Together, Niagara Mohawk and Northbrook are referred to in the Reimbursement Agreement and in this transmittal letter as the “Parties.”

I. Background

Niagara Mohawk is a public utility subject to the Commission's jurisdiction that owns transmission facilities located in New York which have been placed under the operational control of the NYISO. Northbrook is a company having an office and place of business in Syracuse, New York. Northbrook is not a transmission customer under the NYISO OATT.

Northbrook has requested that Niagara Mohawk perform certain work to replace an existing obsolete Valmet Micro 1/C RTU board at Franklin Substation located in Lyons Falls, New York with a 16-bit DNP3 capable board, to allow for transfer of Northbrook's non-billing metering data to NYISO and to replace the existing gateway device at Franklin Substation to provide a secure connection for the Northbrook's non-billing meter data transfer to NYISO. Niagara Mohawk is willing to perform this work subject to: (i) reimbursement by Northbrook of all actual costs and expenses incurred by Niagara Mohawk in connection with the work; (ii) Northbrook's performance of all other duties, responsibilities, and obligations set forth in the Reimbursement Agreement, including, without limitation, specified actions to be taken by Northbrook; and (iii) receipt of any and all required approvals as set forth in the Reimbursement Agreement, in a form acceptable to Niagara Mohawk.⁴

II. Description of the Reimbursement Agreement and Filing Requirements

Pursuant to the Reimbursement Agreement, Northbrook will reimburse Niagara Mohawk for the actual costs and expenses incurred in connection with the work described above. The Reimbursement Agreement sets forth the terms and conditions of this work and certain related commitments by Northbrook. The Reimbursement Agreement includes provisions addressing the performance and schedule of the work, liability and indemnification, insurance, regulatory and governmental approvals, and various other standard provisions included in comparable utility cost reimbursement agreements.

Section 205 of the FPA authorizes the Commission to require public utilities to file all rates and charges that are "for or in connection with," and all agreements that "affect or relate to," jurisdictional transmission service or sales of electric energy.⁵ The Reimbursement Agreement relates to Niagara Mohawk's recovery of costs for performing design, engineering, procurement, construction, installation and testing, and other work to replace an RTU board and gateway device as described above. Although Northbrook is not a transmission customer under the NYISO OATT, Niagara Mohawk recognizes that the Commission may find the Reimbursement Agreement to be a jurisdictional agreement that must be filed.⁶ For these reasons, Niagara Mohawk is filing the Reimbursement Agreement for Commission acceptance.

⁴ Reimbursement Agreement, Recitals, Articles 3.0, 7.0, and 18.0, and Exhibits A and C.

⁵ 16 U.S.C. §§ 824d(a)-(c).

⁶ See, e.g., *Niagara Mohawk Power Corp.*, Commission Letter Order, Docket No. ER19-1401-000 (May 7, 2019) (accepting for filing a cost reimbursement agreement between Niagara Mohawk and

The price of the work to be performed pursuant to the Reimbursement Agreement will be just and reasonable because Niagara Mohawk will perform the work at actual cost.⁷ The Commission should therefore accept the Reimbursement Agreement.

III. Effective Date

Niagara Mohawk requests that the Commission accept the Reimbursement Agreement effective as of November 15, 2019, the effective date agreed to by the Parties. The Commission's regulations require service agreements to be filed not more than 30 days after service under such an agreement has commenced.⁸ Niagara Mohawk is filing the Reimbursement Agreement within 30 days of the requested November 15, 2019 effective date.

IV. Attachments

In addition to this transmittal letter, this filing includes the Reimbursement Agreement in Attachment A hereto.

Greenway Conservancy for the Hudson River Valley ("Greenway Conservancy"), which Niagara Mohawk explained was not a transmission customer under the NYISO OATT, to facilitate the performance of certain work that Greenway Conservancy requested Niagara Mohawk to do with respect to a portion of specified facilities to be relocated as described in the cost reimbursement agreement).

⁷ See Reimbursement Agreement, Articles 1.0 (at definition of "Company Reimbursable Costs") and 7.0.

⁸ 18 C.F.R. § 35.3(a)(2).

V. Communications and Service

Communications regarding this filing should be addressed to the following individuals, whose names should be entered on the official service list maintained by the Secretary for this proceeding:

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Copies of this filing have been served on Northbrook, the NYISO, and the New York Public Service Commission.

VI. Conclusion

For the reasons stated herein, Niagara Mohawk respectfully requests that the Commission accept the Reimbursement Agreement effective as of November 15, 2019.

Respectfully submitted,

/s/ Christopher J. Novak
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