

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

New York Transco LLC
New York Independent System Operator, Inc.

Docket No. ER26-893-000

ORDER ACCEPTING AND SUSPENDING TARIFF REVISIONS, SUBJECT TO
REFUND, AND ESTABLISHING HEARING AND SETTLEMENT JUDGE
PROCEDURES

(Issued March 23, 2026)

1. On December 29, 2025, pursuant to section 205 of the Federal Power Act (FPA)¹ and Part 35 of the Commission's regulations,² New York Transco LLC (NY Transco) proposed revisions to the depreciation rates in Attachment 9 of its formula rate (Formula Rate) included in Attachment DD, Section 36.3.1.1 of the New York Independent System Operator, Inc. (NYISO) Open Access Transmission Tariff (Tariff).³ NY Transco requests that the proposed changes to the NYISO Tariff and approval of the requested depreciation rates become effective June 1, 2026. In this order, we accept the proposed Tariff changes and proposed depreciation rate changes, suspend them for a nominal period, to become effective June 1, 2026, as requested, subject to refund and to the outcome of hearing and settlement judge procedures.

I. Background

2. NY 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 NYISO.⁴ NY Transco is a transmission-owning member of

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2025).

³ See Appendix for tariff record accepted and suspended in this order.

⁴ Filing, Transmittal Letter at 2. NY Transco states that it is owned by the following affiliates of the New York Transmission Owners: Consolidated Edison

NYISO and recovers its revenue requirements in accordance with the formula rate included in Attachment DD and the NY Transco facilities charge under Rate Schedule 13 of the NYISO Tariff. NY Transco states that it is submitting the revised depreciation rates pursuant to the commitment it made to perform an updated depreciation study and submit any modifications to depreciation rates by January 1, 2026, as part of a settlement in Docket No. ER15-572-000.⁵

II. Filing

3. NY Transco states that it is requesting 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 based on a 2024 depreciation study (Depreciation Study), as further described in the testimony of Ned W. Allis.⁶

4. NY Transco states that the Depreciation Study 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.⁷ NY Transco states that, for the service life and negative salvage estimates, Mr. Allis: (1) reviewed NY Transco's plant operation and retirement practices; (2) performed site visits to NY Transco facilities; (3) reviewed NY Transco's general practices and forward looking plans; (4) considered current practices in the electric industry; and (5) considered comparative data and estimates used for survivor curve estimates of similar utilities and New York companies. NY Transco states that historical data is limited because it began owning and operating transmission assets in 2016.

5. NY Transco states that, in addition to the changes to the depreciation rates included in NY Transco's existing Attachment 9 to its Formula Rate, NY 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 NY Transco's intangible transmission plant.⁸ NY Transco states that

Transmission, LLC, Grid NY LLC; Avangrid Networks New York TransCo, LLC; and Central Hudson Electric Transmission LLC. *Id.* at 2 n.4.

⁵ *Id.* at 3 (citing *N.Y. Indep. Sys. Operator, Inc.*, 160 FERC ¶ 63,021 (2017)).

⁶ *Id.* at 3-4.

⁷ *Id.* at 4.

⁸ *Id.*

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 and 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. NY Transco asserts that Account No. 358 was not previously included in Note 1 because NY Transco, at the time, did not have any underground assets. NY Transco states that it 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.

6. NY Transco states that the results of the Depreciation Study support an increase in NY Transco's annual depreciation expense of approximately \$1,442,122 as of December 31, 2024, which reflects the continued growth in its plant investment.⁹ NY Transco argues that the proposed depreciation rates do not constitute a significant departure from NY Transco's existing rates, and accordingly, are just and reasonable.

7. NY Transco requests that the proposed changes to the NYISO OATT and approval of the requested depreciation rates become effective on June 1, 2026.¹⁰ NY Transco requests that, to the extent necessary, it requests waiver to make the change in depreciation rates beyond the 120 days after filing of the change in rates. NY Transco argues that good cause exists for the proposed depreciation rates to become effective on June 1, 2026. First, NY Transco argues that allowing a June 1, 2026 effective date will minimize the slight increase in NY Transco's depreciation expense due to the short reduction in the facility useful lives. Second, it would allow NY Transco to shorten the true-up period during which the new rates will apply.

III. Notice of Filing and Responsive Pleadings

8. Notice of the filing was published in the *Federal Register*, 91 Fed. Reg. 132 (Jan. 2, 2026), with interventions and protests due on or before January 20, 2026.

9. City of New York, Consolidated Edison Company of New York, Inc., Multiple Intervenors,¹¹ and Orange and Rockland Utilities, Inc. filed timely motions to intervene. On January 20, 2026, City of New York and Multiple Intervenors (collectively,

⁹ *Id.*

¹⁰ *Id.* at 5.

¹¹ Multiple Intervenors is an unincorporated association of approximately 55 large industrial, commercial and institutional energy consumers with manufacturing and other facilities located throughout New York State.

Consumer Advocates) filed a protest. On February 4, 2026, NY Transco filed an answer to Consumer Advocates' protest.

A. Consumers Advocates Protest

10. Consumer Advocates argue that there are substantive concerns with many of the revised depreciation rates proposed by NY Transco.¹² Consumer Advocates contend that the Petition raises numerous issues of fact for which a more complete record should be developed before the Commission makes any decision. Consumer Advocates argue that NY Transco does not have meaningful retirement experience and that the proposed revised depreciation rates are based on data from other utilities. Consumer Advocates argue that NY Transco's filing does not identify the data used or explain why the data used is appropriate and reasonable.

11. As such, Consumer Advocates urge the Commission to set this filing for evidentiary hearing to (1) test the basis and reasonableness of NY Transco's proposed revisions, and (2) offer affirmative evidence on the appropriate depreciation rates.¹³

B. NY Transco Limited Answer

12. NY Transco argues that its proposed depreciation rates are adequately supported and the information NY Transco provided is commensurate with similar depreciation analyses previously accepted by the Commission.¹⁴

13. NY Transco argues that Consumer Advocates overstate NY Transco's reliance on the depreciation information of other utilities in calculating the service life and net salvage.¹⁵ NY Transco argues that its expert witness, Mr. Allis, explains in his testimony that these estimates "primarily incorporate information obtained on site visits and in meetings with NY Transco personnel, insight from our experience performing studies for other New York companies, and consideration of the estimates of other electric utilities for similar facilities."¹⁶ NY Transco argues that Mr. Allis applied a reasonable level of scrutiny in evaluating NY Transco's assets during his site visits that is consistent with best practices for depreciation studies and each of the depreciation studies he performed

¹² Consumer Advocates Protest at 1.

¹³ *Id.* at 1-2.

¹⁴ NY Transco Limited Answer at 3.

¹⁵ *Id.* at 5.

¹⁶ *Id.*

previously. NY Transco argues that, contrary to Consumer Advocates' assertions, Mr. Allis identifies the assets he inspected.

14. NY Transco argues that Consumer Advocates fail to demonstrate that the instant filing is deficient or that additional information is necessary to determine the justness and reasonableness of the proposed depreciation rates.¹⁷ NY Transco states that, nevertheless, in the event the Commission determines that an issue of material fact exists, NY Transco does not oppose Consumer Advocates' request to proceed with hearing and settlement procedures.

IV. Discussion

A. Procedural Matters

15. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

16. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure¹⁸ prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept NY Transco's answer because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

17. Our preliminary analysis indicates that NY Transco's proposed depreciation rate changes have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. NY Transco's filing raises issues of material fact that cannot be resolved based on the record before us and that are more appropriately addressed in the hearing and settlement judge procedures ordered below.

18. While we are setting these matters for a trial-type evidentiary hearing,¹⁹ we encourage efforts to reach settlement before hearing procedures commence. To aid settlement efforts, we will hold the hearing in abeyance and direct that a settlement judge be appointed, pursuant to Rule 603 of the Commission's Rules of Practice and

¹⁷ *Id.* at 6.

¹⁸ 18 C.F.R. § 385.213(a)(2) (2025).

¹⁹ Trial Staff is a participant in the hearing and settlement judge procedures. *See* 18 C.F.R. §§ 385.102(b), (c) (2025).

Procedure.²⁰ If parties desire, they may, by mutual agreement, request a specific judge as the settlement judge in the proceeding. The Chief Judge, however, may not be able to designate the requested settlement judge based on workload requirements which determine judges' availability.²¹ The settlement judge shall report to the Chief Judge and the Commission within 30 days of the date of the appointment of the settlement judge on the status of settlement discussions. Based on this report, the Chief Judge shall provide additional time to continue settlement discussions or provide for commencement of a hearing by assigning the case to a presiding judge.

The Commission orders:

(A) NY Transco's proposed Tariff changes and proposed depreciation rate changes are hereby accepted for filing, and suspended for a nominal period, to become effective June 1, 2026, subject to refund, as discussed in the body of this order.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred on the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and the FPA, particularly sections 205 and 206 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the FPA (18 C.F.R. Chapter I), a public hearing shall be held concerning the justness and reasonableness of NY Transco's proposed changes, as discussed in the body of this order. However, the hearing will be held in abeyance to provide time for settlement judge procedures, as discussed in Ordering Paragraphs (C) and (D) below.

(C) Pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2025), the Chief Judge is hereby directed to appoint a settlement judge in this proceeding within 30 days of the date of this order. Such settlement judge shall have all powers and duties enumerated in Rule 603 and shall convene a settlement conference as soon as practicable after the Chief Judge designates the settlement judge. If parties decide to request a specific judge, they must make their request to the Chief Judge within five days of the date of this order.

(D) Within 30 days of the appointment of the settlement judge, the settlement judge shall file a report with the Commission and the Chief Judge on the status of the

²⁰ 18 C.F.R. § 385.603 (2025).

²¹ If parties decide to request a specific judge, they must make their joint request to the Chief Judge by email (sjpreferences@ferc.gov) within five days of this order. The Commission's website contains a directory of judges (<https://www.ferc.gov/office-administrative-law-judges-oalj>).

settlement discussions. Based on this report, the Chief Judge shall provide participants with additional time to continue their settlement discussions, if appropriate, or assign this case to a presiding judge for a trial-type evidentiary hearing, if appropriate. If settlement discussions continue, the settlement judge shall file a report at least every 60 days thereafter, informing the Commission and the Chief Judge of participants' progress toward settlement.

(E) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge, shall, within 45 days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426, or remotely (by telephone or electronically), as appropriate. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates, and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.

Appendix – Tariff Record

New York Independent System Operator, Inc.
NYISO Tariffs

- [NYISO OATT, 36 OATT Attachment DD - Rules to Allocate the Cost of NY Tra \(11.0.0\)](#)