

November 2, 2016

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: *New York State Electric & Gas Corporation*
Docket No. ER17-__-000
Filing of Executed Cost Reimbursement Agreement

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”),² New York State Electric & Gas Corporation (“NYSEG”) hereby submits for filing a Cost Reimbursement Agreement (“Reimbursement Agreement”) by and between NYSEG and Niagara Mohawk Power Corporation (“National Grid”). The Reimbursement Agreement is designated as Service Agreement No. 2319 under the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”).

For the reasons set forth below, NYSEG respectfully requests that the Commission accept the Reimbursement Agreement for filing effective October 7, 2016.

I. COMMUNICATIONS

All communications and service related to this filing should be directed to:

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¹ 16 U.S.C. § 824d (2012).

² 18 C.F.R. Pt. 35 (2016).

II. BACKGROUND

NYSEG and National Grid are both public utilities subject to the Commission's jurisdiction that own transmission facilities under the operational control of the NYISO.

National Grid is rebuilding its 115 kV substation located in West Seneca, New York. In connection with this work, National Grid has requested that NYSEG relocate its 34.5 kV Transmission Line #513 that currently traverses the proposed construction area for National Grid's rebuilt substation, and perform certain conceptual engineering and environmental site assessment. NYSEG agreed to perform the work requested by National Grid subject to reimbursement by National Grid of NYSEG's costs and expenses incurred in connection with the work, as discussed further below.³

On October 7, 2016, NYSEG and National Grid executed the Reimbursement Agreement. NYSEG projects that the work to be performed under the Reimbursement Agreement will be completed by December 31, 2016.⁴

III. DESCRIPTION OF THE REIMBURSEMENT AGREEMENT

Pursuant to the Reimbursement Agreement, National Grid agreed to pay for or reimburse NYSEG for (i) 100 percent of the costs and expenses incurred by NYSEG in connection with the relocation of NYSEG's transmission line; and (ii) 50 percent of the actual costs and expenses incurred by NYSEG to accomplish all remaining work contemplated in Exhibit A of the Reimbursement Agreement. Exhibit A of the Reimbursement Agreement details the work to be performed under the agreement by NYSEG.⁵ The Reimbursement Agreement sets forth the terms and conditions of this work and certain related commitments by National Grid. The Reimbursement Agreement includes provisions addressing the performance and schedule of the work, liability and indemnification, insurance, regulatory and governmental approvals, and various standard provisions for utility cost reimbursement agreements.

NYSEG is performing these services at actual costs (defined as "Company Reimbursable Costs") as set forth in Article 1.0 of the Reimbursement Agreement. As set forth in Article 6.1 of the Reimbursement Agreement, NYSEG estimates the Company Reimbursable Costs, exclusive of any applicable taxes, to be \$615,000. The Commission should find the price of the services to be performed pursuant to the Reimbursement Agreement to be just and reasonable because NYSEG will perform these services at actual cost (*i.e.*, its out-of-pocket expenses), and does not include any return on investment, carrying charge, or any other amount to be collected for profit.

³ Reimbursement Agreement, Recitals, Article 3.0 and Exhibit A.

⁴ *Id.*, Exhibit B.

⁵ *Id.*, Exhibit A.

IV. REQUESTED EFFECTIVE DATE AND WAIVER

In accordance with the date of execution of the Reimbursement Agreement, NYSEG respectfully requests that the Commission accept the Reimbursement Agreement with an effective date of October 7, 2016.

Pursuant to Section 35.3(a)(2) of the Commission's regulations,⁶ the Commission requires that service agreements be filed not more than 30 days after service commences.⁷ Because service commenced under the Reimbursement Agreement (*i.e.*, the date of execution on October 7, 2016) less than 30 days from the date of this filing, the requested effective date is consistent with the Commission's regulations.

To the extent necessary, NYSEG requests a waiver of any Commission regulation or requirement not otherwise satisfied by this filing in order to permit acceptance of the Reimbursement Agreement, effective as requested.

V. SERVICE

A copy of this filing will be served on National Grid and the NYISO.

VI. CONTENTS OF FILING

In accordance with the Commission's eTariff regulations and other filing requirements,⁸ this filing consists of:

- This transmittal letter; and
- A copy of the executed Reimbursement Agreement in PDF.

VII. CONCLUSION

For the foregoing reasons, NYSEG respectfully requests that the Commission accept the Reimbursement Agreement with an effective date of October 7, 2016.

Respectfully submitted,

/s/ Blake R. Urban

Catherine P. McCarthy
Blake R. Urban

Counsel to New York State Electric & Gas Corporation

⁶ 18 C.F.R. § 35.3(a)(2).

⁷ *Id.*

⁸ *Id.* § 35.7.