

March 21, 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. ER19-\_\_\_\_-000**

**Filing of Cost Reimbursement Agreement with**  
**Greenway Conservancy for the Hudson River Valley**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),<sup>1</sup> and Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,<sup>2</sup> Niagara Mohawk Power Corporation d/b/a National Grid (“Niagara Mohawk”) submits a Cost Reimbursement Agreement (“Reimbursement Agreement”) between Niagara Mohawk and Greenway Conservancy for the Hudson River Valley (“Greenway Conservancy”).<sup>3</sup> The Reimbursement Agreement is designated as Service Agreement No. 2447 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 Greenway Conservancy has requested Niagara Mohawk to do to accommodate Greenway Conservancy’s installation of improvements in connection with the Albany-Hudson Electric Trail (“AHET”).<sup>4</sup> Niagara Mohawk requests that the Commission accept the Reimbursement Agreement effective as of February 19, 2019, the effective date agreed to by the Parties.

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Part 35.

<sup>3</sup> Together, Niagara Mohawk and Greenway Conservancy are referred to in the Reimbursement Agreement and in this transmittal letter as the “Parties.”

<sup>4</sup> The AHET is a shared-use bicycling and pedestrian trail being developed along the 35-mile Albany-Hudson Electric Trolley corridor from Hudson, New York to Rensselaer, New York. See <http://www.ahettrail.org/>.

## **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.

Greenway Conservancy is a New York public benefit corporation. Greenway Conservancy is not a transmission customer under the NYISO OATT.

Niagara Mohawk and Greenway Conservancy have entered into a License Agreement with respect to Greenway Conservancy's use in connection with the AHET of a portion of certain real property owned by Niagara Mohawk ("License Agreement"). Greenway Conservancy has requested that Niagara Mohawk perform the work specified in the Reimbursement Agreement to relocate a portion of existing facilities owned by Niagara Mohawk, including 34.5 kV sub-transmission lines and multiple distribution feeders, for the purpose of accommodating Greenway Conservancy's installation of Improvements on the Premises (as those terms are defined in the License Agreement) in connection with the AHET. Niagara Mohawk is willing to perform this work subject to: (i) reimbursement by Greenway Conservancy of all actual costs and expenses incurred by Niagara Mohawk in connection with the work; (ii) Greenway Conservancy's acquisition and delivery of certain real property interests as contemplated in the Reimbursement Agreement; (iii) Greenway Conservancy's performance of all other duties, responsibilities, and obligations set forth in the Reimbursement Agreement, including, without limitation, specified actions to be taken by Greenway Conservancy; and (iv) receipt of any and all required approvals as set forth in the Reimbursement Agreement, in a form acceptable to Niagara Mohawk.<sup>5</sup>

## **II. Description of the Reimbursement Agreement and Filing Requirements**

Pursuant to the Reimbursement Agreement, Greenway Conservancy 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 Greenway Conservancy. 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.<sup>6</sup> The Reimbursement Agreement relates to Niagara Mohawk's recovery of costs for performing procurement, construction, and other work to relocate its existing facilities to accommodate Greenway Conservancy's installation of improvements in connection with

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<sup>5</sup> Reimbursement Agreement, Recitals, 3.0, 7.0, and 18.0, and Exhibits A and C.

<sup>6</sup> 16 U.S.C. §§ 824d(a)-(c).

the AHET. Although Greenway Conservancy 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.<sup>7</sup> For these reasons, Niagara Mohawk is filing the Reimbursement Agreement for Commission acceptance.

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.<sup>8</sup> The Commission should therefore accept the Reimbursement Agreement.

### **III. Effective Date**

Niagara Mohawk requests that the Commission accept the Reimbursement Agreement effective as of February 19, 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 the agreements has commenced.<sup>9</sup> Niagara Mohawk is filing the Reimbursement Agreement within 30 days of the requested February 19 effective date.

### **IV. Attachments**

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

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<sup>7</sup> See, e.g., *Niagara Mohawk Power Corp.*, Commission Letter Order, Docket No. ER16-979-000 (Mar. 31, 2016) (accepting for filing a cost reimbursement agreement between Niagara Mohawk and the Oneida Indian Nation ("Nation"), which Niagara Mohawk explained was not a transmission customer under the NYISO OATT, to facilitate the performance of certain work that the Nation requested Niagara Mohawk to do with respect to a portion of a specified transmission line to be relocated as described in the cost reimbursement agreement).

<sup>8</sup> See Reimbursement Agreement, Article 1.0, at definition of "Company Reimbursable Costs". Section 7.2 of the Reimbursement Agreement provides that, once the Commission has granted approval of the Reimbursement Agreement without condition or modification, Greenway Conservancy will provide Niagara Mohawk with a prepayment amount of \$4,905,713 ("Initial Prepayment"), which represents Niagara Mohawk's current estimate of the actual costs and expenses to perform the work described in the Reimbursement Agreement. In accordance with this Section 7.2, Niagara Mohawk has not collected the Initial Prepayment (or any other funds) pursuant to the Reimbursement Agreement.

<sup>9</sup> 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 Greenway Conservancy, 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 February 19, 2019.

Respectfully submitted,

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