

March 20, 2020

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 Lake Placid Village, Inc.

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 d/b/a National Grid (“Niagara Mohawk”) submits a Cost Reimbursement Agreement (“Reimbursement Agreement”) between Niagara Mohawk and Lake Placid Village, Inc. (“Lake Placid”).³ The Reimbursement Agreement is designated as Service Agreement No. 2528 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 Lake Placid has requested Niagara Mohawk to do to accommodate Lake Placid’s planned westward expansion of an existing substation. Niagara Mohawk requests that the Commission accept the Reimbursement Agreement effective as of February 21, 2020, 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 Lake Placid 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 own transmission facilities located in New York which have been placed under the operational control of the NYISO. Lake Placid is a municipal corporation with offices located in Lake Placid, New York.

Lake Placid is planning a westward expansion of its existing Lake Placid Municipal Substation Number 1 ("Lake Placid Substation") located in the Village of Lake Placid and has requested that Niagara Mohawk perform certain work to accommodate that expansion project. The requested work includes, without limitation, reconfiguration of the portion of Niagara Mohawk's 115 kV Lake Colby – Lake Placid #3 transmission line located at Lake Placid Substation, and modification of Niagara Mohawk's transmission structure #1.5 at Lake Placid Substation to a dead end structure. Niagara Mohawk is willing to perform this work subject to: (i) reimbursement by Lake Placid of all actual costs and expenses incurred in connection with the work; (ii) Lake Placid's acquisition and delivery of certain real property interests as contemplated in the Reimbursement Agreement; (iii) Lake Placid's performance of all other duties, responsibilities, and obligations set forth in the Reimbursement Agreement; and (iv) 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, Lake Placid 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 Lake Placid. 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, testing, and other work on transmission facilities as described in the Reimbursement Agreement, in connection with the planned westward expansion of the Lake Placid Substation. Niagara Mohawk recognizes that the Commission may find the Reimbursement Agreement to be a jurisdictional agreement that must be filed. For these reasons, Niagara Mohawk is submitting 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).

The price of the services to be performed pursuant to the Reimbursement Agreement will be just and reasonable because Niagara Mohawk will perform these services at actual cost.⁶ 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 21, 2020, the effective date agreed to by the Parties.⁷ The Commission's regulations require service agreements to be filed not more than 30 days after service under the agreements has commenced.⁸ Niagara Mohawk is submitting this filing within 30 days of the requested February 21, 2020 effective date.

IV. Attachment

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

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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⁶ *Id.*, Article 1.0 at definition of "Company Reimbursable Costs".

⁷ *Id.*, Preamble and Article 1.0 at definition of "Effective Date".

⁸ 18 C.F.R. § 35.3(a)(2).

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Copies of this filing have been served on Lake Placid, the NYISO, and the New York State 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 21, 2020.

Respectfully submitted,

/s/ Christopher J. Novak

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