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SUBMITTED VIA E-TARIFF FILING

August 19, 2021

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

**Re: *New York Power Authority*
 Supplement to July 9 Tariff Filing
 Docket No. ER21-2392-000**

Dear Secretary Bose:

The New York Power Authority (“NYPA”) hereby submits this supplement to amend its July 9, 2021 filing (“July 9 Filing”) in the above-captioned proceeding to include, at the request of staff of the Federal Energy Regulatory Commission (“Staff”), ministerial, non-substantive changes to NYPA’s transmission formula rate template as set forth in Section 14.2.3.1 of Attachment H of the New York Independent System Operator, Inc. (“NYISO”) Open Access Transmission Tariff (“Template”).¹ Because these changes are not substantive, and because no party has intervened or protested in this proceeding, NYPA requests waiver of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) notice requirement and a shortened comment period to permit NYPA’s requested tariff revisions to become effective on September 15, 2021, as originally requested.

I. BACKGROUND

In the July 9 Filing, NYPA sought to revise the Template and NYPA’s implementation protocols (“Protocols,” and together with the Template, “Formula Rate”) found at Section 14.2.3

¹ The NYISO submits this filing on behalf of NYPA solely in its role as administrator of the NYISO Open Access Transmission Tariff (“OATT”). The burden of demonstrating that the proposed tariff amendments are just and reasonable rests with NYPA, the sponsoring party. The NYISO takes no position on any substantive aspect of this filing at this time. Capitalized terms not otherwise defined herein shall have the meaning specified in the NYISO OATT.

of Attachment H of the NYISO OATT to incorporate a cost containment mechanism to be used in connection with NYPA's recovery of the costs of its investments in certain transmission facilities that are known as "Segment A" of the "AC Projects." As explained in the July 9 Filing, the revisions proposed therein complied with the conditions set forth in the Commission's November 21, 2019 order granting NYPA an incentive return on equity ("ROE") adder for the risks and challenges associated with the Segment A project.²

The Formula Rate revisions included in the July 9 Filing consist of (i) a new section in NYPA's Protocols (Section 14.2.3.2.9) devoted to cost containment for NYPA's Segment A project costs and (ii) inclusion of a new footnote in Schedule D2 (Project Specific Capital Structure and Cost of Capital) of NYPA's Template specifying that Segment A cost containment impacts, if any, will be computed on a workpaper and provided as supporting documentation for each applicable Annual Update to NYPA's Formula Rate, and explaining that the 50 basis-point ROE "risk adder" awarded to NYPA for the Segment A project is included in the ROE for the Segment A project that will be reflected in column (2) of Schedule D2.

II. SUPPLEMENTAL CHANGES

The Commission established a July 30, 2021 comment date for the July 9 Filing.³ No interventions, protests, or comments were filed. On August 5, 2021, Staff contacted NYPA to request that NYPA make two clarifications to Schedule D2 of the Template.

First, Staff requested that a capital structure table for the Segment A project be hard-coded into Schedule D2 of the Template (*i.e.*, included in the "unpopulated" version of the Template; the populated versions of the Template provided with NYPA informational filings already include such table⁴) beginning at Excel Line 37. NYPA understands that Staff requested this change to ensure that the Template reflects the fact that NYPA has incorporated AC Project Segment A cost recovery in its Formula Rate since July 1, 2020, in a manner consistent with NYPA's own Annual Update process. Thus, the accompanying labels for the seven lines below that project would be inserted, and information in columns (1) through (4), including appropriate placeholders for this unpopulated version, would be filled in for AC Project Segment A. The "Project X" designation for future projects would follow AC Project Segment A, in accordance with the existing Template structure. Consistent with these changes, NYPA has also hard-coded the AC Project Segment A into the "Summary" tab of the Template.

Second, Staff requested that proposed footnote 4 on Schedule D2, which addresses the ROE for AC Project Segment A, be clarified to note that the inclusion of the 50 basis point "ROE Risk Adder" is added to the existing 9.45% ROE that applies to NYPA's other transmission facilities under the Formula Rate, which produces a 9.95% total ROE for Segment A project costs. NYPA's proposed changes also move the location of footnote 4 for clarity and ease of reference.

² July 9 Filing at 4.

³ Combined Notice of Filings #1, Docket No. ER21-2392-000 et al., (July 9, 2021).

⁴ See New York Power Authority Informational Filing - Transmission Formula Rate, Docket No. ER17-1288-000 (filed Mar. 12, 2021).

Attachments A and B to this filing include clean and marked versions of the Template, which incorporate the changes proposed in the July 9 Filing, as supplemented by the changes that are described above.

These changes are ministerial and non-substantive as they do not change any aspect of the Template and Protocols revisions requested by NYPA in the July 9 Filing. The sole purpose of these changes is to add transparency to the Template by showing certain AC Project Segment A information as permanent portions of the Formula Rate. Additionally, these changes do not impact NYPA's recovery of Segment A project costs.⁵

Because these changes were requested by Staff, are ministerial and non-substantive in nature, and no party raised objections to the July 9 Filing, NYPA respectfully requests that the Commission accept the July 9 Filing, as supplemented herein, effective September 15, 2021, as originally requested. To the extent necessary, NYPA requests waiver of the prior notice requirement and any other requirement in Part 35 of the Commission's to permit the Commission to accept the July 9 Filing, as supplemented herein, effective September 15, 2021. For the same reasons, NYPA also respectfully requests that the Commission shorten the comment period to seven days in order to facilitate Commission review of NYPA's proposal in a timely manner.

III. CONTENTS OF THE FILING

In addition to this transmittal letter, which explains the proposed ministerial changes to the Template, this filing contains the following components:

Attachment A: Clean Version of the NYPA Formula Rate Template containing the revisions to Schedule D2 proposed in the July 9 Filing, as supplemented herein, in Native Excel File Format (NYISO OATT, Attachment H, Section 14.2.3.1); and

Attachment B: Marked Version of the NYPA Formula Rate Template showing the revisions to Schedule D2 proposed in the July 9 Filing, as supplemented herein.

⁵ Staff did not request any changes to NYPA's proposed additions to its Protocols which contain the cost containment provisions.

IV. CONCLUSION

For the reasons set forth herein, NYPA requests that the Commission accept for filing NYPA's Formula Rate revisions proposed on July 9, 2021, as supplemented herein, effective September 15, 2021 as originally requested.

Respectfully submitted,

/s/ Gary D. Levenson

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Enclosures: Attachments A and B