

October 25, 2021

By Electronic Delivery

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

**Re: Long Island Power Authority, Docket No. ER22-____-000; Proposed
Tariff Revisions to Reflect Revised Transmission Service Charges for
the Long Island Power Authority**

Dear Secretary Bose:

In accordance with Section 14.1.2 of Attachment H of its Open Access Transmission Tariff (“OATT”), the New York Independent System Operator, Inc. (“NYISO”),¹ on behalf of the Long Island Power Authority (“LIPA”), hereby submits this request for acceptance by the Federal Energy Regulatory Commission (“FERC” or “Commission”) of revisions to LIPA’s Wholesale Transmission Service Charge (“TSC”) as set forth in Attachment H of the OATT.²

I. Documents Submitted

On behalf of LIPA, the NYISO respectfully submits the following documents with this filing letter:

¹ Section 14.1.2 of Attachment H of the OATT states that the components of LIPA’s TSC that LIPA seeks to amend in this filing “will be updated based on Transmission Owner filings to FERC (or a NYISO filing to FERC on behalf of LIPA)” under the Federal Power Act whenever a Transmission Owner determines that a change is required. As further described in Section II below, because LIPA is a FERC non-jurisdictional utility, the NYISO submits this filing to the Commission on LIPA’s behalf and solely in its role as the administrator of the OATT. The burden of supporting the proposed tariff amendments rests with LIPA, the sponsoring party. The NYISO takes no position on any substantive aspect of this filing at this time. Capitalized terms that are not otherwise defined herein shall have the meaning set forth in the OATT.

² As further discussed in Section II below, the Commission has held that it will apply a “comparability standard,” rather than the standard under Section 205 of the Federal Power Act, when evaluating non-jurisdictional transmission tariffs such as LIPA’s. *See Central Hudson Gas & Electric Corp. et al*, 88 FERC ¶ 61,138, at 61403 (1999). *See also New York Independent System Operator, Inc.*, 100 FERC ¶ 61,070 at P 3 (2002) (stating that LIPA’s “transmission tariffs are evaluated under a ‘comparability standard,’ rather than Section 205 of the FPA...”); and *New York Independent System Operator, Inc.*, 111 FERC ¶ 61,366 (2005) (stating that LIPA’s TSC rates are also not subject to review under Section 206 of the FPA). At the request of LIPA, the NYISO therefore makes this filing subject to the Commission’s comparability standard.

1. A clean version of LIPA's proposed revisions to Table 1 in Section 14.1.4 of Attachment H to the OATT ("Attachment I"); and
2. A blacklined version of LIPA's proposed revisions to Table 1 in Section 14.1.4 of Attachment H to the OATT ("Attachment II").

II. Description of LIPA's Proposed Tariff Revisions

As contemplated by Section 14.1.2 of Attachment H of the OATT, the NYISO, on behalf of LIPA, submits changes to Table 1 in Section 14.1.4 of Attachment H of the OATT to revise LIPA's TSC calculation information. Specifically, on behalf of LIPA, the NYISO submits changes to the stated values for LIPA's revenue requirement ("RR"), scheduling system control and dispatch costs ("CCC"), billing units ("BU"), and resulting TSC rate. As previously addressed with, and acknowledged by the Commission, the Commission evaluates LIPA's TSC rate under the "comparability standard"³ and, as a non-jurisdictional utility, LIPA's revenue requirement and TSC are established by the Long Island Power Authority's Board of Trustees pursuant to the New York State Administrative Procedures Act and Article 5, Title I-A of the New York Public Authorities Law, Section 1020-f(u) and 1020-s.

LIPA's updated RR, CCC and BU inputs and resulting LIPA TSC rate are included in the clean and redlined versions of the OATT set forth in Attachments I and II to this filing. Specifically, Table 1 in Section 14.1.4 of Attachment H of the OATT will be revised to reflect the updated RR, CC, and BU components, as well as an updated LIPA TSC rate of \$10.6249/MWh.

LIPA has informed the NYISO that between November 1, 2021 and continuing through December 31, 2024 ("Phase-in Period"), TSC rate discounts will be implemented to mitigate the financial impact of this update on the customers who pay the LIPA TSC: the Villages of Freeport, Greenport, and Rockville Centre (the "Long Island Municipals"). LIPA has instructed the NYISO to inform the Commission that this discounted rate is the product of a "black box" agreement between LIPA and the Long Island Municipals to provide gradual rate increases and rate stability for the Long Island Municipals during the Phase-in Period.

LIPA and the Long Island Municipals have agreed that the total discounted monthly Wholesale TSC rates to be billed to the Long Island Municipals during the Phase-in Period are as follows:

Phase-in Period	Discounted Monthly Wholesale TSC Rate
November 1, 2021 – December 31, 2022	\$6.00/MWh
January 1, 2023 – December 31, 2023	\$7.00/MWh
January 1, 2024 – December 31, 2024	\$8.00/MWh

³ *Id.*

After the Phase-in Period, starting on January 1, 2025, LIPA's TSC rate, as reflected in Table 1 of Section 14.1.4 of Attachment H of the OATT, will apply. LIPA has instructed the NYISO to inform the Commission that LIPA expects that it will file another update to the RR, CCC, and BU components of the TSC rate prior to January 1, 2025, in connection with the rate that will become effective at that time.

The Commission has previously stated that it "cannot review LIPA's rates under the Section 205 just and reasonable standard, but will apply the comparability standard [it uses] when evaluating non-jurisdictional, so-called 'NJ' transmission tariffs to assure that the tariff rate is comparable to the rate LIPA charges itself and others."⁴ LIPA has informed the NYISO that this TSC rate applies to all parties using LIPA's wholesale transmission facilities under the NYISO OATT and satisfies the Commission's comparability standard. Furthermore, because LIPA is not a "public utility," LIPA has requested that the NYISO inform the Commission that 18 C.F.R. § 35.13 is not applicable with respect to the change in LIPA's TSC rate proposed herein.

III. Effective Date

At the request of LIPA, the NYISO respectfully requests that the tariff revisions proposed in this filing become effective on November 1, 2021, and that, to the extent necessary, the Commission waive any applicable notice requirements. LIPA has instructed the NYISO to inform the Commission that counsel for the Long Island Municipals has authorized LIPA to state that the Long Island Municipals support this filing and the November 1, 2021 effective date.

IV. Communications and Correspondence

Please direct all communications and service in this proceeding to:

For the NYISO:

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⁴ *Central Hudson Gas & Electric Corp. et al*, 88 FERC ¶ 61,138, at 61403 (1999).

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*Designated for receipt of service.

V. Service

On behalf of LIPA, the NYISO will send an electronic link to this filing to the official representative of each of its customers, each participant on its stakeholder committees, the New York State Public Service Commission, and the New Jersey Board of Public Utilities. The NYISO will also post the complete filing on its website at www.nyiso.com.

VI. Conclusion

For the foregoing reasons, the NYISO, on behalf of LIPA, respectfully requests that the Commission accept the proposed tariff changes identified in this filing to become effective on November 1, 2021.

Respectfully submitted at the request of LIPA,

/s/ Garrett E. Bissell

Garrett E. Bissell

Senior Attorney

New York Independent System Operator, Inc.

cc: Janel Burdick
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