

December 10, 2021

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

Re: Niagara Mohawk Power Corporation
Docket No. ER22-____-000

**Filing of Cost Reimbursement Agreement with New York Power Authority
and Request for Waiver of Commission Notice Requirement**

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 (“Niagara Mohawk”) submits a Cost Reimbursement Agreement (“Reimbursement Agreement”) between Niagara Mohawk and New York Power Authority (“NYPA”).³ The Reimbursement Agreement is designated as Service Agreement No. 2669 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 NYPA has requested Niagara Mohawk to do to support NYPA’s project to rebuild its Moses-Adirondack transmission line (“Project”). Niagara Mohawk respectfully requests that the Commission grant waiver of its notice requirement to accept the Reimbursement Agreement effective as of October 20, 2021, 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 NYPA are referred to in the Reimbursement Agreement and in this transmittal letter as the “Parties.”

I. Background

Niagara Mohawk is a public utility with a transmission system in New York. NYPA is a corporate instrumentality of New York, with its own transmission system in New York. Both Niagara Mohawk and NYPA have placed transmission facilities they own under the operational control of the NYISO.

As part of its Smart Path project, NYPA is planning to rebuild its 86-mile Moses-Adirondack transmission line that runs from NYPA's St. Lawrence-Franklin D. Roosevelt Power Project in Massena, New York to the Adirondack Substation in Croghan, New York. NYPA has requested that Niagara Mohawk perform certain work, as more specifically described in Exhibit A to the Reimbursement Agreement, to install six in-line switches outside of McAdoo Station located in Canton, New York to support the Project. Niagara Mohawk is willing to perform this work subject to: (i) reimbursement by NYPA of all actual Niagara Mohawk costs and expenses incurred in connection with the work; (ii) NYPA's performance of all other duties, responsibilities, and obligations set forth in the Reimbursement Agreement; and (iii) receipt of any and all required approvals as set forth in the Reimbursement Agreement.⁴

II. Description of the Reimbursement Agreement and Filing Requirements

Pursuant to the Reimbursement Agreement, NYPA 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 NYPA. 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 expansion and interconnection of the Station. 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.

The price of the services to be performed pursuant to the Reimbursement Agreement will be just and reasonable because Niagara Mohawk will perform these

⁴ Reimbursement Agreement, Recitals, Articles 3.0, 7.0, and 18.0, and Exhibits A and B.

⁵ 16 U.S.C. §§ 824d(a)-(c).

services at actual cost.⁶ The Commission should therefore accept the Reimbursement Agreement.

III. Effective Date and Request for Waiver

Pursuant to Section 35.11 of the Commission's regulations,⁷ Niagara Mohawk respectfully requests waiver of the 30-day notice requirement contained in Section 35.3 of the Commission's regulations⁸ to allow the Reimbursement Agreement to become effective as of October 20, 2021, the effective date agreed to by the Parties.⁹

Good cause exists for the Commission to grant this waiver. Granting the waiver will accord with the intent of National Grid and NYPA to make the Reimbursement Agreement effective as of October 20, 2021. No prejudice will result to any party from granting the waiver. There was a short delay in filing this agreement for Commission acceptance due to an administrative oversight. For these reasons, the Commission should find that good cause exists to grant an effective date of October 20, 2021.

IV. Attachment

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

⁶ *Id.*, Article 1.0 at definition of "Company Reimbursable Costs." Niagara Mohawk will not collect any amounts from NYPA pursuant to the CRA until after the Commission has accepted it for filing.

⁷ 18 C.F.R. § 35.11.

⁸ 18 C.F.R. § 35.3.

⁹ See the Preamble to the Reimbursement Agreement.

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 NYPA and the NYISO.

VI. Conclusion

For the reasons stated herein, Niagara Mohawk respectfully requests that the Commission accept the Reimbursement Agreement effective as of October 20, 2021.

Respectfully submitted,

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