

January 21, 2022

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
Rochester Gas & Electric Corporation**

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 Rochester Gas & Electric Corporation (“RG&E”).³ The Reimbursement Agreement is designated as Service Agreement No. 2680 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 RG&E has requested Niagara Mohawk to do to support RG&E’s planned expansion of its Station 56 Substation (Substation) and interconnect the expanded Substation with existing transmission facilities owned by Niagara Mohawk. Niagara Mohawk respectfully requests that the Commission accept the Reimbursement Agreement effective as of December 22, 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 RG&E are referred to in the Reimbursement Agreement and in this transmittal letter as the “Parties.”

I. Background

Niagara Mohawk and RG&E are both public utilities subject to the Commission's jurisdiction that own transmission facilities located in New York and that have placed their facilities under the operational control of the NYISO.

RG&E has requested that Niagara Mohawk perform certain work, as more specifically described in Exhibit A to the Reimbursement Agreement, to support RG&E's planned expansion of its Substation located near Pittsford, New York and interconnect the expanded Substation with existing Niagara Mohawk-owned transmission facilities. Niagara Mohawk is willing to perform this work subject to: (i) reimbursement by RG&E of all actual Niagara Mohawk costs and expenses incurred in connection with the work; (ii) RG&E'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, RG&E 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 RG&E. 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 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.

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.

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).

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

III. Effective Date

Niagara Mohawk requests that the Commission accept the Reimbursement Agreement effective as of December 22, 2021, the effective date agreed to by the Parties.⁷ The Commission's regulations require a service agreement to be filed not more than 30 days after service under the service agreement has commenced.⁸ Niagara Mohawk is submitting this filing within 30 days of the requested December 22, 2021 effective date.

IV. Attachment

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

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

⁸ 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:

Christopher J. Novak
Senior Counsel
National Grid USA
Service Company, Inc.
40 Sylvan Road
Waltham, MA 02451
(781) 907-2112
Chris.Novak@nationalgrid.com

Kevin C. Reardon
Director, Commercial Services
National Grid USA
40 Sylvan Road
Waltham, MA 02451
(781) 907-2411
Kevin.Reardon@nationalgrid.com

Sean A. Atkins
Bradley R. Miliauskas
Davis Wright Tremaine LLP
1301 K Street, NW
Suite 500 East
Washington, DC 20005
(202) 973-4200
seanatkins@dwt.com
bradleymiliauskas@dwt.com

Copies of this filing have been served on RG&E, 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 December 22, 2021.

Respectfully submitted,

/s/ Christopher J. Novak

Christopher J. Novak
Senior Counsel
National Grid USA
Service Company, Inc.
40 Sylvan Road
Waltham, MA 02451

*Attorney for Niagara Mohawk Power
Corporation*