

July 29, 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 and 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. 2726 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 undertake to support RG&E’s planned expansion of its Hook Road Station 127 Substation (Substation) and to 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 June 30, 2022, 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 Farmington, New York and to interconnect the expanded Substation with the existing Mortimer-Elbridge #2 115 kV electrical transmission circuits, which are Niagara Mohawk-owned transmission facilities. Niagara Mohawk is willing to perform this work subject to: (i) reimbursement by RG&E of all Niagara Mohawk actual costs and expenses incurred in connection with the work; (ii) RG&E's delivery of certain real property interests as contemplated in the Reimbursement Agreement; (iii) RG&E'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.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 June 30, 2022, 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 June 30, 2022 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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Copies of this filing have been served on RG&E, the NYISO, and the New York Public Service Commission.

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

⁸ 18 C.F.R. § 35.3(a)(2).

VI. Conclusion

For the reasons stated herein, Niagara Mohawk respectfully requests that the Commission accept the Reimbursement Agreement effective as of June 30, 2022.

Respectfully submitted,

/s/ Christopher J. Novak

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