

ATTACHMENT J

New York Transmission Owners Smart Path Connect Cost Allocation Agreement

COST ALLOCATION AGREEMENT SMART PATH CONNECT

This cost allocation agreement (“Agreement”) is entered into as of January 30, 2023, by and among Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; New York State Electric & Gas Corporation; Niagara Mohawk Power Corporation (“NMPC”); Orange and Rockland Utilities, Inc.; Rochester Gas and Electric Corporation; Long Island Power Authority; and the Power Authority of the State of New York (“NYPA”) (each of the foregoing individually referred to herein as a “Transmission Owner” and collectively referred to herein as the “New York Transmission Owners” or “NYTOs”).

This Agreement memorializes the NYTOs’ understanding and concurrence regarding the use of a volumetric load-ratio share basis for the allocation of the revenue requirement associated with NMPC’s portion of the Smart Path Connect Project (“SPC Project” or the “Project”), as determined through a formula rate mechanism for cost recovery approved by the Federal Energy Regulatory Commission (“FERC”). The SPC Project is being developed jointly by NYPA and NMPC. The New York Public Service Commission (“NYPSC”) has determined that the SPC Project is a “Priority Transmission Project” under New York’s Accelerated Renewable Energy Growth and Community Benefit Act (“AREGCB”) because, applying the criteria the NYPSC set out, it is needed expeditiously to meet the clean energy mandates established by New York’s Climate Leadership and Community Protection Act (“CLCPA”). The NYPSC has granted the SPC Project a Certificate of Environmental Compatibility and Public Need, finding that the Project would significantly improve deliverability of renewable generation from northern New York, provide congestion cost savings, and improve reliability.

The New York Transmission Owners agree as follows:

1. The cost of transmission projects should be allocated to those within a region that benefit from those facilities in a manner that is at least roughly commensurate with the projects’ benefits.
2. The NYTOs understand the public policy benefits of the SPC Project as presented by the Project’s sponsors and agree that the allocation of the costs of the SPC Project on a volumetric load-ratio share basis is consistent with the “roughly commensurate with benefits” standard.
3. Consistent with Paragraph 2, and subject to the conditions precedent in Paragraphs 4 and 5, NMPC shall be entitled to allocate its SPC Project revenue requirement on a volumetric load-ratio share basis pursuant to the terms and conditions of a Rate Schedule 18 to the NYISO Open Access Transmission Tariff (“NYISO OATT”), the form and substance of which shall be acceptable to the New York Transmission Owners.
4. The foregoing agreements described in Paragraphs 2 and 3 herein are be subject to the condition precedent that NMPC file, and FERC accept, such Rate Schedule 18, including statewide volumetric load-ratio share cost allocation, and that the same shall not subsequently be altered in a manner not reasonably acceptable to the New York Transmission Owners.

5. The foregoing agreements described in Paragraphs 2 and 3 herein shall also be subject to the condition precedent that the NYPSC file with FERC, and not subsequently withdraw and alter, comments supporting the allocation of the costs of the SPC Project on a statewide volumetric load-ratio share basis.
6. NMPC's SPC Project revenue requirement shall be determined in accordance with formula tariff provisions approved by FERC, as set forth in the NYISO OATT.
7. This Agreement is limited to the use of a volumetric load-ratio share basis in the allocation of NMPC's revenue requirement for the SPC Project and does not apply to any other facilities or projects. This Agreement shall not act as precedent for any purposes. Specifically, this Agreement shall neither obligate any Transmission Owner to execute any similar agreement for any other project in the future, nor prejudice any Transmission Owner's right to take a different position regarding the appropriate cost allocation for any other facilities or projects, including any additional Priority Transmission Projects or other projects that may arise from the AREGCBA. In this regard, the Parties acknowledge that this Agreement has no effect on their respective rights and obligations under that certain Cost Sharing and Recovery Agreement by and among them and, for limited purposes, the NYPSC, that has been filed with and accepted by FERC. The cost allocation methodology for any such other projects will be determined based on the circumstances applicable to and the benefits of such projects.
8. This Agreement does not bind, limit, or otherwise affect the rights any Transmission Owner possesses to protest matters unrelated to the use of a volumetric load-ratio share basis in the allocation of NMPC's revenue requirement for the SPC Project as set forth in Paragraph 3 above, including the justness and reasonableness of the formula rate tariff provisions used to determine the revenue requirement for the Project, the costs recoverable under such formula rate, the rate of return, incentives, or capital structure.
9. Similarly, this Agreement shall be void and have no effect if the conditions precedent described in Paragraphs 4 and 5 are not, or do not remain, satisfied.
10. Subject to the express terms of this Agreement, this Agreement shall not constitute or be construed as a waiver of rights that any Transmission Owner may have under applicable Law or with respect to any proceeding before the NYPSC or FERC.
11. This Agreement may be amended only by a written instrument, duly executed by each of the Parties.
12. This Agreement constitutes the entire agreement between the Parties as of the time of execution relating to the subject matter hereof and supersedes all prior agreements, whether oral or written, relating to such subject matter.
13. The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the Laws of the State of New York (without giving effect to the principles of conflict of Laws which would apply the Laws of another jurisdiction).

14. No Party may assign, or collaterally assign, pledge, or grant a security interest in, this Agreement or its rights or obligations hereunder without the prior unanimous written consent of the other Parties. No assignment by a Party of this Agreement or its rights or obligations hereunder shall relieve the assigning Party of liability for its obligations hereunder without the written release of all the other Parties, and any assignment made without proper consent shall be void and ineffective.
15. This Agreement shall inure to the benefit of and be binding upon any respective successors and permitted assigns of the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized representatives as of the date first above written.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

By: _____

Name: Ryan G. Hawthorne

Title: Vice President, Electric Engineering & Operations

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: _____

Name: _____

Title: _____

NEW YORK STATE ELECTRIC & GAS CORPORATION

By: _____

Name: _____

Title: _____

NIAGARA MOHAWK POWER CORPORATION

By: _____

Name: _____

Title: _____

ORANGE AND ROCKLAND UTILITIES, INC.

By: _____

Name: _____

Title: _____

ROCHESTER GAS AND ELECTRIC CORPORATION

By: _____

Name: _____

Title: _____

LONG ISLAND POWER AUTHORITY

By: _____

Name: _____

Title: _____

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____

Name: _____

Title: _____

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CENTRAL HUDSON GAS & ELECTRIC CORPORATION

By: _____

Name: _____

Title: _____

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: Steven J. Parisi

Name: Steven J. Parisi

Title: Senior VP Central Operations

NEW YORK STATE ELECTRIC & GAS CORPORATION

By: _____

Name: _____

Title: _____

NIAGARA MOHAWK POWER CORPORATION

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By: _____

Name: _____

Title: _____

NEW YORK STATE ELECTRIC & GAS CORPORATION

By: Catherine Stempien

Name: Catherine Stempien

Title: President & CEO, Avangrid Networks

NIAGARA MOHAWK POWER CORPORATION

By: _____

Name: _____

Title: _____

By: Joseph J. Syta

Name: Joseph J. Syta

Title: VP, Controller & Treasurer

ROCHESTER GAS AND ELECTRIC CORPORATION

By: Catherine Stempien

Name: Catherine Stempien

Title: President & CEO, Avangrid Networks

ORANGE AND ROCKLAND UTILITIES, INC.

By: _____

Name: _____

Title: _____

By: Joseph J. Syta

Name: Joseph J. Syta

Title: VP, Controller & Treasurer

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NEW YORK STATE ELECTRIC & GAS CORPORATION

By: _____

Name: _____

Title: _____

NIAGARA MOHAWK POWER CORPORATION

By: Brian Gemmell

Name: BRIAN GEMMELL

Title: CHIEF OPERATING OFFICER

ORANGE AND ROCKLAND UTILITIES, INC.

By: _____

Name: _____

Title: _____

ROCHESTER GAS AND ELECTRIC CORPORATION

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ROCHESTER GAS AND ELECTRIC CORPORATION

By: _____

Name: _____

Title: _____

ORANGE AND ROCKLAND UTILITIES, INC.

By:  _____

Name: Robert Sanchez

Title: President & CEO

By: _____

Name: _____

Title: _____

LONG ISLAND POWER AUTHORITY

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ORANGE AND ROCKLAND UTILITIES, INC.

By: _____

Name: _____

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By: _____

Name: _____

Title: _____

LONG ISLAND POWER AUTHORITY

By: 

Name: Rick Shansky

Title: SVP-Power Supply and Wholesale Markets

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____

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Title: _____

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LONG ISLAND POWER AUTHORITY

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POWER AUTHORITY OF THE STATE OF NEW YORK

By: 

Name: Scott Tetenman

Title: SVP, Finance