In Reply Refer To:

New York Independent System

 Operator, Inc.

Docket No. ER23-491-000

Van Ness Feldman, LLP

1050 Thomas Jefferson Street, NW

Washington, DC 20007

Attention: Gary D. Bachman, Esq.

Dear Mr. Bachman:

1. On December 8, 2023, you filed, in the above-referenced proceeding, an Offer of Settlement (Settlement) on behalf of the New York Power Authority (NYPA). On [December \_\_, 2023], Commission Trial Staff filed comments supporting the Settlement. No other comments were filed. On [January \_\_\_, 2024], the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.
2. The Settlement addresses issues that the Commission set for hearing[[1]](#footnote-1) regarding NYPA’s proposal to update its allocation methodology for Administrative and General costs and expenses as well as depreciation expense and net plant costs for General and Intangible Plant (“A&G costs”) in the Formula Rate Template (as set forth in Section 14.2.3.1 of Attachment H to the NYISO Open Access Transmission Tariff (“OATT”). , The NYPA’s request incorporates a multi-factor Modified Massachusetts Method for allocating A&G costs, using a combination of direct labor, net plant, and net revenue. Article VI of the Settlement states that:

[T]he standard of review the Commission shall apply when acting on modifications to this Settlement proposed by a Party is the “public interest” application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra* doctrine), as clarified in *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527 (2008), and refined in *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165, 174-75 (2010). The standard of review for any modifications to the Settlement requested by a non-Party or initiated by the Commission acting *sua sponte* will be the ordinary just and reasonable standard of review. *See* *Morgan Stanley Capital Group Inc.*, 554 U.S. 527.

1. The Settlement resolves all issues in this proceeding. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
2. NYPA is directed to file revised tariff records in eTariff format,[[2]](#footnote-2) within 30 days of the date of this order, to reflect the Commission’s action in this order.
3. This letter order terminates Docket No. ER23-491-000.

Kimberly D. Bose

Secretary

1. *N.Y. York Power Auth.*, 182 FERC ¶ 61,028 (2023). [↑](#footnote-ref-1)
2. *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008). [↑](#footnote-ref-2)