

February 2, 2024

BY eTARIFF FILING

Hon. Debbie-Anne A. Reese,
Acting Secretary
Federal Energy Regulatory Commission
Dockets Room 1A
888 First Street, N.E.
Washington, DC 20426

**Re: Central Hudson Gas and Electric Corporation Formula Rate
Template and Protocols NYISO OATT Rate Schedule 19
ER23-2507-001**

Dear Secretary Reese:

As directed by the December 22, 2023 Order issued by the Federal Energy Regulatory Commission (“Commission” or “FERC”) in this proceeding,¹ Central Hudson Gas and Electric Corporation (“Central Hudson”) submits via eTariff this compliance filing to revise Section 6.19.9.2.2 of Attachment 4 to Rate Schedule 19 of the New York Independent System Operator, Inc. (“NYISO”) Open Access Transmission Tariff (“OATT”).² Consistent with the December 22 Order, the revisions proposed herein address ministerial corrections and clarifications, and remove the Abandoned Plant Incentive placeholders, in the formula rate template Central Hudson had proposed, and FERC accepted subject to further compliance, suspended for a nominal period effective September 27, 2023, subject to refund, hearing and settlement judge procedures on ceiling ROE applicable to Central Hudson’s Rate Schedule 19 projects in this proceeding.

I. Background

On July 28, 2023, the NYISO filed on behalf of Central Hudson³ and pursuant to Federal Power Act Section 205⁴ and Part 35.13⁵ of the Commission’s regulations, proposed revisions to the NYISO OATT. Those revisions sought to establish Central Hudson’s formula rate template and associated implementation protocols (together “Formula Rate”), and make corresponding

¹ Order on Tariff Filing, and Establishing Hearing and Settlement Judge Proceedings, 185 FERC ¶ 61,217 (“December 22 Order”).

² The NYISO is submitting this filing in FERC’s eTariff system on Central Hudson’s behalf solely in the NYISO’s role as the tariff administrator of the NYISO OATT. The burden of demonstrating that the proposed tariff amendments are just and reasonable rests on Central Hudson, as Applicant. The NYISO takes no position on any substantive aspect of this filing at this time. Unless otherwise defined herein, capitalized terms used in this transmittal letter shall have the meanings ascribed to them in the NYISO OATT, including Rate Schedule 19 thereto.

³ NYISO submitted the filing on Central Hudson’s behalf solely in its role as the tariff administrator of the NYISO OATT.

⁴ 16 U.S.C. § 824d (2018).

⁵ 18 C.F.R Part 35.13 (2021).

amendments, to address the derivation and recovery of the costs of eligible transmission projects identified and designated under Rate Schedule 19 of the NYISO OATT.⁶

Following the Commission's issuance on September 21, 2023 of, and Central Hudson's submittal on October 23, 2023 of a response to, a deficiency letter requesting additional information concerning Central Hudson's Formula Rate filing, the Commission issued the December 22 Order.

In the December 22 Order, the Commission, among other things,⁷ accepted Central Hudson's proposed Formula Rate, subject to Central Hudson making a further compliance filing to implement the ministerial corrections and clarifications Central Hudson had proposed to make, and to remove the CWIP and Abandoned Plant Incentives, as described in the body of the order. The enclosed compliance filing makes all such corrections, as outlined in Appendix A to this transmittal letter.

II. Correspondence and Communications

All correspondence and communications concerning the above-captioned proceeding should be addressed to the following persons:

Paul A. Colbert
Associate General Counsel – Regulatory Affairs
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III. Service

A complete copy of this filing will be posted on the NYISO's website at www.nyiso.com. The NYISO has confirmed to Central Hudson that it will send an electronic link to this filing to the official representative of each its customers and each participant on its stakeholder committees.

⁶ NYISO, NYISO Tariffs, NYISO OATT, § 6.19.9.2.2 OATT (Schedule 19 - Central Hudson Gas and Electric Corporation) (1.0.0). and NYISO, NYISO Tariffs, NYISO OATT, § 6.19.9-6.19.9.2.1 OATT (Schedule 19 Attachment 4 - Rate Mechanism) (1.0.0) (Attachment 4 to Rate Schedule 19).

⁷ The December 22 Order also (1) accepted Central Hudson's proposed Attachment 4 to Rate Schedule 19 and Protocols, effective September 27, 2023, as requested, (2) accepted but suspended the Formula Rate Template for a nominal period, effective September 27, 2023, as requested, subject to refund and to hearing and settlement judge procedures on the proposed ceiling base ROE.

IV. List of Documents

In accordance with the Commission's eTariff regulations and as tariff administrator, NYISO is submitting an eTariff XML filing package on behalf of Central Hudson containing the following materials:

1. This Transmittal Letter, including Appendix A hereto (describing mostly ministerial corrections made);
2. Attachment 1: Unpopulated formula rate template - clean, revised per December 22 Order (in excel and .pdf file); and
3. Attachment 2: Unpopulated formula rate template - redlined, revised per December 22 Order (in excel and .pdf file).

V. Conclusion

Central Hudson respectfully requests the Commission accept this filing as compliant with the December 22 Order.

Respectfully submitted,

/s/ Paul A. Colbert

Paul A. Colbert
Associate General Counsel
Regulatory Affairs

Central Hudson Gas and Electric Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document and attachments on those parties on the official Service List compiled by the Secretary in this proceeding.

Dated at New York, New York, this 2nd day of February 2024.

/s/ Paul A. Colbert
Paul A. Colbert

Appendix A

Central Hudson Gas and Electric Corporation

List of Formula Rate Template Changes on Compliance

Items	Compliance Filing
1. Workpaper 7 - True-Up Adjustment lacks clarity as it does not provide enough information for the purpose of having both estimated and actual interest calculations – Order at P 30.	Applicants intend that this Workpaper be used to initially estimate the interest amount related to the Annual True-up (“ATU”) Adjustment and then true-up the estimated interest amount to actual once the interest rates are known. Made clarifications to this Workpaper.
2. Workpaper 9 - Corrections is incomplete and should provide the underlying, corrected formula rate template – Order at P 30.	Included a footnote stating that Central Hudson will provide the underlying, revised formula rate calculations to support any corrections.
3. Workpaper 6 - Project Cost of Capital contains several incorrect references including line 17 headings for columns H and I should reference FERC Form No. 1 pp. 110-111 – Order at P 30.	Corrected these references. Also corrected column lettering. Also corrected several reference items and some incorrect links on Workpaper 5-Project Return.
4. Appendix A, line 35 (new line 33), cols. 5 and 7 do not include line 24 (Abandoned Plant) in the total - Order at P 30.	There was no need to make this correction as the Abandoned Plant placeholder has been removed from the formula rate template (see Item 7).
5. Workpaper 1 - RB Items, col. b includes improper FERC Form 1 references - Order at P 30.	Made corrections to FERC Form No. 1 references.
6. Use of the word “Abandonned (sic) Plant” needs to have the spelling corrected - Order at P 30.	There was no need to correct the spelling of “Abandoned Plant” as the Abandoned Plant placeholder has been removed from the formula rate template (see Item 7).
7. Remove CWIP and Abandoned Plant placeholders – Order at P 38.	Removed CWIP and Abandoned Plant placeholders from Appendix A, Workpaper 1 - RB Items and Workpaper 5 - Project Return.
8. Workpaper 4 -I T Permanent Differences – reference corrections. Although not directed by the Order, Central Hudson is making certain corrections as did Consolidated Edison, New York State Electric and Gas, and Rochester Gas and Electric in their comparable compliance filings in Docket Nos. ER23-2212, ER23-1816, and ER23-1817, respectively.	Corrected references for columns b, c and d to change “income tax factor” to “composite income tax rate.” Also corrected link to Appendix A for columns c and d.

Central Hudson Gas and Electric Corporation

List of Formula Rate Template Changes on Compliance

Items	Compliance Filing
<p>9. Other. Although not directed by the Order, Central Hudson is making certain corrections as did Consolidated Edison, New York State Electric and Gas, and Rochester Gas and Electric in their comparable compliance filings in Docket Nos. ER23-2212, ER23-1816, and ER23-1817, respectively.</p>	<p>Used the term “Workpaper” consistently throughout the formula rate template. Clean-up references, primarily on Appendix A. Add Note E to Line 45 of Appendix A to clarify that any directly assigned regulatory expenses are deducted from transmission related regulatory expenses on Line 44 before allocation to Schedule 19 projects. Also highlighted formulas in col. (c) on Workpaper 3 - EDIT to provide for use of formula using "cell j76" factor or input from company records. Changed column (f) formula on Workpaper 3 - EDIT to be Column d + Column e (some cells incorrectly had Column d – Column e). Corrected reference in “cell H9” on Workpaper 5 - Project Return to Col. (b) + Col. (d) to recognize that accumulated depreciation on Workpaper 1 - RB Items is a credit. Linked Workpaper 2a - ADIT Current Year, line 25, col (d) to Workpaper 2c - ADIT Proration Projected, line 14, col. (r) and made changes to the formulas on Workpaper 2a - ADIT Current year, line 2 to exclude prorated items. Eliminated duplicate words in Note 3 to Workpaper 8 - Depreciation Rates.</p>