

June 11, 2024

The Honorable Debbie-Anne A. Reese  
Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: New York Independent System Operator, Inc.  
Niagara Mohawk Power Corporation  
Docket Nos. ER23-1271-001 and ER23-1271-002  
Compliance Filing in Response to May 31 Order**

Dear Secretary Reese:

In compliance with the Federal Energy Regulatory Commission's ("FERC" or "Commission") May 31, 2024 order in this proceeding ("May 31 Order"),<sup>1</sup> Niagara Mohawk Power Corporation ("NMPC") respectfully submits this filing.<sup>2</sup>

## **I. BACKGROUND**

On March 8, 2023, as supplemented on June 5, 2023, pursuant to section 205 of the Federal Power Act,<sup>3</sup> NMPC submitted proposed revisions to existing Rate Schedule 17 under the NYISO OATT,<sup>4</sup> as well as a proposed new Rate Schedule 20 under the NYISO OATT,<sup>5</sup> which established the Niagara Mohawk Segment A Facilities Charge to provide for NMPC's recovery of costs associated with its capital investments in two portions of Segment A of the AC Transmission Public Policy Transmission Project (the "NMPC Segment A Facilities").<sup>6</sup>

In the March 8 Filing, submitted in Docket No. ER23-1271-000, NMPC proposed to calculate the revenue requirement for the NMPC Segment A Facilities using a carrying charge approach (the "Segment A Carrying Charge"), whereby the revenue requirement will equal the product of NMPC's historical wholesale Transmission Service Charge ("TSC") revenue requirement multiplied by the ratio of the NMPC Segment A Facilities to NMPC's gross transmission plant in service.<sup>7</sup>

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<sup>1</sup> See *N.Y. Indep. Sys. Operator, Inc.*, 187 FERC ¶ 61,129 (2024).

<sup>2</sup> The New York Independent System Operator, Inc. ("NYISO") submits this filing on behalf of NMPC solely in its role as administrator of the NYISO Open Access Transmission Tariff ("OATT"). The burden of demonstrating that the proposed tariff amendments are just and reasonable rests with NMPC, the sponsoring party. NYISO takes no position on any substantive aspect of this filing at this time. Capitalized terms not otherwise defined herein shall have the meaning specified in the NYISO OATT.

<sup>3</sup> 16 U.S.C. § 824e.

<sup>4</sup> See NYISO OATT, 6.17 OATT Schedule 17 Rate Mechanism for Recovery of the Western New York Facilities Charge for Non-Bulk Transmission Facilities.

<sup>5</sup> See NYISO OATT, 6.20 OATT Schedule 20 Rate Mechanism for the Recovery of Niagara Mohawk Segment A Facilities.

<sup>6</sup> The NYISO submitted the March 8, 2023 filing ("March 8 Filing") and June 5, 2023 supplemental filing on NMPC's behalf solely in its role as administrator of the NYISO OATT, but took no position on any substantive aspect of either filing.

<sup>7</sup> The formula rate for the calculation of NMPC's wholesale TSC ("TSC Formula Rate") is set forth in Section 14.2.1 of Attachment H to the NYISO OATT.

On August 4, 2023, the Commission issued its “Order Accepting and Suspending Tariff Revisions, Subject to Refund, and Establishing Hearing and Settlement Judge Procedures” in Docket No. ER23-1271-001.<sup>8</sup> The August 4 Order established hearing and settlement judge procedures to consider (1) the inclusion of asset retirement obligations in the Segment A Carrying Charge; (2) the Segment A Carrying Charge’s inclusion of depreciation on NMPC’s gross plant in service based on the systemwide embedded cost; and (3) NMPC’s proposal to populate the numerator of the Segment A Carrying Charge with the TSC revenue requirement before the TSC revenue requirement is adjusted to reflect revenues received from other sources.<sup>9</sup> On March 5, 2024, NMPC filed a Settlement Agreement and Offer of Settlement (“Settlement”) in Docket No. ER23-1271-002 to memorialize an agreement-in-principle among the Settling Parties<sup>10</sup> resolving all issues set for hearing in the August 4 Order.

In the May 31 Order, the Commission approved the Settlement, subject to NMPC’s submission of a further compliance filing to submit revised tariff records in eTariff format reflecting the revisions to NMPC’s TSC Formula Rate and Rate Schedule 20 agreed to as part of the Settlement.<sup>11</sup> In response to the May 31 Order, NMPC respectfully submits this compliance filing and requests that the Commission accept the proposed revisions to its TSC Formula Rate and Rate Schedule 20 filed herewith effective August 5, 2023, consistent with the effective date of the tariff revisions accepted in the Commission’s August 4 Order.

## **II. COMPLIANCE FILING**

As required in the May 31 Order, NMPC respectfully submits revised tariff records in eTariff format reflecting the revisions to its TSC Formula Rate and Rate Schedule 20 agreed to in the Settlement and approved in the May 31 Order.

## **III. REQUESTED WAIVERS AND SERVICE**

To align the effectiveness of the revisions to NMPC’s TSC Formula Rate and Rate Schedule 20 submitted herewith with the effective date for the tariff amendments accepted in the August 4 Order, NMPC requests an effective date of August 5, 2023, for the tariff records submitted in the instant filing. NMPC respectfully requests waiver of any applicable requirements in 18 C.F.R. § 35.13 as necessary in order to permit the revisions to NMPC’s TSC Formula Rate and Rate Schedule 20 to become effective as proposed.

NMPC has served a copy of this filing electronically on the service list for Docket No. ER23-1271 and counsel for the Settling Parties.

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<sup>8</sup> *N. Y. Indep. Sys. Operator, Inc.*, 184 FERC ¶ 61,076 (2023) (“August 4 Order”).

<sup>9</sup> *Id.* at P 31.

<sup>10</sup> For purposes of this proceeding, the Settling Parties include NMPC; Consolidated Edison Company of New York, Inc.; and Orange and Rockland Utilities, Inc.

<sup>11</sup> May 31 Order at P 4.

#### IV. DOCUMENTS INCLUDED IN THIS FILING

In addition to this transmittal letter, NMPC submits the following in support of this filing:

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|--------------|--|
| Attachment A | Clean version of NMPC's TSC Formula Rate incorporating the changes agreed to in the Settlement and approved in the May 31 Order            |
| Attachment B | Redlined version of NMPC's TSC Formula Rate showing the changes agreed to in the Settlement and approved in the May 31 Order <sup>12</sup> |
| Attachment C | Clean version of NMPC's Rate Schedule 20 incorporating the changes agreed to in the Settlement and approved in the May 31 Order            |
| Attachment D | Redlined version of NMPC's Rate Schedule 20 showing the changes agreed to in the Settlement and approved in the May 31 Order <sup>13</sup> |

#### V. CONCLUSION

This filing fully satisfies NMPC's commitments under the Settlement and the Commission's requirements in the May 31 Order. Accordingly, NMPC respectfully requests that the Commission accept this compliance filing and the revisions to NMPC's TSC Formula Rate and Rate Schedule 20 submitted herewith effective August 5, 2023, without hearing, modification, or condition.

Respectfully submitted,

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<sup>12</sup> Attachment B depicts in redline format only the incremental changes to the most recent version of NMPC's TSC Formula Rate on file with the Commission, which was submitted on August 28, 2023, in compliance with a Commission order issued on July 28, 2023. *See N.Y. Indep. Sys. Operator, Inc.*, 184 FERC ¶ 61,059 (2023); *see also* New York Independent System Operator, Inc. and Niagara Mohawk Power Corp., Compliance Filing in Response to July 28 Order, Docket No. ER23-973-002.

<sup>13</sup> Attachment D depicts in redline format only the incremental changes to the version of Rate Schedule 20 submitted as part of the June 5, 2023 supplemental filing in this proceeding.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have caused the foregoing document to be served upon all the parties listed on the official service list for the above-referenced proceeding, pursuant to the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C., this 11<sup>th</sup> day of June, 2024.

/s/ Deiman Flores

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