

September 6, 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. ER23-973-001, ER23-973-002, and ER23-973-003
Compliance Filing in Response to August 8 Order**

Dear Secretary Reese:

In compliance with the Federal Energy Regulatory Commission's ("FERC" or "Commission") August 8, 2024 order in this proceeding ("August 8 Order"),¹ Niagara Mohawk Power Corporation ("NMPC") respectfully submits this filing.²

I. BACKGROUND

On January 30, 2023, as supplemented on May 30, 2023, pursuant to section 205 of the Federal Power Act,³ NMPC submitted proposed revisions to its Transmission Service Charge ("TSC") formula rate ("Formula Rate"), including the addition of new Schedules 15a, 15b, 15c, and 15d thereto,⁴ as well as a proposed new Rate Schedule 18 under the NYISO OATT,⁵ which established the Smart Path Connect Facilities Charge ("SPC-FC") to provide for NMPC's recovery of costs associated with its capital investment in the Smart Path Connect ("SPC") Project on a state-wide basis.⁶ In the January 30 Filing, submitted in Docket No. ER23-973-000, NMPC proposed to allocate costs of SPC Project-related general and intangible plant ("General Plant") and administrative and general ("A&G") expenses to the SPC-FC revenue requirement based on the ratio of SPC Project to Total NMPC transmission plant.⁷

¹ See *N.Y. Indep. Sys. Operator, Inc.*, 188 FERC ¶ 61,116 (2024).

² 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.

³ 16 U.S.C. § 824e.

⁴ NMPC's TSC Formula Rate sets NMPC's Wholesale TSC under Attachment H to the NYISO OATT. See NYISO, NYISO Tariffs, NYISO OATT, §§ 14.2-14.2.1 (Attachment 1 to Attachment H) (26.0.0) and Schedules 15a-15e thereto.

⁵ See NYISO OATT, § 6.18 (Rate Mechanism for Recovery of the Smart Path Connect Facilities Charge) (4.0.0).

⁶ The NYISO submitted the January 30, 2023 filing ("January 30 Filing") and May 30, 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. Concurrently with submission of the January 30 Filing, NMPC submitted a Cost Allocation Agreement for NMPC's portion of the SPC Project in Docket No. ER23-974-000.

⁷ Specifically, NMPC's allocations for SPC Project-related General Plant and A&G expenses are addressed in Schedule 15a to the TSC Formula Rate.

On July 28, 2023, the Commission issued its “Order on Tariff Filings, and Establishing Hearing and Settlement Judge Procedures” in Docket Nos. ER23-973-001 and ER23-974-001.⁸ The July 28 Order established hearing and settlement judge procedures to consider NMPC’s proposed allocation of General Plant and A&G expenses in Schedule 15a.⁹ On June 3, 2024, NMPC filed a Settlement Agreement and Offer of Settlement (“Settlement”) in Docket No. ER23-973-003 to memorialize an agreement-in-principle among the Settling Parties¹⁰ resolving all issues set for hearing in the July 28 Order.

In the August 8 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 Schedule 15a to NMPC’s TSC Formula Rate agreed to as part of the Settlement.¹¹ In response to the August 8 Order, NMPC respectfully submits this compliance filing and, as described below, submits tariff records to be in effect for two periods: April 1, 2023 – August 4, 2023, and August 5, 2023 forward. Consistent with the effective date of the tariff revisions accepted in the Commission’s July 28 Order and previously accepted as part of a separate settlement in Docket No. ER23-1271, NMPC requests that the Commission accept the tariff records filed herewith effective April 1, 2023, and August 5, 2023, respectively.

II. COMPLIANCE FILING

As required in the August 8 Order, NMPC respectfully submits revised tariff records in eTariff format reflecting the revisions to its TSC Formula Rate agreed to in the Settlement and approved in the August 8 Order.

In the course of preparing this filing, NMPC realized an inadvertent error in the text of the pro forma tariff records included as Appendices A and B to the Settlement. Specifically, the Settling Parties intended for the source reference on line 15 of Schedule 15a to NMPC’s TSC Formula Rate to be revised to list the input “Workpaper ___” consistent with the allocation methodology for SPC Project General Plant, Common Plant, Intangible Plant, and A&G expenses agreed to as part of the Settlement. This revision was inadvertently omitted from the pro forma tariff records included as Appendices A and B to the Settlement but is included in the revised tariff records submitted herewith. NMPC respectfully requests that the Commission accept this additional update to its TSC Formula Rate as consistent with the intent of the Settlement. All Settling Parties either support or do not oppose this additional update.

⁸ *N. Y. Indep. Sys. Operator, Inc.*, 184 FERC ¶ 61,059 (2023) (“July 28 Order”).

⁹ *Id.* at PP 65-67.

¹⁰ For purposes of this proceeding, the Settling Parties include NMPC; Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; Long Island Power Authority; the Municipal Electric Utilities Association of New York; the New York Association of Public Power; New York Power Authority; New York State Electric & Gas Corporation; the New York State Public Service Commission; Orange and Rockland Utilities, Inc.; and Rochester Gas and Electric Corporation.

¹¹ August 8 Order at P 8. The August 8 Order also accepted a compliance filing submitted by NMPC on August 28, 2023, in Docket No. ER23-973-002. This filing revised the TSC tariff record to clarify the reconciliation of excess and deficient accumulated deferred income taxes and removed a proposed regulatory asset line item for cost of removal amounts, in compliance with the July 28 Order. *See id.* at P 6.

NMPC also notes that since filing the Settlement on June 3, 2024, NMPC submitted a June 11, 2024 compliance filing (“June 11 Compliance Filing”) containing revised tariff records in eTariff format reflecting revisions to NMPC’s TSC Formula Rate approved by the Commission as part of a separate settlement in Docket No. ER23-1271,¹² as well as the incremental revisions included in the compliance filing submitted by NMPC on August 28, 2023, in Docket No. ER23-973-002. On August 20, 2024, the Commission issued a letter order (“August 20 Letter Order”) accepting the tariff records submitted in the June 11 Compliance Filing, effective August 5, 2023.¹³

To avoid tariff sequencing issues due to the prior approval of the settlement in Docket No. ER23-1271 and the June 11 Compliance filing submitted in that docket, NMPC is submitting versions of its TSC Formula Rate reflecting the tariff amendments accepted in the July 28 Order to be effective for two time periods. The clean version of NMPC’s TSC Formula Rate to be effective from April 1, 2023 through August 4, 2023, is provided as Attachment A to this filing. The clean version of NMPC’s TSC Formula Rate to be effective as of August 5, 2023, is provided as Attachment C. Redlined changes against NMPC’s TSC Formula Rate effective from April 1, 2023, through August 4, 2023, and the version effective as of August 5, 2023, are provided as Attachments B and D, respectively. The same revisions submitted in compliance with the August 8 Order—as well as the additional update to revise the source reference on line 15 of Schedule 15a to NMPC’s TSC Formula Rate discussed above—are reflected in the tariff records submitted for both time periods.¹⁴

III. REQUESTED WAIVERS AND SERVICE

To align the effectiveness of the revisions to NMPC’s TSC Formula Rate submitted herewith with the effective date for the tariff amendments accepted in the July 28 Order and August 20 Letter Order, NMPC requests effective dates of April 1, 2023, and August 5, 2023, respectively, 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 to become effective as proposed.

NMPC has served a copy of this filing electronically on the service list for Docket No. ER23-973 and counsel for the Settling Parties.

¹² See *N.Y. Indep. Sys. Operator, Inc.*, 187 FERC ¶ 61,129 (2024).

¹³ *N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER23-1271-003 (Aug. 20, 2024) (delegated letter order).

¹⁴ Because the incremental revisions included in the compliance filing submitted by NMPC on August 28, 2023, in Docket No. ER23-973-002 were previously approved in the August 20 Letter Order, they are not reflected as redlined changes in the tariff records submitted in this filing.

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 August 8 Order to be effective for the period from April 1, 2023 through August 4, 2023 |
| Attachment B | Redlined version of NMPC's TSC Formula Rate showing changes from the version previously effective for the period from April 1, 2023 through August 4, 2023 |
| Attachment C | Clean version of NMPC's TSC Formula Rate incorporating the changes agreed to in the Settlement and approved in the August 8 Order to be effective August 5, 2023 |
| Attachment D | Redlined version of NMPC's TSC Formula Rate showing changes from the version previously effective as of August 5, 2023 |

V. CONCLUSION

This filing fully satisfies NMPC's commitments under the Settlement and the Commission's requirements in the August 8 Order. Accordingly, NMPC respectfully requests that the Commission accept this compliance filing and the revisions to NMPC's TSC Formula Rate submitted herewith effective April 1, 2023, and August 5, 2023, respectively, without hearing, modification, or condition.

Respectfully submitted,

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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 6th day of September, 2024.

/s/ Deiman Flores

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