

December 9, 2024

**VIA ETARIFF**

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

**Re:** *New York State Electric & Gas Corporation*  
*Rochester Gas and Electric Corporation*  
Docket Nos. ER23-1816-000, 001, 002, 003, 004, & 00\_  
ER23-1817-000, 001, 002, 003, 004, & 00\_  
Compliance Filing

Dear Ms. Reese,

New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”) (collectively, “NYSEG/RG&E”) hereby submit via eTariff this compliance filing to revise NYSEG’s Attachment 1 and RG&E’s Attachment 2 to Rate Schedule 19 of the New York Independent System Operator, Inc. (“NYISO”) Open Access Transmission Tariff (“OATT”)<sup>1</sup> in compliance with the Federal Energy Regulatory Commission’s (“FERC’s”) November 8, 2024 order (“Order”).<sup>2</sup> The revisions, as discussed further below, remove the remaining references to “Worksheet” and “Cost of Removal” in the Rate Schedule 19 formula rate template for NYSEG and RG&E and correct a formula error in NYSEG’s formula rate template.<sup>3</sup>

**I. Background**

On May 3, 2023, NYISO filed, on behalf of NYSEG/RG&E and pursuant to Federal Power Act Section 205, rate schedule changes to the NYISO OATT to add NYSEG’s Attachment 1 and RG&E’s Attachment 2 to Rate Schedule 19. NYSEG’s Attachment 1 and RG&E’s Attachment 2

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<sup>1</sup> The NYISO is submitting this filing in FERC’s eTariff system on NYSEG/RG&E’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 NYSEG/RG&E. 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.

<sup>2</sup> See *New York Independent System Operator, Inc.*, 189 FERC ¶ 61,107 (2024) (“Order”).

<sup>3</sup> NYSEG’s formula rate template is set forth in Section 6.19.6.2.2 of Attachment 1 to Rate Schedule 19 of the NYISO OATT. New York Independent System Operator, Inc., NYISO Tariffs, NYISO OATT, § 6.19.6.2.2 (Schedule 19 - New York State Electric and Gas) (1.0.0); *id.* § 6.19.6-6.19.6.2.1 (Schedule 19 Attachment 1 - Rate Mechanism for the Recovery of CLCPA Eligible Projects for New York State Electric and Gas Corporation) (2.0.0). RG&E’s formula rate template is set forth in Section 6.19.7.2.2 of Attachment 2 to Rate Schedule 19 of the NYISO OATT. New York Independent System Operator, Inc., NYISO Tariffs, NYISO OATT, § 6.19.7.2.2 (Schedule 19 -Rochester Gas and Electric Corporation) (1.0.0); *id.* § 6.19.7-6.19.7.2.1 (Schedule 19 Attachment 2 - Rate Mechanism for the Recovery of CLCPA Eligible Projects for New York State Electric and Gas Corporation) (2.0.0).

to Rate Schedule 19 establish the formula rate templates and associated formula rate implementation protocols for each to derive and recover the costs of certain local transmission upgrades determined by the New York State Public Service Commission to be necessary to meet the climate and renewable energy goals under New York State's Climate Leadership and Community Protection Act. On June 28, 2023 and September 21, 2023, the Commission issued letters requesting additional information concerning the NYSEG/RG&E's filings.<sup>4</sup> Each of NYSEG and RGE filed its responses with the requested additional information on July 26, 2023 and October 5, 2023, respectively ("Responses"). On December 4, 2023, the Commission issued an order ("December 2023 Order") accepting NYSEG's Attachment 1 and RG&E's Attachment 2 to Rate Schedule 19 of the NYISO OATT, effective July 3, 2023, as requested, subject to further compliance, and suspended for a nominal period effective July 3, 2023, subject to refund, hearing, and settlement judge procedures on the proposed ceiling base return on equity values applicable to NYSEG/RG&E's Rate Schedule 19 projects.<sup>5</sup> The December 2023 Order also directed each of NYSEG and RGE to implement the ministerial corrections and clarifications identified in NYSEG/RG&E's Responses (including the November 10, 2023 answer to the protest filed by the New York Association of Public Power) and remove the Cost of Removal, Construction Work in Progress, and Abandoned Plant Incentives placeholders included in each respective formula rate template.<sup>6</sup> On January 23, 2024, NYISO, on behalf of NYSEG/RG&E, submitted revised tariff sheets making the changes directed in the order ("NYSEG & RG&E Compliance Filings").<sup>7</sup>

On August 20, 2024, Consolidated Edison Company of New York, Inc. filed, on its behalf and for NYSEG, RG&E, and Central Hudson Gas and Electric Corporation ("Indicated NYTOs"), an uncontested Joint Offer of Settlement addressing the Indicated NYTOs' proposed ceiling base ROE proposals for the formula rates under the NYISO OATT for Rate Schedule 19 projects ("Rate Schedule 19 Settlement").<sup>8</sup> On November 8, 2024, the Commission issued the Order and accepted and approved the Rate Schedule 19 Settlement and conditionally accepted the NYSEG and RG&E Compliance Filing, effective July 3, 2023, as requested, subject to a further compliance filing from NYSEG and RG&E to completely remove the remaining references to "Worksheet" and "Cost of Removal" in each company's formula rate template.<sup>9</sup> This filing is being made to comply with the Order's directive.

## **II. Compliance Tariff Revisions**

In compliance with the Order, the enclosed tariff revisions make the following revisions:

- NYSEG:
  - Workpaper 2a: Accumulated Deferred Income Taxes (ADIT) Workpaper Current Year - Excel cell I57 removed "Worksheet" and replaced with "Workpaper"

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<sup>4</sup> *New York Independent System Operator, Inc.*, Deficiency Letter, Docket Nos. ER23-1816-000, et al. (June 28, 2023); *New York Independent System Operator, Inc.*, Deficiency Letter, Docket Nos. ER23-1816-000, et al. (Sept. 21, 2023).

<sup>5</sup> See *New York Independent System Operator, Inc.*, 185 FERC ¶ 61,164, at P 2 (2023).

<sup>6</sup> *Id.* at P 45-46, 48 and 58.

<sup>7</sup> *NYSEG and RG&E*, Compliance Filing, Docket Nos. ER23-1816-003 and ER23-1817-003.

<sup>8</sup> Joint Offer of Settlement, Docket No. ER23-1816-002, et al.

<sup>9</sup> Order at P 13.

consistent with Workpaper 2b: Accumulated Deferred Income Taxes (ADIT) Prior Year.

- Workpaper 2a: Accumulated Deferred Income Taxes (ADIT) Current Year and Workpaper 2b: Accumulated Deferred Income Taxes (ADIT) Prior Year - Remove placeholder "Cost of Removal" and replace with a blank yellow cell in Excel cells B78 and B73, respectively.
- RG&E:
  - Workpaper 2a: Accumulated Deferred Income Taxes (ADIT) Current Year - Excel cell I57 removed "Worksheet" and replaced with "Workpaper" consistent with Workpaper 2b: Accumulated Deferred Income Taxes (ADIT) Prior Year.
  - Workpaper 2a: Accumulated Deferred Income Taxes (ADIT) Current Year and Workpaper 2b: Accumulated Deferred Income Taxes (ADIT) Prior Year - Remove placeholder "Cost of Removal" and replace with a blank yellow cell Excel cells B78 and B73, respectively.

In making the corrections noted above, NYSEG discovered an error in one of the formulas included in its formula rate template. As noted below, this error concerned a simple incorrect cell reference for the formula contained in one cell. This error was only found in the NYSEG formula rate template, is not present in the RG&E formula rate template, and does not result in a change to the settlement rates accepted by the Order. In the interest of accuracy and consistency, the enclosed tariff revisions (Attachments 3 and 4) also include the following ministerial correction to the NYSEG formula rate template that more clearly effectuates the Rate Schedule 19 Settlement:

- Fixed formula error – On Workpaper 5: Schedule 19 Project Return changed Excel cell N20 from =Appendix A'H47 to =Appendix A'I44 and cell O20 from =Appendix A'I44 to =Appendix A'I47

### III. List of Documents

In addition to this transmittal letter, NYSEG/RG&E's filing package<sup>10</sup> contains the following materials:

- **Attachment 1** – Clean unpopulated versions of the applicable revised formula rate template (in both PDF and Excel) for the period from July 3, 2023 through July 7, 2024
- **Attachment 2** – Redlined unpopulated versions of the applicable revised formula rate template (in both PDF and Excel) for the period from July 3, 2023 through July 7, 2024
- **Attachment 3** – Clean unpopulated versions of the applicable revised formula rate template (in both PDF and Excel) for the period from July 8, 2024 onward
- **Attachment 4** – Redlined unpopulated version of the applicable revised formula rate template (in both PDF and Excel) for the period from July 8, 2024 onward

On July 5, 2024, the Commission issued an order conditionally accepting NYSEG and RG&E's requests for authorization to utilize the Construction Work in Progress and Abandoned

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<sup>10</sup> In accordance with the Commission's eTariff regulations and as Tariff Administrator, NYISO is submitting an eTariff XML. See supra n. 1.

Plant transmission incentives for multiple transmission projects in a parallel proceeding.<sup>11</sup> In doing so the Commission also accepted associated revisions to NYSEG and RG&E's Rate Schedule 19 formula rate template, effective July 8, 2024. Given this intervening tariff filing and acceptance, NYSEG/RG&E are providing the tariff records for each of the relevant time periods, as outlined in the attachment list above, to ensure a complete and accurate tariff record for each of NYSEG and RG&E.

#### **IV. Service**

NYSEG/RG&E have sent an electronic copy of this filing to the service list maintained by the Commission for each of the above-captioned proceedings. In addition, a complete copy of this filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com). The NYISO has confirmed to NYSEG/RG&E that it will send an electronic link to this filing to the official representative of each of its customers and each participant on its stakeholder committees.

#### **V. Conclusion**

NYSEG/RG&E respectfully requests that the Commission accept this filing as compliant with the Order.

Respectfully Submitted,

/s/ Jeffrey A. Rosenbloom

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and Corporate Secretary  
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*On Behalf of NYSEG and RG&E*

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<sup>11</sup> See *Rochester Gas and Electric Corporation, et al.*, 188 FERC ¶ 61,001, at P 45 (2024), order on reh'g. 189 FERC ¶ 61,001 (2024).

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service lists prepared for the above-captioned dockets in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.2010.

Dated at Washington, DC, this 9th day of December 2024.

/s/ Alexandra Zak

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