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Associate Counsel

January 17, 2025

VIA E-TARIFF FILING

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

**Re: Orange and Rockland Utilities, Inc., Docket Nos. ER24-1614-____
Settlement Order Compliance Filing**

Dear Secretary Reese:

In accordance with the Federal Energy Regulatory Commission's ("Commission" or "FERC")¹ Letter Order issued December 19, 2024 in the above-referenced proceeding approving Orange and Rockland Utilities, Inc. ("O&R") Joint Offer of Settlement ("Settlement"),² O&R respectfully submits this compliance filing to reflect certain revisions to its formula rate template related to the return on equity ("ROE") for Rate Schedule 10 and Rate Schedule 19 projects, as well as to remove references to ROE incentive adders, as specified in Article 3.2(b) of the Settlement approved by the Commission.

This compliance filing modifies O&R's formula rate template contained in Section 6.19.10.2.2 of Attachment 5 to Rate Schedule 19 of the NYISO OATT ("Formula Rate Template") to reflect the respective ROE values set forth in the Settlement for Rate Schedule 10 and Rate Schedule 19 projects. This compliance filing also modifies the Formula Rate Template to remove references to prohibited incentive adders from Line 12 and Note C of Workpaper 10b10 and adds a Note Q on Appendix A to state that Rate Schedule 19 projects are not eligible for ROE incentive adders. These revisions ensure consistency with the Settlement concerning ROE incentive adders for Rate Schedule 10 and Rate Schedule 19 projects.

¹ The New York Independent System Operator, Inc. ("NYISO") submits this filing on behalf of O&R solely in its role as administrator of the NYISO Open Access Transmission Tariff ("OATT") and takes no position on any substantive aspect of this filing at this time. The burden of demonstrating that the proposed tariff amendments comply with the requirements of the Commission's December 19, 2024, letter order in this proceeding rests on O&R.

² See *Orange & Rockland Utils., Inc.*, 189 FERC ¶ 61,210 (2024) ("Settlement Order").

Background and Description of Filing

On March 25, 2024, the NYISO submitted on behalf of O&R proposed revisions to the NYISO OATT in Docket No. ER24-1614. These revisions included O&R's Formula Rate Template, associated formula rate protocols, and conforming tariff amendments to enable the derivation and recovery of costs for eligible transmission projects under NYISO OATT Rate Schedule 10³ and Rate Schedule 19.⁴ O&R also requested an ROE ceiling value for Rate Schedule 19 and a base ROE for Rate Schedule 10 and sought a 50-basis point ROE adder for participation in a Regional Transmission Organization ("RTO Participation Adder") for Rate Schedule 10.

On May 24, 2024, the Commission issued an order conditionally accepting O&R's filing.⁵ The Commission: (1) accepted O&R's proposed Attachment 5 to Rate Schedule 19, which includes the formula rate protocols; (2) accepted the proposed Attachment 5 to Rate Schedule 10; (3) accepted the proposed formula rate template, subject to refund and to hearing and settlement judge procedures on the proposed ROEs for projects under Rate Schedule 10 and projects under Rate Schedule 19; and (4) conditionally granted the 50-basis-point RTO Participation Adder for Rate Schedule 10 for filing, subject to the outcome of paper hearing procedures.⁶

On September 20, 2024, O&R filed the Settlement among O&R, the New York State Public Service Commission, the New York Association of Public Power, and the New Jersey Division of Rate Counsel addressing the ROE values applied under O&R's formula rate template.⁷ On October 15, 2024, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.⁸ On December 19, 2024, the Commission issued an Order approving the Settlement.⁹ The Settlement Order directed O&R to make a compliance filing for its Formula Rate Templates under both Rate Schedule 10 and Rate Schedule 19, including the following requirements:¹⁰

³ O&R submitted its proposed formula rate for Rate Schedule 10 as a new Attachment 5 to Rate Schedule 10. *See* NYISO, NYISO Tariffs, NYISO OATT, 6.10.11.

⁴ O&R submitted its proposed formula rate for Rate Schedule 19 as a new Attachment 5 to Rate Schedule 19. *See* NYISO, NYISO Tariffs, NYISO OATT, 6.19.10.

⁵ *Orange & Rockland Utils., Inc.*, 187 FERC ¶ 61,110 (2024) (Initial Order).

⁶ *Id.*

⁷ *Orange & Rockland Utils., Inc.*, settlement filing dated September 20, 2024, Explanatory Statement at 1.

⁸ *Orange & Rockland Utils., Inc.*, 189 FERC ¶ 63,005 (2024).

⁹ *See* Settlement Order, 189 FERC ¶ 61,210 (2024).

¹⁰ *See id.* at PP 5-6.

- Rate Schedule 10: O&R shall remove references in O&R's Formula Rate Template to any ROE incentive adders that are prohibited by Article 3.2(b) of the Settlement, such as Line 12 and Note C on "Workpaper 10b10: Schedule 10 Project ATRRs."
- Rate Schedule 10 and 19: O&R shall revise its formula rate template and associated tariff records to fully implement the terms of the Settlement. These revisions must ensure that the tariff reflects the approved ROE framework and does not include any disallowed incentive adders.

List of Documents

In addition to this transmittal letter, this filing includes the following:

1. Attachment A: list of compliance revisions to O&R's formula rate template;
2. Attachment B: clean version of the proposed compliance revisions to Section 6.19.10.2.2 of Attachment 5 to Rate Schedule 19 of the NYISO OATT;¹¹ and
3. Attachment C: redline version of the proposed compliance revisions to Section 6.19.10.2.2 of Attachment 5 to Rate Schedule 19 of the NYISO OATT.

Service

O&R will send an electronic copy of this filing to the official representative of each party to this proceeding and to the proceedings associated with the August 19, 2022, order issued by the Commission in Docket No. ER22-2152-000, *et al.*,¹² which includes the New York State Public Service Commission. In addition, a complete copy of this filing will be posted on the NYISO's website at www.nyiso.com. The NYISO has confirmed to O&R 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.

Conclusion

O&R was directed by the Commission to submit a compliance filing for these revisions in eTariff format within 30 days of the Settlement Order. This compliance filing, therefore, ensures alignment with FERC's directives and the approved Settlement for Rate Schedule 10 and Rate Schedule 19.

Respectfully submitted,

/s/ Susan J. LoFrumento
Sebrina M. Greene

¹¹ A clean version of the Formula Rate Template in native Excel format that reflects the proposed compliance revisions is also being submitted with this filing.

¹² *Consolidated Edison Co. of N.Y., Inc., et al.*, 180 FERC ¶ 61,106 (2022).

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Enclosures

CERTIFICATE OF SERVICE

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

Dated at Birmingham, Alabama, this 17th day of January 2025.

/s/ Lyle D. Larson
Lyle D. Larson