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January 17, 2025

VIA eTARIFF FILING

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

**RE: *New York Transco LLC*
Compliance Filing under ER24-232-00_**

Dear Secretary Reese:

In compliance with the Federal Energy Regulatory Commission's (the "Commission") December 19, 2024, letter order ("Settlement Order") approving an Uncontested Offer of Settlement ("Settlement") filed in the above-referenced proceeding,¹ New York Transco LLC ("Transco") hereby submits, for eTariff purposes, its formula rate included in Attachment DD (Section 36) of the New York Independent System Operator, Inc. ("NYISO") Open Access Transmission Tariff ("OATT" or "Tariff") ("Formula Rate").² Because the Settlement does not require any revisions or changes to the Formula Rate or modify the Tariff records that Transco initially filed on October 27, 2023 and that were accepted for filing by the Commission in its December 26, 2023 Order,³ Transco has made no revisions to the eTariff records and simply resubmits the Formula Rate that was previously accepted by the Commission to establish the correct eTariff record and comply with the Settlement Order.

¹ *N.Y. Transco LLC*, 189 FERC ¶ 61,209 (2024).

² NYISO submits this filing in its role as Tariff Administrator. The burden of demonstrating that the proposed Tariff amendments are just and reasonable rests with Transco, the sponsoring party. NYISO takes no position on any substantive aspect of this filing at this time and reserves its right to subsequently file comments relating to this filing. Capitalized terms not defined herein shall have the meaning set forth in the NYISO OATT.

³ *N.Y. Transco LLC*, 185 FERC ¶ 61,222 (2023) ("Initial Order").

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I. BACKGROUND

This proceeding was initiated by Transco to establish the comprehensive rate recovery mechanism and procedures for Transco's investment in the Propel New York Energy Alternate Solution 5 Project ("Propel NY Energy Project"), a complex and multi-component FERC Order No. 1000⁴ electric transmission project selected by the NYISO Board of Directors to fulfill New York State policy initiatives for offshore wind generation development and to address the need to bolster transmission capacity and reliability and reduce congestion.

As relevant for this compliance filing, on December 26, 2023, the Commission issued an order accepting Transco's requested 10.7% base return-on-equity ("ROE") value for the Propel NY Project, subject to refund and the outcome of hearing and settlement judge procedures.⁵ During the period of settlement negotiations, and in connection with a request for rehearing filed in this proceeding, the Commission issued an *Order Establishing Briefing Procedures* establishing a briefing schedule to address the following limited question: What is the effect, if any, of section 70 of the New York Public Service Law on Transco's eligibility for the RTO Participation Adder under Order No. 679?⁶ On August, 21, 2024, Transco submitted the Offer of Settlement that resolved all issues that had been set for hearing or pending in requests for rehearing and/or Petitions for Review in Docket No. ER24-232-000 et al.

Specifically, the Settlement established a 10.3% base ROE value for the Propel NY Energy Project. Further, the Settlement reflected the settling parties' agreement that Transco would (1) apply the 75-basis-point Risks and Challenges Adder approved by the Commission in the Initial Order, and (2) to settle the pending review of the RTO Participation Adder, establish a 25-basis-point ROE incentive adder ("Grid Enhancement Adder") to reflect the Project's benefits in ensuring and enhancing reliability; relieving chronic congestion; and reducing the cost of delivered power by providing additional transfer capability and operating flexibility, as well as the increase in capacity benefits and avoided capital costs as enumerated in the NYISO's June 13, 2023 Long Island Offshore Wind Export Public Policy Transmission Plan.

⁴ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, III FERC Stats. & Regs., Regs. Preambles ¶ 31,323 (2011), *order on reh'g and clarification*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *pets. for review denied sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014) (per curiam); *see also New York Indep. Sys. Operator, Inc.*, 143 FERC ¶ 61,059 (2013), *order on reh'g*, 151 FERC ¶ 61,040 (2015) ("Order No. 1000").

⁵ Initial Order at PP 38-39; Ordering Paragraphs (E), (F) and (G). The Commission also approved Transco's cost allocation methodology and cost containment proposal (*See Id.* at PP 20, 28; Ordering Paragraph (A)), as well as several incentive rate treatments for the Propel NY Energy Project (*See Id.* at PP 46, 51, 57 and 70; Ordering Paragraphs (B), (C) and (D)).

⁶ *N.Y. Transco LLC, et al.*, 187 FERC ¶ 61,108 (2024).

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On December 19, 2024, the Commission issued the Settlement Order approving the Settlement. The Settlement Order also directed Transco “to make a compliance filing with revised tariff records in eTariff format, within 30 days” of the date of the Order.⁷

II. COMPLIANCE FILING

The Settlement established the base ROE and incentive ROE adders for Transco’s recovery of costs associated with its investment in the Propel NY Energy Project. As noted in Transco’s filing, under its existing Formula Rate, rather than a base ROE value that applies to all Transco transmission investment, Transco employs a project-specific base ROE for each project that it develops and owns. Transco accounts for the different base ROE values for each of its projects in the dynamic (highlighted) cells in Attachment 4 Incentive tab as part of its Formula Rate. Specifically, Transco’s Formula Rate currently reflects a 9.5% ROE value based on the settlement agreement filed in Docket No. ER15-572 for the Transmission Owner Transmission Solution (“TOTS”) portfolio of projects. For each of its other projects, Transco reflects the appropriate base ROE value, and any additional ROE incentive adders, in the highlighted cells in Attachment 4 of the Formula Rate to calculate the appropriate revenue requirement figures for cost recovery.⁸ As such, the Settlement in this proceeding does not necessitate any changes to the Formula Rate. Transco has made no revisions to the eTariff records and is re-filing the eTariff records that were accepted by the Initial Order to comply with the Settlement Order.

III. CONTENTS OF FILING

In addition to this transmittal letter, this filing contains a clean version of Attachment DD (Section 36) of the NYISO OATT as set forth in Attachment A.⁹

⁷ *Id.* at P 6.

⁸ Transco recently submitted revisions to its Formula Rate to, among other things, establish a company-wide base ROE value in Docket No. ER25-855-000. As reflected in that filing, the proposed base ROE value would not apply to the Propel NY Energy Project as that value is established by the settlement approved by the Commission in this proceeding. The version of the Formula Rate that is being resubmitted here in compliance with the Commission’s Settlement Order effectively sets the filed rate for eTariff purposes.

⁹ The attachment included in this compliance filing was originally included as Attachment B in Transco’s October 27, 2023, submission in this docket – there are no changes from this original submission. In its initial filing, Transco also included red-lined and clean versions with revisions to NYISO OATT Rate Schedule 13 (Section 6.13) to include the Propel NY Energy Project as an eligible project for cost recovery and a new section that includes the arithmetic calculation to determine the transmission facilities charge consistent with the cost allocation methodology approved by the Commission. Because nothing in Rate Schedule 13 was set for hearing and settlement procedures, and because those revisions have already been incorporated into the public facing version of the Tariff on the NYISO website and are currently reflected in FERC’s eTariff system as effective December 27, 2023, Transco is not resubmitting NYISO OATT Rate Schedule 13 (Section 6.13) in this compliance filing.

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IV. COMMUNICATIONS

The following persons are authorized to receive notices and communications with respect to this filing:

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V. EFFECTIVE DATE

Consistent with the Initial Order, these Tariff records became effective December 27, 2023.

VI. SERVICE

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

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VII. CONCLUSION

Transco respectfully submits this filing in compliance with the Commission's Settlement Order and requests that the Commission accept the filing without further compliance directives.

Sincerely,

/s/ Evan C. Reese, III

Evan C. Reese, III

Margaret Czepiel

Dina A. Goldman

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Washington, D.C. 20004

Counsel to New York Transco LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC this 17th day of January, 2025

/s/ Margaret Czepiel

Margaret Czepiel

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