

New York Transco™

# **NY Transco**

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## Agenda

- **Background**
- **Formula Rate**
- **Formula Rate Protocols**
- **Timeline**

## Background

- **NY Transco formed as LLC - November 2014**
  - Affiliates of investor-owned utilities
- **Purpose to own and construct high voltage transmission facilities in New York**
  - Generation retirements – reliability contingency
  - Reduce congested interfaces in New York – AC projects
- **NY Transco ultimate result of responding to public policy concerns about**
  - Aging transmission infrastructure
  - Lack of transmission investment in New York
  - Persistent transmission congestion

## Formula Rate

- **NY Transco made FERC Section 205 filing - December 2014**
  - Cost of service formula rate
  - Transmission rate incentives
  - Base ROE
  - Cost allocation for project costs
  - Approval for 3 TOTS projects and 2 AC projects
- **Resolution**
  - Settlement of all issues related to TOTS projects
  - FERC approval received – March 17

## Formula Rate (continued)

- Rates designed to collect NY Transco's annual revenue requirements associated with the approved TOTS projects
- 2016 rates will be set to collect revenue requirement of \$25.7 million from June 1<sup>st</sup> – December 31<sup>st</sup>
- Revenue requirements for 2016, will be allocated to the transmission districts as approved by the FERC

<b>Transmission District</b>	<b>Allocation %</b>	<b>Allocation \$</b>
Central Hudson	5.99%	\$1,540,647
Con Edison/O&R	63.18%	\$16,250,093
NYSEG/RG&E	10.12%	\$2,602,896
National Grid	12.16%	\$3,127,590
LIPA	8.55%	\$2,199,087
	100.0%	\$25,720,312

## Formula Rate Protocols

- **Annual revenue requirement projections will be available by September 30<sup>th</sup>**
- **Revenue requirement projections will reflect changes in O&M expense, rate base, and capital structure but ROE will remain fixed for at least 3 years**
- **Projections will be posted on the NYISO internet website**
- **Annual revenue requirement projections will be subject to true-up and reconciliation**
- **True-ups and reconciliations will be made available on the NYISO internet website on or before June 30<sup>th</sup> each year**

## Formula Rate Protocols (continued)

- **Annual revenue requirement projections shall be subject to review, challenge, true-up, refunds or surcharges, as provided for in the protocols**
- **NY Transco required to have NYISO post on its internet website time, date, and location of stakeholder meeting for interested parties to seek information and clarification**
- **Protocols provide for the procedures for parties to challenge the projections and NY Transco's responsibilities to resolve challenges**

## Timeline

- **Upcoming milestones**

<u>Event</u>	<u>Date</u>
2016 Annual Projection	30-Nov-15
Rates effective	1-Jun-16
2017 Annual projection	30-Sep-16
Rates effective	1-Jan-17
2016 Annual update	30-Jun-17
2018 Annual Projection	30-Sep-17
Rates effective	1-Jan-18