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June 30, 2021

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: *New York Transco LLC*
Informational Filing – Annual Update to Formula Rate (Rate Year 2020)
Docket No. ER15-572-000

Dear Secretary Bose:

New York Transco LLC (“NY Transco”) hereby submits for filing for informational purposes the Annual Update and True-Up Adjustment to NY Transco’s formula rate and a construction work in progress (“CWIP”) report for Rate Year 2020, in accordance with Sections 2, 3, and 7 of the Formula Rate Implementation Protocols (“Protocols”) set forth in Section 36.3.1.2 (Attachment DD) of the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”). The Annual Update reflects NY Transco’s 2020 actual Net Adjusted Revenue Requirement based on its actual costs as reported to the Federal Energy Regulatory Commission (“FERC” or “the Commission”) in NY Transco’s FERC Form No. 1 filing. As reflected in the variance report,¹ also attached to this filing, a refund in the amount of \$187,266 will be included in NY Transco’s Annual Projection² and applied to NY Transco’s FERC-approved electric transmission rate for rate year 2022.

The CWIP Report corresponds to the CWIP incentive rate treatment approved by the Commission for NY Transco’s development of the Segment B Facilities and Segment B Additions of the AC Transmission Projects. The NYISO selected NY Transco as the developer of these facilities in April 2019 and NY Transco has been actively developing the facilities, now referred to as the New York Energy Solution project, to meet the stated Public Policy Transmission Need under the NYISO OATT.

¹ See Protocols at Section 3.e.iii.

² See Protocols at Section 1.a.

The Honorable Kimberly D. Bose
June 30, 2021
Page 2

On June 30, 2020, NY Transco submitted a filing in Docket No. ER20-2259-000 in compliance with Order No. 864,³ with revisions to NY Transco's transmission formula rate that fully satisfies the directives of the Commission in Order No. 864 to address various income tax-related items relating to the effects of the Tax Cuts and Jobs Act of 2017 ("TCJA").⁴ As part of that filing, NY Transco proposed a new Attachment 11 to the Formula Rate – the ADIT Worksheet – that is consistent with the directives of Order No. 864 and describes how any ADIT accounts are to be re-measured and the accounting for the excess and deficient amounts in Accounts 182.3 and 254. The proposed worksheet also identifies each specific source of any excess or deficient ADIT, classifies the excess or deficient ADIT as protected or unprotected, and lists the proposed amortization period and accounts associated with each classification or source.

NY Transco has recently discussed minor revisions to the proposed Attachment 11 ADIT Worksheet currently pending in Docket No. ER20-2259 with staff of the FERC and is in the process of revising the ADIT Worksheet with the expectation that it will file the revised Attachment 11 in the next few weeks. Because the new Attachment 11 is pending FERC approval, NY Transco utilizes the version of Attachment 11 that NY Transco developed to maintain rate base neutrality consistent with the Commission's approval of a limited, one-time waiver request in Docket No. ER18-1817-000.⁵ In the event NY Transco's proposed Attachment 11 in Docket No. ER20-2259 is approved in advance of the August 5, 2021 stakeholder meeting, announced below, NY Transco will be prepared to populate a version reflecting actual numbers utilizing the new ADIT Worksheet and discuss both versions during the August 5, 2021 customer meeting.

The following documents are submitted with this Annual Update:

1. Transmittal letter and meeting notice;
2. Attachment A – NY Transco 2020 True-Up Adjustment;

³ *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, 169 FERC ¶ 61,139, Order No. 864 (2019); *order on reh'g*, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

⁴ *Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018*, H.R. 1, 115th Cong. (2017).

⁵ On June 22, 2018, NY Transco requested a limited one-time waiver of applicable provisions of its formula rate to allow NY Transco to maintain rate base neutrality in its annual True-up Adjustment calculations for 2017 and 2018 and in its projected Net Adjusted Revenue Requirement for 2019 related to excess ADIT that, as of the end of 2017, were recorded in accounts not included in rate base in NY Transco's formula rate template.⁵ In its waiver request, NY Transco explained that its Formula Rate Template did not include the necessary input line items to make the necessary adjustment in rate base for the average balance in NY Transco's excess ADIT placed in FERC Account 254. The Commission approved NY Transco's waiver request and NY Transco has been maintaining rate base neutrality.

The Honorable Kimberly D. Bose
June 30, 2021
Page 3

3. Attachment B – Variance Analysis reflecting Attachment A figures; and,
4. Attachment C – CWIP Report.

The Annual Update attached hereto has been submitted to the NYISO for posting and is available on its website at: <https://www.nyiso.com/billing-rates>.

Because of the ongoing uncertainty regarding COVID-19 pandemic social gathering restrictions, NY Transco will host a webinar and teleconference presentation on Thursday, August 5, 2021, from 10:00 a.m. to 12:00 p.m. Eastern Daylight Time to afford interested parties an opportunity to discuss the Annual Update.⁶ The teleconference and webinar access information will be provided prior to the meeting date. NY Transco requests that those interested in attending through the webinar or teleconference please contact Margaret Czepiel at mczepiel@daypitney.com by July 30, 2021.

In accordance with NY Transco's Protocols, this Annual Update is submitted for informational purposes only and is not a filing under Section 205 of the Federal Power Act. NY Transco requests that the Commission avoid acting on or issuing public notice of this informational filing because the Implementation Protocols include specific procedures for notice, review, and challenges to the Annual Update.

Please contact the undersigned if you have any questions regarding this matter.

Respectfully submitted,

/s/ Evan C. Reese, III
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Enclosures

Counsel to New York Transco LLC

⁶ Section 3.c of the Protocols requires NY Transco to publish the “time, date and location for a stakeholder meeting” together with the Annual Update. NY Transco interprets this requirement to permit the initiation of a webinar and teleconference in lieu of an in-person stakeholder meeting without the need to seek a formal FERC waiver of the Protocols. To the extent necessary, and given the current uncertainty regarding social gatherings because of the COVID 19 global pandemic, NY Transco believes good cause exists to permit the stakeholder meeting to occur virtually. If any stakeholder disagrees, NY Transco is prepared to discuss alternative arrangements.

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused to be served the foregoing document upon each of the parties listed on the official service list compiled by the Secretary of the Commission in this proceeding.

Dated at Washington, D.C., this 30th day of June, 2021.

/s/ Margaret G. Czepiel

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