



**NextEra Energy Transmission New York, Inc.**  
**RY 2023 Annual Projected Rate and RY 2021 True-Up**  
**Informational Summary**  
**June 1, 2023**

Pursuant to the Challenge Procedures of the Protocols, on January 31, 2023, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Public Service Commission, New York State Electric & Gas Corporation, Rochester Gas and Electric Corporation, Long Island Power Authority, Municipal Electric Utilities Association of New York (“MEUA”), and the NYS Department of State Utility Intervention Unit (together the “Challengers”) submitted Informal Challenges to NEETNY. The Informal Challenges address capital costs that NEETNY classified as unforeseeable including in relation to: undergrounding of facilities; environmental protection, mitigation or remediation measures; engineering, construction and material costs; and changes in facility design or elements. The specific cost categories which were the subject of the Informal Challenges and the resulting settlement discussions are further described in NEETNY’s responses to the Informal Challenges, including the table of costs on the second page of NEETNY’s March 16, 2023, *Response to Verbal Questions Raised on the March 10, 2023 Conference Call*.<sup>1</sup> NEETNY responded to the Informal Challenges that it appropriately classified all aforementioned project costs as Unforeseeable Costs pursuant to the terms of the Settlement Agreement.<sup>2</sup> Following discussions and the exchange of information, NEETNY and the Challengers agreed that \$33 million of Project Costs classified by NEETNY as Unforeseeable Costs in NEETNY’s Rate Years 2021, 2022, and 2023 Projected Net Revenue Requirement and Rate Year 2021 Annual True-up formula rate updates will be reclassified as Foreseeable Costs in the June 1, 2023, Rate Year 2022 Annual True-up formula rate update (and in all future iterations of the formula rate updates), thereby resulting in a total of \$38.52 million of Project Costs being subject to the cost containment provisions of the Settlement Agreement. Project Costs for these purposes is intended to refer to the initial capital costs of the project rather than potential future capital investment. The aforementioned agreement reflects a negotiated settlement entered into by the parties, in part to avoid litigation and resolve the Informal Challenges, and does not reflect the parties’ positions with respect to NEETNY’s classification of Project Costs as Unforeseeable.

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<sup>1</sup> The Informal Challenges and NEETNY’s responses thereto, are posted at a publicly accessible location on the New York ISO website. (available at <https://www.nyiso.com/billing-rates>).

<sup>2</sup> Offer of Settlement, NextEra Energy Transmission New York, Inc., FERC Docket No. ER16-2719-000 (May 25, 2018). (“Settlement Agreement”).  
NextEra Energy Transmission, LLC

Line Item	Bid estimate cost	Actual cost <sup>1</sup>	Incremental Cost
Thruway Horizontal Directional Drilling	\$348,727	\$18,111,081	\$17,762,354
Agricultural Matting	\$471,142	\$8,684,171	\$8,213,029
Clearing Requirements	\$1,727,539	\$4,228,553	\$2,501,014
Wetland Mitigation and Restoration	\$193,120	\$7,409,145	\$7,216,025
Dysinger Soils	\$0	\$3,057,239	\$3,057,239
Delays/Acceleration/Schedule Compression – Increased ROW Clearing Costs/Increased E Stolle Costs/Increased Dysinger	\$0	\$12,376,580	\$12,376,580
Vertical Market Power	\$0	\$909,258	\$909,258
Engineering & Construction Requirements – BPS Costs	\$0	\$11,407,719	\$11,407,719
Engineering & Construction Requirements – Microwave Tower	\$0	\$2,419,722	\$2,419,722
Engineering & Construction Requirements – Non-Std Prot & Design Schemes	\$0	\$2,347,445	\$2,347,445
Engineering & Construction Requirements – Additional Construction Entrances	\$330,000	\$1,170,852	\$840,852
Engineering & Construction Requirements – Design & Construction of Laydown Areas	\$849,952	\$1,548,497	\$698,545
Engineering & Construction Requirements – Non-Spec Conductor	\$1,088,188	\$1,222,748	\$134,560
Engineering & Construction Requirements – Misc. E&C costs	\$0	\$2,328,012	\$2,328,012
Comodity Pricing	\$2,577,259	\$6,497,485	\$3,920,226
Pipeline AC Mitigation	\$226,222	\$3,152,544	\$2,926,322
Mud Creek Bridge	\$0	\$1,419,194	\$1,419,194
<b>Total</b>			<b>\$80,478,096</b>

**Rounding**

Footnotes

<sup>1</sup> Actual Cost reflective as of July 2022 when 2023 projection was created