

July 1, 2024

LS Power Grid New York 2023 Annual Update Posting Notice and Stakeholder Information

In accordance with the LS Power Grid New York Corporation I (“LSPG New York”) Formula Rate Implementation Protocols (“Protocols”) included in Section 6.10.6.2.1 of the New York Independent System Operator, Inc. (“NYISO”) Open Access Transmission Tariff, LSPG New York provides this notice of the posting of its Annual Update for rate year 2023 (“2023 Annual Update”) on the NYISO website (nyiso.com/billing-rates) along with additional stakeholder information herein. The 2023 Annual Update includes the populated formula rate template and additional workpapers in Excel and PDF formats. LSPG New York has also posted the 2023 Annual Update and this document on its own website (lspgridnewyork.com/documents).

LSPG New York will host an open meeting to review the 2023 Annual Update between 20 and 30 business days after June 30. Details will be posted to the NYISO and LSPG New York websites with notice at least seven days in advance.

Please direct any inquiries, information requests, and challenges to:
rates@lspgridnewyork.com

Payments to NYPA

Section 3.C.6 of the Protocols calls for LSPG New York to identify payments to the New York Power Authority (“NYPA”) for operations and maintenance and justify any mark-up as an appropriate expense to be recovered under the formula rate.

Total payments to NYPA for operations and maintenance in 2023 amounted to \$652,255, which includes a 15 percent adder that is provided in an agreement between LSPG New York and NYPA. For services performed by NYPA, this adder is intended to reasonably cover, without duplication, indirect costs including, but not limited to, labor overheads, storage, and administrative and general expenses. For services provided by NYPA where a third party contractor is engaged, the adder covers, without duplication, contract work administration. Similar provisions can be found in other utility industry maintenance agreements.

Changes in Formula References and Form No. 1 data

Sections 3.C.7 and 3.C.8 of the Protocols call for LSPG New York to identify any changes in formula references and material adjustments made to the Federal Energy Regulatory Commission (“FERC”) Form No. 1 data. Attachment 3 (Cost of Capital) reflects the hypothetical capital structure and weighted cost of debt while the Marcy to New Scotland 345 kV Upgrade Project (Segment A) has been under construction.

Accounting Changes and Disclosures

Section 3.C.10 of the Protocols calls for LSPG New York to identify any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”) along with a narrative explanation of the individual impact of such changes on the projected Net Adjusted Revenue Requirement.

Accounting Changes

1. New standard or policy (Protocols Section 3.C.10.a.i)

None to report.

2. Issues of first impression (Protocols Section 3.C.10.a.ii)

None to report.

3. Corrections and prior period adjustments (Protocols Section 3.C.10.a.iii)

None to report.

4. New estimation methods (Protocols Section 3.C.10.a.iv)

None to report.

5. Income tax elections (Protocols Section 3.C.10.a.v)

None to report.

Other Disclosures:

6. Fair Value Adjustments (Protocols Section 3.C.10.b)

None to report.

7. Reorganization/Merger (Protocols Section 3.C.10.c)

None to report.

Informational Workpaper

LSPG New York and NYPA jointly developed and own new 345 kV transmission facilities between the existing Marcy/Edic substations near Utica, New York, and the existing New Scotland substation near Albany, New York (“Segment A Project”). The final facilities of the Segment A Project were placed in service on December 11, 2023.

Section 7 of the Protocols calls for LSPG New York to provide, within six months of placing the entire Segment A Project in service, an informational workpaper (“Informational Workpaper”) identifying the final assets of the Segment A Project owned by LSPG New York and NYPA, the total rate base of the assets, details of any transfers of assets, the amount of any costs greater than the Cost Cap or less than the Adjusted Cost Cap as defined in the Offer of Settlement approved by FERC in Docket No. ER20-716, and details on the operations and maintenance costs incurred to date.

On June 11, 2024, LSPG New York provided the Informational Workpaper and an explanatory letter to those on the service list of Docket No. ER20-716. The Informational Workpaper and explanatory letter were subsequently published on the NYISO and LSPG New York websites.