Dear Mr. Farrah:

1. On August 21, 2017, in the above-referenced proceedings, you filed an Offer of Settlement (Settlement) between New York Transco, LLC (NY Transco) and the other signatories to the Settlement.\(^1\) On September 11, 2017, the New York Commission filed comments supporting the settlement and noted that it encourages other developers to use a cost containment mechanism similar to that proposed in the Settlement.\(^2\) In addition, on

\(^1\)The signatories to the Settlement are Central Hudson Gas and Electric Corporation; Consolidated Edison Company of New York, Inc.; Niagara Mohawk Power Corporation d/b/a National Grid; NY Transco; New York State Electric and Gas Corporation; Orange and Rockland Utilities, Inc.; Rochester Gas and Electric Corporation; New York Power Authority; Power Supply Long Island; New York Public Service Commission (New York Commission); City of New York; Municipal Electric Utilities Association of New York; and Multiple Intervenors, an unincorporated association of approximately 60 industrial, commercial, and institutional energy consumers with manufacturing and other facilities located throughout New York State.

\(^2\) New York Commission Comments at 3.
that date, Commission Trial Staff filed comments supporting the Settlement. 3 No other comments were filed. On September 14, 2017, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement. 4

2. The Settlement addresses the financial terms that are components of NY Transco’s revenue requirement for the proposed Alternating Current (AC) Transmission Projects, 5 Segment B Additions, 6 Future AC Investments, 7 and Future Projects. 8

3. The Settlement provides that


3 Commission Trial Staff Comments at 10-11.


5 AC Transmission Projects are comprised of (1) Segment A, which includes the Edic/Marcy to New Scotland segment and the Princetown to Rotterdam segment, and (2) Segment B, which includes the Knickerbocker to Pleasant Valley segment. Settlement at § 2.1.

6 Segment B Additions are lower voltage projects required to be built as part of the development of Segment B.

7 Future AC Investments are comprised of necessary capital repairs, like-kind replacements and additional investments to the facilities comprising he AC Transmission Projects. Id. § 2.3.

8 Future Projects are NY Transco’s new transmission projects that are selected or approved by NYISO for inclusion in its transmission plan and are under the operational control of NYISO or otherwise subject to the Commission’s jurisdiction. Id.
4. The Settlement resolves all remaining issues in dispute in these proceedings, including requests for rehearing in Docket No. ER15-572-002 with respect to NY Transco’s proposed AC Transmission Projects.10

5. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission’s approval of the Settlement does not constitute approval of, or precedent regarding, any principal or issue in these proceedings.

6. NY Transco also requests waiver of Rule 602(c)(2)11 of the Commission’s Rules of Practice and Procedure.12 According to NY Transco, the Settlement terms apply only in the event that it is selected by NYISO to construct certain aspects of the AC Transmission Projects. Specifically, within 30 days of being selected as the developer for certain portions, or all, of the AC Transmission Projects, NY Transco will submit a compliance filing requesting revisions to NYISO’s Open Access Transmission Tariff to implement the terms of the Settlement.13 Accordingly, we grant NY Transco’s waiver request and direct it to file revised tariff records in eTariff format,14 within 30 days of being selected for the relevant portions of the AC Transmission Projects, to reflect the Commission’s action in this order.

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9 Settlement at § 6.1.


11 18 C.F.R. § 385.602(c)(2) (2017) (“If an offer of settlement pertains to a tariff or rate filing, the offer must include any proposed change in a form suitable for inclusion in the filed rate schedules or tariffs, and a number of copies sufficient to satisfy the requirements applicable to tariff or rate filings of the type at issue in the proceeding.”).

12 NT Transco Transmittal at 2.

13 Settlement at § 3.10.


By direction of the Commission.

Kimberly D. Bose,
Secretary.