



**Public Service  
Commission**

**Public Service Commission**

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Commissioners

**Kimberly A. Harriman**

General Counsel

**Kathleen H. Burgess**

Secretary

Three Empire State Plaza, Albany, NY 12223-1350  
www.dps.ny.gov

January 16, 2015

SENT VIA ELECTRONIC FILING  
Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Room 1-A209  
Washington, D.C. 20426

Re: Docket No. EC15-45-000 - New York Transco, LLC,  
et al.

Dear Secretary Bose:

For filing, please find the Protest and Motion of the New York State Public Service Commission in the above-entitled proceeding. The parties have also been provided with a copy of this filing, as indicated in the attached Certificate of Service. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

David G. Drexler  
Assistant Counsel

Attachment  
cc: Service List

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

New York Transco, LLC	)	
	)	
Central Hudson Gas & Electric Corp.	)	
Consolidated Edison Company	)	
of New York, Inc.	)	Docket No. EC15-45-000
Niagara Mohawk Power Corp.	)	
d/b/a National Grid	)	
New York State Electric & Gas Corp.	)	
Orange & Rockland Utilities, Inc.	)	
Rochester Gas and Electric Corp.	)	

PROTEST TO FILING AND MOTION TO HOLD PROCEEDING IN ABEYANCE  
OF THE NEW YORK STATE PUBLIC SERVICE COMMISSION

INTRODUCTION

On December 4, 2014, New York's Investor-Owned Utilities (IOUs)<sup>1</sup> filed a request for authorization to transfer certain transmission facilities, and related books, records, and accounts from the IOUs to their newly-created affiliate, New York Transco, LLC (NY Transco) (Filing). The IOUs seek these transfers in connection with five transmission projects that were proposed as part of New York State Public Service

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<sup>1</sup> The IOUs include Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corp. d/b/a National Grid, New York State Electric & Gas Corp., Orange & Rockland Utilities, Inc., and Rochester Gas and Electric Corp.

Commission (NYPSC) planning proceedings.<sup>2</sup> The NYPSC hereby submits its Protest to the Filing and Motion to Hold Proceeding in Abeyance pursuant to the Federal Energy Regulatory Commission's (FERC or Commission) Notice Granting Extension of Time, issued on December 22, 2014, and Rules 211 and 212 (18 C.F.R. §§385.211 and 385.212) of the Commission's Rules of Practice and Procedure.<sup>3</sup>

### DISCUSSION

The IOU's Filing correctly indicates that the requested transfers are also subject to the NYPSC's approval. The NYPSC notes that additional approvals may be necessary under the New York Public Service Law in order to accomplish the formation and operation of NY Transco. However, because the IOUs have not yet filed a petition with the NYPSC for such approvals, or for permission to transfer their facilities, it is premature for the NYPSC to take a final position on the matters contained in the Filing.

The NYPSC intends to undertake a thorough and independent investigation of the requested transfers when an

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<sup>2</sup> The NYPSC planning processes are mentioned in the IOUs December 4, 2014 filing and are further explained in the NYPSC's Protest to the IOUs request for rate treatment, filed in Docket No. ER15-572, concurrent with this filing.

<sup>3</sup> On December 16, 2014, the NYPSC submitted a Notice of Intervention.

appropriate filing is made to ensure that they are in the public interest. Moreover, the NYPSC will exercise its independent judgment when reviewing the transfers to determine if, given any rate impacts, ownership of some or all of the facilities should remain with the IOUs instead of being transferred to NY Transco ownership.

The NYPSC is concerned that the rate treatments, including numerous Return-on-Equity (ROE) incentive adders, which the IOUs have requested in Docket No. ER15-572, appear excessive and could have an adverse impact on rates. Such rate impacts are a key consideration in FERC's evaluation of whether a proposed transaction is consistent with the public interest.<sup>4</sup>

While the IOUs claim that the transfers will not adversely affect rates, they have failed to substantiate their claim, and at this point in time approving the transfers upon the IOU's requested rate relief could well cause a significant increase in rates to the detriment of New York's ratepayers. Further proceedings are needed to evaluate the IOU's claims regarding the effect of the rates they propose for NY Transco. It is thus incorrect for the IOUs to state that they have demonstrated that the disposition of assets to NY Transco will not have an adverse impact on rates. As a result, the NYPSC hereby moves to hold this proceeding in abeyance until the

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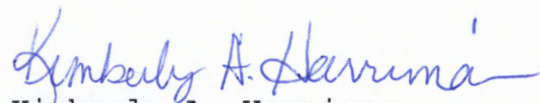
<sup>4</sup> 16 U.S.C. §2.26(b).

apparently excessive rate treatments, and the resulting impacts on the prices consumers will pay to NY Transco, are addressed and a decision is issued in Docket No. ER15-572.

**CONCLUSION**

In accordance with the discussion above, the NYPSC respectfully requests that the Commission hold this proceeding in abeyance until such time as it has addressed the IOU's request for rate treatments and the resulting impacts on rates to ensure any transfers of facilities to NY Transco will not result in unjust or unreasonable rates.

Respectfully submitted,



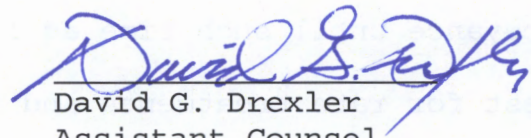
Kimberly A. Harriman  
General Counsel  
Public Service Commission  
of the State of New York  
By: David G. Drexler  
Assistant Counsel  
3 Empire State Plaza  
Albany, NY 12223-1305  
(518) 473-8178

Dated: January 16, 2015  
Albany, New York

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated: Albany, New York  
January 16, 2015



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