

**CONFIDENTIAL**

**SUBJECT TO PROTECTIVE ORDER IN  
NY PSC CASE 19-T-0684**

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**CONFIDENTIAL*****SUBJECT TO PROTECTIVE ORDER IN NY PSC CASE 19-T-0684*****Case 19-T-0684**

Application of New York Transco LLC for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the New York Public Service Law to Construct, Operate, and Maintain a New, Double-Circuit 54.5-Mile 345/115 Kilovolt Electric Transmission Line and Related Facilities Located in the Town of Schodack, Rensselaer County; the Towns of Stuyvesant, Stockport, Ghent, Claverack, Livingston, Gallatin, and Clermont in Columbia County; and the Towns of Milan, Clinton, and Pleasant Valley in Dutchess County

**NEW YORK TRANSCO LLC OBJECTIONS & RESPONSES TO INTERROGATORY/DOCUMENT REQUEST**

**Request No.:** JI-4  
**Requested By:** Joint Intervenors  
**Directed To:** New York Transco LLC  
**Date of Request:** April 20, 2020  
**Date of Response:** April 30, 2020  
**Subject:** Application Exhibit 6, Economic Impacts

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**TRANSCO GENERAL DEFINITIONS**

1. "CEII" shall mean critical electric infrastructure information
2. "DPS" shall mean the New York State Department of Public Service
3. "FERC" shall mean the Federal Energy Regulatory Commission
4. "Joint Intervenors" shall mean the Towns of Livingston, Milan, and Pleasant Valley, together with Famers and Families of Livingston, Farmers and Families for Claverack, and Walnut Grove Farm
5. "NUF" shall mean Network Upgrade Facilities as defined by the NYISO OATT
6. "NYISO" shall mean the New York Independent System Operator, Inc.
7. "NYISO OATT" shall mean the NYISO Open Access Transmission Tariff
8. "Protective Order" shall mean Administrative Law Judge Anthony Belsito's Ruling Adopting Protective Order issued February 13, 2020

9. "PSC" shall mean the New York Public Service Commission
10. "PSL" shall mean New York State Public Service Law
11. "PPTPP" shall mean the NYISO Public Policy Transmission Planning Process
12. "Staff" shall mean DPS Staff
13. "SIS" shall mean the NYISO's System Impact Study
14. "Transco" shall mean New York Transco LLC

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### **TRANSCO GENERAL OBJECTIONS**

Transco makes the following general objections (collectively, "General Objections"), which shall be incorporated by reference into the below specific responses, as if expressly restated therein, without limiting or waiving any other objections to the instant information requests (individually, the "Request" and collectively, the "Requests") proffered by the Joint Intervenors:

1. Transco objects to the Requests to the extent they seek information or production of documents that is or are subject to the attorney-client privilege, constitute attorney work product, are protected under state or federal law or are proprietary or confidential, or constitute draft and/or non-final documents and/or communications containing or concerning same. The inadvertent disclosure of any information or production of any document that is confidential, privileged, was prepared in anticipation of litigation, or is otherwise irrelevant and/or immune from discovery, shall not constitute a waiver of any such privilege or of any ground for objection with respect to such information or document, the subject matter of the information or document, or of Transco's rights to the use of any such information or document in any regulatory proceeding or lawsuit. Transco reserves its right to request the return of any such documents or information in the event of any inadvertent disclosure.
2. Transco objects to the Requests to the extent they are not tailored to this particular proceeding, are not commensurate with the importance of the issues to which each Request relates, and/or seek information or documents that is or are not relevant to any matter within the PSC's jurisdiction.
3. Transco objects to the Requests to the extent they seek documents or information regarding matters, or from entities, over which the PSC (including Staff) has no authority or jurisdiction under the PSL.

4. Transco objects to the Requests to the extent they seek information concerning matters that, due to federal preemption or preclusion, are not subject to regulation by the State of New York.
5. Transco objects to Requests that are overbroad or unduly burdensome to the extent that they (a) are cumulative; (b) call for the production of documents not in Transco's possession, custody, or control; (c) call for the review, compilation or production of publicly-available documents that could be obtained by the requesting party in a less-burdensome manner, including on a public website; (d) call for the review, compilation, and/or production of a voluminous number of documents at great expense to Transco; or (e) are duplicative of discovery requests already issued by Joint Intervenors and responded to by Transco.
6. Transco objects to the Requests to the extent they seek documents and information already known to or possessed by the requesting party or which are available to those entities from documents in their own files or from public sources including, but not limited to, the DPS website or other online sources.
7. Transco objects to the Requests to the extent they seek sensitive, proprietary and/or competitive information, trade secret information, confidential commercial information, work product, and/or material that is the subject of confidentiality agreements with third parties. To the extent Transco has elected to produce any confidential commercial information and/or trade secret information, such information is being produced solely for use in the above-captioned proceeding pursuant to the Protective Order.
8. Transco objects to the Requests to the extent they seek information and documents that are not known or reasonably available to Transco. Transco further objects to all Requests to the extent they seek to compel Transco to generate or to create information and/or documents that do not already exist.
9. Transco objects to the Requests to the extent they seek CEII.
10. Transco's agreement to provide information or documents in response to the Requests is not: (a) an acceptance of, or agreement with, any of the characterizations or purported descriptions of the transactions or events contained in these Requests; (b) a concession or admission that the requested material is relevant to any matter within the jurisdiction of the State of New York or any of its agencies; (c) a waiver of the objections herein; (d) an admission that any such information or documents exist; or (e) an agreement to provide information or documents pursuant to any other Request.
11. Each response reflects the information or documents located by Transco given the scope and nature of the Request at issue and as evidenced by the sponsor(s) of such response, after a reasonable, diligent search in the response period in which Joint Intervenors have requested a response to be provided, particularly in light of the scope and breadth of the Requests. Transco reserves its right to amend or supplement the responses, including the assertion of additional objections, and any production of information and documents as additional

discovery and investigations continue, in the event that additional information is identified, or in the event of error, inadvertent mistake, or omission.

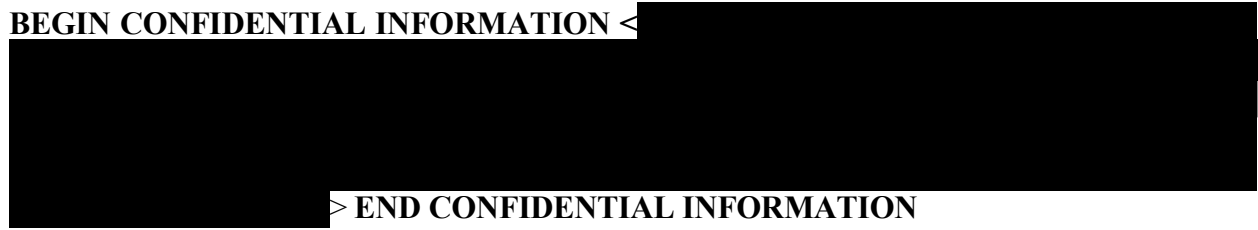
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**JI-4.1**

What is the most recent estimated project cost for all of Segment B facilities?

**Transco's Response to JI-4.1.** Transco hereby incorporates the General Objections set forth above and further objects to this request as it seeks the production of confidential commercial information. Subject to and without waiving any of the General Objections and/or the specific objections set forth herein, Transco provides the following response:

**BEGIN CONFIDENTIAL INFORMATION <**



**> END CONFIDENTIAL INFORMATION**

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco

**JI-4.2**

What is the estimated FERC annual wholesale revenue requirement to support all of Segment B facilities?

**Transco's Response to JI-4.2.** Transco hereby incorporates the General Objections set forth above and further objects to the Request as it is irrelevant to this PSC proceeding and requests information related to issues within the jurisdiction of FERC and/or the NYISO. Subject to and without waiving any of the General Objections and/or the specific objections set forth herein, Transco provides the following response:

Transco will determine its annual revenue requirement for the Segment B facilities in accordance with its FERC-approved formula rate. The formula rate includes many variable cost components, including overall capital expense, the cost of debt, 13-month average account balances for those accounts included in the formula, on-going operation and maintenance expense, etc. In accordance with its Formula Rate Implementation Protocols, each year Transco will use estimates to calculate its annual revenue requirement for the given rate year and will derive a rate for recovery under the NYISO OATT. Following the rate year, Transco will determine its actual revenue requirement based on actual costs associated with the rate year and determine a refund if actual costs were lower than estimated costs, or apply a surcharge if actual costs were higher than estimated costs which will be applied to the following year revenue requirement. At this time, Transco has not estimated an annual "wholesale revenue requirement to support all of Segment B facilities," nor is it practicable to develop such an estimate given the early stage of development and uncertainty regarding overall capital costs and ongoing expenses.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco

**JI-4.3**

Has Transco filed for wholesale rates at FERC to support Segment B? If so please provide a copy of the filing.

**Transco's Response to JI-4.3.** Transco hereby incorporates the General Objections set forth above and further objects to the Request as it is irrelevant to this PSC proceeding and requests information related to issues within the jurisdiction of FERC and/or the NYISO. Subject to and without waiving any of the General Objections and/or the specific objections set forth herein, Transco provides the following response:

On November 16, 2017, FERC approved a settlement agreement in Docket No. ER15-572 that establishes the rate components necessary to calculate Transco's yearly revenue requirement and electric transmission rates under the NYISO OATT associated with the AC Transmission Projects, including the Segment B facilities. Attached find the August 21, 2017 filing with the offer of settlement approved by FERC that sets forth the rate calculation provisions, entitled "NYT Response to JI-04\_Attachment 4.3 Settlement Agreement AC Transmission Projects.pdf" (the "Settlement Agreement"). Also attached as is the May 8, 2019 compliance filing submitted by Transco with the necessary revisions to Section 6.13 of the NYISO OATT and the Transco formula rate in Attachment DD of the NYISO OATT to implement the provisions of the settlement, entitled "NYT Response to JI-04\_Attachment 4.3 Formula Rate Compliance Filing AC Transmission Projects.pdf." FERC accepted Transco's compliance filing by letter order dated October 29, 2019.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco



**JI-4.4**

With respect to JI-4(2) what is the assumed:

- a. Capital structure
- b. Cost of debt
- c. Cost of equity
- d. Cost of preferred stock, if any
- e. Depreciable book life (in years)
- f. Depreciable tax life (in years)
- g. What are the estimated AFUDC accruals? Is Transco accruing ADUDC on the development costs incurred to date? Please provide development costs as of March 31, 2020 including allocated employee costs from the IOUs with ownership interests in Transco.

**Transco's Response to JI-4.4.** Transco hereby incorporates the General Objections set forth above and further objects to the Request as it is irrelevant to this PSC proceeding and requests information related to issues within the jurisdiction of FERC and/or the NYISO. Subject to and without waiving any of the General Objections and/or the specific objections set forth herein, Transco provides the following response:

Transco refers to the Settlement Agreement attached to the response to JI-4.3, which establishes the formula rate components for the Segment B facilities.

- a. Capital structure: 53% equity; 47% debt
- b. Cost of debt: The cost of debt assumed for the 2020 revenue requirement is 3.15%.
- c. Cost of equity: FERC-approved base return on equity settlement rate of 9.65% plus incentives as outlined in the Settlement Agreement.
- d. Cost of preferred stock, if any: N/A
- e. Depreciable book life (in years): Page 46 of the Settlement Agreement sets forth the implied life (in years) for each of the transmission, general and intangible plant items associated with the Segment B facilities.
- f. Depreciable tax life (in years): Depreciable life for tax is expected to be 20 years.
- g. There are no estimated AFUDC accruals. Transco is not accruing AFUDC on the development costs. The total development costs as of December 31, 2019 are

\$24.3 million. The IOUs have no ownership interest in Transco. See response to JI-4.10, which shows the owners of Transco.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco

**JI-4.5**

What are the assumed annual O&M expenses?

**Transco's Response to JI-4.5.** Subject to and without waiving any of the General Objections set forth above, Transco provides the following response:

Preliminary estimates for annual operating and maintenance (“O&M”) expenses for the Segment B facilities are estimates at \$18,000 per year for the transmission line and \$36,000 per year for the substations. O&M costs will continue to be refined as the Project moves through the regulatory process and detailed engineering and design are completed.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco

**JI-4.6**

What is the impact on Niagara Mohawk, Central Hudson and Con Edison (including Orange & Rockland) retail rates when the investment is fully reflected?

**Transco's Response to JI-4.6.** Transco hereby incorporates the General Objections set forth above and further objects to the Request as it is irrelevant to this PSC proceeding and seeks information about entities other than Transco, the party the Request is addressed to.

Name and Title of Person(s) Responsible for Response:

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco

**JI-4.7**

Have the projected congestion cost savings on an annual basis been updated from that used in Case?

**Transco's Response to JI-4.7.** Transco hereby incorporates the General Objections set forth above and further objects to the Request as it is irrelevant to this PSC proceeding and as vague due to the use of the phrase "from that used in Case?" Subject to and without waiving any of the General Objections and/or the specific objections set forth herein, Transco provides the following response:

The costs of the Transco Segment B facilities are allocated to customers taking service under the NYISO OATT consistent with the FERC-approved settlement and included in Section 36.2.1.2 in Attachment DD of the NYISO OATT. In accordance with the settlement, the Segment B costs are allocated on a percentage basis to each NYISO Load Zone. That allocation percentage is included in the following table:

COST ALLOCATION TABLE

	Load Zone	Allocation of Project Costs (%)
Upstate	A	2.450
	B	1.525
	C	2.525
	D	0.750
	E	1.300
	F	1.950
Downstate	G	4.425
	H	2.300
	I	9.500
	J	69.675
	K	3.600
NYCA		100

In determining the overall cost impacts of the Project, the Project benefits must also be considered. For example, the NYISO has identified significant cost savings and other benefits associated with the development of the AC Transmission Project, including the Segment B facilities. Attached to this response are:

- "NYT Response to JI-04\_Attachment 4.7\_AC Transmission Public Policy Transmission Plan Report.pdf": NYISO Board of Directors' Summary of Proposed Modifications to Draft AC Transmission Public Policy Transmission Planning Report and Proposed Selections (December 27, 2018). This exhibit summarizes the benefits accumulating as a result of the development of the AC Transmission Projects including, installed capacity cost savings, resilience benefits, production cost savings, among other customer benefits.

- “NYT Response to JI-04\_Attachment 4.7\_Board of Directors Summary of Proposed Modifications.pdf”: AC Transmission Public Policy Transmission Plan Report (April 8, 2019). This exhibit provides the analysis performed by the NYISO and resulting customer benefits.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: New York Transco

**JI-4.8**

What percentage of New York Transco LLC's employees allocated to Segment B facilities and how is that cost divided between capital and O&M?

**Transco's Response to JI-4.8.** Transco hereby incorporates the General Objections set forth above and further objects to the Request as it is irrelevant to this PSC proceeding and requests information related to issues within the jurisdiction of FERC and/or the NYISO. Subject to and without waiving any of the General Objections and/or the specific objections set forth herein, Transco provides the following response:

It is expected there will be seven project employees that will be solely working on the Segment B facilities and three employees that will be allocating approximately 50% of their time to the Segment B facilities. Time charged to the Segment B facilities will be based on actual time charged to Segment B facilities for all employees.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco

**JI-4.9**

Will Segment B have other revenue sources to support the investment, e.g. contract revenue from renewable or traditional generation owners? If so, please identify all such renewable and traditional generation that will be served by Segment B currently in existence or on the NYISO Interconnection Que.

**Transco's Response to JI-4.9.** Subject to and without waiving any of the General Objections set forth above, Transco provides the following response:

Transco does not anticipate any other revenue source other than recovery in accordance with the FERC-approved formula rate included in the NYISO OATT.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco



**JI-4.10**

Please identify the corporate entities that own New York Transco, LLC and their respective ownership interests.

**Transco's Response to JI-4.10.** Subject to and without waiving any of the General Objections objections set forth above, Transco provides the following response:

The members of Transco and their respective ownership percentages are as follows:

Consolidated Edison Transmission, LLC: 45.652%;  
Grid NY LLC: 28.261%;  
Avangrid Networks New York TransCo, LLC: 19.973%; and  
Central Hudson Electric Transmission LLC: 6.114%.

Name and Title of Person(s) Responsible for Response: Robert Caso, Vice President – Budget, Finance and Accounting

Date: April 30, 2020

Entity on Behalf of Which the Response is Provided: Transco