

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on November 18, 2021

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
Diane X. Burman
James S. Alesi
Tracey A. Edwards
John B. Howard
David J. Valesky
John B. Maggiore

CASE 18-E-0138 - Proceeding on Motion of the Commission
Regarding Electric Vehicle Supply Equipment and
Infrastructure.

ORDER APPROVING TARIFF AMENDMENTS

(Issued and Effective November 18, 2021)

BY THE COMMISSION:

INTRODUCTION

On December 2, 2020, Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E) (collectively, the Companies) filed tariff amendments to effectuate cost recovery of the electric vehicle make-ready programs (EV Make-Ready Programs), including implementing an EV Make-Ready Surcharge, in compliance with the Commission's Order Establishing Electric Vehicle Infrastructure Make-Ready Program

and Other Programs¹. The proposed amendments went into effect on a temporary basis on January 1, 2021. By this Order, the Commission authorizes the tariff amendments, as shown in the Appendix, to become effective on a permanent basis as of the date of issuance of this Order.

BACKGROUND

In its EV Make-Ready Order, the Commission authorized a statewide budget of up to \$701 million in utility funded make-ready costs, including the environmental justice programs.² EV Make-Ready costs include: (1) utility-owned make-ready work, (2) customer-owned make-ready work, (3) make-ready implementation and (4) other programs costs. The Commission noted that existing rate plans did not account for these costs and determined that in future rate filings utility-owned make-ready work, including work related to future-proofing utility infrastructure, would be treated as capitalized plant in service with cost allocation and recovery via traditional ratemaking methodologies.³ In the interim, the EV Make-Ready Order allowed the Companies to recover the associated revenue requirement through an existing surcharge until such time as the Companies' base rates reflect such investments.⁴ Surcharge collection was allowed to begin at the end of the first program year, with annual updates thereafter. Such costs were required to be

¹ Case 18-E-0138, Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs (issued July 16, 2020) (EV Make-Ready Order).

² The environmental justice programs include: the expanded mobility pilot, environmental justice innovation prize, medium- and heavy-duty vehicles (MHDV) make-ready pilot, and MHDV competitive pilot.

³ EV Make-Ready Order, p. 78.

⁴ Id.

allocated to all customers using transmission and distribution revenues and recovered on a per kilowatt hour (kWh) basis for energy billed customers and on a per kilowatt (kW) basis for demand billed customers.

The EV Make-Ready Order specified that such interim recovery of costs would be from all customers in proportion to each of the customer classes' transmission and distribution revenues; and, that recovery would be on a per kWh basis for energy billed customers and on a per kW basis for demand billed customers.⁵ Specifically, until costs are reflected in base rates, depreciation expense, related to utility-owned make-ready work, and return on the average unrecovered investment, net of deferred income taxes, would be calculated at the end of each program year and recovered over a subsequent one-year period.⁶ Utility-owned make-ready work would be excluded from each utility's plant in service reconciliation until reflected in base rates.

The Commission also directed that incentives paid for customer-owned make-ready work, including work related to future-proofing customer facilities, should be included in base rates as a regulatory asset after the Make-Ready Program terminates and total costs are known.⁷ Similar to utility-owned make-ready work, these costs are not reflected in current rate plans. Therefore, until such time as the Companies' base rates reflect such incentive payments, the Companies were permitted to begin recovery through an existing surcharge mechanism. This

⁵ EV Make-Ready Order, pp. 78-79.

⁶ EV Make-Ready Order, p. 79.

⁷ Id.

regulatory asset, inclusive of associated carrying charges, was to be collected over a period of 15 years.⁸

The Companies filed tariff amendments in compliance with the EV Make-Ready Order on December 2, 2020, that implement the cost recovery for utility-owned make-ready work, customer-owned make-ready work, other programs, and make-ready implementation costs. Specifically, the tariff amendments include: (1) language regarding which surcharge mechanism is utilized for cost recovery by the utility in question; (2) the applicability of the surcharge; (3) the allocation methodology utilized; (4) that the collection will be on a kWh basis for non-demand billed customers, on a kW basis for demand billed customers, and on either a kW of contract demand basis or as-used demand basis for standby customers; (5) a description of how the recovered costs will be reconciled; and (6) the recovery timeframe, including the starting and ending dates.

On April 7, 2021, National Grid filed further revisions to clarify the cost recovery for standby customers. On April 19, 2021, NYSEG and RG&E filed further revisions to include language explaining the calculation of the EV Make-Ready Surcharge, to add language regarding the timeframe for which the EV Make-Ready Surcharge should be recovered, and to add language regarding future-proofing Company infrastructure. In addition, RG&E added language to include a Transit Authority Make-Ready Program. On April 26, Central Hudson filed a further revision to add language regarding future-proofing Company infrastructure. National Grid, NYSEG, RG&E and Central Hudson requested waivers of newspaper publication requirements pursuant to Public Service Law (PSL) §66(12)(b) and 16 NYCRR §720-8.1 for

⁸ The net-of-tax balances were allowed to accrue carrying charges at the pretax overall cost of capital.

the further revisions filed on April 7, April 19, and April 26, 2021.

TARIFF FILINGS

Provisions Common to the Companies

Each of the Companies' tariff revisions specify that EV Make-Ready costs to be recovered shall include: (1) utility-owned make-ready work, (2) customer-owned make-ready work, (3) other programs and (4) make-ready implementation costs. With respect to utility-owned make-ready work costs, the Companies' proposed tariff revisions provide for recovery of the depreciation expense, including costs related to future proofing utility infrastructure, and return on the average unrecovered investment, net of deferred income taxes, for each program year. The balances to be recovered are subject to carrying charges at the pre-tax weighted average cost of capital. The Companies specify that these costs will be recovered for each program year over a subsequent one-year period. The Companies also specify that the rate will be determined by dividing the applicable EV Make-Ready Costs by the forecasted billed kWh or kW demand, as applicable, over the collection period. The Companies propose to reconcile the recoveries at the end of each program year with any over- or under-collection reflected in the following year's surcharge.

For customer-owned make-ready work, the Companies specify that incentives paid, including carrying charges calculated on the net-of-tax balances, shall be recovered over a period of 15 years. For costs associated with utility make-ready infrastructure for other programs, the Companies proposed recoveries consistent with utility-owned make-ready work as

noted above.⁹ Other costs resulting from these programs will be deferred as regulatory assets and, at the end of each program year, be recovered via the surcharges mentioned above over a period of 15 years, with the net-of-tax balances accruing carrying charges at each utility's pretax overall cost of capital. Finally, for make-ready implementation costs, including the Fleet Assessment Service, the Companies' tariff revisions provide for recovery of carrying charges over a five-year period. The Companies propose to file surcharge statements no less than fifteen days before its effective date.

Central Hudson

Central Hudson proposes to include the cost recovery of the EV Make-Ready Surcharge from non-demand customers in the Miscellaneous Charges, with the combined amount shown as one line item on customer bills. In addition, Central Hudson proposes to include the cost recovery for demand-billed customers through the Miscellaneous Charges II, which will appear as a separate line item on customer bills. Central Hudson proposes to exempt the portion of load served under Excelsior Jobs Program and Empire Zone Rate provisions from the surcharge for customers taking part in those programs. Central Hudson proposes to begin assessing the EV Make-Ready surcharge with the first billing batch in February 2021 for the program year ending December 31, 2020. Central Hudson proposes to file a "Statement of Electric Vehicle Make-Ready Program Charges" not less than fifteen days prior to a proposed change in rates.

⁹ Other programs are comprised of the Environmental Justice Community Clean Vehicles Transformation Prize, the Clean Personal Mobility Prize, the Clean Medium and Heavy-Duty Innovation Prize, and the Transit Authority Make-Ready Program.

Con Edison

Con Edison proposes to implement an EV Make-Ready Surcharge which will be included in the Monthly Adjustment Clause (MAC) line item on customers' bills. The EV Make-Ready Surcharge will be collected on a dollar per month basis for Power Authority of State of New York customers. Con Edison proposes to exempt loads served under the Excelsior Jobs Program. Con Edison proposes to recover costs for the period July 16, 2020, through December 31, 2020, beginning on February 1, 2021. Each subsequent program year will be reconciled beginning on February 1 of the ensuing year.

National Grid

National Grid proposes to include the EV Make-Ready Surcharge in the delivery rate line item on customer bills. The EV Make-Ready Surcharge is not applicable to loads served under the Empire Zone Rate and Excelsior Jobs Programs. The EV Make-Ready costs will be recovered from customers annually on a two-month lag following the annual period when the program costs are incurred by the Company.

NYSEG and RG&E

NYSEG and RG&E propose to add the EV Make-Ready Surcharge to their respective Transition Charge Surcharge (TCS) mechanisms. The Companies propose to add an Electric Vehicle Make Ready component to the Transition Charge line on customer bills. The Electric Vehicle Make Ready component of the TCS will be a surcharge as set forth on an EV Make-Ready statement. For NYSEG and RG&E, loads served under the Excelsior Jobs Program will be exempt from paying the EV Make-Ready Surcharge. NYSEG and RG&E propose to begin recoveries on February 1, 2021.

O&R

O&R proposes to include the EV Make-Ready Surcharge in its Energy Cost Adjustment (ECA). O&R proposes to allow

exemptions for customers served under Rider C - Excelsior Jobs Program. The EV Make-Ready recovery will begin annually, commencing with customer bills having a "from" date on or after February 1, 2021. The first EV Make-Ready Surcharge will recover costs for the period July 16, 2020, through December 31, 2020, and thereafter each subsequent EV Make-Ready Surcharge recovery period will commence January 1 through December 31.

LEGAL AUTHORITY

Public Service Law (PSL) §5 grants the Commission broad powers and jurisdiction over electric corporations, including the power to "encourage electric corporations to formulate and carry out long-range programs . . . for . . . the preservation of environmental values and the conservation of natural resources."¹⁰ PSL §65 grants the Commission power to establish service classifications and authorize rates and charges for such classifications, such as those charges approved by this Order.¹¹ PSL §66 authorizes the Commission to examine, investigate, and prescribe changes in rates and charges. By this Order, the Commission directs tariff amendments consistent with the statutory authority granted by the PSL.

DISCUSSION AND CONCLUSION

The tariff amendments as proposed by the Companies are consistent with Commission directives in the EV Make-Ready Order and are necessary to effectuate cost recovery of EV Make-Ready Programs. The tariff amendments as shown in Appendix A are authorized to become effective on a permanent basis. The Commission grants National Grid, NYSEG, RG&E, and Central

¹⁰ PSL §5(2).

¹¹ PSL §65(5).

Hudson's request for waivers of the newspaper publication requirements of PSL §66(12)(b) and 16 NYCRR §720-8.1 for the further revisions filed on April 7, April 19, and April 26, 2021, respectively. The Companies complied with newspaper publication for the December 2, 2020 filings and these additional tariff amendments reflect the additional information as directed in the EV Make-Ready Order; therefore, appropriate public notice has been given and granting these waivers is reasonable.

The Commission orders:

1. The tariff amendments filed by Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation as listed in the Appendix are authorized to become effective on a permanent basis upon the date of issuance of this Order.

2. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1, as to newspaper publication with respect to the tariff filings directed in Ordering Clause No. 1, are waived.

3. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

SUBJECT: Filings by CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Amendments to P.S.C. No. 15 - Electricity

Original Leaves Nos. 160.1.19, 106.1.10

Issued: December 2, 2020 Effective on a temporary
basis on January 1, 2021.

First Revised Leaf 160.1.9

Issued: April 26, 2021 Effective on a temporary
basis on June 1, 2021.

NEWSPAPER PUBLICATION: December 16, 23, 30, 2020 and January 6,
2021. Waived for the April 26, 2021
filing.

SUBJECT: Filing by CONSOLIDATED EDISON COMPANY OF NEW YORK,
INC.

Amendments to P.S.C. No. 10 - Electricity

Original Leaf No. 359.1

First Revised Leaf No. 36.1

Fourth Revised Leaf No. 202

Sixth Revised Leaf No. 36

Thirteenth Revised Leaf No. 359

Amendment to P.S.C. No. 12 - Electricity

Third Revised Leaf No. 26.4

Issued: December 2, 2020 Effective on a temporary
basis on January 1, 2021.

NEWSPAPER PUBLICATION: December 7, 14, 21 and 28, 2020.

SUBJECT: Filings by NEW YORK STATE ELECTRIC & GAS CORPORATION

Amendments to P.S.C. No. 120 - Electricity

Original Leaves Nos. 117.58, 117.59

Second Revised Leaf No. 289.1

Tenth Revised Leaf No. 208.1

Twenty-Second Revised Leaves Nos. 117.9, 161
Twenty-Seventh Revised Leaf No. 198
Twenty-Fifth Revised Leaf No. 262
Thirty-Second Revised Leaves Nos. 221, 300
Thirty-Third Revised Leaves Nos. 123, 133
Thirty-Fifth Revised Leaf No. 272

Issued: December 2, 2020 Effective on a temporary
basis on January 1, 2021.

Second Revised Leaves Nos. 117.58, 117.59

Issued April 12, 2021 Effective on a temporary
basis on May 12, 2021.

Third Revised Leaves Nos. 117.58, 117.59

Issued April 19, 2021 Effective on a temporary
basis on June 1, 2021.

NEWSPAPER PUBLICATION: March 2, 9, 16 and 23, 2021. Waived for
the April 12 and 19, 2021 filings.

SUBJECT: Filings by NIAGARA MOHAWK POWER CORPORATION d/b/a
NATIONAL GRID

Amendments to P.S.C. No. 220 - Electricity

Fourth Revised Leaves Nos. 236, 237
Fifteenth Revised Leaf No. 425
Seventeenth Revised Leaf No. 350
Eighteenth Revised Leaves Nos. 381, 392
Twenty-First Revised Leaf No. 3
Twenty-Sixth Revised Leaf No. 371
Twenty-Eighth Revised Leaf No. 359

Issued: December 2, 2020 Effective on a temporary
basis on January 1, 2021.

Fifth Revised Leaf No. 237

Issued: April 7, 2021 Effective on a temporary
basis on May 7, 2021.

NEWSPAPER PUBLICATION: December 14, 21, 28, 2020 and January 4,
2021. Waived for the April 7, 2021 filing.

SUBJECT: Filing by ORANGE AND ROCKLAND UTILITIES, INC.

Amendments to P.S.C. No. 3 - Electricity

Original Leaves Nos. 263.2, 263.3

Third Revised Leaf No. 6

Issued: December 2, 2020 Effective on a temporary
basis on January 1, 2021.

NEWSPAPER PUBLICATION: December 8, 15, 22 and 29, 2021.

SUBJECT: Filings by ROCHESTER GAS AND ELECTRIC CORPORATION

Amendments to P.S.C. No. 19 - Electricity

Original Leaves Nos. 160.42, 160.43

First Revised Leaf No. 160.26.1.0.1

Fourth Revised Leaf No. 243.2

Thirteenth Revised Leaf No. 161.2.1

Fifteenth Revised Leaf No. 210.5

Sixteenth Revised Leaves No. 166.4, 190.4

Nineteenth Revised Leaves No. 164.4, 195.2

Twenty-Second Revised Leaves Nos. 176, 218

Twenty-Third Revised Leaf No. 244

Issued: December 2, 2020 Effective on a temporary
basis on January 1, 2021.

First Revised Leaf No. 160.42

Second Revised Leaf No. 160.43

Issued April 12, 2021 Effective on a temporary
basis on May 12, 2021.

Second Revised Leaf No. 160.42

Third Revised Leaf No. 160.43

Issued April 19, 2021 Effective on a temporary
basis on June 1, 2021.

NEWSPAPER PUBLICATION: March 2, 9, 16 and 23, 2021. Waived for
the April 12 and 19, 2021 filings.