

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Complaint of Nexamp, Inc. and :
Affiliates Against Niagara Mohawk : **Case 25-E-0469**
Power Corporation d/b/a National :
Grid Pursuant to the New York :
State Standardized Interconnection :
Requirements :

**REPLY OF NIAGARA MOHAWK POWER CORPORATION
d/b/a NATIONAL GRID**

On August 7, 2025, Nexamp, Inc. and fourteen affiliated project entities (collectively, “Nexamp”) filed a formal complaint with the New York State Public Service Commission (“Commission”) against Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) (“Nexamp Complaint”) challenging the Company’s final reconciliation invoices for fourteen solar generating facilities (“Projects”) that were interconnected to National Grid’s electric distribution system. Specifically, the Nexamp Complaint requests that the Commission should prohibit National Grid from recovering the incremental increases in costs between the final reconciliation invoices issued to Nexamp by National Grid and the estimated costs set forth in the initial Project Coordinated Electric System Interconnection Reviews (“CESIRs”), which collectively total approximately \$3.6 million. On December 1, 2025, National Grid filed a Response to Nexamp’s Complaint requesting that it be rejected without prejudice and that the Commission direct the parties to proceed with mediation as required by Section 6.2 of the Standardized Contract for Interconnection of New Distribution Generation Units and/or Energy

Storage Systems (“NY-SIR Contract”),¹ or in the alternative that the Nexamp Complaint be denied.² On January 23, 2026, Nexamp submitted a Response to National Grid’s Response (“Nexamp Response”).³ National Grid is hereby submitting this reply to the Nexamp Response to address various errors of fact and law in the Nexamp Response and assist the Commission’s decision-making process in this matter.

I. Contrary To Nexamp’s Claim National Grid Has Nowhere Contended That It Can Charge Unlimited Amounts For Interconnection Projects

The Nexamp Response asserts that it is National Grid’s position that “There is no limit to what National Grid can charge at final reconciliation.”⁴ While Nexamp cites the National Grid Response (at 8-9) for this proposition, there is nothing in the cited portion of National Grid’s response or any other part of the National Grid Response that supports Nexamp’s assertion. Rather it is National Grid’s position, consistent with the explicit provisions of the NY-SIR Contract executed by Nexamp and National Grid for each of the Projects that “The Interconnection Customer (Nexamp) shall be responsible for paying the incremental capital cost of such Interconnection Facilities attributable to the Interconnection Customer’s Unit.”⁵ Contrary to

¹ The standard form NY-SIR Contract, which was executed by each of the fourteen Nexamp Projects that are the subject of this proceeding, is set forth as Appendix A to the *New York State Standardized Interconnection Requirements and Application Process For New Distribution Generators and/or Energy Storage Systems 5 MW or Less Connected In Parallel with Utility Distribution Systems* (“SIRs”). The SIRs have been periodically updated by the Commission with the most recent version becoming effective August 1, 2025.

² See Response of Niagara Mohawk Power Corporation d/b/a National Grid to Notice Soliciting Comments dated December 1, 2025 (“National Grid Response”).

³ The New York Solar Energy Industries Association (“NYSEIA”) and Scale Microgrids (“Scale”) submitted comments in support of the Nexamp Complaint. These parties’ comments are addressed as necessary below.

⁴ Nexamp Response at 1.

⁵ See Section 3.6 of the NY-SIR Contract. In accordance with the “Definitions” section of the NY-SIR Contract, “Interconnection Facilities” are defined as the equipment and facilities on the Utility’s system necessary to permit operation of the Unit in parallel with the Utility’s system and “Unit” is defined as the distributed generation, stand-alone ESS [energy storage system], or combined generation and ESS facilities approved by the Utility for operation in parallel with the Utility’s system.

Nexamp's inaccurate and/or exaggerated claims, that is all National Grid is requesting Nexamp to pay in this case – National Grid's actual incremental capital costs of the Interconnection Facilities attributable to Nexamp's Projects which include both actual internal labor and outside contractor costs, actual facilities costs, actual corporate overheads and appropriate income and sales taxes – no more and no less.

In addition, to the extent that Nexamp is contending that it has not been provided a sufficient level of detail concerning the costs associated with the Projects that are the subject of the Nexamp Complaint, any gaps in Nexamp's understanding of the costs National Grid seeks to recover are attributable to Nexamp's refusal to engage in the mediation process mandated by Section 6.2 of the NY-SIR Contract. National Grid remains willing and able to provide both back-up data and further explanation for all of the project costs that Nexamp disputes within the mediation process under appropriate confidentiality arrangements that protect National Grid's competitively sensitive information.

While Nexamp continues to claim that its Complaint is not governed by its NY-SIR Contracts but by the SIRs themselves,⁶ this assertion is absurd. The NY-SIR Contract terms are explicitly incorporated as Appendix A to the SIRs and the provisions of Nexamp's NY-SIR Contracts apply to and must be enforced in this proceeding. While Nexamp claims that "the interconnection agreements do not govern Nexamp's complaint,"⁷ Nexamp cites nothing meaningful that supports this assertion, and that is not an accident – the assertion is contrary to what the SIRs explicitly provide.

National Grid does not dispute that the SIRs afford Nexamp the right to file a complaint. However, before proceeding with a complaint the SIRs also require that disputed issues must be

⁶ Nexamp Response at 12-13.

⁷ Nexamp Response at 12.

subjected to the dispute resolution processes set forth in the NY-SIR Contracts⁸ and, if not resolved through mediation, must ultimately be resolved consistent with the substantive provisions of those Contracts.⁹ Nexamp's selective and wholly illogical reading of the SIRs must be rejected and the Commission should instead direct the parties to proceed with mediation in an effort to resolve the issues raised in the Nexamp Complaint consistent with the provisions of the SIRs.

II. National Grid Has Not Contended That Material Modifications To Projects Were Responsible For Its Increased Interconnection Costs At 13 Of Nexamp's 14 Projects

The Nexamp Response sets forth the following positions:

- (1) To the extent final utility upgrades differed from what was shown or estimated in the CESIR, any cost differentials therewith must be borne by National Grid.¹⁰
- (2) While designs may change throughout the development process, this, in itself, does not justify the cost increases that National Grid is seeking to recover from Nexamp for the fourteen Projects at issue.¹¹
- (3) None of the Projects at issue undertook a Material Modification.¹²

⁸ Both NYSEIA (Comments at 3-4) and Scale (Comments at 2) are highly critical of National Grid's request that Nexamp deposit the disputed costs in escrow prior to commencing mediation. Requiring customers to place disputed amounts of final costs in escrow has no impact on the ultimate issue of what costs the Company should recover. It only ensures that the utility will in fact be paid when a dispute is finally resolved.

⁹ National Grid notes that in *Sunvestment Energy Group NY 64, LLC v. National Grid USA Services Co.*, 116 F.4th 106 (2nd Cir. 2024) ("*Sunvestment*"), a decision cited in the Nexamp Response and discussed more fully below, the United States Court of Appeals for the Second Circuit recognized that a dispute over whether interconnection customers are required to pay certain tax costs associated with an interconnection involved "a defense to a breach of contract claim." *See* 116 F.4th at 112, 114. The Second Circuit's analysis supports National Grid's contention in this case that the Nexamp Complaint should be viewed as a breach of contract action. As the Second Circuit stated at the beginning of its opinion, "This dispute involves contested fees related to contracts... Under the contract, Appellants, who are independent solar generators, are required to pay to Appellees the costs of interconnecting their solar energy projects to Appellees' electric distribution grid. Appellees charge Appellants a tax gross up addition to offset their federal income tax liability resulting from Appellants' interconnection payments under the agreement." 116 F.4th at 101.

¹⁰ Nexamp Response at 4.

¹¹ *Id.* at 3.

¹² *Id.*

National Grid submits that each of these assertions is either factually erroneous or mis-states National Grid's obligations under the SIR framework.

Contrary to Nexamp's claim, one of the fourteen projects at issue was subject to a material modification after the CESIR was prepared. As discussed in National Grid's Response, Nexamp's Military Road project required significant modification after the CESIR estimate was prepared as a result of the fact that the municipality required the project to be reconfigured from an overhead project to an underground project.¹³ National Grid made the changes necessary to construct an underground interconnection specifically at Nexamp's request.¹⁴ While National Grid did not prepare a revised CESIR for the underground project, it is totally disingenuous for Nexamp to suggest that it was not aware that the conversion of the Military Road project from an overhead to an underground project at Nexamp's request would cause an increase in project costs. More significantly, there is no reason why National Grid should be foreclosed from recovering the costs of constructing the underground interconnection for the Military Road Project as required by the municipality to permit the Project to proceed and as requested by Nexamp.

With respect to the remaining thirteen Projects, National Grid agrees that none of these projects were the subject of a "material modification" after the original CESIR estimate was prepared. However, this does not change the fact that after National Grid issued its CESIRs, each interconnection project was required to complete all necessary prerequisite activities to construction and operation including submission of a site plan consistent with the scope of the CESIR,¹⁵ submission of construction documentation that meets National Grid's construction

¹³ See National Grid Response at 15.

¹⁴ *Id.*

¹⁵ See National Grid Response at 4.

standards and obtaining all necessary easements.¹⁶ Site plans are subject to approval by the local community and may result in design changes that, while they do not rise to the level of “material modifications,” nonetheless increase costs. Moreover, as more fully discussed below, delays caused by Nexamp’s failure to submit acceptable construction documentation and secure timely executed easements created the circumstances that led to increased costs for all of the Projects.

The original CESIRs for each of the fourteen Projects were issued between June of 2019 and December of 2021, while the actual interconnections were not finalized until a period between late December 2023 and late December 2024. As this two- to five-year period of delays was characterized by both relatively higher general inflation and specific supply chain issues that had significant pricing impacts on equipment needed for customer interconnections, it was inevitable that National Grid would experience interconnection-related price increases for Nexamp’s Projects. There is no justification for relieving Nexamp of its responsibility to pay National Grid for these cost increases when the delays that caused them were largely the product of Nexamp’s inability to fulfill its responsibilities.

In addition, contrary to Nexamp’s claims,¹⁷ it was also in no way improper or imprudent for National Grid to await the completion of prerequisite activities such as the securing of easements, the municipal approval of the site plans, and the submission of satisfactory construction documentation, before proceeding with final interconnection design and material procurement for the Projects. As the Commission recognized in its order in Case 23-E-0730, the length of time between when the CESIR is performed and the completion of construction may result in increases

¹⁶ In the middle of calendar year 2025, in an effort to streamline and improve the interconnection process for all stakeholders, National Grid changed its process and took on responsibility for obtaining easements for interconnection customers. However, this does not mean interconnection customers, for projects completed before mid-2025, should be absolved of the consequence of the delays that resulted from their inability to obtain easements in a timely manner.

¹⁷ See Nexamp Response at 4.

in the costs of equipment due to inflation, and those increased costs, which cannot reliably be forecast in advance, are properly part of the cost of an interconnection project to be borne by the interconnection applicant.¹⁸ Moreover, contrary to Nexamp's claim, the Commission has nowhere indicated that utilities have a duty to purchase equipment needed for interconnections prior to the time that interconnection projects are ready to proceed with construction.

Nexamp's claims that National Grid should have procured equipment earlier are without foundation. Prudence dictates that a utility waits until the requirements of an interconnection project are finalized before procuring equipment to avoid stranded costs associated with equipment that is not needed for the final project. As more fully discussed below, every one of Nexamp's fourteen Projects required multiple submissions of the customer's construction documentation and a number of those projects either required interconnection modifications, were accompanied by an unacceptable site plan, or lacked evidence of necessary property rights. Contrary to Nexamp's claims, it was not imprudent for National Grid to refrain from finalizing purchases of interconnection-related equipment based on Nexamp's incomplete interconnection applications. Nexamp's unsubstantiated allegations of imprudence provide no basis to relieve it of its responsibility to pay for the facilities that were in fact prudently determined to be needed to complete the final interconnections of the Projects.

¹⁸ See Case 23-E-0730, *Petition of Niagara Mohawk Power Corporation d/b/a National Grid for a Declaratory Ruling and Certain Limited Relief Regarding Standardized Interconnection Requirements and Application Process for New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems*, "Order Denying Petition and Making Findings" (issued July 23, 2024) at 23 (footnote omitted).

III. Nexamp’s Complaints Concerning National Grid’s Failure To Meet Its Own Construction Schedules Unreasonably Ignore The Fact That Nexamp Was Primarily Responsible For The Delays In Completing Its Interconnection Projects

In its Response, Nexamp acknowledges that it made overtime requests on three Projects but apparently seeks to avoid paying the costs associated with such overtime because the need for overtime was allegedly attributable to National Grid’s inability to “deliver on schedules to which it previously communicated or agreed to...”¹⁹ Nexamp’s assertions are characterized by a lack of both specificity and any citation to any specific agreement that required National Grid to adhere to any specific schedules, and provide no basis for the Commission to require National Grid to absorb any costs associated with the Projects that are the subject of the Nexamp Complaint.

Similarly lacking support is Nexamp’s assertion that National Grid created unreasonable construction delays due to the Company’s policy regarding easements.²⁰ As discussed *supra*, until mid-2025 National Grid reasonably required interconnection customers to obtain easements necessary to effectuate customer interconnections. While Nexamp acknowledges that a failure to procure necessary easements “can cause material and costly delays”²¹ it fails to recognize that with respect to the fourteen Projects identified in its complaint, Nexamp—not National Grid—had the responsibility to secure the necessary easements and it was Nexamp’s failure to complete this and other prerequisite tasks that resulted in the delays in completing the interconnections of the Nexamp Projects.

¹⁹ Nexamp Response at 5.

²⁰ *Id.* at 5, fn. 11.

²¹ *Id.* It is not clear from Nexamp’s Response whether it is contending that utilities should proceed with completing interconnection requests regardless of whether the property rights necessary to construct interconnections have been secured. To the extent this is Nexamp’s position, it should be summarily rejected by the Commission. Obtaining properly documented property rights is an essential element of the prudent operation of an electric transmission and distribution system.

In this regard, in response to Nexamp's claims concerning National Grid's alleged failure to complete projects in a timely fashion, the Company offers the following review of each of Nexamp's Projects as to the basis for each Project's delay:

1. LeRay Jackson Project – The CESIR delivery date was November 27, 2019 with a design start date of December 29, 2020²² (*i.e.*, 398 days later). Nexamp was required to submit four iterations of construction documentation to National Grid before deemed acceptable.²³ In addition, easement forms for Nexamp's use were provided by National Grid on April 19, 2021 but easements were not executed and returned by Nexamp to National Grid until October 22, 2024. National Grid completed the construction work and interconnected the LeRay Jackson Project on December 18, 2024, less than two months following receipt of the executed easements.²⁴
2. Oswegatchie – The CESIR delivery date was March 31, 2020 with a design start date of August 18, 2021 (*i.e.*, 505 days later). Nexamp was required to submit three iterations of construction documentation to National Grid before deemed acceptable. The Oswegatchie Project was further delayed for approximately 1.4 years as a result of Nexamp's inability to resolve a dispute with the municipality over the width of the access road. The Oswegatchie Project was approved for construction scheduling on

²² The design start date occurs after one or both milestone payments have been made, and the interconnection customer is ready to visit the site to review CESIR results and site conditions and assess if any changes are needed to the interconnection customer's plan.

²³ National Grid normally completes its review of a construction documentation submission within thirty days of receipt from the interconnection customer. However, there was no limit to the time the customer could take to revise and resubmit a previously rejected submission.

²⁴ It should also be noted that National Grid incurred approximately \$46,000 of vegetation management costs at the LeRay Jackson interconnection site. These costs are not captured in the CESIR estimate as it is an electrical interconnection study.

April 1, 2024 and National Grid completed the construction work and interconnected the Oswegatchie Project on November 1, 2024.

3. Allis Hill – The CESIR delivery date was December 3, 2021. However, due to a town moratorium on new solar development through November 2022 and the fact that Nexamp was required to submit two iterations of construction documentation to National Grid before deemed acceptable, National Grid was not able to commence design until June 7, 2024. Nonetheless, the Allis Hill Project was moved to construction scheduling on July 31, 2024 and National Grid completed the construction work and interconnected the Allis Hill Project on November 5, 2024.
4. Pendleton 2 – The CESIR delivery date was January 24, 2020. However, Nexamp’s transformer did not conform to the requirements published in the CESIR which resulted in Nexamp having to purchase a replacement transformer for the Pendleton 2 Project. National Grid provided easement forms for Nexamp’s use on July 12, 2022 but the easements were not executed and returned by Nexamp to National Grid until May 13, 2023. Nexamp was also required to submit three iterations of the construction documentation to National Grid before deemed acceptable on September 26, 2024. The Pendleton 2 Project was immediately moved to construction scheduling and National Grid completed the construction work and interconnected the Pendleton 2 Project on December 31, 2024.
5. Wadhams – The CESIR delivery date was December 18, 2020 but design work did not commence until September 1, 2021. Further, Nexamp was required to submit three iterations of construction documentation before deemed acceptable by National Grid on September 25, 2023. The Wadhams Project was then moved to construction

- scheduling by National Grid and the interconnection was completed on March 20, 2024.
6. Claverack – The CESIR delivery date was December 15, 2019 but design work did not begin until June 30, 2022 as Nexamp was required to submit five iterations of its construction documentation before it was deemed acceptable by National Grid. In addition, National Grid provided easement forms to Nexamp on June 27, 2022 but the easements were not executed and returned by Nexamp to National Grid until August 1, 2023. The Claverack Project was moved to construction scheduling on September 22, 2023 and the interconnection was completed on April 16, 2024.
 7. Military Road – The CESIR delivery date was June 19, 2019. While design work started on May 4, 2021, as discussed *supra*, a delay of approximately 2.5 years resulted from the municipality’s failure to issue permits for an overhead interconnection necessitating changes to an underground interconnection for the Military Road Project. A further delay of approximately 1.25 years resulted from the fact that Nexamp was required to submit three iterations of its construction documentation before it was deemed acceptable by National Grid. The Military Road Project was moved to construction scheduling on May 27, 2024 and the interconnection was completed on December 31, 2024.
 8. Beaver Dam – The CESIR delivery date was October 29, 2019. However, changes in Nexamp’s interconnection design resulted in the need to redesign National Grid’s corresponding scope of work. Thus, the final design work did not commence until June 7, 2022. In addition, Nexamp was required to submit three iterations of the construction documentation before deemed acceptable by National Grid. As Nexamp was unable to

complete its mechanical site work until February 6, 2024, the interconnection of the Beaver Dam Project was not completed until April 10, 2024.

9. Schaghticoke – The CESIR delivery date was August 14, 2020.²⁵ Easement forms were provided by National Grid to Nexamp on May 23, 2022 but were not executed and returned to National Grid by Nexamp until January 12, 2023. While the design start date was November 1, 2022, the Project was delayed by the fact that customer was required to submit two iterations of construction documentation before deemed acceptable by National Grid on October 21, 2024. The Schaghticoke Project was moved to construction scheduling on October 21, 2024 and the interconnection was completed on December 18, 2024.
10. Portville – The CESIR delivery date was February 3, 2020. However, Nexamp’s site plan was not approved by the municipality until March 18, 2024 which delayed the start of National Grid’s design work until that date. Additionally, Nexamp was required to submit two iterations of its construction documentation before deemed acceptable by National Grid. Nonetheless, the Portville Project was moved to construction scheduling on April 19, 2024 and the interconnection was completed on November 25, 2024.
11. Oppenheim – The CESIR delivery date was April 20, 2020. However, Nexamp did not submit an acceptable site plan to National Grid until May 10, 2024 which delayed the start of National Grid’s design work until that date. In addition, the customer was required to submit four iterations of its construction documentation before deemed acceptable by National Grid. Further, executed easements from Nexamp were not

²⁵ \$9 thousand of costs for vegetation management were incurred at the site. As noted *supra*, these costs are not captured in a CESIR.

received by National Grid until November 19, 2024. Nonetheless, the Oppenheim Project was moved to construction scheduling on November 19, 2024 and the interconnection was completed on December 27, 2024.

12. Clarkson 2 – The CESIR delivery date was April 14, 2020. However, Nexamp was required to submit five iterations of its construction documentation before deemed acceptable by National Grid. Further, Nexamp did not submit an acceptable site plan to National Grid, a prerequisite to National Grid commencing design, until April 3, 2024, delaying the design start date until that date. In addition, Nexamp did not submit the protection package documentation to National Grid until September 15, 2024, delaying the ability for National Grid to conduct a field audit and witness testing. Nonetheless, the interconnection of the Clarkson 2 Project was completed on October 30, 2024.
13. Appleton – The CESIR delivery date was April 6, 2020. Nexamp was required to submit four iterations of its construction documentation before deemed acceptable by National Grid on December 22, 2023. The interconnection of the Appleton Project was completed on May 21, 2024.
14. Stillwater – The CESIR delivery date was October 25, 2019. Nexamp was required to submit four iterations of construction documentation before deemed acceptable by National Grid. Nonetheless, National Grid completed its construction work on August 1, 2022, well ahead of Nexamp’s readiness for a field audit which did not occur until November 6, 2023. The interconnection of the Stillwater Project was completed on December 28, 2023.

As the foregoing discussion demonstrates, it was Nexamp's failure to complete interconnection prerequisites, not National Grid's failure to adhere to its schedules, that largely caused the delays that led to increased costs for the Nexamp Projects. After receipt of CESIRs, Nexamp took an average of 962 days to initiate design activities. Following design initiation, Nexamp required an average of 466 days to complete the required steps for National Grid to schedule utility construction. Moreover, National Grid's use of contractors to complete construction on the Nexamp Projects in 2024 was necessitated by the fact that National Grid typically only had a few months to meet Nexamp's requests to complete interconnections in 2024. Under these circumstances, there is no basis to prohibit National Grid from enforcing its contractual right to recover its actual interconnection costs for Nexamp's fourteen Projects.

IV. Nexamp's Claims Concerning National Grid's Assessment Of Corporate Taxes Derive No Support From Any Relevant Precedent

In its response, Nexamp appears to concede that it is responsible for sales taxes²⁶ which are a direct passthrough to New York State and represent approximately \$800,000 of National Grid's total costs associated with the fourteen Nexamp's projects.²⁷ With respect to income taxes, Nexamp now claims to be seeking "a better understanding of National Grid's income tax calculations because "recent IRS guidance" has allegedly "raised foundational questions" as to National Grid's need or ability to collect such taxes.²⁸ Contrary to Nexamp's claims, it is Nexamp's position concerning the assessment of corporate income taxes to Nexamp's Projects that lacks any meaningful foundation.

²⁶ See Nexamp Response at 7 ("Nexamp does not dispute that National Grid cannot "avoid sales and income taxes").

²⁷ See National Grid Response at 18.

²⁸ Nexamp Response at 7.

While Nexamp cites two judicial decisions concerning the assessment of corporate income taxes as interconnection costs – *Sunvestment, supra*, and *ACP Land, LLC v. Rhode Island Public Utilities Commission*, 228 A.3d 328 2020 WL 2829552 (Sup. Ct. R.I. June 1, 2020) (“*ACP Land*”), neither decision supports a claim that Nexamp should be relieved of its responsibility to reimburse National Grid for corporate income taxes. In *Sunvestment*, the Second Circuit Court of Appeals upheld a District Court ruling that dismissed a request for declaratory ruling that the interconnection payments are not taxable income and therefore National Grid USA Service Company’s assessment of tax-related costs was unlawful. The Second Circuit upheld the District Court’s ruling that it lacked subject matter jurisdiction over the complaint. In *ACP Land*, the Rhode Island Supreme Court examined the same issue Nexamp raises here – whether the costs associated with interconnections that become part of National Grid’s distribution system are taxable under Section 118(a) of the Internal Revenue Code (“IRC”).²⁹ The Court ruled that the Rhode Island Public Utilities Commission did not err in determining that National Grid was reasonable in believing that it owes income tax on interconnections with distribution systems and in passing that tax onto interconnection customers. 228 A.3rd at 337. While the Court stated that it was its “fervent hope” that the IRS would provide clear guidance on the issue in the near future, in the absence of such guidance National Grid’s action in assessing the tax was “entirely reasonable.” *See* 228 A.3rd at 338.

While Nexamp asserts that in 2022-2024, the Department of Treasury made it a “priority” to issue guidance on the applicability of income tax to interconnections with distribution lines,³⁰ the Department of Treasury/IRS has issued no such guidance and its 2025-2026 Priority Guidance Plan no longer indicates that issuing further guidance concerning the applicability of Section

²⁹ 26 U.S.C. § 118(a).

³⁰ Nexamp Response at 8.

118(a) of the IRC is a priority.³¹ Accordingly, it remains “completely reasonable” for National Grid to assess corporate income taxes to Nexamp’s Projects and Nexamp’s claim to the contrary should be rejected.

V. Nexamp Offers No Persuasive Basis To Exempt Interconnection Customers From Responsibility For A Proportionate Share Of Corporate Overheads

National Grid strongly takes issue with Nexamp’s completely unsubstantiated claim that National Grid at any time acknowledged an inability to calculate its corporate overhead costs with certainty.³² While Nexamp cites page 20 of National Grid’s Response for this proposition, there is nothing on page 20 or any other page of National Grid’s Response that indicates that the Company is inaccurately calculating and assessing overhead charges. Equally without foundation are Nexamp’s claims that the Company may be double recovering overhead costs in rates³³ and that there is some basis for an investigation of National Grid’s accounting process for interconnection upgrades.³⁴ Nexamp’s allegations reflect a reckless approach to regulatory advocacy—advancing accusations of improprieties without identifying a single fact to support them—that should be summarily rejected.

The Commission should recognize that Nexamp’s request³⁵ that interconnection projects be exempted from bearing responsibility for overhead costs is nothing more than a proposal to require the Company’s other customers to subsidize interconnection projects. Nexamp nowhere

³¹ Attached as Appendix A to this reply is a copy of the Department of Treasury’s 2025-2026 Priority Guidance Plan dated September 30, 2025.

³² Nexamp Response at 6.

³³ *Id.*

³⁴ *Id.* at 8.

³⁵ *Id.* at 6. Both NYSEIA (Comments at 3) and Scale (Comments at 2) object to National Grid’s assessment of corporate overhead costs. Like Nexamp, these parties fail to explain why it would be reasonable for National Grid’s other customers to subsidize interconnection projects.

provides a reasonable justification for the subsidy it seeks and its efforts to avoid paying for a portion of National Grid's cost-based corporate overheads should therefore be rejected.

VI. Nexamp Cites No Legal Authority For Imposing An Obligation On National Grid To Notify It Of Cost Increases

While Nexamp continues to assert that National Grid had an obligation to notify it of the cost increases the Company experienced during the two- to five-year period between when the CESIRs were issued and when the construction work was performed for Nexamp's Projects, Nexamp nowhere:

- (i) cites any provision of the NY-SIR Contracts or SIRs that required National Grid to provide such notice;
- (ii) credibly explains how it was unaware of the cost increases being experienced by National Grid as well as other utilities across the country during the relevant period due to persistent inflation and supply chain issues; or
- (iii) ever alleges, much less demonstrates, that having some knowledge of National Grid's ongoing cost increases would have caused Nexamp to make any changes to any of its projects.

In the absence of an explicit obligation to advise Nexamp of its cost increases, there is no basis for the Commission to preclude National Grid from recovering its interconnection costs from Nexamp.³⁶

³⁶ In other Commission proceedings, National Grid has indicated a willingness to explore ways to improve the interconnection process that can be applied proprietarily. However, any proposed changes may not serve as a basis for imposing retroactive cost disallowance.

VII. Nexamp’s Arguments Concerning National Grid’s Failure To Meet The 60-Day Reconciliation Deadline Do Not Change The Fact That Nexamp Has Suffered No Damage From The Passage Of Time

Nexamp continues to argue that National Grid should be precluded from recovering its interconnection costs to the extent it failed to meet the 60-day reconciliation deadline set forth in the SIRs.³⁷ However, Nexamp has not demonstrated that National Grid’s inability to meet the 60-day deadline has adversely affected Nexamp. National Grid interconnected all of the Projects at issue in this proceeding by December of 2024. To date Nexamp has not paid any of the increased costs of these projects. Assuming that National Grid is able to recover interconnection amounts owed by Nexamp through this process, National Grid is not proposing to assess any carrying costs to Nexamp.³⁸ In the absence of a demonstration of how Nexamp has been economically harmed, there is no justification for requiring National Grid to absorb costs because it did not meet the 60-day reconciliation deadline.

A reasonable process for reconciling the costs of customer interconnection projects must be flexible enough to allow for delays where circumstances require. Certainly, there is no basis for the Commission to impose arbitrary disallowances on National Grid where the deadlines are not able to be met despite reasonable efforts, and the failure to meet the deadline, by itself, imposes no carrying or other cost on the project developer.

VIII. The Best Way For The Commission To Resolve Issues Between National Grid And Nexamp Is Through The Commission-Approved Mediation Process

Nexamp continues to claim that it has been, or will be, assessed cost increases for projects besides the fourteen identified in its initial complaint. However, it fails to recognize that the most productive way for the Commission to address these projects is for the Commission to confirm

³⁷ Nexamp Response at 11.

³⁸ However, to the extent that National Grid is required to undertake litigation to collect amounts owed by Nexamp, it reserves the right to seek carrying costs that are permitted by law.

that the terms of the NY-SIR Contracts will be applied in this proceeding and the parties will be encouraged to attempt to resolve this and future disputes under the Commission's mediation framework. National Grid is prepared to participate in good faith in the mediation process required under its NY-SIR Contracts and requests that Nexamp and other parties do the same. At the same time, to foster reasonable mediation outcomes the Commission should reconfirm its previous rulings that require interconnection customers to bear the full costs of their interconnection projects including corporate overhead and income tax costs.

Conclusion

For the foregoing reasons as well as those set forth in its previous Response, National Grid requests that the Commission dismiss the Nexamp Complaint without prejudice and direct the parties to proceed with mediation as required by Article VI of the NY-SIR Contract. In the alternative, National Grid requests that the Commission deny the Nexamp Complaint.

Dated: March 19, 2026

Respectfully submitted,

**NIAGARA MOHAWK POWER
CORPORATION d/b/a NATIONAL GRID**

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Appendix A

**DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220**

September 30, 2025
Department of the Treasury
2025-2026 Priority Guidance Plan

Joint Statement by:

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Scott Bessent
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Acting Chief Counsel
Internal Revenue Service

We are pleased to announce the release of the 2025–2026 Priority Guidance Plan. In Notice 2025-19, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) solicited recommendations for items to be included in the plan from all interested parties, including taxpayers, tax practitioners, and industry groups. The Treasury Department and the IRS recognize the importance of public input in formulating a Priority Guidance Plan that focuses resources on guidance items that are most important to taxpayers and tax administration. Solicitation of input on, and issuance of, this plan reflects an emphasis on taxpayer engagement with the Treasury Department and the IRS through a variety of channels, consistent with the directive of the Taxpayer First Act, Pub. L. 116-25, 133 Stat. 981.

The 2025-2026 Priority Guidance Plan contains 105 guidance projects that are priorities for allocating Treasury Department and IRS resources during the 12-month period from July 1, 2025, through June 30, 2026 (plan year). Of these projects, 11 have been released or published as of August 31, 2025. The projects on the plan will be the focus of our efforts during the plan year. However, the plan does not provide any deadline for completing the projects.

The 2025-2026 Priority Guidance Plan reflects the Treasury Department's and the IRS's focus on five key areas: implementation of the One, Big, Beautiful Bill Act; deregulation and burden reduction; and guidance addressing Tribal tax issues, digital assets, and the SECURE 2.0 Act. Some projects that were on the 2024-2025 Priority Guidance Plan are not included on the 2025-2026 plan because they do not belong to one of these priority categories for purposes of allocating resources during the 2025-2026 plan year. Some of those projects may be considered for inclusion on a future priority guidance plan.

In addition to the items on the 2025-2026 plan, the Appendix lists the more routine guidance that is generally published each year.

We intend to update the 2025-2026 plan during the plan year to reflect additional items that become priorities, guidance that is published during the plan year, and projects that may result from legislative developments. The periodic updates allow us flexibility throughout the plan year to consider comments received from taxpayers and tax practitioners relating to additional projects and to respond to developments arising during the plan year. For example, we expect to add additional deregulatory items to the plan as we continue to evaluate comments received from taxpayers and tax practitioners.

The published guidance process can be fully successful only if we have the benefit of the insight and experience of taxpayers and practitioners who must apply the rules. Therefore, we invite the public to continue to provide us with their comments and suggestions throughout the plan year.

Additional copies of the 2025-2026 Priority Guidance Plan can be obtained from the IRS website at <http://www.irs.gov/uac/Priority-Guidance-Plan>.

**OFFICE OF TAX POLICY
AND
INTERNAL REVENUE SERVICE**

**2025-2026 PRIORITY GUIDANCE PLAN
Projects Released/Published Through August 31, 2025**

ONE, BIG, BEAUTIFUL BILL ACT IMPLEMENTATION

1. Guidance under §224 regarding deduction for qualified tips, including transition relief.
2. Guidance under §225 regarding deduction for qualified overtime compensation, including transition relief.
3. Guidance under §§163(h), 6050AA, 6721, and 6722 regarding deduction for qualified passenger vehicle loan interest, including information reporting and transition relief.
4. Guidance under §§128, 139J, 530A, 6434, and 6659 regarding Trump accounts.
5. Regulations under §199A regarding deduction for qualified business income.
6. Regulations under §2010 regarding extension and enhancement of increased estate and gift tax exemption amounts and related issues.
7. Guidance under §168(k) regarding extension of the special depreciation allowance for qualified property, including treatment of certain qualified sound recording productions.
8. Guidance under §§174, 174A, and related provisions of the Code regarding research and experimental expenditures and related issues.
 - PUBLISHED 09/15/25 in IRB 2025-38 as REV. PROC. 2025-28 (RELEASED 08/28/25).
9. Guidance under §163(j) regarding limitation on deduction for business interest.
10. Guidance under §45S regarding paid family and medical leave credit.
11. Regulations under §274(o) regarding meals provided at the convenience of the employer.
12. Guidance under §168(n) regarding the special depreciation allowance for qualified production property.
13. Guidance under §§951, 951A, and related provisions, including guidance regarding the determination of a United States shareholder's pro rata share of a controlled foreign

corporation's subpart F income and net CFC tested income.

14. Regulations regarding modifications to subpart F by the additions of §§958(b)(4) and 951B.
15. Regulations under §59A regarding modifications to the base erosion minimum tax amount.
16. Guidance under §250 regarding foreign-derived deduction eligible income and net CFC tested income.
17. Guidance under §898(c) regarding taxable years of specified foreign corporations and the allocation of foreign taxes after the repeal of §898(c)(2).
18. Guidance under §§250, 904, 960, and related provisions regarding the allocation and apportionment of expenses and other foreign tax credit issues.
19. Guidance under §904 regarding the source of certain income from the sales of inventory produced in the United States that is sold outside the United States through a foreign branch.
20. Guidance under §25F on the income tax credit for contributions of individuals to scholarship granting organizations.
21. Guidance under §529 regarding enhancements to qualified tuition programs.
22. Regulations under §4968 regarding excise tax based on investment income of certain private colleges and universities.
23. Guidance under §4960 regarding excess compensation paid by applicable tax-exempt organizations, including the expanded definition of “covered employee.”
24. Guidance under §§1400Z–1, 1400Z–2, 6039K, 6039L, and 6726 regarding permanent renewal and enhancement of opportunity zones, including required information reporting.
25. Guidance under §460 on the exception to percentage-of-completion method for certain residential construction contracts.
26. Guidance under §1202 regarding the exclusion of gain from the sale or exchange of qualified small business stock.
27. Regulations under §6050W regarding repeal of revision to de minimis rules for third party network transactions.
28. Regulations under §§6041 and 6041A regarding increase in threshold for requiring information reporting with respect to certain payees.

29. Guidance under §139L regarding exclusion of interest on loans secured by rural or agricultural real property.
30. Guidance under §1062 on the treatment of capital gains from the sale of certain farmland property.
31. Guidance under §45Q on the credit for carbon oxide sequestration.
32. Guidance under §45U on the zero-emission nuclear power production credit.
33. Guidance under §45X regarding production credit for advanced manufacturing.
34. Guidance under §§45Y and 48E regarding beginning of construction.
 - PUBLISHED 09/02/25 in IRB 2005-36 as NOT. 2025-42 (RELEASED 08/15/25).
35. Guidance under §45Z on the clean fuel production credit.
36. Guidance under §7701(a)(51) and (52) regarding prohibited foreign entity and material assistance restrictions.
37. Guidance under §6435 regarding dyed fuel.
38. Regulations under §162(m) rules regarding excessive employee remuneration from controlled group members and allocation of deduction.
39. Guidance under §4475 regarding excise tax on certain remittance transfers.
40. Guidance under §223 regarding changes to health savings accounts and high-deductible health plans.

DEREGULATION AND BURDEN REDUCTION

1. Additional notices removing unnecessary Internal Revenue Bulletin guidance.
 - PUBLISHED 07/21/25 in IRB 2025-30 as NOT. 2025-36 (RELEASED 07/03/25).
2. Regulations eliminating unnecessary tax regulations.
3. Final regulations on the Joint Board for the Enrollment of Actuaries relating to continuing professional education requirements.
 - PUBLISHED 08/19/25 in FR as TD 10032 (FILED 08/18/25).

4. Notices providing interim guidance (including on issues described in section 5 of Notice 2025-27, 2025-26 IRB 1611, June 23, 2025.) and describing forthcoming revisions to existing proposed regulations under §§ 55, 56A and 59 regarding the Corporate Alternative Minimum Tax.
 - PUBLISHED 08/18/25 in IRB 2025-34 as NOT. 2025-28 (RELEASED 07/29/25).
5. Regulations under §59A concerning the reporting of qualified derivative payments for purposes of base-erosion and anti-abuse tax. Notice 2024-43 (extending for two years the transition relief with respect to the reporting of qualified derivative payments, as initially provided in Notice 2021-36) was published on June 17, 2024. Proposed regulations were published on January 14, 2025.
6. Regulations under §119 regarding employer-provided meals.
7. Regulations updating the classification system for the line of business determination under §1.132-4 for purposes of qualified employee discounts and no-additional-cost services.
 - PUBLISHED 08/06/25 in FR as REG-132805-17 (FILED 08/05/25).
8. Guidance under §166 on the conclusive presumption of worthlessness for bad debts. Proposed regulations were published on December 28, 2023.
9. Guidance under §263 and related Code sections regarding the treatment of capitalized costs for §355 distributions and reorganizations.
10. Final regulations under §263A regarding interest capitalization requirements for improvements to designated property. Proposed regulations were published May 15, 2024.
11. Modifications and simplifications to regulations under §263A.
12. Final regulations under §267 regarding related party transactions and partnerships. Proposed regulations were published November 27, 2023.
13. Regulations under §§355 and 361 regarding matters addressed in Rev. Proc. 2024-24. Proposed regulations were published January 16, 2025.
14. Regulations and other guidance under §382(h)(6). Proposed regulations were published on September 10, 2019 and January 14, 2020.
 - WITHDRAWN 07/02/25 in FR as REG-125710-18 (FILED 07/01/25).
15. Final regulations updating electronic delivery rules and other guidance for providing applicable notices and making participant elections and spousal consents. Proposed

regulations were published on December 30, 2022.

16. Guidance updating safe harbor explanations for eligible rollover distributions to satisfy the notice requirement under §402(f).
17. Revenue Procedure updating and consolidating procedures for a sponsoring organization or a mass submitter to apply to the IRS for opinion letter on whether an IRA or SEP arrangement satisfies the applicable requirements under §408.
18. Regulations on treating back pay awards as compensation for purposes of §415 and under other Code requirements for plans.
19. Regulations on the determination of target normal cost and funding target for single-employer defined benefit plans.
20. Guidance under §451(b) and (c).
21. Revenue Procedure under §471 to update Rev. Proc. 2008-43, rolling average cost method of valuing inventories.
22. Regulations under §817 to facilitate the use of exchange-traded funds as investment options under variable contracts.
23. Regulations under §897(h) regarding certain investment entities.
24. Regulations under §871(m), including with respect to non-delta-one transactions. Notice 2024-44 (delaying for two years the applicability date of portions of the final regulations published on January 24, 2017) was published on June 17, 2024.
25. Regulations related to the foreign tax credit under §§901 and 903. Notice 2023-55 was published on August 8, 2023. Notice 2023-80 was published on December 26, 2023.
26. Regulations under §§1297 and 1298, including regulations regarding the treatment of foreign entities held by domestic partnerships and S corporations under §§953, 958, and 1291 – 1298, and when foreign insurance income is excluded from passive income under §1297(f). Proposed regulations were published on January 15, 2021, and on January 25, 2022.
27. Regulations under §987 on income and currency gain or loss with respect to a §987 qualified business unit. Final and proposed regulations were published on December 11, 2024.
28. Revenue Procedure clarifying information required for a taxpayer to enable more efficient processing of private letter ruling requests to make retroactive qualified electing fund elections under §1.1295-3(f) for passive foreign investment companies.
29. Regulations under §1446(f) to revise certain requirements for withholding agents in the

final regulations under §1446(f) that were published on November 30, 2020. Notice 2023-8 (addressing certain of these issues under final regulations) was published on January 9, 2023.

30. Regulations under §1502 regarding life-nonlife consolidated groups.
31. Guidance under §1503(d), including regulations regarding intercompany transactions and items arising from stock ownership, and the application of §1503(d) with respect to certain foreign taxes that are intended to ensure that multinational enterprises pay a minimum level of tax. Proposed regulations were published on August 7, 2024, and final regulations were published on January 14, 2025.
 - PUBLISHED 09/08/25 in IRB 2025-37 as NOT. 2025-44 (RELEASED 08/20/25).
32. Final regulations under §4501 regarding computation of the excise tax on the repurchase of corporate stock. Proposed regulations were published on April 12, 2024.
33. Final regulations under §§4661, 4662, 4671, and 4672 related to the Superfund chemical taxes. Proposed regulations were published March 29, 2023.
34. Regulations under §4945 regarding expenditure responsibility requirements.
35. Final regulations under §4966 regarding donor advised funds, including excise taxes on sponsoring organizations and fund management. Proposed regulations were published on November 14, 2023.
36. Regulations regarding elections under §6013(g) and (h).
37. Withdrawal of notices of proposed rulemaking under §6015.
38. Guidance removing §1.6011-18 regarding identification of partnership related-party basis adjustment transactions as transactions of interest. Notice announcing intention to publish proposed regulations published on May 5, 2025, as Notice 2025-23.
39. Guidance concerning the reporting of charitable contributions of trusts under §6034.
40. Regulations under §6050K concerning reporting of a sales or exchanges of certain partnership interests.
 - PUBLISHED 08/19/25 in FR as REG-108822-25 (FILED 08/18/25).
41. Withdrawal of proposed regulations under §6103(n) related to disclosure of returns and return information in connection with written contracts or agreements for the acquisition of property or services for tax administration purposes.
42. Regulations under §6104 regarding the place for public inspection of materials relating

to tax-exempt organizations, pensions, and other plans.

43. Regulations under the centralized partnership audit regime established by the Bipartisan Budget Act of 2015.
44. Regulations to remove regulations under §7805A regarding mandatory 60-day postponement of certain tax-related deadlines by reason of a federally declared disaster.
45. Final regulations updating the user fee for estate tax closing letters. Proposed regulations and interim final rule were published on May 20, 2025.
46. Update to Pre-Filing Agreement revenue procedure.

SECTION 501(c)(3) ISSUES

1. Guidance on the application of the fundamental public policy against racial discrimination, including consideration of recent caselaw, in determining the eligibility of private schools for recognition of tax-exempt status under §501(c)(3).
2. Guidance on the statutory prohibition in §501(c)(3) against participation or intervention in political campaigns (the “Johnson Amendment”).

TRIBAL TAX ISSUES

1. Regulations under §139E regarding the requirements for Tribal general welfare benefits, including Alaska Native Corporations. Proposed regulations were published on September 17, 2024.
2. Final regulations under §7701 regarding the Federal tax treatment of an entity wholly owned by one or more Indian Tribal governments. Proposed regulations were published on October 09, 2024.
3. Final regulations under §415 regarding §7873 treaty fishing rights income. Proposed regulations were published on November 15, 2013.

DIGITAL ASSETS

1. Guidance on the tax treatment of transactions involving digital assets.
2. Guidance regarding digital assets held by §301.7701-4(c) investment trusts.
3. Regulations under §6045 regarding the reporting by U.S. brokers of digital asset

transactions of certain foreign persons in connection with the OECD's Crypto Asset Reporting Framework.

4. Guidance regarding electronic furnishing of information returns, including regulations under §6045 regarding electronic furnishing of payee statements regarding digital asset sales.
5. Regulations regarding information reporting of digital assets, as amended by the Infrastructure Investment and Jobs Act.
6. Final regulations removing regulations regarding gross proceeds reporting by brokers that regularly provide services effectuating digital assets sales.
 - PUBLISHED on 07/11/25 in FR as revocation of TD 10021 (FILED 07/10/25).

SECURE 2.0 ACT AND OTHER GUIDANCE

1. IRS Employee Plans program guidance, including revenue procedures updating the Employee Plans Compliance Resolution System (EPCRS) and adding a new IRA Compliance Resolution System (ICRS) to reflect provisions of the SECURE 2.0 Act, and guidance on the amendment deadline for IRAs.
2. Guidance implementing provisions of the SECURE 2.0 Act, including §103 (savers match), §110 (qualified student loan matching contributions), §125 (long-term part-time employees), §127 (pension-linked emergency savings accounts), §324 (rollover rules), and §334 (qualified long-term care distributions), and guidance under Code §72(t) relating to the repayment provisions for certain distributions added by the SECURE 2.0 Act.
3. Final regulations relating to modifications to §401(a)(9) and related provisions made by the SECURE 2.0 Act and regarding other issues under §401(a)(9) and related provisions. Proposed regulations were published on July 19, 2024.
4. Final regulations and related guidance on the exception to the unified plan rule for §413(e) multiple employer plans as modified by the SECURE Act. Proposed regulations were published on March 28, 2022.
5. Final regulations on automatic enrollment requirements under §414A as added by the SECURE 2.0 Act. Proposed regulations were published on January 10, 2025.
6. Final regulations on updates to catch-up contribution rules under §414(v) as added by the SECURE 2.0 Act. Proposed regulations were published on January 10, 2025.

7. Guidance on uncashed checks from retirement plans.
 - PUBLISHED 08/04/25 in IRB 2025-32 as REV. RUL. 2025-15 (RELEASED 07/16/25).
8. Regulations under §6011 that identify certain basket transactions as listed transactions. Proposed regulations were published on July 24, 2024.

APPENDIX – Regularly Scheduled Publications

JULY 2025

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
 - PUBLISHED 07/07/25 in IRB 2025-28 as REV. RUL. 2025-13 (RELEASED 06/17/25).
2. Notice setting forth the inflation adjustment factors for the 2025 calendar year for the credits under §§45U, 45V, and 45Z.
 - PUBLISHED 07/21/25 in IRB 2025-30 as NOT. 2025-37.
3. Notice setting forth updates for the corporate bond yield curve for plan years beginning in July 2025, the 24-month average segment rates, the funding segment rates applicable for July 2025, the spot segment rates for June 2025 that are used for determining minimum present values, and the 30-year Treasury rates.
 - PUBLISHED 08/04/25 in IRB 2025-32 as NOT. 2025-39 (RELEASED 07/15/25).
4. Notice regarding marginal production rates under §613A for oil and gas well depletion occurring in 2023.
5. Notice updating static mortality tables to be used by defined benefit plans for 2026.
 - PUBLISHED 07/28/25 in IRB 2025-31 as NOT. 2025-40 (RELEASED 07/15/25).
6. Revenue procedure providing indexing adjustments for the applicable dollar amounts under §4980H(c)(1) and (b)(1). The applicable dollar amounts under §4980H(c)(1) and (b)(1) for the calendar year are adjusted by an amount equal to the product of such dollar amount and the premium adjustment percentage (as defined in §1302(c)(4) of the Patient Protection and Affordable Care Act).
 - PUBLISHED 08/11/25 in IRB 2025-33 as REV. PROC. 2025-26 (RELEASED 07/22/25).

AUGUST 2025

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
 - PUBLISHED 08/04/25 in IRB 2025-32 as REV. RUL. 2025-14 (RELEASED 07/15/25).

2. Notice providing the inflation adjustment factor to be used in determining the enhanced oil recovery credit under §43 for tax years beginning in the calendar year 2023.
3. Notice setting forth updates for the corporate bond yield curve for plan years beginning in August 2025, the 24-month average segment rates, the funding segment rates applicable for August 2025, the spot segment rates for July 2025 that are used for determining minimum present values, and the 30-year Treasury rates.
 - PUBLISHED 09/02/25 in IRB 2025-36 as NOT. 2025-43 (RELEASED 08/18/25).
4. Revenue ruling providing the average annual effective interest rates charged by each Farm Credit Bank District.
 - PUBLISHED 08/25/25 in IRB 2025-35 as REV. RUL. 2025-16.
5. Notice setting forth the 2025 inflation adjustment factor and applicable amounts used in calculating the amount of the clean electricity production credit allowable under §45Y.
 - PUBLISHED 08/25/25 in FR as 2025-16249.

SEPTEMBER 2025

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
 - PUBLISHED 09/02/25 in IRB 2025-36 as REV. RUL. 2025-17 (RELEASED 08/18/25).
2. Notice under §274 regarding the deemed substantiation of travel expenses using per diem rates.
3. Notice identifying the counties that experienced exceptional, extreme, or severe drought during the preceding 12-month period ending August 31, 2025, for purposes of determining whether the replacement period within which to replace livestock sold on account of drought is extended under §1033(e)(2)(B) and Notice 2006-82.
4. Revenue ruling under §6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period October through December 2022.
5. Update of Notice 2004-83 to add approved applicants for designated private delivery service status under §7502(f). Will be published only if any new applicants are approved.
6. Notice setting forth updates for the corporate bond yield curve for plan years beginning in September 2025, the 25-year average segment rates for 2026, the 24-month average

segment rates, the funding segment rates applicable for September 2025, the spot segment rates for August 2025 that are used for determining minimum present values, and the 30-year Treasury rates.

7. Revenue ruling setting forth the terminal charge and the standard industry fare level (SIFL) cents-per-mile rates for the second half of 2023 for use in valuing personal flights on employer-provided aircraft.
8. Notice on annual adjustment in the fee imposed to fund the Patient Centered Outcomes Research Trust Fund.

OCTOBER 2025

1. Revenue procedure under §1 and other sections of the Code regarding inflation adjusted items for 2026.
2. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288 and 7520.
3. Revenue procedure providing the amounts of unused housing credit carryover allocated to qualified States under §42(h)(3)(D) for the calendar year.
4. Update of Revenue Procedure 2018-58 listing the tax deadlines that may be postponed by the Commissioner under §7508A in the event of a federally-declared disaster, significant fire, or terrorist attack. Will be published only if there are any updates.
5. Notice setting forth updates for the corporate bond yield curve for plan years beginning in October 2025, the 24-month average segment rates, the funding segment rates applicable for October 2025, the spot segment rates for September 2025 that are used for determining minimum present values, and the 30-year Treasury rates.
6. Revenue procedure providing the unpaid loss discount factors and salvage discount factors for the 2025 accident year to be used for computing discounted unpaid losses under §846 and discounted estimated salvage recoverable under §832.

NOVEMBER 2025

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288 and 7520.
2. Revenue ruling setting forth covered compensation tables under §401(l)(5)(E) that are used for purposes of applying the permitted disparity rules under §401(l) to defined benefit plans for the 2026 plan year.
3. Revenue ruling providing the “base period T-Bill rate” as required by §995(f)(4).

4. Update of Revenue Procedure 2022-41 regarding adequate disclosure for purposes of the §6662 substantial understatement penalty and the §6694 preparer penalty. Will be published only if there are any updates.
5. Notice setting forth updates for the corporate bond yield curve for plan years beginning in November 2025, the 24-month average segment rates, the funding segment rates applicable for November 2025, the spot segment rates for October 2024 that are used for determining minimum present values, and the 30-year Treasury rates.
6. Notice setting forth cost-of living adjustments effective January 1, 2026, applicable to the dollar limits on benefits and contributions under qualified retirement plans and other limitations applicable to deferred compensation plans.
7. Federal Register Notice on Railroad Retirement Tier 2 tax rate.

DECEMBER 2025

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
2. Notice under §274 regarding the 2026 optional standard mileage rates.
3. Revenue ruling under §6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period January through March 2024.
4. Notice setting forth updates for the corporate bond yield curve for plan years beginning in December 2025, the 24-month average segment rates, the funding segment rates applicable for December 2025, the spot segment rates for November 2025 that are used for determining minimum present values, and the 30-year Treasury rates.
5. Notice setting forth required amendment deadlines for §401(a) plans with respect to certain changes in qualification requirements and for §403(b) plans with respect to certain changes in §403(b) requirements.
6. Notice setting forth the percentage increase for calculating the qualifying payment amounts for items and services furnished during 2025 for purposes of §§9816 and 9817, sections 716 and 717 of the Employee Retirement Income Security Act of 1974, and sections 2799A-1 and 2799A-2 of the Public Health Service Act.
7. Notice updating static mortality tables to be used by defined benefit plans for 2027.
8. Revenue procedure updating the list of countries with which the United States has in force an information exchange agreement, such that bank deposit interest paid to residents of such countries must be reported by payors to the extent required under §§1.6049-8(a) and 1.6049-4(b)(5).

JANUARY 2026

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, 7520, and 7702.
2. Revenue procedure under §280F providing limitations on depreciation deductions for owners of passenger automobiles first placed in service during the calendar year and amounts to be included in income by lessees of passenger automobiles first leased during the calendar year.
3. Revenue procedure updating the procedures for issuing private letter rulings, determination letters, and information letters on specific issues under the jurisdiction of the Chief Counsel.
4. Revenue procedure updating the procedures for furnishing technical advice, including technical expedited advice, to certain IRS offices, in the areas under the jurisdiction of the Chief Counsel.
5. Revenue procedure updating the previously published list of “no-rule” issues under the jurisdiction of certain Associate Chief Counsel (Corporate), Associate Chief Counsel (Energy, Credits, and Excise Tax), Associate Chief Counsel (Financial Institutions and Products), Associate Chief Counsel (Income Tax and Accounting), Associate Chief Counsel (Passthroughs, Trusts, and Estates), Associate Chief Counsel (Procedure and Administration), and Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes) on which advance letter rulings or determination letters will not be issued.
6. Revenue procedure updating the procedures for issuing determination letters and letter rulings on issues under the jurisdiction of the Office of the Commissioner, Tax Exempt and Government Entities Division, Employee Plans Rulings and Agreements Office.
7. Revenue procedure updating the procedures for issuing determination letters under the jurisdiction of the Office of the Commissioner, Tax Exempt and Government Entities Division, Exempt Organizations Rulings and Agreements Office.
8. Revenue procedure updating the previously published list of “no-rule” issues under the jurisdiction of the Associate Chief Counsel (International) on which advance letter ruling or determination letters will not be issued.
9. Notice setting forth updates for the corporate bond yield curve for plan years beginning in January 2026, the 24-month average segment rates, the funding segment rates applicable for January 2026, the spot segment rates for December 2025 that are used for determining minimum present values, and the 30-year Treasury rates.

FEBRUARY 2026

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
2. Notice setting forth updates for the corporate bond yield curve for plan years beginning in February 2026, the 24-month average segment rates, the funding segment rates applicable for February 2026, the spot segment rates for January 2026 that are used for determining minimum present values, and the 30-year Treasury rates.

MARCH 2026

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
2. Notice providing the calendar year resident population estimates used in determining the State housing credit ceiling under §42(h) and the private activity bond volume cap under §146.
3. Revenue procedure under §143 regarding average area purchase price.
4. Revenue ruling under §6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period April through June 2024.
5. Revenue ruling setting forth the terminal charge and the standard industry fare level (SIFL) cents-per-mile rates for the first half of 2025 for use in valuing personal flights on employer-provided aircraft.
6. Notice setting forth updates for the corporate bond yield curve for plan years beginning in March 2026, the 24-month average segment rates, the funding segment rates applicable for March 2026, the spot segment rates for February 2026 that are used for determining minimum present values, and the 30-year Treasury rates.
7. Revenue procedure providing the annual update to the List of Automatic Changes for taxpayer-initiated changes in method of accounting.
8. Revenue procedure providing indexing adjustments for the applicable dollar amounts under §4980H(c)(1) and (b)(1). The applicable dollar amounts under §4980H(c)(1) and (b)(1) for the calendar year are adjusted by an amount equal to the product of such dollar amount and the premium adjustment percentage (as defined in §1302(c)(4) of the Patient Protection and Affordable Care Act).
9. Notice providing adjustments based on location to the limitation on housing expenses for purposes of §911 for the 2025 tax year, and if a taxpayer so chooses, to the 2024 tax year.

10. Revenue Procedure under §911(d)(4) providing a list of foreign countries for which the minimum time requirements for purposes of claiming the foreign earned income exclusion are waived for tax year 2024.
11. Report pursuant to section 521(b) of the Ticket to Work and Work Incentives Improvement Act of 1999, concerning advance pricing agreements and the Advance Pricing and Mutual Agreement Program.

APRIL 2026

1. Revenue procedure providing annual indexing required under §36B.
2. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
3. Guidance providing the calendar year inflation adjustment factor and reference prices for the renewable electricity production credit under §45.
4. Revenue procedure providing a current list of countries and the dates those countries are subject to the §911(d)(4) waiver and guidance to individuals who fail to meet the eligibility requirements of §911(d)(1) because of adverse conditions in a foreign country.
5. Notice setting forth updates for the corporate bond yield curve for plan years beginning in April 2026, the 24-month average segment rates, the funding segment rates applicable for April 2026, the spot segment rates for March 2026 that are used for determining minimum present values, and the 30-year Treasury rates.

MAY 2026

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
2. Guidance providing the inflation adjustment factor to be used in determining the enhanced oil recovery credit under §43 for tax years beginning in the calendar year 2024.
3. Notice regarding marginal well production credit under §45I for natural gas produced in 2023.
4. Notice regarding marginal production rates under §613A for oil and gas well depletion in 2024.
5. Notice setting forth updates for the corporate bond yield curve for plan years beginning in May 2026, the 24-month average segment rates, the funding segment rates applicable for May 2026, the spot segment rates for April 2026 that are used for determining minimum present values, and the 30-year Treasury rates.

6. Revenue procedure setting forth the 2027 inflation adjusted amounts for Health Savings Accounts (HSAs), as determined under §223 and the maximum amount that may be made newly available for excepted benefit Health Reimbursement Arrangements (HRAs) provided under §54.9831-1(c)(3)(viii) of the Pension Excise Tax Regulations.
7. Revenue procedure providing the domestic asset/liability percentages and the domestic investment yield percentages for foreign companies conducting insurance business in the United States.

JUNE 2026

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of §§42, 382, 1274, 1288, and 7520.
2. Notice setting forth the §45K(d)(2)(C) reference price for the nonconventional source production credit.
3. Notice setting forth the inflation adjustment factor for purposes of §45Q for calendar year 2024.
4. Revenue ruling under §6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period July through September 2024.
5. Notice setting forth updates for the corporate bond yield curve for plan years beginning in June 2026, the 24-month average segment rates, the funding segment rates applicable for June 2026, the spot segment rates for May 2026 that are used for determining minimum present values, and the 30-year Treasury rates.