

Cross Sound Cable Company, LLC
ISO-NE Schedule 17—Pre-filing Summary
March 18, 2024

By Order dated July 8, 2021, the Federal Energy Regulatory Commission (FERC) accepted Cross Sound Cable Company, LLC’s (Cross Sound Cable) rate schedule allowing Cross Sound Cable to commence, beginning June 1, 2021, the recovery of certain Interconnection Reliability Operating Limits Critical Infrastructure Protection Costs (IROL-CIP Costs) under Schedule 17 of the ISO New England Inc. (ISO-NE) Transmission, Markets and Services Tariff (Tariff).¹ By Order dated August 28, 2023, FERC approved recovery of Cross Sound Cable’s IROL-CIP Costs incurred during the period June 1, 2021 through December 31, 2022 in the amount of \$650,224.² Cross Sound Cable has been recovering these costs monthly since November 2023 and will continue to recover them under Schedule 17 through October 2024 at which point they will have been fully recovered.

Cross Sound Cable provides to ISO-NE to post on its website this non-confidential summary description of its second, proposed filing pursuant to Cross Sound Cable’s FERC-approved rate schedule, Schedule 17 of the ISO-NE Tariff, for recovery of IROL-CIP Costs incurred during the period beginning January 1, 2023 through December 31, 2023. This summary is being submitted to ISO-NE, along with a confidentiality agreement (Confidentiality Agreement),³ which will also be posted on ISO-NE’s website, that will govern viewing access to the confidential supporting data, calculations, and workpapers for Cross Sound Cable’s IROL-CIP Costs revenue requirement (Confidential Cost Recovery Workbook), in compliance with Schedule 17’s pre-filing obligations (Pre-Filing Review Process).

Any entity that wishes to participate in the interactive briefing session (Briefing Session) required under Schedule 17 and described in Section 2.1 (B), which Briefing Session is scheduled for **April 2, 2024 at 10 AM via Teams**, should contact via email Cross Sound Cable’s outside counsel at billdegrandis@paulhastings.com and

¹ *Cross-Sound Cable Company, LLC*, Docket No. ER21-2031-000 (July 8, 2021) (delegated letter order).

² *Cross-Sound Cable Company, LLC*, Docket No. ER12-1826-001 (Aug. 28, 2023) (delegated letter order).

³ The Confidentiality Agreement posted on ISO-NE’s website will be the same as the protective order filed with FERC following the Pre-Filing Review Process.

alexanderkaplen@paulhastings.com, copying sophiafaram@paulhastings.com. Cross Sound Cable will provide a link to the virtual Briefing Session upon request to the contacts provided above. The Briefing Session will start with non-confidential topics, and then the remainder of the Briefing Session will cover confidential material governed by the Confidentiality Agreement.

The purpose of the Briefing Session is to review the summary material provided herein and the Confidential Cost Recovery Workbook to examine the IROL-CIP Costs proposed for recovery. Any entity that wishes to participate in the confidential portions of the Briefing Session, which will review Cross Sound Cable's Confidential Cost Recovery Workbook, must consult with the contact list above and execute and return the attached Confidentiality Agreement prior to the commencement of the Briefing Session.

Any entity that wishes to participate as an Interested Party in this Pre-filing Review Process described in Sections 2.1(B) and (C) of Schedule 17 should contact via email Cross Sound Cable's outside counsel at billdegrandis@paulhastings.com and alexanderkaplen@paulhastings.com, copying sophiafaram@paulhastings.com, to request Interested Party status by no later than April 12, 2024, 10 days following the Briefing Session. Any entity seeking Interested Party Status who wishes to obtain access to the Confidential Cost Recovery Workbook must consult with the contacts above and execute and return the attached Confidentiality Agreement prior to reviewing the Confidential Cost Recovery Workbook, to the extent the entity did not already do so for the Briefing Session.

Pursuant to the Schedule 17 pre-filing review process, following the Briefing Session described above, Cross Sound Cable shall provide an additional sixty (60) days for: (i) Interested Parties to raise issues or request further information, and (ii) Cross Sound Cable to provide the requested information and seek to address any issues presented by Interested Parties. Cross Sound Cable shall be free to submit its Section 205 filing for recovery of IROL-CIP Costs under this Schedule 17 no sooner than the earlier of: (i) the conclusion of the 60-day period, (ii) the eleventh day following the Briefing Session described above, if no entity contacted Cross Sound Cable seeking to participate in the pre-filing review process as an Interested Party, or (iii) the date by which all Interested Parties, as identified by the tenth day following the interactive session, have informed Cross Sound Cable that they no longer desire additional pre-filing time to review Cross Sound Cable's IROL-CIP Cost information; subject to the filing being no earlier

than May 4, 2024, one year from its prior filing to recovery IROL-CIP Costs. Cross Sound Cable will provide notice of its FERC filing to Interested Parties via email.

Cross Sound Cable's IROL-CIP Cost Recovery Proposal

Confidential Attachment 1 is Cross Sound Cable's IROL-CIP Costs revenue requirements model. It provides the cost support for the requested IROL-CIP Cost recovery. Worksheet 1 is a summary of rate base and the revenue requirement, which is \$478,182 to recover costs incurred during the period January 2023 to December 2023. Rate base is comprised of capitalized IROL-CIP Costs from Worksheet 6. Worksheet 2 determines the return on rate base using Cross Sound Cable's capitalization and interest costs during the January 2023 to December 2023 period and a return on equity of 10.57%, the current return on equity of the New England Transmission Owners used in their transmission formula rate. Worksheet 3 contains rate base items (capitalized IROL-CIP Costs less accumulated depreciation). On Worksheet 3, accumulated deferred income taxes and working capital are set to zero.⁴ Worksheet 4 contains property tax expense⁵ and depreciation expense on the capitalized IROL-CIP Costs along with operation and maintenance expenses. As stated in footnote 4, Cross Sound Cable has set to zero On Worksheet 4 the interest costs to compensate for the time value of money from the date the operation and maintenance costs were incurred to the date when these costs are expected to be recovered. Worksheet 5 contains the monthly detail of capitalization and interest expense. Worksheet 6 shows the plant in service, accumulated depreciation and depreciation expense on the capitalized IROL-CIP Costs. Worksheet 7 contains the accumulated deferred income tax calculations on the capitalized IROL-CIP Costs, which has been set to zero (see footnote 4). Worksheet 8 provides the operation and maintenance expenses for the period January 2023 through December 2023 (as stated above, interest on operations and maintenance expenses has been set to zero). Worksheets 9 through 12 are the worksheets required by

⁴ In its prior IROL-CIP Cost recovery request in Docket No. ER23-1826, Cross Sound Cable responded on July 28, 2023 to a request for additional information from FERC in which Cross Sound Cable agreed not to include in its IROL-CIP Costs revenue requirement for the period June 2021 to December 2022 the following items: working capital, interest on operations and maintenance expenses, property tax expenses and accumulated deferred income taxes. Cross Sound Cable determines its IROL-CIP Costs revenue requirement for the period January 2023 to December 2023 excluding these same items.

⁵ *See Id.*

Schedule 17. Worksheet 9 is Schedule 17, Table 1, which contains general information, the cost recovery period (January 2023 through December 2023) and a summary of the operations and maintenance expenses by category. Worksheet 10 is Schedule 17, Table 2 and contains further information on the outside services and fees category. Worksheet 11 is Schedule 17, Table 3 and provides IROL-CIP operation and maintenance costs by CIP requirement. Labor amounts on this worksheet are determined by multiplying the hours from Worksheet 12 (Schedule 17, Table 4) by the hourly rates on the top of Worksheet 11. The labor rates include the costs of wages, bonuses and benefits. Worksheet 12 (Schedule 17 Table 4) contains the most granular detail of labor hours and outside services costs by CIP standard incurred to meet medium level IROL-CIP requirements during the period January through December 2023.

Cross Sound Cable will request from FERC recovery of the revenue requirement during the period January 2023 to December 2023 over a 12-month period beginning as soon as practical after a FERC order approving recovery.