



# Cross Sound Cable

Recovery of IROL-CIP Costs  
Schedule 17 Prefiling Review Process  
Interactive Briefing Session  
April 2, 2024

**PUBLIC VERSION**  
**PRIVILEGED AND CONFIDENTIAL INFORMATION REMOVED**

# Interactive Briefing Session

- Purpose: Provide background, present Cross Sound Cable's IROL-CIP cost recovery proposal and review IROL-CIP Costs
- Agenda:
  - Introductions
  - Background
  - Cross Sound Cable proposal
  - Review IROL-CIP costs for 2023
  - Next steps
- Limits: 90 minutes

# Background Information

- In 2013, ISO-NE identified Cross Sound Cable's Halvarsson 345 kV interconnection bus as critical to the derivation of Interconnection Reliability Operating Limits (IROL).
- This determination led to ISO-NE providing IROL Critical Facility listing notice to Cross Sound Cable in accordance with the NERC CIP-002-5.1 standard, Attachment 1, Criteria 2.6. This resulted in elevating Cross Sound Cable facilities from low to medium impact, effective January 1, 2016, with compliance required by July 1, 2016.
- Cross Sound Cable is the only transmission facility that has a Schedule 17 tariff as a merchant transmission owner (without a formula rate as regulated transmission owners have).

# Background Information (Previous Filings)

- FERC approved Cross Sound Cable commencing recovery of IROL-CIP costs incurred beginning June 1, 2021.
- On August 28, 2023, FERC approved recovery of Cross Sound Cable's IROL-CIP Cost revenue requirement for IROL-CIP Costs incurred from June 1, 2021 to December 31, 2022 of \$650,224. ISO-NE began billing these costs to transmission providers over 12 months beginning November 2023.

# IROL-CIP Costs Recovered Under Schedule 17

- For Cross Sound Cable, IROL-CIP Costs include capital investments and operations and maintenance expenses (including program management and regulatory costs)
- Recoverable IROL-CIP Costs 1) must be incurred during a period in which Cross Sound Cable is designated as an IROL-Critical Facility (designated by ISO-NE since January 1, 2016), 2) are incurred by the IROL-Critical Facility Owner during the cost recovery period specified in its filing (commencing June 1, 2021); 3) are presented in a Section 205 filing and approved by FERC (to be requested after this stakeholder process); and 4) satisfy all other conditions for recovery, as set forth in Schedule 17.

# Cross Sound Cable IROL-CIP Cost Recovery Proposal

- Cross Sound Cable requested ISO-NE post materials supporting the recovery of IROL-CIP Costs incurred during 2023. ISO-NE posted these materials on March 15, 2024.
- Cross Sound Cable will make a Section 205 filing at FERC at the end of this stakeholder review process.
  - It will seek to recover the annual revenue requirement related to IROL-CIP costs incurred during 2023.
  - Cross Sound Cable plans to recover the FERC approved IROL-CIP revenue requirement pursuant to a FERC order under Schedule 17. ISO-NE will bill transmission providers for the Cross Sound Cable approved revenue requirement over a 12-month period.

# Cross Sound Cable IROL-CIP Cost Recovery Proposal

- The cost recovery period is January 1, 2023 to December 31, 2023.
- During this period, Cross Sound Cable's IROL-CIP Costs included incremental costs primarily for the electronic security perimeter (CIP-005-5 R1), implementing physical security plans (CIP-006-6 R1), patch management (CIP-007-6 R2), and regulatory efforts.
- Cross Sound Cable has followed the revenue requirements approach used by FERC in Cross Sound Cable's prior IROL-CIP Cost recovery case (Cross Sound Cable is not including ADIT, working capital, property tax expense and interest on O&M).

## Next Steps

- Today begins the 60-day review process for Interested Parties to raise issues or request further information and Cross Sound Cable to provide the requested information and address any issues raised by Interested Parties. Please direct any discovery requests and/or executed Confidential Agreement to at [billdegrandis@paulhastings.com](mailto:billdegrandis@paulhastings.com) and [alexanderkaplen@paulhastings.com](mailto:alexanderkaplen@paulhastings.com), copying [sophiafaram@paulhastings.com](mailto:sophiafaram@paulhastings.com).
- Cross Sound Cable will make a Section 205 filing at FERC the earlier of 1) the conclusion of the 60-day period; or 2) the date by which all Interested Parties have informed Cross Sound Cable that they no longer desire additional pre-filing time to review the IROL-CIP Cost information; however, Cross Sound Cable will not make a Section 205 filing prior to May 4, 2024.