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June 5, 2007

VIA HAND DELIVERY

Hon. Jaclyn A. Brillling
Secretary
New York State Public Service Commission
Executive Office 14th Floor
3 Empire State Plaza
Albany, New York 12223-1350

Re: Case 06-M-1017 - Proceeding on Motion of the Commission as to
Policies, Practices and Procedures for Utility Commodity Supply Service
to Residential and Small Commercial and Industrial Customers
Supplemental Initial Letter Comments

Dear Secretary Brillling:

In accordance with the schedule established by this Commission in its "Order Requiring Development of Utility-Specific Guidelines for Electric Commodity Supply Portfolios and Instituting a Phase II To Address Longer Term Issues" ("Long Term Contracts Order"), the Mirant Parties¹ hereby submit an original and ten copies of their Supplemental Initial Letter Comments in the above-captioned proceeding. The Mirant Parties own and operate coal-fired and dual-fuel oil-gas facilities that are located in the Lower Hudson Valley.

¹ The Mirant Parties are comprised of Mirant Bowline, LLC, Mirant Lovett, LLC and Mirant New York, Inc.

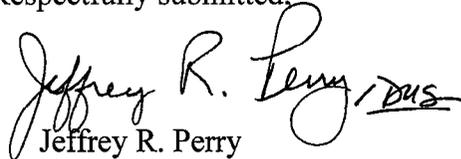
Hon. Jaclyn A. Brillling
June 5, 2007
Page 2

The Mirant Parties initially note that they generally support the group comments being submitted contemporaneously in this proceeding by both the New York Suppliers,² to which the Mirant Parties are a signatory, and the Independent Power Producers of New York, Inc. The Mirant Parties hereby submit these Supplemental Initial Letter Comments to emphasize a concern with respect to the panoply of new environmental initiatives that are currently under consideration. Depending upon how they are ultimately structured, these initiatives may force certain units to install very costly back-end controls. These units provide critically needed fuel diversity, voltage support and load-following capability to allow the system to be effectively dispatched. In addition, some of these units, including those owned by the Mirant Parties, are located in areas that have been designated by the New York Independent System Operator, Inc.'s ("NYISO") reliability studies for the past two years as having significant reliability based needs.

The costs for back-end controls, however, may not be currently captured by the wholesale market energy or capacity rules. Thus, to address public policy considerations, including fuel diversity or furthering environmental policies, these units may require contracts to make the necessary retrofits. As discussed at length in the New York Suppliers Initial Comments, such contracts must be carefully structured to be consistent with, and not in any way to undermine, the competitive wholesale market structure.

The Mirant Parties appreciate this opportunity to respond to the Commission's request for comments and intend to continue to actively participate in this important proceeding.

Respectfully submitted,

Handwritten signature of Jeffrey R. Perry in black ink, with a stylized flourish at the end.

Jeffrey R. Perry
President
Mirant New York, Inc.

JP/DS/aaw

Enclosures

cc: Official Service List (via U.S. Mail & email; w/enc.)

² The New York Suppliers are comprised of AES Eastern Energy, L.P., Dynegy Power Corporation, Inc., Entergy Nuclear Power Marketing, LLC, the Mirant Parties and US Power Generating Company, LLC.