

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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Secretary

January 22, 2001

Honorable David Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. EL02-23-000 - Consolidated Edison
Company of New York, Inc. v. Public Service
Electric and Gas Company

Dear Secretary Boergers:

For filing please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 486-2652.

Very truly yours,

Saul A. Rigberg
Assistant Counsel

Enclosures

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

CONSOLIDATED EDISON COMPANY)	
OF NEW YORK, INC.)	Docket No. EL02-23-000
)	
v.)	
)	
PUBLIC SERVICE ELECTRIC)	
AND GAS COMPANY)	

**NOTICE OF INTERVENTION AND COMMENTS OF THE PUBLIC SERVICE
COMMISSION OF THE STATE OF NEW YORK**

Pursuant to a Notice of Complaint, dated November 20, 2001, a Notice of Further Extension of Time, dated December 18, 2001, and Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §385.214), the Public Service Commission of the State of New York (NYPSC) hereby submits its Notice of Intervention and Comments in the above-captioned proceeding. The NYPSC respectfully urges the Commission to expedite consideration of the filing because continued reliability of service in New York City requires prompt resolution of this matter.

Copies of all correspondence and pleadings should be addressed to:

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On November 11, 2001, Consolidated Edison of New York, Inc. (Con Edison) filed a complaint pursuant to Section 206 of the Federal Power Act (16 U.S.C. §824e) against Public Service Electric and Gas Company (Public Service) requesting that the Commission investigate curtailments by Public Service of transmission service rendered pursuant to two bilateral contracts between Con Edison and Public Service and declare that the contracts call for firm service. Con Edison also requested the Commission to direct action by Public Service, the PJM Interconnection, L.L.C. (PJMISO), and the New York Independent System Operator, Inc. (NYISO) that would assure the restoration of full transmission service to Con Edison.

According to Con Edison, the Complaint arises out of curtailments by Public Service of a 1,000 MW transmission service that it agreed to provide Con Edison under two wheeling contracts, the 1975 First Hudson-Farragut Agreement and the 1978 Second Hudson-Farragut Agreement. Con Edison asserts that Public Service has curtailed its service frequently, delivering on occasion, as little as 200 MW.

Annually, the NYISO is required to establish the amount of generating capacity that must be located in the City.¹ This calculation takes into account transmission capacity into the City, including the 1,000 MW of capacity provided by contract with Public

¹ The criterion currently requires that generation equal to 80% of the in-City peak demand must be situated within the City.

Service. Any reduction in that transmission capacity would have to be reflected in the in-City criterion if the curtailments were to continue, thereby increasing the amount of in-City generation required to reliably serve the in-City load and resulting in cost and reliability impacts. This situation becomes especially acute during the summer months when demand is higher. Therefore, while we are not prepared to take a position on the contract claims, we urge the Commission to act expeditiously to resolve this uncertainty.

CONCLUSION

For the reasons expressed above, the NYPSC asks the Commission to expedite consideration of this matter before the onset of summer weather to protect the reliability of New York City's electric system.

Respectfully submitted,

Lawrence G. Malone
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Dated: January 22, 2002
Albany, New York

