

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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PUBLIC SERVICE COMMISSION

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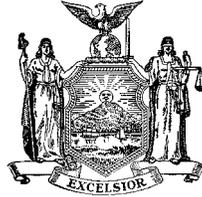
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General Counsel

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Secretary

February 7, 2006

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

Re: Docket No. ER06-558-000 - New York Independent
System Operator, Inc.

Dear Secretary Salas:

For filing, please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceedings. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

David G. Drexler
Assistant Counsel

Attachment

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

New York Independent System) Docket No. ER06-558-000
Operator, Inc.)

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

INTRODUCTION

On January 23, 2006, the New York Independent System Operator, Inc. (NYISO) filed a request with the Federal Energy Regulatory Commission (Commission) for changes in two provisions regarding the allocation of costs for projects seeking to interconnect with the electric transmission system in New York. These provisions establish dates for commencing the next cost allocation study and for determining the projects included in the study. The effect of the date change is to allow the NYISO to initiate the study process for certain projects as early as May 1, 2006, instead of March 1, 2007.

The New York State Public Service Commission (NYPSC) hereby submits its Notice of Intervention pursuant to the Combined Notice of Filings #1 issued on January 31, 2006, and Rule 214 of the Commission's Rules of Practice and Procedure.

Copies of all correspondence and pleadings should be addressed to:

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DISCUSSION

The NYPSC supports the NYISO's request for expedited approval to change the dates applicable to commencement of its next class year (i.e., 2006) study to allocate interconnection costs.¹ Specifically, if its request is approved, the NYISO would commence its study of the costs for facilities necessary to interconnect 2006 class year projects with the bulk transmission system, and to allocate those costs among developers included within such study, as of May 1, 2006, or within 15 days after the completion of the previous cost allocation process, whichever is later. This change would permit the NYISO to begin the 2006 class year cost allocation process on an earlier date, instead of waiting until March 1,

¹ The NYSIO performs an interconnection cost allocation study for a class year of developers that have satisfied applicable study and permit criteria as of March 1 each year. NYISO Open Access Transmission Tariff, Attachment S, §IV.G.6.

2007, the applicable date for commencement of the 2007 class year study process.

The request compensates for the significant delays resulting from litigation over the cost allocation process, which suspended the process for several years.² A change in the dates is essential to allow the 2006 class year of projects seeking interconnection to move forward in a timely manner. These changes would avoid unnecessary delay in interconnecting projects that further New York's goals of enhancing reliability and promoting renewable resources, such as wind generation.³

² KeySpan Energy Development Corp. v. NYISO, 101 FERC ¶61,099 (2002).

³ Case 03-E-0188, Retail Renewable Portfolio Standard, Order Regarding Retail Renewable Portfolio Standard (issued September 24, 2004).

Therefore, we ask that the Commission approve the NYISO's request for changes in the dates by March 1, 2006.

Respectfully submitted,

Dawn Jablonski Ryman
General Counsel
Public Service Commission
of the State of New York

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Dated: February 7, 2006
Albany, New York

CERTIFICATE OF SERVICE

I, Leann Ayer, do hereby certify that I will serve on February 7, 2006, the foregoing Notice of Intervention and Comments of the Public Service Commission of the State of New York upon each of the parties of record, indicated on the official service list compiled by the Secretary in this proceeding.

Date: February 7, 2006
Albany, New York

Leann Ayer