

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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Secretary

February 28, 2005

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

Re: Docket No. ER04-449-005 - New York Independent
System Operator, Inc. and New York Transmission
Owners

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) 474-6513.

Very truly yours,

Kimberly A. Harriman
Assistant Counsel

Attachment

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

New York Independent System) Docket No. ER04-449-005
Operator, Inc. and New York)
Transmission Owners)

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

INTRODUCTION

On February 11, 2005, the Federal Energy Regulatory Commission (FERC or Commission) issued a Notice on the Compliance filing of the New York Independent System Operator, Inc. (NYISO), et al, in the above proceeding.

The New York State Public Service Commission (NYPSC) submits its Notice of Intervention and Comments pursuant to the February 11, 2005 Notice, and Rule 214 of the Commission's Rules of Practice and Procedure. Copies of all correspondence and pleadings should be addressed to:

Dawn Jablonski Ryman
General Counsel
Public Service Commission
of the State of New York
Three Empire State Plaza
Albany, New York 12223-1350

Raj Addepalli, Manager of
Staff ISO Team
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Three Empire State Plaza
Albany, New York 12223-1350

DISCUSSION AND CONCLUSION

FERC Orders Nos. 2003 and 2003-A,¹ adopted *pro forma* Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection Agreement (LGIA). Independent Transmission Providers, such as the New York Independent System Operator (NYISO), were provided the flexibility to tailor the terms of the LGIP and LGIA to meet the needs of their systems.

Utilizing the flexibility provided to Independent Transmission Providers, the NYISO and the New York Transmission Providers (NYTP)² jointly proposed to FERC modifications to the *pro forma* LGIP and LGIA. Specifically, NYISO and NYTP proposed, among other things, to vary from the *pro forma* LGIP and LGIA by offering only one level of interconnection service - Energy Resource Interconnection Service³ - which does not include a

¹ Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 Fed. Reg. 49,845 (August 19, 2003), FERC Sttats. & Regs., Regulations Preambles ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220 (2004) (Order No. 2003-A).

² The New York Transmission Providers are comprised of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

³ Energy Resource Interconnection Service provides only for the connection of a generating unit to the network.

deliverability component to interconnection service.

Additionally, the NYISO and NYTP requested that FERC provide them additional time to study incorporating a deliverability component into its LGIP and LGIA. In its August 6, 2004 Order regarding NYISO and NYTP's modifications to the *pro forma* LGIP and LGIA, FERC agreed to allow NYISO and NYTP more time to study the integration of a deliverability component in its LGIP and LGIA.

On February 7, 2005, pursuant to FERC's August 6, 2004 Order, the NYISO, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York Power Authority, New York State Electric & Gas Corporation, Orange & Rockland Utilities, Inc., and Rochester Gas & Electric Corporation (collectively, Joint Rehearing Parties) jointly submitted their compliance filing. On the same date, a separate compliance filing and request for extension of time was jointly submitted by the Long Island Power Authority (LIPA) and Niagara Mohawk Power Corporation (NMPC).

Both compliance filings indicate that the studies performed by the NYISO have yet to yield conclusive determinations regarding the need to include a deliverability requirement for interconnections of generators in the New York control area. Although the parties do not share the same conviction as to the assumptions and methodologies used by NYISO in its preliminary

analysis, both filings concur that more time is needed for further study of the deliverability issue.

As noted by the Joint Rehearing Parties, inclusion of a deliverability requirement would result in a substantial change in NYISO's current practices and could impact current locational installed capacity requirements. Prior to embarking upon such a change, we believe that it is essential to provide additional time for a more thorough analysis. We also note that stakeholder participation is critical in reviewing the preliminary studies and in conducting any future studies regarding the need and impact of a deliverability requirement.

In sum, we encourage FERC to grant the Joint Rehearing Parties' request for an extension of time until February 1, 2006, in order to provide the NYISO and stakeholders with additional opportunity to work together on this issue.

Respectfully submitted,

Dawn Jablonski Ryman
General Counsel

By: Kimberly A. Harriman
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of the State of New York
3 Empire State Plaza
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(518) 474-6513

Dated: February 28, 2005
Albany, New York

CERTIFICATE OF SERVICE

I, Shirley Rabideau, do hereby certify that I will serve on February 28, 2005 the foregoing Notice of Intervention and Comments of the Public Service Commission of the State of New York by depositing a copy thereof, first class postage prepaid, in the United States mail, properly addressed to each of the parties of record, indicated on the official service list compiled by the Secretary in this proceeding.

Date: February 28, 2005
Albany, New York

Shirley Rabideau