

# STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

## PUBLIC SERVICE COMMISSION

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*Secretary*

April 19, 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. ER04-1144-004 - 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



proposal calls for increased reporting by the NYISO of historic and future estimates of congestion, along with analysis of the potential savings and/or cost increases when specific constraints are eliminated. While the NYISO will continue to monitor the major causes of congestion, it will not define a threshold for congestion to trigger specific action nor propose or mandate solutions. In addition, the NYISO intends to hold a technical conference with market participants to explore potential market design changes which could provide further enhancements for transmission development in New York.

**NOTICE OF INTERVENTION**

The New York State Public Service Commission (NYPSC) submits its Notice of Intervention pursuant to the April 4, 2005 Notice of Filing 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  
New York State Department  
of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350

**COMMENTS**

The NYPSC strongly supports the approach to economic planning for enhancements to the transmission system as described in the NYISO's progress report. Similar to the

NYISO's Comprehensive Reliability Planning process,<sup>1</sup> there is a preference for market solutions to address planning needs.

We agree with the NYISO that its role should primarily be to provide information in a transparent manner to the marketplace so that appropriately informed decisions can be made, and actions taken, by market participants and other stakeholders. By providing market participants with historical and future estimates of congestion costs, the NYISO will ensure that economic planning proceeds in a manner consistent with market signals.

As the NYISO correctly noted in its progress report, intervention for economic purposes, in the form of mandated solutions, can have a chilling effect on the markets that the NYISO's tariff is designed to foster. Thus, we support the NYISO's approach to neither propose nor mandate solutions. We look forward to working with market participants and the NYISO

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<sup>1</sup> NYISO Open Access Transmission Tariff, Attachment Y.

to explore potential market design changes to further enhance  
the economic transmission planning process, as appropriate.

Respectfully submitted,

Dawn Jablonski Ryman  
General Counsel

By: David G. Drexler  
Assistant Counsel  
Public Service Commission  
of the State of New York  
3 Empire State Plaza  
Albany, NY 12223-1305  
(518) 473-8178

Dated: April 19, 2005  
Albany, New York

CERTIFICATE OF SERVICE

I, Tammy Mentis, do hereby certify that I will serve on April 19, 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: April 19, 2005  
Albany, New York

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Tammy Mentis