

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

MAUREEN O. HELMER
Chairman
THOMAS J. DUNLEAVY
JAMES D. BENNETT
LEONARD A. WEISS
NEAL N. GALVIN



LAWRENCE G. MALONE
General Counsel

JANET HAND DEIXLER
Secretary

September 24, 2002

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

Re: KeySpan Energy Development Corporation,
KeySpan-Ravenswood, LLC, New York Power
Authority, Electric Power Supply Association and
Independent Power Producers of New York, Inc. v.
New York Independent System Operator, Inc. -
Docket Nos. EL02-125-000 and ER01-2967-000

Dear Secretary Salas:

For filing please find the Notice of Intervention and Protest of the Public Service Commission of New York 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**

KeySpan Energy Development Corporation)	
KeySpan-Ravenswood, LLC, New York Power)	
Authority, Electric Power Supply Association and)	
Independent Power Producers of New York, Inc.,)	
)	Docket No. EL02-125-000
v.)	
)	
New York Independent System Operator, Inc.)	
)	
New York Independent System Operator, Inc.)	Docket No. ER01-2967-000

***NOTICE OF INTERVENTION AND PROTEST OF THE
PUBLIC SERVICE COMMISSION OF NEW YORK***

Pursuant to a Notice of Extension of Time, dated September 16, 2002, and Rule 213 of the Commission's Rules of Practice and Procedure, the New York Public Service Commission (NYPSC) respectfully submits this Notice of Intervention and Protest regarding the §206 complaint of KeySpan Energy Development Corporation, KeySpan-Ravenswood, LLC, New York Power Authority, Electric Power Supply Association and Independent Power Producers of New York, Inc. (collectively, the Complainants). The Complainants dispute the NYISO's calculation of their share of the transmission System Upgrade Facility costs for the interconnection of their generation facilities to the transmission lines of Consolidated Edison of New York, Inc. (Con Edison). Claiming that the NYISO and its market participants incorrectly implemented the Commission-approved cost allocation rules, and therefore, improperly assigned to generators the costs of system upgrades to meet reliability, the Complainants ask the Commission to direct the NYISO to prepare a revised Cost Allocation Report for the Class of 2001.

Copies of all correspondence and pleadings should be addressed to:

Lawrence G. Malone, Esq.
Saul A. Rigberg, Esq.
Public Service Commission
of the State of New York
3 Empire State Plaza
Albany, NY 12223-1350
saul_rigberg@dps.state.ny.us

Ron Liberty
Director Fed. En. Interv.
Public Service Commission
of the State of New York
3 Empire State Plaza
Albany, NY 12223-1350
ronald_liberty@dps.state.ny.us.

The Complainants take issue with an approach developed and approved by the technical representatives of all market participants in the Transmission Planning Advisory Subcommittee and the Operating Committee. Throughout the 14-month process, which was impartially overseen by NYISO staff, market participants, including the Complainants, had continuous input to both the baseline study and the resulting Cost Allocation Report. Appeals were fully vetted at all relevant levels of the NYISO, namely, the Operating Committee, Management Committee, and Board of Directors. Requiring the NYISO to reenact the process largely because of the Complainants' disapproval of the results (as opposed to the process) would set a harmful precedent for collaborative proceedings.

Granting the Complaint would also jeopardize reliability in New York City because the resulting uncertainty could delay construction in a load pocket that all responsible parties agree needs more supply as soon as possible. The entire queue for new generation in New York City would be set back while market participants and the NYISO staff retrace carefully traveled steps regarding data to be used in Cost Allocation Reports.

Finally, granting the complaint would introduce needless uncertainty regarding cost allocations. Given that the approach taken by the NYISO in implementing the cost allocation rules was rational, it would not be in the public interest and would be poor public policy to require the

NYISO and market participants to embark upon a time consuming process of reallocating costs along the lines the Complainants suggests.

Respectfully submitted,

Lawrence G. Malone
General Counsel
By: Saul A. Rigberg
Assistant Counsel
Public Service Commission
of the State of New York
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-8178

Dated: September 24, 2002
Albany, New York

CERTIFICATE OF SERVICE

I, Karen Houle, do hereby certify that I will serve on September 24, 2002, the foregoing Notice of Intervention and Protest 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.

Karen Houle

Date: September 24, 2002
Albany, New York