



April 13, 2012

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ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Kirk Dixon
Committee Support
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

**Re: Draft Amended and Restated Northeastern ISO/RTO Planning
Coordination Protocol**

Dear Mr. Henderson and Mr. Dixon:

National Grid USA (“National Grid”) is writing to comment on the draft revisions to the Northeastern ISO/RTO Planning Coordination Protocol discussed at the March 30 meeting of the Inter-Area Planning Stakeholder Advisory Committee (“IPSAC”). We understand that the goal of the draft is to revise the Protocol to comply with the inter-regional planning requirements of Order No. 1000 issued by the Federal Energy Regulatory Commission (“FERC”). National Grid appreciates the opportunity to comment on the first draft of these revisions.

National Grid supports the objectives set forth in Order No. 1000 of enhancing inter-regional planning. In the Northeast, we agree that the platform for improved inter-regional planning already exists in the form of the Protocol and IPSAC. We believe that the Order No. 1000 compliance efforts will allow the Northeast to further develop this platform to provide effective inter-regional planning that brings value to customers by identifying beneficial transmission expansions. Ideally, this enhanced platform will allow the regions to:

- Conduct an inter-regional planning exercise with the goal of identifying transmission expansions of potential interest;
- Take a long-term look at inter-regional transmission needs with a broad scope (including reliability, economic, and policy needs); and

- Design the process such that the results of the inter-regional study plan are actionable, and so that identified transmission expansions may move forward effectively.

National Grid believes the draft revisions to the Protocol correctly identify issues where either the Protocol or corresponding provisions of the regional ISO and RTO tariffs will need to be amended to comply with the inter-regional planning requirements of Order No. 1000. The first draft of these revisions, however, provides insufficient detail on how the existing inter-regional planning procedures will be updated to comply with Order No. 1000. For example, the draft revisions state that “The submission of the interregional transmission project in each regional transmission planning process will trigger the procedure under which the Parties, will jointly evaluate the proposed transmission project,” but provide no details on how this joint evaluation procedure is intended to occur. The draft revisions also state that the inter-regional planning process will “include evaluation of the relative efficiency and cost-effectiveness of interregional solutions to identified regional needs, where judged promising by the JIPC in consultation with the IPSAC, compared with regional solutions in the respective regions.” It is not clear how “relative efficiency and cost-effectiveness” will be determined. In addition, the revisions do not state how the JIPC will determine if a proposed inter-regional solution is “promising.” As a utility with transmission planning roles and responsibilities in both New York and New England, National Grid is ready to work with the ISOs/RTOs and regional transmission owners to develop these details and to consider input from interested stakeholders. In particular, National Grid believes that coordination with the States in the region is a critical element of the stakeholder process.

The draft revisions to Section 4.4 of the Protocol acknowledge the need for a cost allocation methodology for inter-regional projects that satisfies the six principles in Order No. 1000. Although the draft revisions do not expressly account for the role of the transmission owners in addressing these cost allocation issues, the revised Protocol appropriately continues to provide that the Protocol “will not impact the rights of each Party's respective members under the separate and individual governance, tariffs and agreements of each RTO or ISO.” Under existing agreements and arrangements with the ISOs/RTOs, transmission owners in New England and New York have significant filing rights with respect to transmission rate design issues, including issues related to cost allocation. National Grid stands ready to work with the other transmission owners and with the ISOs/RTOs to address the cost allocation requirements of Order No. 1000.

National Grid is also submitting joint comments on the draft revisions to the Protocol with the New York transmission owners. National Grid expects to provide further input on the updates needed to comply with the inter-regional planning requirements of Order No. 1000 in coordination with its fellow transmission owners in New England and New York. National Grid believes that the objectives of Order No. 1000 compliance can best be achieved through active and ongoing coordination between the ISOs/RTOs and the transmission owners. The parties with the compliance obligations can work together to address these issues with ongoing input from the States and other stakeholders.

Again, we thank you for initiating this process and for the opportunity to provide these comments. We look forward to working together. Please feel free to contact the undersigned with any questions.

Respectfully submitted,

National Grid USA, Inc.

/s/

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