

HUNTON & WILLIAMS

1900 K STREET, NW
SUITE 1200
WASHINGTON, DC 20006-1109

NATIONAL GRID USA SERVICE COMPANY, INC.

25 RESEARCH DRIVE
WESTBOROUGH, MA 01582

March 27, 2009

By Hand Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Filing of an Executed Standard Large Generator Interconnection Agreement Among the New York Independent System Operator, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, and Erie Boulevard Hydropower, L.P., and Request for Waiver of the Commission's Prior Notice Requirements, Docket No. ER09-____-000

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act,¹ Section 35.12 of the Commission's Regulations,² and Section 11.3 of its Large Facility Interconnection Procedures ("LFIP"), the New York Independent System Operator, Inc. ("NYISO") and Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") (together, the "Joint Filing Parties") hereby tender for filing an executed Standard Large Generator Interconnection Agreement ("Agreement") among the NYISO, NYSEG, and the Developer,³ Erie Boulevard Hydropower, L.P. ("Erie"). The Joint Filing Parties respectfully request waiver of the Commission's prior notice requirements to make the Agreement effective as of March 11, 2009. With the limited exceptions noted in Part I.B of this letter, the Agreement conforms to the NYISO's *pro forma* Large Generator Interconnection Agreement ("LGIA") that is contained in Attachment X of the NYISO's OATT.

I. Discussion

A. Background

Erie's existing Sherman Island Hydroelectric Generating Facility (the "Existing Facility") is located near Glens Falls, in the Town of Queensbury in Warren County, New York. The Existing Facility consists of four 7.2 MW hydroelectric generating units, with a total combined

¹ 16 U.S.C. § 824d (2006).

² 18 C.F.R. § 35.12 (2008).

³ Capitalized terms not otherwise defined in this letter have the meaning set forth in Attachments S and X of the NYISO's Open Access Transmission Tariff ("OATT").

capacity of 28.8 MW. Erie is expanding the Existing Facility with a 8.45 MW project, Queue Position numbered 233 (the "Expansion Project") consisting of one 7.2 MW hydroelectric generating unit and one 1.25 MW hydroelectric generating unit. The combined capacity of the Existing Facility and the Expansion Project (together the "Facility") will total 37.25 MW. The Facility's Point of Interconnection is at a point where National Grid's Attachment Facility, a 300-foot 115 kV tap line, taps its Spier-Queensbury #17 115 kV transmission line, approximately 3.84 miles from the Spier Falls Substation and 4.97 miles from the Queensbury Substation.

B. Variations From the NYISO's *Pro Forma* LGIA

The Joint Filing Parties have agreed to modify Article 5.11 ("Transmission Owner's Attachment Facilities Construction") to provide that National Grid "will not transfer operational control of its Attachment Facilities or Stand Alone System Upgrade Facilities to the NYISO upon the completion of those facilities." This change is necessary because the lines to which the new Attachment Facilities and Stand Alone System Upgrade Facilities are connected to are not subject to the NYISO's operational control. Accordingly, the Joint Filing Parties request that the Commission permit this variation from the *pro forma* LGIA, which it has allowed under similar circumstances.⁴

The Joint Filing Parties have also agreed to a limited number of variations to correct errors in the NYISO's *pro forma* LGIA. First, the Joint Filing Parties have corrected typographical errors in the definition of Capacity Resource Interconnection Service and in Article 9. Second, Article 24.3 has been modified to add the word "Connecting" to "Transmission Owner" which was inadvertently omitted from the *pro forma* LGIA. Finally, the term "Network Access Interconnection Service" has been deleted from Article 29.8, as that service no longer exists and has been replaced with the terms "Energy Resource Interconnection Service and Capacity Resource Interconnection Service." The Joint Filing Parties respectfully request that the Commission accept these modifications.

II. Effective Date and Request for Waiver of the Prior Notice Requirement

The Joint Filing Parties request a waiver of the prior notice requirement under Section 35.3(a)⁵ of the Commission's regulations to allow the Agreement to become effective as of March 11, 2009. The Commission has allowed interconnection agreements to become effective on the date of execution, even when that date precedes the date that an interconnection agreement is filed.⁶

⁴ See, e.g., *New York Independent System Operator, Inc., et al., Letter Order*, Docket No. ER08-1229-000 (Aug. 7, 2008) and *New York Independent System Operator, Inc., et al., Letter Order*, Docket No. ER08-377-000 (Jan. 31, 2007).

⁵ 18 C.F.R. § 35.3(a) (2008).

⁶ See, e.g., *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp., Letter Order*, Docket No. ER08-985-000 (June 26, 2008) (accepting interconnection agreement effective as of the date of execution); *New York Independent System Operator, Inc. and New York Power Authority, Letter Order*, Docket No. ER08-861-000 (May 27, 2008) (same); *New York Independent System Operator, Inc. and New York Power Authority, Letter Order*,

III. Communications and Correspondence

Communications regarding this filing should be directed to:

For the NYISO

Robert E. Fernandez, General Counsel
*Karen Georgenson Gach, Senior Attorney
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-4702
rfernandez@nyiso.com
kgach@nyiso.com

*J. Kennerly Davis⁷
Hunton & Williams LLP
951 East Byrd Street
Richmond, VA 23219
Tel: (804) 788-8559
Fax: (804) 788-8218
kdavis@hunton.com

*Ted J. Murphy
Vanessa A. Colón
Hunton & Williams LLP
1900 K Street, NW, Suite 1200
Washington, DC 20006-1109
Tel: (202) 955-1500
Fax: (202) 778-2201
tmurphy@hunton.com
vcolon@hunton.com

For National Grid

*Douglas Fuess
Transmission Account Manager
Transmission Commercial Services
National Grid USA
300 Erie Blvd. W.
Syracuse, New York 13202
Tel: (315) 428-6192
douglas.fuess@us.ngrid.com

*Daniel Galaburda
National Grid USA Service Company, Inc.
25 Research Drive
Westborough, MA 015682
Tel: (508) 389-3242
Fax: (508) 389-2463
daniel.galaburda@us.ngrid.com

*Designated to receive service

Docket No. ER08-699-000 (May 16, 2008) (same); *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp., Letter Order*, Docket No. ER08-427-000 (Feb. 28, 2008) (same); *New York Independent System Operator, Inc. and New York State Electric & Gas Corp., Letter Order*, Docket Nos. ER07-1329-000, *et al.* (Jan 3, 2008) (same).

⁷ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2008) to permit service on counsel for the NYISO in both Washington, DC and Richmond, VA.

IV. Documents Submitted

The Joint Filing Parties submit the following documents:

1. this filing letter;
2. a clean version of the Agreement ("Attachment I"); and
3. blacklined sheets showing the changes from the body of the NYISO's *pro forma* LGIA ("Attachment II").

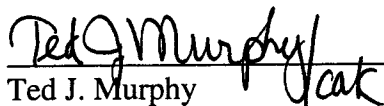
V. Service

The NYISO will send a paper copy of this filing to Erie. The NYISO will also electronically send a link to the public version of this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the electric utility regulatory agencies of New Jersey and Pennsylvania. In addition, the complete public version of this filing will be posted on the NYISO's website at www.nyiso.com. The NYISO will also make a paper copy available to any interested party that requests one. To the extent necessary, the NYISO requests waiver of the requirements of 18 C.F.R. § 35.2(d) (2008) to permit it to provide service in this manner.

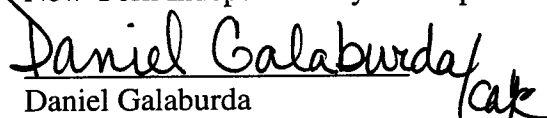
VI. Conclusion

Wherefore, the NYISO and National Grid respectfully request that the Commission accept the attached Agreement effective as of March 11, 2009.

Respectfully submitted,


Ted J. Murphy

Counsel for
New York Independent System Operator, Inc.


Daniel Galaburda

Counsel for
Niagara Mohawk Power Corporation
d/b/a National Grid

cc: Shelton Cannon
Michael Bardee
Kathleen Nieman
John Yakobitis
Gregory Berson

Larry Gasteiger
Connie Caldwell
Lance Hinrichs
Rachel Spiker
Jeffrey Honeycutt