

July 18, 2007

**By Electronic Filing**

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

**Re: *New York Independent System Operator, Inc.*, Docket No. ER07-570-000  
Notice of Further Delay in Implementation of the Dennison Scheduled Line**

Dear Ms. Bose:

On February 23, 2007, the New York Independent System Operator, Inc. (“NYISO”) filed proposed revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff”) in which it sought to designate two new Scheduled Lines<sup>1</sup> — the Dennison Scheduled Line and the Neptune Scheduled Line.<sup>2</sup> Consistent with commitments it made in its transmittal letter, on April 18, 2007 the NYISO provided notice to the Commission and to its Market Participants that it expected to implement the Dennison Scheduled Line on May 1, 2007.

On April 25, the NYISO informed the Commission that it would not be possible to implement the Dennison Scheduled Line on May 1, 2007 due to Hydro Quebec TransEnergie’s (“HQTE’s”) inability to timely obtain all of its necessary regulatory approvals. HQTE has informed the NYISO that it now possesses all of the necessary regulatory approvals. However, the Long Sault division of Alcoa Generating Inc., which owns the transmission line between the Dennison Substation and the Canadian border,<sup>3</sup> has informed the NYISO that certain requirements associated with its Department of Energy (“DOE”) Presidential Permit (related to ensuring that transmission customers scheduling exports to Canada over the transmission facilities possess valid and sufficient DOE Export Permits), preclude it from supporting the NYISO’s implementation of the facilities as a Scheduled Line at this time.

---

<sup>1</sup> Capitalized terms not otherwise defined have the meanings ascribed to them in the NYISO’s OATT and Services Tariff.

<sup>2</sup> The Commission accepted the NYISO’s filing, subject to revision, on April 17 in the captioned proceeding. *New York Independent System Operator, Inc.*, Letter Order, Docket Nos. ER07-570-000 and -001 (April 17, 2007).

<sup>3</sup> The transmission facilities owned by Long Sault are operated by Cedar Rapids Transmission Company, a subsidiary of Hydro Quebec, pursuant to a contract between Hydro Quebec and Long Sault.

Until Long Sault's concerns are considered and addressed, the NYISO will continue to model the interconnection as a Generator.<sup>4</sup>

The NYISO is not able, at this time, to provide an expected implementation date. In accordance with its earlier commitments, the NYISO will provide at least two weeks' notice prior to its implementation of the Dennison Scheduled Line.

Please contact the undersigned with any questions regarding this letter.

Respectfully submitted,

/s/ Alex M. Schnell

Alex M. Schnell

New York Independent System Operator, Inc.

---

<sup>4</sup> Modeling the point of interconnection between the transmission facilities owned by Long Sault and National Grid's Dennison substation as a Generator means that Hydro Quebec Energy Services (U.S.) can offer capacity and energy at the bus, just like a Generator that is located in the NYCA. However, other New York Market Participants will not be able to submit External Transactions at the bus and it will not be possible for anyone to schedule Exports to Canada until the Proxy Generator Bus associated with the Dennison Scheduled Line is implemented.

**CERTIFICATE OF SERVICE**

I hereby certify that I have electronically served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with 18 C.F.R. § 385.2010 (2006).

Dated at Rensselaer, New York this 18<sup>th</sup> day of July, 2007.

*/s/ Alex M. Schnell* \_\_\_\_\_

Alex M. Schnell

New York Independent System Operator, Inc.

10 Krey Boulevard

Rensselaer, NY 12144

518-356-8707