

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Niagara Mohawk Power Corporation,)	
A National Grid Company)	
)	
v.)	Docket No. EL06-1-000
)	
New York State Reliability Council, LLC)	
)	
and)	
)	
New York Independent System Operator, Inc.)	

**MOTION FOR LEAVE TO RESPOND AND RESPONSE OF
THE NEW YORK STATE RELIABILITY COUNCIL, LLC AND THE NEW YORK
INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.213 (2007), the New York State Reliability Council, LLC ("NYSRC") and the New York Independent System Operator, Inc. ("NYISO") move for leave to respond and submit this response to the Comments of Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") on Quarterly Informational Report of the NYISO and NYSRC ("National Grid Comments").

In support hereof, the NYSRC and the NYISO state as follows:

I. MOTION FOR LEAVE TO FILE RESPONSE

On June 29, 2007, the NYSRC and NYISO submitted to the Commission a joint filing entitled "Quarterly Informational Report, Actions Taken by the New York State Reliability Council and the New York Independent System Operator Concerning the Issues Raised in the Complaint Filed by Niagara Mohawk Power Corporation, d/b/a National Grid" ("Informational Report"). The Informational Report was submitted in accordance with the Commission's July 26, 2006 "Order Accepting Informational Report and Requiring Further Reports," which was

issued in *New York Independent System Operator, Inc.*, 116 FERC ¶ 61,084 (2006) ("July 26 Order"). On July 16, 2007, National Grid submitted comments in response to the Informational Report. The NYSRC and the NYISO respectfully request that the Commission grant the necessary waivers of its regulations to permit this response to the comments filed by National Grid.

II. RESPONSE

The NYSRC and NYISO will not address the substantive comments made by National Grid, since all of those comments should be raised and discussed at the Resource Adequacy Issues Task Force and other appropriate NYSRC and NYISO committees. However, the comments submitted by National Grid require a response. National Grid asks the Commission (1) to consider its comments on the NYISO/NYSRC Informational Report; (2) require the NYISO and NYSRC to file the results of and recommendations regarding their annual Upstate-Downstate study each year for the next three years; and (3) issue an order consistent with its comments. The Commission should reject National Grid's requests.

First, the Commission should not consider National Grid's comments because the Commission's July 26 Order did not authorize the submission of comments on the Informational Report. The July 26 Order specifically stated that the "quarterly reports are for informational purposes only" and that the Commission did "not intend to publish notice of the reports in the *Federal Register*."¹

Second, the Commission should not require the NYISO and NYSRC to file the results of and recommendations regarding their annual Upstate-Downstate study each year for the next three years because it is unnecessary and counterproductive. National Grid's assertion that the

¹ July 26 Order at P 12.

Upstate-Downstate study found that the potential for a subsidy exists in the future² raises purely speculative issues and ignores the consensus (based on the Upstate-Downstate Study) that the current Installed Reserve Margin does not result in a subsidy of one region by another region.

Moreover, if evidence of a subsidy is developed, the NYSRC/NYISO governance process is the appropriate venue for addressing the issue. National Grid's request that future Upstate-Downstate studies be filed with the Commission for the purpose of accepting comments thereon could be precipitous and undermine the normal NYSRC and NYISO governance procedures. National Grid has not identified why it should not exhaust its methods of resolving future issues, should any appear, in the same way the Commission directed it to pursue its 2006 complaint, *i.e.*, *before* bringing its issues back to the Commission.³

Third, the Commission should deny National Grid's request that the Commission issue an order consistent with its comments. The July 26 Order specifically stated that the Commission did not "intend to issue orders addressing the reports or any responsive pleadings."⁴

Fourth, should the Commission decide to entertain National Grid's comments, despite the statements in the July 26 Order, the NYSRC should be given an opportunity to address the substantive issues raised by National Grid in its comments.

III. CONCLUSION

For the foregoing reasons the NYSRC and the NYISO respectfully request that the Commission:

1. Accept this response to the comments on the Informational Report submitted by National Grid; and

² National Grid Comments at 6.

³ *Niagara Mohawk Power Corp. v. N.Y. State Reliability Council*, 114 FERC 61,098, at PP 1, 19 & 22 (2006).

⁴ July 26 Order at P 12.

2. Deny National Grid's request to impose on the NYSRC and NYISO a requirement to file the results of and recommendations regarding their annual Upstate-Downstate study each year for the next three years; and
3. Deny National Grid's request that the Commission issue an order consistent with its comments; and
4. Grant the NYSRC an opportunity to address the substantive issues raised by National Grid in its comments should the Commission decide to entertain National Grid's comments.

Respectfully submitted,

/s/ Bruce B. Ellsworth

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Dated: July 31, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Washington, D.C. this 31st day of July, 2007.

/s/ Claire M. Brennan

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Respectfully submitted,

/s/ Bruce B. Ellsworth

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Dated at Washington, D.C. this 31st day of July, 2007.

/s/ Claire M. Brennan

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