

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

Consolidated Edison Company of New York, Inc.)	
)	
v.)	Docket No. EL02-23-000
)	
Public Service Electric and Gas Company)	
)	
PJM Interconnection, L.L.C. and)	
)	
New York Independent System Operator, Inc.)	

ANSWER OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.

Pursuant to Rule 213 of the Commission’s Rules and Regulations¹ and the Commission’s December 18, 2001 *Notice of Further Extension of Time* in the above-captioned proceeding, the New York Independent System Operator, Inc. (“NYISO”), by counsel, hereby answers the November 15, 2001 *Complaint of Consolidated Edison Company of New York, Inc.*

I. Copies of Correspondence

The following persons should be included on the official service list in this proceeding, and all communications concerning this proceeding should be addressed to them.

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¹ 18 C.F.R. § 385.213 (2001).

II. Answer

The issues in this proceeding turn on the interpretation of certain contracts between the Consolidated Edison Company of New York, Inc. (“ConEd”) and Public Service Electric and Gas Company (“PSEG”). The NYISO has no stake in the dispute, and no interest in its financial ramifications for ConEd or PSEG, and therefore takes no position here on the proper construction of those agreements. At the same time, the NYISO agrees that the administration of the ConEd - PSEG wheeling arrangements has been problematic and that the NYISO and the PJM Interconnection LLC (“PJM”), together the “ISOs,” should be ultimately responsible for administering the ConEd - PSEG wheel.

To date, the development of improved coordination and scheduling procedures has been impeded by the uncertainties caused by the dispute between ConEd and PSEG over the meaning of the subject agreements and the role that the ISOs are to play with respect to them. A resolution, either pursuant to a settlement between ConEd and PSEG or to Commission-intervention, has become a pre-requisite to progress in this area. The NYISO expects that the resolution of the contract issues will make it possible for the ISOs to successfully develop improved procedures and to better manage the administration of the ConEd - PSEG wheel. These improvements would help to reduce scheduling difficulties that currently arise under the agreements and ensure that reliability in New York City is preserved.

Finally, the NYISO has noted ConEd’s allegation that PSEG has curtailed transmission service in order to restrain competition and exercise market power. The NYISO has requested

that ConEd provide further particulars of the bases for these allegations, and will conduct such further investigations, within the scope of the NYISO's responsibilities and authority, as may be warranted.

Respectfully submitted,

Ted J. Murphy
Counsel for
New York Independent System Operator, Inc.

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January 22, 2002

cc: Daniel L. Larcamp, Director Office of Markets, Tariffs and Rates, Room 8A-01,
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each party designated on the official service list compiled by the Secretary in Docket No. EL02-23-000, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2001).

Dated at Washington, DC this 22nd day of January, 2002.

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