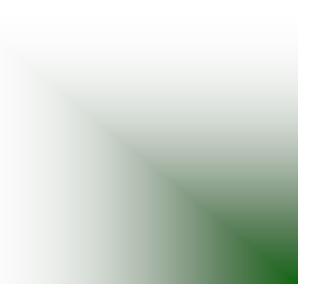


Joint Interconnection Compliance Filings

Status Update

Prepared By John P. Buechler

BIC/OC Meetings September 22-23, 2004 Albany



FERC Order: (Issued August 6, 2004)

- Order Address both the Jan 20th and April 26th Joint Compliance Filings re: Orders 2003 and 2003A
- LGIP and LGIA were conditionally accepted
- > Order deals primarily with issues in dispute
 - States that issues not addressed in Order are accepted
- Effective date: August 6, 2004
- Order also addresses the requests for clarification, waiver and rehearing filed in February and April
- Compliance filing due within 60 days (Oct 7, 2004) to address FERC directives in this Order

NYISO/TO Filings re: Deliverability

> August 31st – Filed motion for extension of time

- 120 days to complete deliverability study, review with stakeholders and respond to FERC Order (Due Feb 7, 05)
- 30 days to submit changes to the study agreement liability provisions (Due Oct 7, 04)
- FERC granted these extensions on September 8th

September 7th – Filed request for clarification/rehearing

- FERC should not foreclose the possibility that the NYISO, in conjunction with its stakeholders, may conclude that a deliverability product similar to NRIS may not be needed for the NYISO markets
- Such a request should be eligible for consideration as an "independent entity" variation

"Interim Period" Issue

- FERC required that its *pro-forma* IP and IA must be used for any TO-processed interconnection requests which occurred during the "interim period" (January 20-August 6, 2004)
- Based upon information provided to the NYISO by both TOs and Developers, it was determined that there were no projects that would fall under the "interim period" provisions
- Therefore, there was no need to file for clarification or waiver on this issue

Compliance Filing (Due October 7th)

- NYISO/TOs propose to file the following modifications in compliance with the August 6th FERC Order:
- Unexecuted LGIA (IP Section 11.3)
 - NYISO to draft the disputed provisions
 - TOs to include their comments in the joint filing
- > Access Rights (IA Article 5.12)
 - Modify to delete the charge for granting access
- Interconnection Study Agreements (IP Appendix)
 - Modify to extend the disclaimer of liability to all parties

Compliance Filing (Cont'd)

- Disclosure of Confidential Information to States (IP Section 13.18; IA Article 22.1.10)
 - Modify to reinstate the pro-forma provisions
- Notification of emergency service interruptions (IA Article 9.6.2.3)
 - Modify to reinstate the pro-forma requirement for written notice
- Report on Attachment S revisions, including:
 - TPAS Issues
 - Keyspan Settlement Issues

Implementation Activities: Status

Transition period (60 days) issues being addressed at TPAS

- Identification of applicable projects underway
- Transition process to new procedures
- NYISO role under discussion
- Deliverability study
 - Scope revised based on IITF comments
 - Consultants being retained by NYISO
 - Filing due February 7, 2005
- Development of IA for Merchant Transmission
 - Two meetings have been held; comments solicited
 - NYISO to develop red-line document for early-Oct TPAS