

CON EDISON ISSUES STATEMENT

Con Edison respectfully submits that the draft protocol¹ fails to address or properly resolve certain issues as set forth below. It is the view of Con Edison that these issues can be resolved by reference to Commission Opinion No. 476, through the submission of written comments on the proposed protocol, without need for the conduct of an evidentiary hearing.

1. Whether the emergency-response provisions are consistent with the provisions of the contract? (Step 1.3).
2. With respect to the 400 MW Contract whether (i) Con Edison is entitled to advance notice of the extent and amount of congestion to be incurred prior to making its election, (ii) Con Edison has firmed up the 400 MW Contract when it specifies an election without redispatch cost limits, and if so firmed up, (iii) its congestion credits should be the same as firm customers holding FTRs? (Appendix 1, Steps 4, 9 and 15).
3. Whether PSE&G should be awarded FTRs for the 600 MW Contract? (Appendix 1, Step 14).
4. Whether (i) deviations from RTMDF to relieve off-cost conditions should be limited to 200 MW for some initial period in order to assure that the arrangement can be implemented reliably, (ii) PJM and NYISO should report annually on the incidence of the triggering circumstances and the level of the deviant flows, (iii) to assure that deliveries and re-deliveries are essentially contemporaneous there should be a corrective mechanism for persistent cumulative deviations from RTMDF that occur during peak periods? (Appendix 1, Steps 18, 20-21).
5. Whether, if Con Edison firms up the 400 MW Contract and the 400 and 600 MW Contracts are dispatched economically per Appendix 1, the contractual service should be curtailed pro rata with firm customers or pursuant to the contractual curtailment provisions? (Appendix 2, Section B).
6. Whether (i) retirement of PSE&G generators would violate the planning provision of the 600 MW Contract, (ii) such retirements could justify curtailment of transmission service to Con Edison? (Appendix 2, Section B).

¹ The version of the draft submitted to the Commission was first circulated to Con Edison on February 18, 2005, and accordingly Con Edison reserves the right to supplement its issues statement following an opportunity to review changes made to the penultimate version of the draft protocols.

7. Whether the market monitoring procedures adequately provide for extra-territorial investigations in the adjacent control area and initiation of investigations by one market monitoring unit? (Appendix 4).
8. Whether the proposed planning standards and impairment assessment procedures are consistent with the terms and conditions of the 600 MW Contract? (Appendix 5).
9. Whether (i) adjustments to the distribution of flows among the ABC feeders under the proposed protocol should be limited to 125 MW, or (ii) ABC feeder flow reductions may occur prior to full utilization of PARs and redispatch in PJM, in either instance consistent with the requirements of the Commission's Phase II Order (P 159)? (Appendix 7).