

108 FERC ¶ 61,164
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

KeySpan-Ravenswood, Inc.

Docket No. EL01-50-006

v.

New York Independent System Operator, Inc.

ORDER CLARIFYING PRIOR ORDER

(Issued August 9, 2004)

1. In this order, the Commission grants the joint request for clarification of an order denying rehearing issued on May 10, 2004 (May 10 Order).¹ The May 10 Order addressed issues related to the provision of station power.

Background

2. This proceeding commenced in March 2001, when a merchant generator with generating facilities located in New York State, KeySpan-Ravenswood, Inc. (KeySpan), filed a complaint under section 206 of the Federal Power Act² challenging the station power practices of the New York Independent System Operator, Inc. (NYISO). KeySpan requested, among other things, that the Commission modify the NYISO Services Tariff to ensure that merchant generators would be able to self-supply station power along the principles the Commission recently established with respect to PJM Interconnection, LLC (PJM),³ which enable merchant generators to procure station power competitively, thereby freeing them from the incumbent (host) utility's monopolistic supply of station power.

¹ KeySpan-Ravenswood, Inc. v. New York Independent System Operator, Inc., 107 FERC ¶ 61,142 (2004).

² 16 U.S.C. § 824e (2000).

³ The Commission established the fundamental principles of station power procurement and delivery in three orders: PJM Interconnection, LLC, 94 FERC ¶ 61,251, order denying reh'g and providing clarification, 95 FERC ¶ 61,333 (2001); and PJM Interconnection, LLC, 95 FERC ¶ 61,470 (2001).

3. In an order issued on May 15, 2002 (May 15 Order), the Commission found that KeySpan had met its burden of showing that the then-current NYISO rules for station power (contained in a technical manual that was not on file with the Commission) were not just and reasonable. The Commission held that “the NYISO must allow self-supplying merchant generators to net station power against gross output over some reasonable time period in order ‘to ensure that they do not bear a cost that has no relationship to any “service” purportedly being provided by another party.’”⁴ The Commission ordered NYISO to file a proposed revised tariff to include the transmission of station power, emphasizing that the proposed station power rules need not track those aspects of the PJM station power rules that would not be appropriate for New York State.⁵

4. In compliance with the May 15 Order, NYISO submitted a compliance filing, which the Commission accepted as modified, in an order dated November 22, 2002 (November 22 Order).⁶ Multiple parties made timely requests for rehearing of the November 22 Order. In the May 10 Order at issue here, the Commission denied the requests for rehearing.

5. In footnote 3 in the May 10 Order, the Commission remarked that KeySpan and Consolidated Edison Company of New York, Inc. (Con Edison) had reached a settlement on rates to deliver station power, and that the settlement was “in effect only until the issuance of a final and non-appealable order on the compliance filing.”⁷

Request for Clarification

6. KeySpan and Con Edison jointly seek clarification of the statement in footnote 3 of the May 10 Order that the “settlement is in effect only until the issuance of a final and non-appealable order on the compliance filing.”⁸ They seek clarification that the

⁴ KeySpan-Ravenswood, Inc. v. New York Independent System Operator, Inc., 99 FERC ¶ 61,167 at 61,680 (footnote omitted), *order on reh'g*, 100 FERC ¶ 61,201 (2002).

⁵ 99 FERC at 61,680.

⁶ KeySpan-Ravenswood, Inc. v. New York Independent System Operator, Inc., 101 FERC ¶ 61,230 (2002).

⁷ May 10 Order, 107 FERC ¶ 61,142 at P 3 n.3.

⁸ *Id.*

Commission's statement only applied to interim transmission charges. They explain that all other provisions of the settlement continue in effect "through and including the last day on which KeySpan-Ravenswood uses facilities belonging to Con Edison to provide the station power needs of the Ravenswood Facilities."

Discussion

7. We will grant the motion. The Commission clarifies that the statement made in footnote 3 of the May 10 Order applies only to interim transmission charges and, pursuant to Article 1.1 of the settlement, the other provisions of the settlement continue in effect "through and including the last day on which KeySpan-Ravenswood uses facilities belonging to Con Edison to provide the station power needs of the Ravenswood Facilities."

The Commission orders:

The request for clarification is hereby granted, as set forth in the body of this order.

By the Commission.

(S E A L)

Linda Mitry,
Acting Secretary.