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* REGISTERED TO PRACTICE BEFORE U.S.
PATENT AND TRADEMARK OFFICE

** NOT ADMITTED IN DC

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Honorable Karen Antion
Chair of the Board of Directors
c/o Mr. Mark S. Lynch
President & CEO
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

**RE: Motion in Opposition of the New York Association of Public Power
To the KeySpan and IPPNY Appeals on In-City Mitigation Measures**

Dear Ms. Antion:

In accordance with the Procedural Rules of Appeals to the NYISO Board, the New York Association of Public Power ("NYAPP") hereby submits this Motion in Opposition to the appeals filed by KeySpan-Ravenswood, LLC, the Independent Power Producers of New York and others (collectively, "Appellants") with respect to the Management Committee's September 29, 2006 decisions (motions 4, 6 and 7), which approved a market mitigation proposal for the In-City capacity market ("Mitigation Measures").

NYAPP requests that the Board deny the Applicants' appeals because the Management Committee had a solid factual basis for approving the Mitigation Measures. NYAPP believes that it is likely that economic withholding has occurred in the In-City capacity market. It is important that the Board recognize that the exercise of market power resulted in inflated capacity prices in the Rest of State, as well as in New York City.

NYAPP rejects the fundamental assumption of the Applicants that generators are entitled to receive guaranteed streams of revenue at artificially high prices. The introduction of competitive markets had two key premises: (1) that market prices would decline compared to cost-of-service regulation and (2) that risk would be shifted from consumers to investors. The current efforts of the Applicants are designed to maintain prices at or above their cost of service and to shift risk back to consumers. NYAPP urges the NYISO Board to resist these efforts and deny the appeals.

NYAPP does not believe there is a need for oral argument on this issue, but reserves the right to participate if the Board requires oral argument. The NYAPP members that are Members of the Committee are the Village of Freeport, Jamestown Board of Public Utilities and the Village of Rockville Centre.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Rudebusch". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas L. Rudebusch
Attorney for New York Association
of Public Power and its members