

ORIGINAL

**HUNTON &
WILLIAMS**

FILED
OFFICE OF THE
SECRETARY

2004 OCT -1 P 1:38

FEDERAL ENERGY
REGULATORY COMMISSION

HUNTON & WILLIAMS LLP
1900 K STREET, NW
WASHINGTON, DC 20006-1109

TEL: 202-955-1500
FAX: 202-778-2201

TED J. MURPHY
DIRECT DIAL: (202) 955-1588
EMAIL: tmurphy@hunton.com

FILE NO: 55430.000045

October 1, 2004

The Honorable Isaac Benkin
Administrative Law Judge
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *Consolidated Edison Company of New York v. Public Service Electric and Gas Company, et al.*, Docket No. EL02-23-000

Dear Judge Benkin:

This is to advise you, in accordance with P 72(A) of your initial decision in *Consolidated Edison of New York v. Public Service Electric & Gas Company, et al.*, 103 FERC ¶ 63,047 (2003), affirmed by the Commission at 108 FERC ¶ 61,120 at P 216, that the New York Independent System Operator, Inc. ("NYISO"), PJM Interconnection L.L.C. ("PJM"), Consolidated Edison Company of New York ("ConEd"), and Public Service Electric and Gas Company ("PSE&G") are holding regularly scheduled meetings to develop operating protocols for power transfers under the contracts at issue in this proceeding. At a September 29 meeting, all four parties discussed a preliminary draft protocol that was developed jointly by the NYISO and PJM, with input from ConEd and PSE&G. The parties all agreed that continued discussions regarding the protocols should be continued and might lead to an agreed resolution of the issues that the parties have been directed to resolve. Any such agreed resolution would be subject to a reservation of rights concerning issues currently pending on rehearing or appeal.

Further work is needed to add detail to the draft proposal and to respond to suggestions offered and concerns raised at the September 29, 2004 meeting. The NYISO and PJM are currently preparing expanded and revised draft protocols, which will be considered at a meeting of all four parties on October 19, 2004.



The Honorable Isaac Benkin
October 1, 2004
Page 2

All four parties agree that substantial progress has been made and that there is no impasse that requires your, or the Commission's, intervention at this time. The parties intend to report back to you shortly after the October 19 meeting to identify any outstanding issues that appear likely to remain unresolved and to address whether additional time may be required to complete the filing of the protocols in accordance with ordering paragraph (C) of the Commission's order.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ted J. Murphy".

Ted J. Murphy
Hunton & Williams LLP
1900 K Street, N.W.
Washington, D.C. 20006

Counsel for New York Independent
System Operator, Inc.

A handwritten signature in cursive script that reads "Barry S. Spector".

Barry S. Spector
Wright & Talisman, P.C.
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005

Counsel for PJM Interconnection L.L.C.