

National Grid respectfully submits the following reply comments to clarify some misleading statements made in the comments of CPV Valley, and the Independent Power Producers of New York (CPV and IPPNY). These reply comments concern themselves solely with the question of whether the recommendation by the NYISO's consultant, the Analysis Group (AG), that the gas hub used for the Zone C Proxy Unit is appropriate and sensible given the tariff-driven criteria AG must follow. AG recommended Tennessee Gas Pipeline Zone 4 200 Leg (TGP Z4-200L). That recommendation was supported by the following entities in comments submitted to the NYISO:

1. NYISO's External Market Monitor (MMU)
2. Consumer Stakeholder Comments (including):
  - a. DPS Staff
  - b. City of New York
  - c. Multiple Intervenors
  - d. Consumer Power Advocates
3. New York Transmission Owners (NYTO)

National Grid joined the NYTO comments and therein provided arguments to support AG's recommendation for TGP Z4 200L for the Zone C Proxy Unit, and nothing in CPV Valley's comments undermine the comments of the NYTOs on this issue. National Grid supports the comments of the MMU, and AG particularly, for their focus on the hub selection criterion 'geography.' Without geography being the primary selection criterion the NYISO's entire location based DCR process breaks down.

National Grid would like to contest several points made in CPV's comments. CPV included the below in its comments:

*"Gas hub mapping for Zone C – the TGP Z4-200 Leg assumption does not provide for gas deliveries into New York. As defined, the index includes deliveries into Ohio and Pennsylvania, and the required transportation into New York is fully subscribed..."*

While technically correct, CPV ignores that similar statements could be made about TGP Z6 and Iroquois Z2. There are a several indices published by Platts that incorporate TGP Z6 transactions, but all correspond to locations east of NY (CT, MA, NH, RI). Iroquois Z2 corresponds to locations south of Athens, NY, primarily serving the eastern and southeastern areas of New York State, which do not correspond to Zone C, geographically. Zone C is positioned to take advantage of the gas supplies that are produced in Pennsylvania and Ohio and transported by TGP. CPV also make the claim that TGP Z4-200L is fully subscribed. While this may be true, this same statement could be applied to both the TGP Z6 and Iroquois Z2. CPV is simply stating the obvious: Northeast gas supply is constrained. Fully subscribed pipeline capacity is not unique to TGP Z4-200L, and using such a criterion to discern which hub to select would leave AG few or no appropriate options.