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December 23, 1999

By Hand

The Honorable David P. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Docket Nos. ER97-1523-000 et al.

Dear Mr. Boergers:

The New York Independent System Operator, Inc. ("NYISO"), by counsel, submits this letter in partial response to the Federal Energy Regulatory Commission's ("Commission") July 29, 1999 Order in *Central Hudson Gas & Electric Corp., et al.*, 88 FERC ¶ 61,138 (1999) ("July 29 Order"). In the July 29 Order, the Commission, among other issues, addressed transmission expansion and requests for interconnection. 88 FERC at 61,382-84. At the end of its discussion of those issues, the Commission found that the NYISO and the market participants should jointly develop guidelines for cost responsibility with regard to new interconnections.

Although the Commission did not provide a specific deadline for development for such joint guidelines, Ordering Paragraph (E) requires a filing with the Commission 30 days after the start of NYISO operations.

The NYISO hereby advises the Commission that it has raised this issue with the NYISO Management Committee, a committee consisting of all of the market participants, at the meeting of the Management Committee on December 9, 1999. That was the first meeting of the Management Committee subsequent to the commencement of NYISO operations.

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The Management Committee has referred the matter to the Business Issues Committee and the Operating Committee. Although no formal schedule has been established, the process is expected to take at least six months.

Respectfully submitted,

Arnold H. Quint
Counsel for
New York Independent System
Operator, Inc.

cc: All Parties in Docket Nos. ER97-1523-000 *et al.*

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