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March 31, 2006

\* REGISTERED TO PRACTICE BEFORE U.S.  
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\*OF COUNSEL

Mr. Mark S. Lynch  
President & CEO  
New York Independent System Operator, Inc.  
10 Krey Boulevard  
Rensselaer, NY 12144

**RE: The New York Association of Public Power (1) Expresses Support for the Revised Locational Installed Capacity Requirements Study Approved by the Operating Committee in Motion #89.01, and (2) Requests that the Board Reject National Grid's Improper Appeal of the Decision of the Operating Committee to Deny Grid's Amendment #89.01a**

Dear Mr. Lynch:

In accordance with the NYISO Notice dated March 28, 2006, the New York Association of Public Power ("NYAPP") hereby (1) states its support for the Revised Locational Installed Capacity Requirements Study, approved by the Operating Committee on March 28, 2006, in Motion #89.01. The Revised Study properly corrects for known errors in the original study and maintains the minimum Locational Capacity Requirement ("LCR") for Long Island at 99%. NYAPP's members on Long Island (Freeport, Greenport and Rockville Centre) are Load Serving Entities which are affected by the revised LCR. They, and their customers, may be negatively impacted if the erroneous LCR in the original study is used in the upcoming ICAP auctions.

Further, NYAPP strongly supports the actions of the Board of Directors to maintain the integrity of the auctions. The Board correctly must not allow procedural rules to be unfairly and knowingly utilized to base the auctions on an LCR value which is erroneous. The Board is

within its rights to act on this urgent matter and to protect the markets. The results of the revised Study must be used in the ICAP auctions.

NYAPP further requests (2) that the Board reject as improper National Grid's Notice of Appeal of the Operating Committee's decision to not adopt Grid's amendment #89.01a. Grid's amendment would have imposed LCRs consistent with Grid's "Free Flowing Equivalent Installed Reserve Margin," although does not explain how or what those LCRs would be. Grid's Appeal is frivolous and procedurally invalid because it raises the very same issues considered and rejected by the Board in its March 28 decision denying Grid's March 7 appeal. It must be rejected by the Board for that reason alone.

Please contact me with any questions about this letter.

Sincerely,

A handwritten signature in black ink that reads "Tom Rudebusch". The signature is written in a cursive, slightly slanted style.

Thomas L. Rudebusch  
Counsel for the New York Association  
of Public Power