

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>Keyspan-Ravenswood, Inc.</b>	)	
<b>Complainant</b>	)	
	)	
v.	)	<b>Docket No. EL02-59-000</b>
	)	
<b>New York Independent System Operator, Inc.</b>	)	
<b>Respondent</b>	)	

**ANSWER OF NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.  
OBJECTING TO KEYSpan-RAVENSWOOD, INC.’S MOTION TO DIRECT THE NEW  
YORK INDEPENDENT SYSTEM OPERATOR, INC. TO INITIATE STAKEHOLDER  
PROCESS ALLOWING BILATERAL TRANSACTIONS IN THE  
IN-CITY INSTALLED CAPACITY MARKET AND REQUIRING TARIFF FILLING, AND  
REQUEST TO SUBMIT ANSWER ONE DAY OUT OF TIME**

Pursuant to Rule 213 of the Commission’s Rules of Practice and Procedure,<sup>1</sup> the New York Independent System Operator, Inc. (“NYISO”), hereby respectfully submits this Answer to the *Motion of Keyspan-Ravenswood, Inc. To Direct The New York Independent System Operator, Inc. To Initiate Stakeholder Process Allowing Bilateral Transactions In The In-City Installed Capacity Market And Requiring Tariff Filling* (“Motion”) dated July 1, 2002. The NYISO requests that the Commission deny Keyspan-Ravenswood, Inc.’s (“Ravenswood”) Motion.

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<sup>1</sup> 18 C.F.R. § 385.213 (2001).

The NYISO respectfully requests that the Commission accept, without prejudice, this filing out of time. Granting the NYISO's Request to Submit Answer One Day Out of Time to the Motion of Ravenswood will not cause disruption in this proceeding, nor will it prejudice any party to the proceeding.

**I. Communications**

Copies of correspondence concerning this Answer should be served on:

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**II. Answer**

The NYISO respectfully requests that the Commission deny Ravenswood's Motion to order the NYISO to initiate a stakeholder process allowing bilateral transactions and to make corresponding tariff filings.

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<sup>2</sup> The NYISO respectfully requests waiver of 18 C.F.R. §385.203(b)(3) to permit service on counsel for the NYISO in both New York and Washington, D.C.

Ravenswood's Motion should be denied because the principal relief it seeks, a stakeholder process to develop rules to allow bilateral transactions in the capacity market in New York City, is already underway. Ravenswood has brought its proposal for allowing owners of generating plants divested by Consolidated Edison Company of New York, Inc. (hereinafter "DGOs") to enter into Installed Capacity bilateral transactions to the NYISO's AMP/In-City Mitigation Working Group and it is being addressed there. At its most recent meeting, on June 20, 2002, Market Participant members of that working group recommended that a joint meeting with the Installed Capacity Working Group be convened to consider Ravenswood's proposal, because of the overlapping concerns it raises. A joint meeting will be scheduled in the near future. The NYISO is committed to ensuring that the stakeholder process which has now begun reach a conclusion on this issue.

In addition, Ravenswood's request that the Commission order the NYISO to file tariff sheets, by a set date, should be denied to avoid undermining the very stakeholder process Ravenswood seeks to employ. Pursuant to the NYISO's ISO Agreement, the Management Committee and the Board jointly approve tariff revisions to be filed with the Commission pursuant to Section 205 of the Federal Power Act.<sup>3</sup> The tariff filing that Ravenswood requests the Commission to order is appropriate only after the Market Participant committees and the NYISO Board of Directors have authorized that a filing be made. The Ravenswood request that this process be circumvented with a Commission-imposed filing date should be denied.

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<sup>3</sup> The NYISO notes that there are some exceptions to this process as outlined in Article 19 of the ISO Agreement.

The NYISO remains committed to facilitating the speedy resolution of all issues before its working groups. The NYISO intends to ensure that the process of addressing the issue of bilateral sales of ICAP in the in-City ICAP market, which has already begun, is completed and that any resolution of this issue, if it would require that tariff amendments be filed, is brought to the Management Committee and the Board for action.

In the alternative, Ravenswood's filing should be denied for the same reasons the Commission denied Ravenswood's earlier Complaint on this same issue.<sup>4</sup> The action Ravenswood requests the Commission to take here is substantively identical to the action that Ravenswood requested in its Complaint filed February 15, 2002. There, barely six weeks ago, the Commission determined that allowing bilateral sales in the in-City ICAP market would not be appropriate at this time.<sup>5</sup> Ravenswood has not presented any reason to warrant a de novo review of the issues presented.

In addition, the in-City mitigation measures approved by the Commission in another Order dated May 31, 2002<sup>6</sup> have just recently taken effect. It would be premature to alter the in-City markets prior to recognition of the effects of the new mitigation design. In view of the fact that the Commission very recently rejected Ravenswood's request that it authorize bilateral sales in the in-City ICAP market, no new issues have been presented, and that in-City market conditions (in-City generation and capacity supply) have not materially changed since May 31, 2002, Ravenswood's Motion should be denied.

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<sup>4</sup> Keyspan Ravenswood, Inc., 99 FERC ¶ 61,252 (2002).

<sup>5</sup> Keyspan Ravenswood, Inc., 99 FERC ¶ 61,252 (2002).

<sup>6</sup> New York Independent System Operator, Inc., 99 FERC ¶ 61,246 (2002).

Accordingly, the NYISO respectfully requests that the Commission dismiss Ravenswood's Motion and, as it did in its May 31, 2002 Order in this docket, encourage Ravenswood to pursue the stakeholder governance processes afforded to it, and all market participants, in the NYISO stakeholder committee structure. The NYISO will continue to facilitate these processes.

Respectfully submitted,

/s/ Kathy Robb  
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July 17, 2002

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned proceeding, and on the New York State Public Service Commission, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 2010 (2001).

Dated at Washington, D.C. this 17th day of July, 2002.

*/s/ Ted J. Murphy* \_\_\_\_\_  
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