

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

|  |   |                      |
|--|---|----------------------|
| <b>Niagara Mohawk Power Corporation</b>          | ) | <b>ER96-2585-006</b> |
| <b>New England Power Company</b>                 | ) | <b>ER98-6-011</b>    |
| <b>KeySpan-Ravenswood, Inc.</b>                  | ) | <b>ER99-2387-004</b> |
| <b>KeySpan-Glenwood Energy Center, LLC</b>       | ) | <b>ER02-1470-004</b> |
| <b>KeySpan-Port Jefferson Energy Center, LLC</b> | ) | <b>ER02-1573-004</b> |
| <b>Granite State Electric Company,</b>           | ) |                      |
| <b>Massachusetts Electric Company,</b>           | ) | <b>ER05-1249-004</b> |
| <b>And the Narragansett Electric Company</b>     | ) |                      |
| <b>National Grid plc and KeySpan Corporation</b> | ) | <b>EC06-125-000</b>  |
| <b>KeySpan-Ravenswood, Inc.,</b>                 | ) |                      |
| <b>KeySpan-Glenwood Energy Center, LLC, and</b>  | ) | <b>EL08-15-000</b>   |
| <b>KeySpan-Port Jefferson Energy Center, LLC</b> | ) |                      |

**MOTION TO INTERVENE AND COMMENTS OF  
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.212 and 385.214 (2007), the New York Independent System Operator, Inc. (“NYISO”) hereby moves to intervene in the above-captioned proceedings and submits comments in support of the pleadings submitted on January 22, 2008 by National Grid USA (“National Grid”).<sup>1</sup>

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<sup>1</sup> These NYISO comments are submitted in response to (and in support of) the “Answer to Order to Show Cause” that National Grid submitted on January 22, 2008. The Commission did not notice that pleading or establish an intervention and comment deadline. Nonetheless, if the Commission deems this pleading to be out-of-time or otherwise not authorized by applicable Commission regulations, the NYISO respectfully requests that the Commission grant it leave to file these comments out-of-time. The NYISO submits that this pleading will be helpful to the Commission in resolving the issues regarding the National Grid market-based rate tariffs, and will not prejudice any party to this proceeding. *See, e.g., ISO New England, Inc., et al.*, 122 FERC ¶ 61,123 at P 19 (2008) (permitting motions to intervene out-of-time where there was no prejudice to existing parties); *Xcel Energy Services, Inc. v. Southwest Power Pool, Inc.*, 118 FERC ¶ 61,232 at P 10 (2007) (permitting otherwise unauthorized answer where it was helpful to FERC’s resolution of the underlying issues). The NYISO is also mindful that the

## I. Communications

All communications, correspondence, and documents related to this proceeding should be directed to the following persons:

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## II. Motion to Intervene

On December 20, 2007, the Commission issued an order questioning whether references to sales of certain services in the NYISO-administered markets should be included in the tariffs of various National Grid subsidiaries.<sup>2</sup> On January 22, 2008, National Grid, on behalf of its subsidiary KeySpan-Ravenswood, LLC (“Ravenswood”), filed an “Answer to Order to Show Cause” that attempts to retain, in the Ravenswood market-based rate (“MBR”) tariff, references to sales of “reactive supply and voltage service” and “black start capability” in the NYISO markets. On that same date, National Grid filed on behalf of Ravenswood and two other subsidiaries, KeySpan-Glenwood Energy Center, LLC (“Glenwood”) and KeySpan-Port Jefferson Energy Center, LLC (“Port Jefferson”), a “Filing to Comply with the December 20, 2007 Commission Order Regarding Market-Based Rate Tariffs” which (1) omits references in the Ravenswood MBR tariff to sales of “energy and balancing services” to the NYISO, and

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Commission generally does not permit interventions in investigations pursuant to 18 C.F.R. § 1b.11 (2007), but submits, to the extent that Rule 1b.11 is applicable here, that its participation in the above captioned proceedings will be helpful to the Commission in resolving questions regarding the NYISO’s energy and ancillary services markets, and should therefore be allowed.

<sup>2</sup> See *Niagara Mohawk Power Corporation, et al.*, 121 FERC ¶ 61,275 (2007) (“December 20 Order”).

(2) omits references in the Glenwood and Port Jefferson MBR tariffs to sales of “energy imbalance” service in the NYISO markets. The NYISO is the independent body responsible for providing open-access transmission service, maintaining reliability, and administering competitive wholesale electricity, ancillary services and capacity markets in New York State. Rate Schedules 2 and 5 of the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”) establish the rates, terms and conditions for the NYISO’s purchase of Voltage Support Service and Black Start and System Restoration Service provided by suppliers like Ravenswood. Furthermore, Section 4.4 of the NYISO Services Tariff governs the operation of the NYISO’s real-time energy markets.

Ravenswood supplies Voltage Support and Black Start and System Restoration Services to the NYISO under the rates, terms and conditions established in the NYISO’s Services Tariff. The NYISO relies on these services to provide reliable transmission service in the New York Control Area (“NYCA”). Furthermore, Ravenswood, Glenwood, and Port Jefferson sell energy into the NYISO’s real-time market. For these reasons, the NYISO has a strong interest in the outcome of this proceeding. Because the NYISO is the entity that operates the markets for energy and ancillary services in the NYCA, its interests cannot be adequately represented by any other party. It is therefore appropriate and in the public interest that the NYISO be permitted to intervene in this proceeding, and to participate with full rights as a party.

### **III. Comments**

- A. Ravenswood should be able to rely on either the express provisions of the NYISO Services Tariff, or on a revised version of its own MBR tariff, to sell Voltage Support or Black Start and System Restoration Services in the NYISO market**

The NYISO supports National Grid’s position that Ravenswood should be permitted to continue to sell in the NYISO markets Voltage Support or Black Start and System Restoration

Service either directly under the rates, terms, and conditions of the NYISO Services Tariff or under the proposed revised Ravenswood MBR tariff provisions that reference the NYISO Services Tariff. The NYISO is concerned that the Commission's show cause order regarding the permissibility of including references to "reactive supply and voltage service" and "black start capability" in the Ravenswood MBR tariff could inadvertently -- and adversely -- impact supplies of Voltage Support and Black Start and System Restoration Services in the NYISO markets. The Commission therefore should clarify that Ravenswood may rely on either the express provisions of the NYISO Services Tariff, or on its own revised MBR tariff, to sell Voltage Support or Black Start and System Restoration Services, to the NYISO.

A determination that Ravenswood must file a stand-alone cost-based tariff governing the sale of these services to the NYISO could create uncertainty that would make other sellers reluctant to provide Voltage Support and Black Start and System Restoration Services. The NYISO's ability to procure these important services might then be disrupted until the resulting confusion was resolved. There is no need, however, for the sellers to have separate cost-based tariffs for Voltage Support and Black Start and System Restoration Services because the rates, terms, and conditions under which they are provided are already on file -- pursuant to the requirements of Section 205(c) of the Federal Power Act ("FPA") -- in Rate Schedules 2 and 5 of the NYISO Services Tariff. The Services Tariff has been signed by National Grid and its rates terms and conditions have already been reviewed and accepted by the Commission.<sup>3</sup> Thus, to the extent that the Commission orders National Grid to remove from Ravenswood's MBR tariff references to "reactive supply and voltage service" and "black start capability," it should also hold that Ravenswood, and all other sellers that have signed the Services Tariff, are authorized to

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<sup>3</sup> See *New York Independent System Operator, Inc.*, 115 FERC ¶ 61,005 (2006); FERC Letter Order, Docket Nos. ER06-310-000, *et al.* (March 21, 2006).

sell Voltage Support and Black Start and System Restoration Services to the NYISO pursuant to the NYISO Services Tariff without having separate tariffs on file governing those sales.

Such a ruling would be entirely consistent with the rate filing requirements of FPA Section 205(c) given that the terms of service are already on file as part of the NYISO Services Tariff. It would also be consistent with the manner in which the Commission has treated sales of other products in ISO and RTO markets. For example, in Order No. 697, the Commission held that sellers need not have their own tariffs on file governing secondary sales of Financial Transmission Rights in ISO and RTO markets. The Commission ruled that because such sales are performed pursuant to market rules and agreements that have been filed with and approved by the Commission, there is no need for an individual seller to have its own individual tariff governing such sales.<sup>4</sup> Likewise, sales of Voltage Support and Black Start and System Restoration Services to the NYISO are fully governed by Commission-approved NYISO tariff sheets. Furthermore, there has been no suggestion made, or evidence presented, that the rates, terms, and conditions in the NYISO Services Tariff under which Voltage Support and Black Start and System Restoration Services are provided to the NYISO are unjust or unreasonable. Accordingly, the Commission should permit Ravenswood to sell Voltage Support and Black Start and System Restoration Services to the NYISO whether or not Ravenswood has its own tariff sheets on file at the Commission governing the sale of those services.

**B. The Commission should clarify that the December 20 Order does not affect prior orders authorizing the sale of energy into the NYISO's real-time energy markets at market-based rates**

Beginning with *Central Hudson Gas & Electric, Corp., et al*, 86 FERC ¶ 61,062 (1999), the Commission has consistently “approve[d] market-based rates for energy sales into the

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<sup>4</sup> 86 FERC at pg. 61,235.

[NYISO] spot market.”<sup>5</sup> As National Grid points out in its Show Cause Answer, these authorizations are essential to the smooth functioning of the NYISO’s real-time energy market.

In the December 20 Order, the Commission -- questioning whether the ancillary services provisions in the Ravenswood, Glenwood, and Port Jefferson MBR tariffs were consistent with the directives of Order No. 697 -- stated that “to date we have neither received nor reviewed a market analysis for ‘energy and balancing services’ or ‘energy imbalance service’ as an ancillary service in the NYISO or ISO-NE markets,” and that “it may not be just and reasonable to allow market-based rate sales of these services in those markets.”<sup>6</sup> The NYISO does not view this statement as revising, in any way, the Commission’s prior holdings authorizing the sale of energy into the NYISO’s real-time market at market-based rates. Indeed, no evidence has been presented in this proceeding that calls into question the justness and reasonableness of market-based energy sales in the NYISO’s real-time market, or the continued validity of the Commission’s prior orders authorizing such sales. In the December 20 Order, the Commission only addressed whether the proposed MBR tariff language properly reflected the boilerplate description of NYISO ancillary services markets that was included in Order No. 697, and did not consider the competitiveness of the NYISO’s real-time energy market.

Nonetheless, to eliminate any possible confusion, the NYISO respectfully requests that the Commission clarify that the December 20 Order in no way alters prior Commission rulings authorizing the sale of energy into the NYISO’s real-time energy market at market-based rates.

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<sup>5</sup> 86 FERC at pg. 61,235. See *Central Hudson Gas & Electric, Corp., et al*, 88 FERC ¶ 61,138 (1999), *order on reh’g*, 90 FERC ¶ 61,045, *order denying reh’g*, 95 FERC ¶ 61,008 (2000).

<sup>6</sup> December 20 Order at P 22.

**IV. Conclusion**

WHEREFORE, for the foregoing reasons, the NYISO respectfully requests that the Commission permit it to intervene in this proceeding with full rights as a party, and grant the clarifications and other relief requested herein.

Respectfully submitted,

/s/ Ted J. Murphy

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March 3, 2008

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this day served the foregoing document on the official service list compiled by the Secretary in these proceedings, in accordance with 18 C.F.R. § 385.2010 (2007).

Dated at Washington, DC, this 3rd day of March, 2008.

/s/ Vanessa A. Colon  
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