

VIA AIRBORNE EXPRESS

Mr. Richard J. Grossi, Chairman
c/o William J. Museler, President and Chief Executive Officer
New York Independent System Operator
3890 Carman Road
Schenectady, NY 12303

Re: Motion for Agenda Item #2 of the NYISO's February 13, 2003 Special
Management Committee Meeting

Dear Chairman Grossi:

At the February 13, 2003 Special Management Committee Meeting, the Management Committee approved the Demand Curve referred to in the Motion for Agenda item #2 (the "Demand Curve"). Numerous parties have filed appeals of this approval¹. These appeals address both substantive and procedural issues.

Consolidated Edison Company of New York, Incorporated ("ConEdison") is writing to the NYISO Board of Directors to express our support for these appeals². We are troubled by both the substance of the Demand Curve and process by which the Management Committee reached an affirmative vote on the Demand Curve. There is, however, the suggestion in one appeal³ that if a Demand Curve is adopted it should be adopted as an interim measure for no longer than one year. ConEdison does not support this suggestion.

¹ These parties are: Multiple Intervenors; The City of New York and Consumer Power Advocates; Agway Energy Services, Inc., ECONergy Energy Company, Inc., and Mirabito Gas & Electric, Inc.; Strategic Energy L.L.C.; Select Energy, Inc.; New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation; and Strategic Power Management Inc.

² We do not support the appeal of Strategic Energy L.L.C.

³ See, *Notice of Appeal by The City of New York and Consumer Power Advocates of the Management Committee's Decision with respect to the Demand Curve Proposal*, page 9, dated February 27, 2003.

ConEdison encourages the NYISO Board of Directors to overturn the Management Committee's approval of the Demand Curve and request that the ICAP Working Group continue to explore other alternatives to enhance the New York capacity market.

Very truly yours,

By: /s/Terry Agriss
Consolidated Edison Company of New
York, Incorporated

Copy: William J. Museler
Kristan Kranz (via email)
Mollie Lampi, Esq. (via email)