

OFFICE OF THE SECRETARY 2004 MAR 22 C 2004 MAR 22 P 5: 00 FEDERAL ENERGY REGULATORY COMMISSION



George H. (Greg) Williams Partner

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March 22, 2004

Honorable Magalie Roman Salas Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, DC 20426

Re: Cross-Sound Cable Company, LLC, Docket No. ER03-600-000

Dear Secretary Salas:

On February 26, 2004, Cross-Sound Cable Company, LLC ("CSC LLC") submitted revised procedures for the reassignment of transmission rights on the Cross Sound Cable ("CSC") in compliance with the Commission's February 11, 2004 Order, *Cross-Sound Cable Company, LLC*, 106 FERC ¶ 61,116 (2004) ("February 11 Order").

In comments on CSC LLC's submission filed on March 18, 2004, ISO New England, Inc. ("ISO-NE"), offered a revision to the language in section 11 of the procedures. This filing includes ISO-NE's proposed revision. The new section 11 clarifies that the New York Independent System Operator ("NYISO") is responsible for determining whether system conditions within its footprint warrant curtailments of service over the CSC, while ISO-NE is responsible for making that determination with respect to system conditions within its footprint. CSC LLC has discussed this matter with interested parties (ISO-NE, NYISO, and the Long Island Power Authority), and all agree to the proposed revision.

Attachment A of this filing contains a clean version of the reassignment procedures. Attachment B shows the above-described revision to the procedures contained in CSC LLC's February 26 filing. Attachment C shows the changes to the text required by the February 11 Order and including the agreed-upon language for section 11. Finally, attachment D provides a form of notice of this filing pursuant to § 35.8 of the Commission's regulations.

Austin

Corpus Christi

Houston

Dallas Fort Worth San Antonio Washington, D.C. Northern Virginia London Almaty

If you have any questions regarding this filing, please contact the undersigned.

Very truly yours,

Bracewell & Patterson, L.L.P.

George H. Williams, Jr.

Enclosures

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ATTACHMENT A

Procedures for Reassignment of Cross Sound Cable Transmission Rights

(Clean Version)

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Sheet Nos. 603 - 649

Sheet Nos. 603 - 649 are reserved for future use.

Original Sheet No. 650

SCHEDULE 18 IMPLEMENTATION RULE

CROSS-SOUND CABLE COMPANY, LLC PROCEDURES FOR THE REASSIGNMENT OF TRANSMISSION RIGHTS

The procedures for reassignment of CSC transmission rights are consistent with, and supplement, the provisions of the NEPOOL OATT governing the provision of MTF Service. The applicable NEPOOL OATT rules include: NEPOOL OATT Schedule 18 and NEPOOL OATT Secs. 25D, 27, 28, 30, 31, 32 and 37. The following procedures will apply to the release of unused transmission capability to third parties:

1. Definitions

- (a) "CSC" means the Cross Sound Cable.
- (b) "CSC LLC" means Cross-Sound Cable Company, LLC.
- (c) "CSC OASIS" means the CSC node on the NEPOOL OASIS site of the CSC.
- (d) "External Transaction" means a transaction as defined under NEPOOL Market Rule 1.
- (e) "Firm MTF Service" means firm service held by the primary rights holder to the transmission rights over the CSC.
- (f) "ISO-NE" means ISO New England, Inc.
- (g) "MTF Service" means service over the CSC taken under Schedule 18 and other relevant portions of the NEPOOL Open Access Transmission Tariff.
- (h) "MTF Service Agreement" refers to the service agreement contained in Attachment A to Schedule 18 in the NEPOOL OATT, as modified and amended from time to time.
- (i) "NEPOOL" means the New England Power Pool.
- (j) "NEPOOL OATT" means the NEPOOL open access transmission tariff, on file with the Federal Energy Regulatory Commission, as modified and amended from time to time.
- (k) "New England OASIS" means the OASIS site of the New England System Operator.

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- (1) "Non-Firm MTF Service" refers to any service over the CSC that is not Firm MTF Service.
- (m)"NYISO" refers to the New York Independent System Operator, Inc.
- (n) "OASIS" means Open Access Same Time Information System.
- (o) "Rights Holder" refers to the entity or entities that have an executed MTF Service Agreement for Firm MTF Service.
- (p) "System Operator" refers to the ISO-NE or any other entity that in the future has operational control over the CSC.

2. Process for Release

The release of unused transmission capability will be facilitated through the posting of available transmission capability on the CSC OASIS site. The posting of such releases and notices of assignment shall be consistent with FERC procedures regarding OASIS postings.

3. Character of Service to be Released

Unless otherwise posted on the CSC OASIS, all releases of transmission capability will be for Non-Firm MTF Service. Such Non-Firm MTF Service may be released on a monthly, weekly, daily or hourly basis. MTF Service is unidirectional (*i.e.* scheduling from New Haven to Shoreham as an export transaction from New England or Shoreham to New Haven as an import transaction into New England). The characteristics of Firm MTF Service and Non-Firm MTF Service are set forth in Schedule 18 and Sections 27 and 28 of the NEPOOL OATT.

4. Assignment of Rights Holders' MTF Service Reservation

A Rights Holder may separately assign its advance reservation for MTF Service to third parties *provided that* notice of such assignment is provided to CSC LLC and ISO-NE with such information then posted on the CSC OASIS. The assignment of such advance reservation may be on either a firm or non-firm basis, be in whole or in part, in segments, on a full or partial term basis, with or without recall rights or any combination thereof.

5. Transmission Customers

Market participants seeking to acquire an advance reservation over the CSC must meet the creditworthiness and financial security standards established by CSC LLC and the relevant Rights Holder and have an executed MTF Service Agreement.

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6. Timing of Release

Rights Holder(s) shall notify CSC LLC and ISO-NE of the release of any transmission capability on a Monthly, Weekly, Daily and Hourly basis in accordance with the deadlines set forth below. All releases of transmission capability shall be posted on the CSC OASIS through an automated notification procedure.

- a. Monthly Releases:
 - No later than 7 calendar days
- b. Weekly Releases:
 - No later than 3 calendar days
- c. Daily Releases:
 - No later than Noon on the day before the Operating Day.
- d. Hourly Release:
 - No later than Noon on the day before the Operating Day.

The deadlines set forth above address voluntary releases of a Rights Holders' transmission capability to facilitate full access to transmission capability for third parties. Automatic release of transmission capability due to a Rights Holders' failure to schedule transmission service over the CSC is governed by and set forth below in the "Default Release" provision.

7. Award of Reservations

Releases of advance reservations for CSC transmission capability and bids for such advance reservations shall be submitted to the Transmission Provider via the CSC OASIS. The award of reservations shall be accomplished through either: (1) a public auction process conducted by the Rights Holder, with the released capability awarded to the highest bidder; or (2) the posting of released capability at a specified rate on the CSC OASIS, with the award of such capability performed on a first-come, first served basis for bidders that meet the posted rate for such capability. The rate for assignment either through a public auction process or through a posting on the CSC OASIS may not exceed the maximum rate applicable under the present NEPOOL OATT, Section 37.1.

8. Effect of Advance Reservation

The issuance of an advance reservation is a prerequisite to scheduling an External Transaction in the NEPOOL Real-Time Energy Market that involves the use of the CSC. A party holding an advance reservation for Firm MTF Service or Non-Firm MTF Service and otherwise meeting the qualifications for submitting transactions under the NEPOOL OATT may submit scheduling transactions with ISO-NE that involve the submission of a bid/offer at the Shoreham node.

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9. Default Release

In the event that a Rights Holder or any other holder of an advance reservation for MTF Service fails to submit a schedule for its full MTF Service reservation by Noon of the day prior to the Operating Day, the difference between all remaining advance reservations for which accepted bids/offers have been submitted to the New England energy market by advance reservation holders and the Total Transfer Capability over the CSC in the scheduling hour shall be automatically released for scheduling by third parties and posted on the CSC as Available Transfer Capability. Advance reservations for released capability under default release rules will be issued on a first-come, first-served basis through the CSC OASIS.

10. Priority of Capability Released Under the Default Release Provisions

Reservations for CSC transmission capability released due to the default release provisions shall be deemed Non-Firm MTF Service and assigned the NERC transmission service priority "2" (Hourly Non-Firm).

11. Curtailment and Interruptions of Service over MTF

Curtailment and interruptions of service over the CSC required to be initiated by the System Operator pursuant to the NEPOOL system rules or in response to conditions or constraints within the New York Control Area identified by the NYISO as requiring curtailment or interruption of service shall be based upon transmission priority. For Firm MTF Service, curtailment or interruptions within each reservation classification will be performed on a pro rata basis. Curtailment and interruptions within each reservation classification of Non-Firm MTF Service (i.e. Monthly, Weekly, Daily, Hourly) will be based upon the time stamp associated with the submission of valid bids/offers to the NEPOOL Real-Time Market. Curtailments and interruptions of service over the CSC that relate to conditions or constraints on the NEPOOL Pool Transmission Facilities that may otherwise affect service over the CSC will be conducted consistent with the priorities established in the NEPOOL Operating Procedures. The NYISO is responsible for determining the need for any curtailments and interruptions of service relating to conditions or constraints within the New York Control Area consistent with the priorities established by the NYISO's administration of its tariffs and procedures and will communicate the need for such curtailments or interruptions to the System Operator for implementation in compliance with prescribed NERC Policies.

12. Liability

The Transmission Provider and any Rights Holder releasing its advance reservation through the voluntary or default release procedures of these rules shall be held harmless with regard to any claim which may be raised by any party regarding the selection of a bid, except to the extent that such party successfully establishes that the Transmission

Original Sheet No. 654

Provider or the Rights Holder, as the case may be, has incorrectly selected the bidder as the result of gross negligence or willful misconduct.

13. Billing

A party holding advance reservation through releases in accordance with these CSC Releases shall be billed by the Transmission Provider and shall make payments to the Transmission Provider in accordance with the terms of the Service Agreements and the Transmission Provider shall simultaneously credit (on a contingent basis) all reservation charges billed the party releasing such advance reservation. If party acquiring advance reservations through releases fails to pay the reservation charges by the due date, the Transmission Provider shall reverse the credit and bill the party releasing such advance reservation charges by the due date, the Transmission Provider shall reverse the credit and bill the party releasing such advance reservation for said reservation charges, plus interest, and the advance reservation shall, at the election of the releasing party, revert to the releasing party for the remaining term of the release.

Original Sheet No. 655 - 700

Sheet Nos. 655 - 700 are reserved for future use.

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ATTACHMENT B

Procedures for Reassignment of Cross Sound Cable Transmission Rights

(Marked Changes From February 26 Filing)

Sheet Nos. 603 - 649

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Original Sheet No. 650

SCHEDULE 18 IMPLEMENTATION RULE

CROSS-SOUND CABLE COMPANY, LLC PROCEDURES FOR THE REASSIGNMENT OF TRANSMISSION RIGHTS

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1. Definitions

- (a) "CSC" means the Cross Sound Cable.
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- (c) "CSC OASIS" means the CSC node on the NEPOOL OASIS site of the CSC.
- (d) "External Transaction" means a transaction as defined under NEPOOL Market Rule 1.
- (e) "Firm MTF Service" means firm service held by the primary rights holder to the transmission rights over the CSC.
- (f) "ISO-NE" means ISO New England, Inc.
- (g) "MTF Service" means service over the CSC taken under Schedule 18 and other relevant portions of the NEPOOL Open Access Transmission Tariff.
- (h) "MTF Service Agreement" refers to the service agreement contained in Attachment A to Schedule 18 in the NEPOOL OATT, as modified and amended from time to time.
- (i) "NEPOOL" means the New England Power Pool.
- (j) "NEPOOL OATT" means the NEPOOL open access transmission tariff, on file with the Federal Energy Regulatory Commission, as modified and amended from time to time.
- (k) "New England OASIS" means the OASIS site of the New England System Operator.

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- (1) "Non-Firm MTF Service" refers to any service over the CSC that is not Firm MTF Service.
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- (o) "Rights Holder" refers to the entity or entities that have an executed MTF Service Agreement for Firm MTF Service.
- (p) "System Operator" refers to the ISO-NE or any other entity that in the future has operational control over the CSC.

2. Process for Release

The release of unused transmission capability will be facilitated through the posting of available transmission capability on the CSC OASIS site. The posting of such releases and notices of assignment shall be consistent with FERC, ISO-NE and NEPOOL procedures regarding OASIS postings.

3. Character of Service to be Released

Unless otherwise posted on the CSC OASIS, all releases of transmission capability will be for Non-Firm MTF Service. Such Non-Firm MTF Service may be released on a monthly, weekly, daily or hourly basis. MTF Service is unidirectional (*i.e.* scheduling from New Haven to Shoreham as an export transaction from New England or Shoreham to New Haven as an import transaction into New England). The characteristics of Firm MTF Service and Non-Firm MTF Service are set forth in Schedule 18 and Sections 27 and 28 of the NEPOOL OATT.

4. Assignment of Rights Holders' MTF Service Reservation

A Rights Holder may separately assign its advance reservation for MTF Service to third parties *provided that* notice of such assignment is provided to CSC LLC and ISO-NE with such information then posted on the CSC OASIS. The assignment of such advance reservation may be on either a firm or non-firm basis, be in whole or in part, in segments, on a full or partial term basis, with or without recall rights or any combination thereof.

5. Transmission Customers

Market participants seeking to acquire an advance reservation over the CSC must meet the creditworthiness and financial security standards established by CSC LLC and the relevant Rights Holder and have an executed MTF Service Agreement.

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6. Timing of Release

Rights Holder(s) shall notify CSC LLC and ISO-NE of the release of any transmission capability on a Monthly, Weekly, Daily and Hourly basis in accordance with the deadlines set forth below. All releases of transmission capability shall be posted on the CSC OASIS through an automated notification procedure.

- a. Monthly Releases:
 - No later than 7 calendar days
- b. Weekly Releases:
 - No later than 3 calendar days
- c. Daily Releases:
 - No later than Noon on the day before the Operating Day.
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 - No later than Noon on the day before the Operating Day.

The deadlines set forth above address voluntary releases of a Rights Holders' transmission capability to facilitate full access to transmission capability for third parties. Automatic release of transmission capability due to a Rights Holders' failure to schedule transmission service over the CSC is governed by and set forth below in the "Default Release" provision.

7. Award of Reservations

Releases of advance reservations for CSC transmission capability and bids for such advance reservations shall be submitted to the Transmission Provider via the CSC OASIS. The award of reservations shall be accomplished through either: (1) a public auction process conducted by the Rights Holder, with the released capability awarded to the highest bidder; or (2) the posting of released capability at a specified rate on the CSC OASIS, with the award of such capability performed on a first-come, first served basis for bidders that meet the posted rate for such capability. The rate for assignment either through a public auction process or through a posting on the CSC OASIS may not exceed the maximum rate applicable under the present NEPOOL OATT, Section 37.1.

8. Effect of Advance Reservation

The issuance of an advance reservation is a prerequisite to scheduling an External Transaction in the NEPOOL Real-Time Energy Market that involves the use of the CSC. A party holding an advance reservation for Firm MTF Service or Non-Firm MTF Service and otherwise meeting the qualifications for submitting transactions under the NEPOOL OATT may submit scheduling transactions with ISO-NE that involve the submission of a bid/offer at the Shoreham node.

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9. Default Release

In the event that a Rights Holder or any other holder of an advance reservation for MTF Service fails to submit a schedule for its full MTF Service reservation by Noon of the day prior to the Operating Day, the difference between all remaining advance reservations for which accepted bids/offers have been submitted to the New England energy market by advance reservation holders and the Total Transfer Capability over the CSC in the scheduling hour shall be automatically released for scheduling by third parties and posted on the CSC as Available Transfer Capability. Advance reservations for released capability under default release rules will be issued on a first-come, first-served basis through the CSC OASIS.

10. Priority of Capability Released Under the Default Release Provisions

Reservations for CSC transmission capability released due to the default release provisions shall be deemed Non-Firm MTF Service and assigned the NERC transmission service priority "2" (Hourly Non-Firm).

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Curtailment and interruptions of service over the CSC required to be initiated by the System Operator pursuant to the NEPOOL system rules or in response to conditions or constraints within the New York Control Area identified by the NYISO as requiring curtailment or interruption of service shall be based upon transmission priority. For Firm MTF Service, curtailment or interruptions within each reservation classification will be performed on a pro rata basis. Curtailment and interruptions within each reservation classification of Non-Firm MTF Service (i.e. Monthly, Weekly, Daily, Hourly) will be based upon the time stamp associated with the submission of valid bids/offers to the NEPOOL Real-Time Market. Curtailments and interruptions of service over the CSC that relate to conditions or constraints on the NEPOOL Pool Transmission Facilities that may otherwise affect service over the CSC will be conducted consistent with the priorities established in the NEPOOL Operating Procedures. The NYISO is responsible for determining the need for any curtailments and interruptions of service relating to conditions or constraints within the New York Control Area consistent with the priorities established by the NYISO's administration of its tariffs and procedures and will communicates the need for such curtailments or interruptions to the System Operator for implementation in compliance with prescribed NERC Policies.

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The Transmission Provider and any Rights Holder releasing its advance reservation through the voluntary or default release procedures of these rules shall be held harmless with regard to any claim which may be raised by any party regarding the selection of a bid, except to the extent that such party successfully establishes that the Transmission

Original Sheet No. 654

Provider or the Rights Holder, as the case may be, has incorrectly selected the bidder as the result of gross negligence or willful misconduct.

13. Billing

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Original Sheet No. 655 - 700

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ATTACHMENT C

Procedures for Reassignment of Cross Sound Cable Transmission Rights

(Marked Changes from Procedures Approved in February 11 Order)

Sheet Nos. 603 - 649

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Docket Nos. ER03-600-000 and -001, issued February 11, 2004, 106 FERC ¶ 61,116 (2004).

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Original Sheet No. 655 - 700

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ATTACHMENT D

Form of Notice of Filing

UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Cross-Sound Cable Company, LLC

Docket No. ER03-600-____

NOTICE OF FILING

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Take notice that on March 22, 2004, Cross-Sound Cable Company, LLC (CSC LLC) filed revised procedures for customers to reassign their firm transmission rights over the Cross Sound Cable (CSC). The filing is intended to achieve compliance with the Commission's February 11, 2004 order, 106 FERC ¶ 61,116, approving the reassignment procedures subject to a required compliance filing. CSC LLC requests that the Commission allow the reassignment procedures to become effective February 11, 2004.

CSC LLC states that a copy of this filing has been mailed to each person designated on the official service list compiled by the Secretary of the Commission in Docket No. ER03-600-000.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at http://www.ferc.gov, using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866) 208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date:

Magalie R. Salas Secretary

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each person on the official service list compiled by the Secretary in this proceeding.

Date at Washington, D.C., this 22nd day of March, 2004.

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Jonathan J. Newlander