

January 31, 2003

**BY HAND**

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: Joint Compliance Filing on Protocol for Emergency CSC Operation in  
Docket No. ER03-246-000**

Dear Ms. Salas:

The New York Independent System Operator, Inc. ("NYISO") and ISO New England Inc. ("ISO New England"; together with the NYISO, "ISOs") hereby tender this filing in compliance with the Federal Energy Regulatory Commission's ("Commission's") December 30, 2002, Order Establishing Procedures<sup>1</sup> in the above-captioned proceeding, in which the Commission ordered the NYISO and ISO New England to answer several questions concerning the establishment of operating criteria for the emergency operation of the Cross-Sound Cable Company, LLC's ("CSC Company LLC's") Cross-Sound Cable ("CSC") to deliver electricity if scheduled and purchased by the Long Island Power Authority ("LIPA") pursuant to Department of Energy ("DOE") Order No. 202-02-1 of August 16, 2002 ("Emergency Order").

## **I. Documents Submitted**

1. This letter;
2. A copy of the draft Connecticut Valley Electric Exchange Operating Instruction dated June 25, 2002 (the "June 25 CONVEX Operating Instructions") ("Attachment I");

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<sup>1</sup> 101 FERC ¶ 61,389 (2002).

3. A copy of the August 15, 2002, letter from the NYISO to the DOE supporting an order to authorize use of the CSC when necessary to avoid service interruptions (“Attachment II”)
4. A copy of relevant portions of the NYISO Shift Supervisor’s Daily Log and System Operator’s Daily Log, each dated August 16, 2002 (“Attachment III”);
5. An affidavit from John A. Ravalli, Supervisor of Operations, NYISO (“Attachment IV”);
6. A copy of relevant portions of the ISO New England Operators Log, dated August 16, 2002 (“Attachment V”);
7. An affidavit from Donald L. Gates, Manager of System Operations, ISO New England (“Attachment VI”);
8. A copy of the Implementation Protocol for Emergency Operation of the Cross Sound Cable (“Protocol for Emergency CSC Operation”) (“Attachment VII”);
9. A copy of the Emergency Energy Transactions Agreement between the NYISO and ISO New England dated August 14, 2000 (“Attachment VIII”);
10. A copy of the draft Connecticut Valley Electric Exchange Operating Instruction dated September 25, 2002 (“Attachment IX”);
11. A form of *Federal Register* Notice (“Attachment X”).

## **II. Copies of Correspondence**

Communications regarding this proceeding should be addressed to:

### NYISO

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### ISO - New England

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## **III. Service List**

Copies of this filing are being served on all parties listed on the official service list maintained by the Secretary of the Commission in docket number ER03-246-000.

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<sup>2</sup> The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2001) to permit service on counsel for the NYISO in both Washington, D.C. and Richmond, Virginia.

#### **IV. Responses of the ISOs**

##### **A. Timeliness of Protocol**

Question (A). Explain in detail why NYISO and ISO New England did not establish the Protocol for Emergency CSC Operation within a week or less of the issuance of the Secretary's Emergency Order.

Answer (A).

The NYISO and ISO New England established a protocol for emergency operation of the CSC within hours of the issuance of the Emergency Order. On the afternoon and evening of August 16, 2002, the ISOs and LIPA conferred and agreed on the procedures they would follow to implement the Emergency Order. The record of the parties' actions on that day refutes any assertion that either NYISO or ISO New England delayed compliance with the Emergency Order.

Well before the issuance of the Emergency Order on August 16th, the parties had established operating procedures governing the Cross Sound Cable. These procedures were developed in the first months of 2002 through consultations involving LIPA, TransEnergieUS (on behalf of CSC Company LLC), and the two control area operators. The Connecticut Valley Electric Exchange ("CONVEX") circulated a draft of these procedures to the parties on June 25, 2002. This document laid out a detailed protocol for the operation of the CSC, which was subsequently used in the initial testing of the cable.<sup>3</sup> A copy of the June 25 CONVEX Operating Instructions is included as Attachment I.

Following agreement on the CONVEX Operating Instructions, at the direction of TransEnergieUS, NYISO and ISO New England conducted testing of the CSC. This testing phase, which including energization of the cable, was completed on August 8, 2002.

Thus, by the time LIPA made its request for an emergency order to the Secretary of Energy on August 14th, detailed procedures were already available for operation of the cable. For this reason, in its August 15 letter to the DOE supporting LIPA's application, the NYISO stated that the ISOs were "confident the cable can be operated safely when emergency conditions require it." This letter is included as Attachment II.

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<sup>3</sup> The CONVEX Operating Instructions were drafted as a result of a lengthy series of seminars and conferences regarding methods for operating the CSC that occurred over the first half of 2002. In addition to ISO New England leading some of these sessions, TransEnergieUS and LIPA also conducted training seminars. As a result, the publication of the June 25 CONVEX Operating Instructions reflected the understanding of all relevant participants in this proceeding of how the CSC would be operated.

Accordingly, the NYISO and ISO New England were able to respond immediately to the Emergency Order, which was issued at 2:38 p.m. on August 16, 2002. That afternoon, at approximately 4:00 p.m., the ISOs' operating staffs independently reviewed the Emergency Order and confirmed their ability to operate the CSC. At about the same time, managers from the NYISO and ISO New England conferred with each other and agreed on the procedures to be used to deliver energy to avoid load shedding in the event that LIPA could not avoid load shedding by other measures, including the depletion of reserves and reduction of voltage. The NYISO, ISO New England and LIPA understood that the parties would apply the June 25 CONVEX Operating Instructions relied on in the recently-completed testing program in the event that use of the CSC became necessary. In addition, the operations staff confirmed the sequence of events, including confirming telephone calls that would be required in the event LIPA requested emergency energy over the CSC pursuant to the Emergency Order.

The NYISO Shift Supervisor's Daily Log and System Operator's Daily Log for August 16, 2002, included as Attachment III, show that the NYISO, ISO New England, and LIPA participated in discussions on procedures for emergency CSC operation on the day that the Emergency Order was issued. As described in the two affidavits submitted with filing and the NYISO System Operator's Daily Log, by 8:30 p.m. on that day, the NYISO, ISO New England, and LIPA had conferred several times concerning the implementation of the Emergency Order. At 8:45 p.m. on August 16, 2002, both the ISO New England Control Room log, included as Attachment V, and the NYISO's System Operator's Daily Log recorded that the CSC was available to be energized.<sup>4</sup> The NYISO Shift Supervisor's Daily Log also indicates that by 8:45 p.m., the NYISO, ISO New England, and LIPA had agreed on procedures for emergency operation of the CSC. As part of this agreement, each of the NYISO, ISO New England, and LIPA understood that the June 25 CONVEX Operating Instructions would apply in the event that the CSC was energized. John A. Ravalli of the NYISO affirms this agreement in his affidavit, included as Attachment IV. Donald L. Gates of ISO New England affirms this agreement in his affidavit, included as Attachment VI.

Because the ISOs had already put operating protocols in place on August 16, 2002, to transmit emergency energy at LIPA's request, because all relevant parties knew those procedures, and because the Emergency Order was self-executing, the NYISO and ISO New

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<sup>4</sup> As these logs indicate, preparation of the cable required actions by LIPA in addition to agreement of the two control area operators, specifically the closing of the disconnects at the Shoreham end of the cable. Since LIPA controlled the Shoreham disconnects and itself participated in the preparation of the CSC, there can be no doubt that LIPA was aware of the CSC's availability as of the evening of August 16th.

England complied with the Order as of the date of its issuance. No additional supplemental procedural document was necessary to effectuate the Emergency Order.

However, in the days following issuance of the Emergency Order, LIPA sought to expand the scope of the Emergency Order to authorize day-ahead scheduling of energy. In addition, questions were raised about whether the Emergency Order contemplated Long Island to Connecticut emergency energy flows. Accordingly, the ISOs undertook to clarify their concerns with staff of the DOE. These clarifying discussions took place over the next few weeks and culminated in the execution of the Protocol for Emergency CSC Operation on September 10, 2002. A signed copy of this Protocol for Emergency CSC Operation was sent to LIPA on September 23, 2002. The Protocol for Emergency CSC Operation confirmed the parties' understanding of the scope of the Emergency Order and in no way altered the operating procedures to which the NYISO and ISO New England had already agreed, and of which LIPA was already aware. A copy of the Protocol is attached as Attachment VII.

#### **B. Processes Followed and Accounting for Time**

Question (B). Explain in detail the processes followed and the reasons why it took 38 days to issue the Protocol for Emergency CSC Operation.

Answer (B).

As stated above, the NYISO and ISO New England implemented the Emergency Order on August 16th. The Protocol for Emergency CSC Operation, which did not address or alter the operational procedures that were already in place, was completed within 30 days of that date.

#### **C. Compliance with Future Orders**

Question (C). Explain whether the same processes would be used if the Secretary issued another emergency order. If not, what changes would be made?

Answer (C).

Both the NYISO and ISO New England believe that, in the event another emergency order were necessary, their longstanding operational practices of cooperation and coordination would ensure that emergency needs were met. The ISOs believe that the facts in this instance demonstrate the ISOs' ability to manage such contingencies. Thus, the ISOs would no doubt rely on the same consultative processes successfully followed in this case.

*See also Answer (E).*

**D. Costs of the Emergency Order; Copy of the Emergency Energy Transactions Agreement**

Question (D)1. Identify and support all costs associated with providing energy under the Emergency Order including expenses associated with establishing the Protocol for Emergency CSC Operation.

Answer (D)1.

System conditions from August 16, 2002, through September 30, 2002, did not require energy to be provided under the Emergency Order, so there were no costs associated with providing energy under the Emergency Order. Neither the NYISO nor ISO New England separately tracked the costs of developing the emergency operating procedures or seeking DOE clarification and drafting the Protocol for Emergency CSC Operation. The NYISO and ISO New England considered these activities part of their general regulatory compliance and market participant support services.

Question (D)2. Provide a copy of the August 14 Emergency Transactions Agreement and the protocols used to support such agreement.

Answer (D)2.

A copy of the Emergency Energy Transactions Agreement, dated August 14, 2000, is included as Attachment VIII. Neither the NYISO nor ISO New England has any protocols to support this agreement.

**E. Future Scheduling and Operating Protocol**

Question (E). Is there a scheduling and operating protocol which will be used if another emergency order is issued or when the CSC is fully operational?

Answer (E).

If another emergency order were issued authorizing emergency use of the CSC on terms that are substantially similar to the Emergency Order, the NYISO and ISO New England would likely renew and apply the Protocol for Emergency CSC Operations, the most current draft of the CONVEX Operating Instructions, and the Emergency Energy Transactions Agreement. If the new emergency order were materially different from the Emergency Order, however, the NYISO and ISO New England would take whatever steps necessary to comply with the terms of the new order in a timely fashion. *See also* Answer (C). The ISOs are confident that, whatever the specific terms of such an order might be, their operations departments can respond and agree on implementation procedures within a matter of hours.

Until the CSC becomes fully operational, the CONVEX operating instructions will remain in draft form in order to facilitate amendments to the document. The June 25 CONVEX Operating Instructions were already amended on September 25, 2002. The amended version, on which the ISOs would rely, is included as Attachment IX.

#### **V. Federal Register Notice**

A form of *Federal Register* Notice is provided as Attachment X hereto.

#### **VI. Conclusion**

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, Inc., and ISO New England, Inc., respectfully request that the Commission accept this compliance filing.

Respectfully submitted,

NEW YORK INDEPENDENT  
SYSTEM OPERATOR, INC.

By \_\_\_\_\_

Arnold H. Quint, Counsel

Respectfully submitted,

ISO NEW ENGLAND INC.

By \_\_\_\_\_

Matthew F. Goldberg, Senior Regulatory  
Counsel

cc: Daniel L. Larcamp  
Alice M. Fernandez  
Robert E. Pease  
Michael A. Bardee  
Stanley P. Wolf



## **ATTACHMENT I**

## **ATTACHMENT II**

## **ATTACHMENT III**

## **ATTACHMENT IV**

## **ATTACHMENT V**

## **ATTACHMENT VI**

## **ATTACHMENT VII**

## **ATTACHMENT VIII**



## **ATTACHMENT IX**

## **ATTACHMENT X**

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

**United States Department of Energy**

**Docket No. ER03-246-000**

**NOTICE OF FILING**

Take notice that on January 31, 2003, the New York Independent System Operator, Inc. ("NYISO") and ISO New England Inc. ("ISO New England"), tendered for filing a compliance report in connection with the Commission's December 30, 2002, Order in the above-referenced dockets.

The NYISO and ISO New England have served a copy of this filing to all parties listed on the official service list maintained by the Secretary of the Commission in docket number ER03-246-000.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 224 of the Commission's Rules of Practice and Procedure (18 CFR §§ 385.211 and 385.214). Protests will be considered by the Commission to determine 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 website at [www.ferc.gov](http://www.ferc.gov), using the FERRIS link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, call (202) 502-8222 or TTY, (202) 208-1659. Protests and interventions may be filed electronically via the Internet in lieu of paper. *See*, 18 CFR 385.2001(a)(I)(iii) and the instructions on the Commission's website under the "e-filing" link. The Commission strongly encourages electronic filings.

Magalie R. Salas  
Secretary

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all parties listed on the official service list maintained by the Secretary of the Commission in docket number ER03-246-000 in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure 18 C.F.R. § 385.2010 (2002).

Dated at Washington, D.C. this 31st day of January 2003.

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