READ AND LANIADO, LLP

ATTORNEYS AT LAW 25 EAGLE STREET ALBANY, NEW YORK 12207-1901

(518) 465-9313

KEVIN R. BROCKS CRAIG M. INDYKE DAVID B. JOHNSON SAM M. LANIADO HOWARD J. READ

ROBERTO BARBOSA JEFFREY B. DUROCHER STEVEN D. WILSON

Via Electronic Mail and First Class Mail

January 2, 2003

Mr. Charles King Secretary of the Management Committee New York Independent System Operator, Inc. 3890 Carman Road Schenectady, NY 12303

Re: Notice of Appeal of Independent Power Producers of New York, Inc.

Dear Mr. King:

On December 27, 2002, the Independent Power Producers of New York, Inc. ("IPPNY") filed a Notice of Appeal of the Business Issues Committee's ("BIC") denial of Motion # 2 on December 13, 2002 to approve a demand curve proposal. AES NY, L.L.C. fully supports IPPNY's appeal and urges the Management Committee to reverse the decision of the BIC and approve the demand curve proposal.

Very truly yours,

READ AND LANIADO, LLP Attorneys for AES NY, L.L.C.

By:

David B. Johnson

cc: Robert Fernandez, Esq., via e-mail Dominic Cordisco, Esq., via-email Kristen Kranz, via e-mail TELEFAX NO. (518) 465-9315