



October 31, 2003

Re: RFP – Emergency Supplemental Capacity - SWCT

Dear NEPOOL Participant or Other Interested Party:

ISO-New England, Inc. (“ISO-NE”) intends to issue a Request for Proposals (“RFP”) for up to 300 MW or more of emergency supplemental capacity in Southwest Connecticut (“SWCT”) for a contract term of up to five years. ISO-NE is a not-for-profit, non-stock Delaware corporation responsible for directing the operation and control of New England’s bulk power system, administering the region’s wholesale electricity marketplace and the New England Power Pool’s (“NEPOOL’s”) Open Access Transmission Tariff. ISO-NE is a jurisdictional utility subject to regulation by the Federal Regulatory Energy Commission (“FERC”).

ISO-NE, through a competitive solicitation process, intends to seek proposals from one or more Bidders that can offer capacity capable of 30-minute or 10-minute dispatch response (“quick start capacity”) that will reduce the probability of involuntary load shedding in SWCT. The amount procured will be adjusted according to the bid prices in the proposals. Resources can be made available as early as June 1, 2004. Proposals will be considered for new resources available through May 31, 2009. Resources eligible to provide this service are (i) incremental quick-start capacity through the installation of quick-start capacity at new sites or incremental quick-start capacity installed at existing generating resources in SWCT, (ii) customer load reductions through firm load curtailments¹, and (iii) emergency generation². Authority to charge customers for any capacity procured under this RFP will be obtained through a filing with the FERC.

¹ These resources would be registered in the ISO-NE 30-Minute Notice Demand Response Program implemented at Action 9. Any proposed resources that will be enrolled in ISO-NE’s 30-Minute Notice Program must comply with all program metering, reporting, settlement and other requirements as described in M-LRP Load Response Manual.

² These resources would be registered in ISO-NE 30-Minute Notice Program at Action 12. Any proposed resources that will be enrolled in ISO-NE’s 30-Minute Notice Program must comply with all program metering, reporting, settlement and other requirements as described in M-LRP Load Response Manual.

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Parties wishing to participate in the ISO-NE RFP for emergency supplemental capacity in SWCT should send expressions of interest via U.S. mail or e-mail to the following:

Mr. Mark G. Karl
Manager, Market Design
ISO New England
One Sullivan Road
Holyoke, MA 01040
e-mail: mkarl@iso-ne.com

The RFP will be issued to interested parties via hard copy, and a notice of the issuance of the RFP will be posted on ISO-NE's website at www.iso-ne.com. The anticipated schedule for the solicitation process and the major milestones are outlined below.

Event	Date
RFP Issued	November 28, 2003
Final bids Submitted	December 30, 2003
Contract Negotiations	Mid - Late January 2004
Winning Bidders Selected	January 30, 2004
Contract(s) executed	February 6, 2004

The above schedule reflects ISO-NE's intent to have emergency supplemental capacity available in SWCT by June 1, 2004. This schedule represents ISO-NE's best estimate at this time, and as such, both the schedule and process are subject to change at ISO-NE's sole discretion. Any changes will be communicated promptly to Bidders. ISO-NE expressly reserves the right, in its absolute discretion, to modify the RFP, or to terminate discussions with any and all Bidders.

If you have any questions about the process described herein, or require any additional information, please call Mark Karl at (413) 540-4420 or Danielle Powers at (413) 535-4168.

Sincerely,



David LaPlante
Vice President,
Markets Development

sdd/dl

cc: Mark G. Karl, Manager, Market Design
Danielle Powers, Principal Analyst, Market Design