



FPL Energy

FPL Energy, 21 Pardee Place, Ewing, NJ 08628
609-771-0894

June 3, 2005

TO: Ray Stalter, New York Independent System Operator

FROM: David B. Applebaum, FPL Energy

RE: NYISO Request for Comments on Gold Book Data

FPL Energy, LLC, on behalf of itself and its affiliates participating in the New York ISO markets, is pleased to respond to the NYISO's notice to the Installed Capacity Working Group ("ICAPWG") issued May 23, 2005, soliciting comments on the impact of the recent FERC-approved statewide ICAP demand curves of data concerning the current differential between available summer and winter capacity (the "Summer-Winter Differential") reflected in the 2005 Load and Capacity Data Report issued April 15, 2005 (the "2005 Gold Book").

FPL Energy (FPLE) has reviewed the comments contemporaneously being filed in this matter by the Independent Power Producers of New York, Inc. (IPPNY) and New York Suppliers, and wishes to express our full support for them. While we will not repeat the comments articulated by IPPNY, FPLE's submission shall reinforce certain key aspects of those comments.

Specifically, both IPPNY and New York Suppliers conclude that the Rest of State ICAP Demand Curves must be conformed to reflect the Actual Summer-Winter Differential. The specific information on which to accurately calculate these curves was, in fact, available to the NYISO prior to the closing of the record in the FERC's Demand Curve proceeding, and should have been available to the Commission in its determination.

As IPPNY notes in its submission, the NYISO's ICAP demand curve is "a novel approach to sending appropriate market signals for the development and retention of needed capacity, and one which is being emulated in other markets." Indeed, both ISO-NE and PJM have been working through revisions to their capacity constructs, with the demand curve serving as a fundamental component in those discussions. It is safe to say that the NYISO's ICAP demand curve, in not only substance but in process as well, is viewed by industry participants and the FERC as the industry standard. It is critically important, then, as others closely monitor the NYISO's demand curve development, that the process by which the demand curve is reviewed and revised on a periodic basis be as accurate and inclusive of all available information as possible. While some may argue that for purposes of market and process certainty the ROS demand curve should not be revised at this point in time, that argument belies the fact that the correct information on which to develop the ROS demand

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curve was available earlier in the process and was omitted, albeit inadvertently. The inclusion of this information is critical for the establishment of an accurate ROS demand curve for a full three-year period. For purposes of substantive and procedural integrity, the appropriate and accurate information must be included, and the ROS demand curve adjusted to reflect that information.