

March 17, 2011

Ms. Karen Antion  
Chair of the Board  
c/o Mr. Stephen G. Whitley  
President and Chief Executive Officer  
New York Independent System Operator, Inc.  
10 Krey Boulevard  
Rensselaer, NY 12144

Re: CPB's Appeal of the MC's February 24, 2011 Rejection of Motion #4

Dear Chair Antion:

Please accept this letter as the City of New York's ("City") Motion in Support of the appeal filed by the New York State Consumer Protection Board ("CPB") of the Management Committee's decision on February 24, 2011 to reject the End-Use Consumer Sector's proposal to establish an End-Use Consumer Sector Consultant ("Consultant").

The City joined with the CPB and other members of the End-Use Consumer Sector in developing and refining the proposal for a Consultant. The City strongly endorses the need for such a Consultant, and agrees with the CPB that consumers are at a relative disadvantage in the NYISO's stakeholder process when their level of representation is compared to that of the other sectors. As the CPB notes, other sectors have members whose primary or sole function is to participate in the NYISO's stakeholder process. Indeed, for some sectors, their members are entirely reliant on the NYISO and its markets to remain in business.

In contrast, for the members of the End-Use Consumer Sector, the NYISO and its stakeholder process constitute only one aspect of their activities. Obviously, the City's primary purpose is serving and protecting its residents, an obligation that is far broader than the important issues addressed by the NYISO. Other consumer interests are primarily focused on manufacturing, providing goods or services to the public, educating students, healing the sick, defending the rights of residential and low-income consumers before state and federal agencies and in other venues, and finding ways to use energy more efficiency and economically. Given these many competing concerns, none of the sector members have the resources to dedicate the same amount of time or effort to the NYISO stakeholder process as some other sectors' members.

Ms. Karen Antion  
March 17, 2011  
Page 2

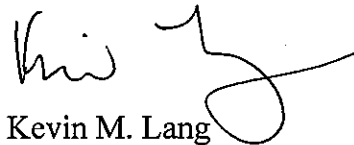
While some may argue that the City is a large organization and has many employees, such an argument would be misplaced. The reality is that it does not have the resources to individually fund a full-time NYISO representative. And while one or more City employees do participate in NYISO governance proceedings, budgetary and travel restrictions preclude most personal participation in activities that are almost always centered in the Albany area, particularly the key developments in the NYISO's many Working Groups. In contrast, a Consultant, who would be funded by, and provide benefits to, all consumers, would serve as a reasonable proxy for direct involvement by each consumer entity. Moreover, as the CPB demonstrated, the cost of the Consultant is negligible in any reasonable comparisons to other NYISO activities.

Energy costs in New York continue to be a large expense for all consumers, so it is imperative for them to have a strong voice and sustained representation in the NYISO's stakeholder process. As the CPB correctly asserts, the fundamental purpose of the NYISO and its markets is to provide a safe and adequate supply of electricity to consumers, and, in the end, all of the costs associated with doing so are borne by consumers.

For these reasons, the City supports the CPB's appeal and the requests for relief presented therein. The City urges the NYISO Board of Directors to grant the appeal and approve the establishment of the Consultant.

Respectfully submitted,

COUCH WHITE, LLP



Kevin M. Lang

KML/glm

cc: Michael Delaney, Esq.  
Saul Rigberg, Esq.