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March 15, 2005

VIA FEDEX

John W. Boston
Chair of the NYISO Board
c/o Mark S. Lynch, President and Chief Executive Officer
NYISO
290 Washington Avenue Extension
Albany, NY 12065

**RE: KeySpan-Ravenswood, LLC Appeal of the
March 2, 2005 Management Committee
Approval of Motion #2**

Dear Mr. Boston:

Attached are three copies of KeySpan-Ravenswood, LLC's ("Ravenswood") appeal of the March 2, 2005 Management Committee Approval of Motion #2.

Ravenswood requests the opportunity to present oral argument to the NYISO Board of Directors related to this appeal.

Sincerely,

James M. D'Andrea, Esq.
Senior Counsel
KeySpan-Ravenswood, LLC

cc: Robert E. Fernandez, NYISO General Counsel

NOTICE OF APPEAL OF KEYSpan-RAVENSWOOD, LLC
TO THE NYISO BOARD OF DIRECTORS
FROM THE MANAGEMENT COMMITTEE'S DECISION
AT ITS MARCH 2, 2005 MEETING

KeySpan-Ravenswood, LLC ("KeySpan") appeals the decision of the Management Committee on March 2, 2005, in connection with Motion #2. Motion #2 consisted of tariff language to address concerns regarding "gross receipts" tax issues. KeySpan has styled this as an appeal; however, it could also be viewed as a request for clarification as discussed below.

At the onset, it is KeySpan's position that all NYISO administered transactions are wholesale and that the NYISO administers a market that is exclusively wholesale. To the extent any retail transactions may have occurred in the NYISO wholesale market, KeySpan was not a counterparty to such transactions. Any retail transactions that may have been facilitated by the NYISO in error were between NYISO Market Participants who are authorized to enter into such retail transactions, such as Retail Access Energy Service Companies ("ESCOs") or Load Serving Entities ("LSEs"), and the retail purchasers. ESCOs and LSEs have the appropriate authorization to conduct such retail transactions. All of KeySpan's transactions in the NYISO wholesale market were, and continue to be, wholesale transactions.

I. SUMMARY STATEMENT

The NYISO market is a wholesale market and its tariff is a wholesale tariff. The NYISO market consists of wholesale suppliers, marketers, and resellers that sell, buy and resell various wholesale energy and transmission related products. The NYISO tariff is a wholesale tariff regulated by the Federal Energy Regulatory Commission. The NYISO is subject to the lightened regulatory regime of the New York Public Service Commission. Such a lightened regulatory regime is granted by the NYPSC based on the fact that retail transactions will not be conducted or facilitated by the jurisdictional entity. As such, the sections of the Public Service Law that are applicable to the rates terms and conditions of retail service are not applicable to the NYISO because the NYISO does not facilitate retail transactions.

The NYISO should facilitate only wholesale transactions and establish market rules that prevent retail transactions from occurring in its wholesale market. The tariff revisions approved by the Management Committee related to gross receipt taxes imply that Market Participants who purchase energy and transmission related products from the NYISO market but do not intend to resell such energy and transmission related products may do so. Moreover, it states that the purchase is for their own use in the context of a retail tax issue and therefore further implies that it is a retail transaction. The same could be said for the sales tax revisions that are pending in the governance process. KeySpan understands that the NYISO does not want to facilitate retail transactions. Therefore, without further clarification by the NYISO and its Board of Directors that retail

transactions will not be permitted in the NYISO wholesale market, the proposed tariff revisions should not be made.

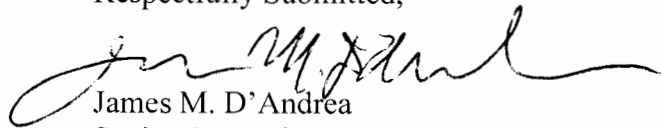
Nevertheless, if the NYISO in fact wants to facilitate a centralized retail market then it must establish a separate retail market for these retail transactions and obtain the necessary regulatory approvals. In addition, the NYISO will require agreements from market participants to participate in such a market. The NYISO does not have the authority to force wholesale market participants to transact in a centralized retail market. If the NYISO chooses to establish a centralized retail market then Market Participants require assurance that additional filings will be made by the NYISO such that the centralized retail market is not commingled with its wholesale market and Market Participants are fully aware what market they are participating in.

II. CONCLUSION

KeySpan objects to the tariff revisions approved by the Management Committee on March 2, 2005 and the revisions should be rejected by the NYISO Board unless clarifications and additional filings are going to be made. If the NYISO Board of Directors conducts oral argument KeySpan would like to participate.

Dated: March 15, 2005

Respectfully Submitted,



James M. D'Andrea
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KeySpan-Ravenswood, LLC
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