

October 1, 2012

VIA ELECTRONIC FILING

Hon. Jaclyn A. Brillling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Cases 12-E-0136 – Petition of Dunkirk Power LLC and NRG Energy, Inc. for
Waiver of Generator Retirement Requirements

Dear Secretary Brillling:

Multiple Intervenors, an unincorporated association of over 55 large industrial, commercial and institutional energy consumers with manufacturing and other facilities located throughout New York State, including the Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”) service territory, hereby submit this letter in response to: (a) Niagara Mohawk’s proposed “Process and Schedule to Indemnify and Procure Reliability Support Services Resources,” filed herein on September 17, 2012 (“Proposed Process”); and (b) the comments of the Independent Power Producers of New York, Inc. (“IPPNY”), which were filed herein on September 27, 2012 in response to the Proposed Process.

In the Proposed Process, Niagara Mohawk indicates that it intends to solicit proposals “to address any remaining reliability need that may exist after the Company implements certain transmission system improvements scheduled to be in place by May 31, 2013, and before additional *transmission system reinforcements* can be implemented.” (Proposal Process at 2; emphasis added.) Such proposals to be solicited are “for Reliability Support Services commencing June 1, 2013 and terminating May 31, 2015.” (Id.)

In its September 27, 2012 response, IPPNY raises concerns regarding Niagara Mohawk’s apparent assumption that Reliability Support Services will not be needed after May 31, 2015 because of planned transmission system reinforcements. IPPNY asserts that the New York State Public Service Commission (“Commission”) directed Niagara Mohawk to proceed with the system reinforcement work scheduled to be in service by May 31, 2013, but did not authorize the transmission system reinforcements that the utility is assuming will be in place by May 31, 2015. (IPPNY at 2-3.)

Multiple Intervenors generally agrees with the thrust of IPPNY's response. Multiple Intervenors is very concerned regarding the cost of Reliability Support Services needed to maintain reliability on Niagara Mohawk's electric system as a result of the planned mothballing of the Dunkirk Power LLC electric generating plant. The short-term and the long-term reliability solutions implemented to maintain reliability need to be as cost-effective as possible.

For the desired short-term solutions (*i.e.*, commencing June 1, 2013 and terminating May 31, 2015), Niagara Mohawk is soliciting proposals of multiple types (*e.g.*, generation, reactive power, demand response, energy efficiency). (Proposed Process at 2.) Presumably, the best and most cost-effective solution for the short-term will be chosen. The same approach should be adopted with respect to the long-term solution.

Multiple Intervenors supports the addressing of reliability needs through the use of potential transmission, generation and demand response solutions, all of which should be evaluated on a level playing field. If Niagara Mohawk's proposed transmission system reinforcements are the best option for the long-term, then Multiple Intervenors would support their implementation to maintain reliability cost-effectively. Importantly, however, it is at least theoretically possible that the same or different generation and/or demand response projects considered as the short-term solution also may be the optimal long-term solution. To the extent Niagara Mohawk's Proposed Process forecloses that possibility, and does not allow for the fair consideration of long-term solutions other than the utility's own transmission system reinforcements, the Process should be modified.

Respectfully submitted,

COUCH WHITE, LLP

Michael B. Mager

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cc: Active Parties (via E-mail)

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