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August 30, 2011

VIA ELECTRONIC MAIL

Hon. Jaclyn A. Brilling Secretary New York Public Service Commission Three Empire State Plaza Albany, NY 12223

RE: Notice of Mothball Status of TC Ravenswood, LLC GT 3-4 PTID # 24251 Nameplate Rating 42,925 kW

Dear Secretary Brilling:

As noted in the attached letter to the NYISO, TC Ravenswood, LLC GT 3-4 is being placed in NERC Inactive Status (mothball) as a result of a serious forced outage and damage to the equipment. If you have any questions please call my office.

Sincerely,

James M. D'Andrea, Esq. Attorney for TC Ravenswood, LLC

cc: William Taylor (TC Ravenswood) Aidan McLernon (TC Ravenswood) Joseph Oates (Con Edison) Neil Butterklee, Esq. (Con Edison) Robert Fernandez, Esq. (NYISO) David Drexler, Esq. (NYPSC)



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August 30, 2011

VIA ELECTRONIC MAIL

NYISO Ricardo Gonzales 10 Krey Blvd. Rensselaer, NY 12144

RE: Notice of Mothball Status of TC Ravenswood, LLC GT 3-4 PTID # 24251 Nameplate Rating 42,925 kW

Dear Mr. Gonzales:

Mothball Status

On Wednesday June 8th, 2011 TC Ravenswood, LLC ("TC Ravenswood") GT Unit 3-4 (the "Unit") was on line and generating approximately 30 MWs when the Unit tripped off-line due to a generator cooling fan blade failure and subsequent fire. The Unit has been in a forced outage status since that time.

At this time TC Ravenswood does not intend to repair the Unit, is removing it from the NYISO installed capacity market and is placing it in mothball status due to the uncertainty surrounding the NYISO installed capacity markets and uncertainty with respect to repair feasibility and cost. The Unit should be removed from the NYISO energy, capacity and ancillary service markets because it will no longer be offered. The Unit has not been offered into the energy or ancillary service markets since the June 8th forced outage and effective September 1, 2011 it will not be an installed capacity provider.

Out of an abundance of caution, TC Ravenswood is following the NYISO's Generator Retirement Procedure. However, TC Ravenswood does not agree that this procedure or other prior notice provisions apply because the Unit is being mothballed as a result of a forced outage that exceeded 60 days. It is not a planned retirement or scheduled layup that could have been anticipated with prior notice. The Unit took itself out of service and has already been unavailable to the electric system for nearly three months. As such, prior notice of mothballing and removal from the market under such circumstances (i.e., a forced outage) is not possible. TC Ravenswood is therefore providing actual notice of the Unit's unavailability (NERC Inactive State) and removal from the NYISO installed capacity market. Mr. Gonzales August 30, 2011 Page 2

Forced Outage and Inspection Summary

An inspection of the forced outage and incident was performed which revealed severe damage to the generator with the majority of the damage on the stator end windings and surrounding components. After decoupling the Unit and removal of the generator rotor it was revealed that a generator cooling fan blade had liberated and wedged itself between two phases on the generator stator causing a winding to short, which in turn resulted in a fire in the generator. The fire in turn damaged approximately 80% of the stator end windings and completely compromised the stator bar insulation and binding rings. As a result of the fire the rotor is contaminated with carbon particles resulting in unacceptable low resistance to ground readings. A preliminary lab analysis indicated the blade probably failed as a result of a fatigue crack.

As noted above, at this time TC Ravenswood does not intend to repair the Unit and is placing it in mothball status.

Sincerely,

James M. D'Andrea, Esq.

Attorney for TC Ravenswood, LLC

cc: William Taylor (TC Ravenswood) Aidan McLernon (TC Ravenswood) Joseph Oates (Con Edison) Neil Butterklee, Esq. (Con Edison) NYISO at <u>generator_retirement@nviso.com</u> Robert Fernandez, Esq. (NYISO) Hon. Jaclyn A. Brilling, Secretary, New York Public Service Commission David Drexler, Esq. (NYPSC)