

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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*Secretary*

November 26, 2012

SENT VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Room 1-A209  
Washington, D.C. 20426

Re: Docket No. ER13-102-000 - New York Independent  
System Operator, Inc.

Dear Secretary Bose:

For filing, please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'David G. Drexler', is written over a horizontal line.

David G. Drexler  
Assistant Counsel

Attachment

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System        )           Docket No. ER13-102-000  
Operator, Inc.                        )

NOTICE OF INTERVENTION AND COMMENTS  
OF THE NEW YORK STATE  
PUBLIC SERVICE COMMISSION

NOTICE OF INTERVENTION

On October 11, 2012, the New York Independent System Operator, Inc. (NYISO) and New York Transmission Owners (NYTOs) submitted a compliance filing responding to the Federal Energy Regulatory Commission's (FERC or Commission) directives specified in Order Nos. 1000 and 1000-A (Compliance Filing).<sup>1</sup> The New York State Public Service Commission (NYPSC) hereby submits its Notice of Intervention and Comments in the above-captioned proceeding pursuant to the Commission's Notice of Extension of Time, issued on November 1, 2012, and Rule 214 (18 C.F.R. §385.214) of the Commission's Rules of Practice and Procedure.

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<sup>1</sup> Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, 136 FERC ¶61,051 (2011) (Order 1000), *order on reh'g and clarification*, Order No. 1000-A, 139 FERC ¶61,132 (2012).

Copies of all correspondence and pleadings should be addressed to:

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#### BACKGROUND

FERC's Order No. 1000 directed, in part, that the NYISO and NYTOs amend their Open Access Transmission Tariffs (OATT) to consider transmission needs driven by Public Policy Requirements in their local and regional transmission planning processes. The Commission clarified that this included the identification of transmission needs driven by Public Policy Requirements, and the evaluation of potential solutions to meet those needs.<sup>2</sup>

In identifying the transmission needs for which potential solutions will be evaluated in the transmission planning process, the Commission indicated that all stakeholders must have an opportunity to provide input and offer proposals regarding those needs, but declined to require that those needs

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<sup>2</sup> Order No. 1000, ¶ 205.

be identified by a particular entity or subset of stakeholders. Importantly, the Commission "strongly encourage[d] states to participate actively" in this process, and suggested that state regulators may identify transmission needs for which potential solutions should be evaluated in the transmission planning process.

### DISCUSSION

The Compliance Filing responds to the Commission's directive to incorporate into the OATT a transmission planning process for public policy purposes that affords an opportunity for any stakeholder to provide input in identifying such transmission needs. The Compliance Filing also answers the Commission's call for the active participation of state regulators, by establishing a mechanism whereby the N.Y. Department of Public Service Staff (NYDPS Staff) or, upon appeal, the NYPSC, will identify those transmission needs driven by Public Policy Requirements that warrant evaluation by the NYISO. The NYPSC will also play a central role in identifying which of the particular proposed transmission projects evaluated by the NYISO should receive recovery of the costs incurred in pursuing necessary siting approval(s) and, if approved, of the costs incurred to construct and maintain those projects.

Although the NYPSC has authority, independent of Order No. 1000, to pursue transmission planning efforts for public policy purposes, the NYPSC has worked closely with the NYISO and NYTOs to develop a workable mechanism that addresses the requirements of Order Nos. 1000 and 1000-A, while respecting that existing authority.<sup>3</sup> The NYPSC recognizes that the implementation of the proposed process will require the development of procedures that will be used by NYDPS Staff and the NYPSC in undertaking their respective roles and responsibilities. The NYPSC intends to initiate a proceeding, pending the Commission's review and determination regarding the Compliance Filing, and to solicit input from interested stakeholders in crafting appropriate procedures. The NYPSC is committed to working with the NYISO, NYTOs, and other interested stakeholders to develop a process that fits the Commission's Order 1000 framework and facilitates the timely and cost-effective implementation of State public policy goals.

#### CONCLUSION

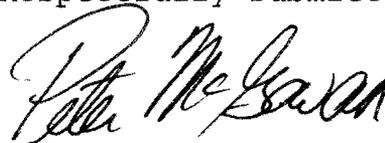
The NYISO and NYTO's Compliance Filing is consistent with FERC's strong encouragement that states participate actively in the transmission planning process, while affording

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<sup>3</sup> N.Y. PUB. SERV. LAW, §§5(2), 65(1), 66(1) and (2) (McKinney 2011).

other interested stakeholders opportunities to provide input throughout the process. Accordingly, the Commission should approve the mechanisms for conducting a transmission planning process for public policy purposes, as delineated in the Compliance Filing.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Peter McGowan".

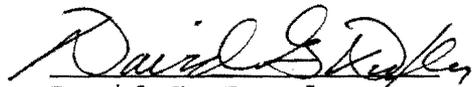
Peter McGowan  
General Counsel  
Public Service Commission  
of the State of New York  
By: David G. Drexler  
Assistant Counsel  
3 Empire State Plaza  
Albany, NY 12223-1305  
(518) 473-8178

Dated: November 26, 2012  
Albany, New York

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated: Albany, New York  
November 26, 2012

  
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Assistant Counsel  
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