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May 21, 2014

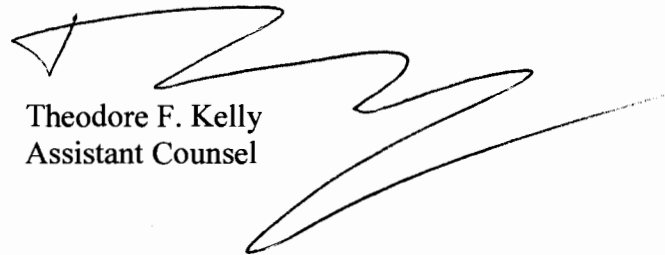
SENT VIA ELECTRONIC FILING
Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. ER14-1822 – New York Independent System Operator, Inc.
Filing of Unexecuted Minimum Oil Burn Agreement with TC
Ravenswood, LLC

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) 473-4953.

Very truly yours,



Theodore F. Kelly
Assistant Counsel

Attachment

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

New York Independent System)
Operator, Inc. Filing of) Docket No. ER14-1822
Unexecuted Minimum Oil Burn)
Agreement with TC Ravenswood, LLC)

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

NOTICE OF INTERVENTION

On April 30, 2014, the New York Independent System Operator (NYISO) filed an unexecuted Minimum Oil Burn Agreement (NYISO Agreement) between the NYISO and TC Ravenswood, LLC (Ravenswood), along with a letter requesting that the Federal Energy Regulatory Commission (FERC or Commission) accept the Agreement on an expedited basis and appoint a settlement judge (NYISO Letter). 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 Combined Notice of Filings, issued on May 1, 2014, and Rule 214 of the Commission's Rules of Practice and Procedure.¹

¹ 18 C.F.R. §385.214.

Copies of all correspondence and pleadings should be addressed to:

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BACKGROUND

New York State Public Service Law (PSL) assigns the NYPSC responsibility for, inter alia, ensuring safe and adequate service for ratepayers at just and reasonable rates.² In order to fulfill that responsibility, protect New York's citizens, and protect New York ratepayers against power system failures, the NYPSC participates in Commission proceedings where appropriate to protect system reliability and promote public policy and ratepayer interests. NYPSC supports the NYISO Agreement because it promotes system reliability and protects ratepayers from abuse of market power.

As more fully described in the NYISO Letter and in the Protest filed by NYPSC in Docket Number ER14-1711 (NYPSC Protest),³ the NYISO Agreement involves the provision by Ravenswood of an important reliability service, often described

² New York Public Service Law §65.

³ Application of TC Ravenswood, LLC to Implement a Reliability Oil Burn Service Cost of Service Rate Schedule, Notice of Intervention and Protest of the New York Public Service Commission (filed May 2, 2014).

as Minimum Oil Burn Service. A previous dispute involving the NYISO, Ravenswood, NYPSC, and Consolidated Edison Company of New York, Inc. (Con Edison) was resolved by a settlement agreement (2011 Settlement).⁴ The 2011 Settlement provides that, if NYISO and Ravenswood did not reach an agreement for the provision of Minimum Oil Burn Service by four months before the expiry of the 2011 Settlement on April 30, 2014, either can file an Unexecuted Agreement for the Commission's review and acceptance.⁵ The NYISO Agreement was filed in compliance with this provision.

DISCUSSION

I. The Commission Should Accept the NYISO Agreement Because It Is Just and Reasonable

The NYISO argues that the rates in the NYISO Agreement are just and reasonable because they track rates in the 2011 Settlement in both starting points and annual increases. There is no evidence that market or policy changes since 2011 have resulted in substantially different costs for Ravenswood or substantially different benefits for NYISO or ratepayers. Because Minimum Oil Burn Service is an important reliability service, the Commission should expeditiously accept the NYISO Agreement to avoid any issues with the continued provision of that service at just and reasonable rates.

⁴ Docket No. EL10-70, TC Ravenswood, LLC v. New York Independent System Operator, Inc., Offer of Settlement (filed April 19, 2011).

⁵ Id.

II. The Commission Should Accept the NYISO Agreement Because It Protects Ratepayers from Abuse of Market Power

Ravenswood's continued provision of Minimum Oil Burn Service is necessary both for system reliability and to ensure continued compliance with Reliability Rules created by the New York State Reliability Council. For this reason, Ravenswood has market power with respect to the provision of that service. Ravenswood's filing of an unjust and unreasonable rate schedule for Minimum Oil Burn Service represents an attempt to exploit this market power, as well as an expression of disregard for system reliability needs.⁶ An important purpose of Independent System Operators is to prevent companies from abusing their market power to create unjust and unreasonable rates.⁷ The Commission should accept the NYISO Agreement in order to allow the NYISO to perform this function and prevent Ravenswood from exploiting its market power.


⁶ See Docket No. ER14-1711, Notice of Intervention and Protest of the New York Public Service Commission.

⁷ See, e.g., 89 FERC ¶ 61,285 Regional Transmission Organizations, Final Rule (issued December 20, 1999).

CONCLUSION

For the above reasons, the Commission should accept
the NYISO Agreement.

Respectfully submitted,




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Public Service Commission
of the State of New York
By: Theodore F. Kelly
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Dated: May 21, 2014
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: May 21, 2014
Albany, New York



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