

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 02-T-0036 - Application of Neptune Regional Transmission System LLC for a Certificate of Environmental Compatibility and Public Need for the Construction of two 600-megawatt (+/- 500 kV) High Voltage Direct Current Submarine/Underground Electric Transmission Cables to Connect Load Centers in New York with Transmission and Generation Resources in New Jersey.

NOTICE OF JOINT PROPOSAL
INVITING PUBLIC COMMENTS

(Issued December 16, 2003)

On December 5, 2003, Neptune Regional Transmission System LLC, Department of Public Service Staff, Department of Environmental Conservation Staff, and the Office of Parks, Recreation and Historic Preservation submitted for Commission consideration a Joint Proposal for the construction and operation of a 600 MW transmission facility that would connect an electric substation in New Jersey with a substation owned by the Long Island Power Authority located on Newbridge Road in the Town of Hempstead, Nassau County. A summary of the project is attached to this notice.

The Joint Proposal, and the proponents' statements in support, are available for inspection at the Department of Public Service's Albany office on the 14th Floor, Three Empire State Plaza, and the Department's New York City office on the 8th Floor, One Penn Plaza. A copy of the Joint Proposal, and the supporting statements, can also be obtained by calling the following telephone number (518) 474-4520.

The public is invited to submit written comments concerning the terms and provisions of the Joint Proposal by no later than Tuesday, January 6, 2004. An original and five copies of the comments should be delivered to Jaclyn A. Brillling, Acting Secretary, Three Empire State Plaza, Albany, New York 12223-1350.

(SIGNED)

JACLYN A. BRILLING
Acting Secretary

Case 02-T-0036
Neptune Regional Transmission System, LLC
Transmission Line Project Summary

Neptune Regional Transmission System, LLC ("NeptuneRTS™" or "Applicant") has pending before the New York State Public Service Commission (the "Commission") an application (the "Application") seeking a certificate of environmental compatibility and public need pursuant to Article VII of the Public Service Law ("Article VII Certificate") for the construction and operation of a 600 MW electric transmission facility that would connect an electric substation owned by Jersey Central Power and Light, a First Energy affiliate, located in Sayreville, New Jersey, with an electric substation owned by Long Island Power Authority ("LIPA") located at Newbridge Road in the Town of Hempstead, Nassau County. The Transmission Facility consists of: (i) a high voltage direct current ("HVDC") cable installed underground in upland areas and under the seabed in marine areas; (ii) a converter station to be located on State of New York property at 508 Duffy Avenue, Town of North Hempstead; and (iii) an underground 345 kV alternating current ("AC") line connecting the converter station to the Newbridge Road Substation.

The HVDC submarine cable will be installed within a corridor 300 meters wide (except within Jones Inlet and Hempstead Bay, where it will be 100 meters wide), the center line of which starts in the west at the New Jersey/New York boundary in the Raritan Bay and continues east through the New York Bight (Atlantic Ocean) to a point south of Jones Inlet; continues northeast through Jones Inlet and east in Hempstead Bay within the State Navigation Channel to a point east of the Jones Beach Fishing Pier; where it continues north on land within the right-of-way ("ROW") and along the eastern side of the Jones Beach Causeway and Wantagh State Parkway, passing adjacent to the Newbridge Road Substation and continuing north to a converter station to be located on property adjacent to the east side of the Wantagh State Parkway in the hamlet of New Cassel in the Town of North Hempstead. The HVDC cable will extend over the entire cable route. An AC cable system also will occupy the last 1.7 miles of the cable route connecting the converter station to the Newbridge Road Substation. The Transmission Facility extends to the boundary of the Newbridge Road Substation. Installation of related substation equipment inside the Newbridge Road Substation will be undertaken pursuant to LIPA's existing authority.

The New York portion of the cable route is 37 miles long, of which 23 miles are in lands underwater and 14 miles are in uplands. The AC and direct current ("DC") cables will be buried beneath the seabed or underground for the entire length of the cable route. The DC cable will be aboveground only within the converter station site. The AC cable will be aboveground only within the converter station site and within the Newbridge Road Substation.

The converter station will consist of the following structures:

- (1) the main complex, including the converter transformer bays, the valve hall, the DC equipment hall, and the adjacent control and auxiliary building;
- (2) the AC-Switch gear building;
- (3) housing for the valve cooling system water coolers;
- (4) pre-fabricated building for air handling system;

- (5) pre-fabricated building for emergency generator and tank;
- (6) fire-pump house; and
- (7) spare parts building.

The Transmission Facility will bring to the LIPA system the benefits of a complete interconnection to the Pennsylvania Jersey Maryland ("PJM") electric system independent of any particular supply source within PJM. The line will provide 600 MW of firm transmission plus 150 MW of non-firm transmission between PJM and LIPA.

After extensive examination of the proposed Transmission Facility, agreement was reached by and among NeptuneRTS™, the Staff of the Department of Public Service designated to participate in this proceeding ("DPS Staff"), the Department of Environmental Conservation ("DEC"), and the Office of Parks, Recreation and Historic Preservation ("OPRHP") (collectively referred to as the "Signatory Parties") on the Joint Proposal that describes in detail the Transmission Facility and its benefits and impacts. The Joint Proposal includes a lengthy list of conditions pursuant to which the Signatory Parties recommend that NeptuneRTS™ be authorized to construct and operate the Transmission Facility. The Signatory Parties agree that there are no issues that would require adjudication among them.