

# Attachment I

**Admission and Denials of Material Allegations  
of the New York Independent System Operator, Inc.**

Pursuant to Rule 213(c)(2)(i) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213(c)(2)(i) (2018), the NYISO sets forth the following admissions and denials to the material factual and legal allegations in the Complaint. To the extent that any fact or allegation in the Complaint is not specifically addressed here or elsewhere in the NYISO’s answer, it is denied.

1. The NYISO denies that its refusal to register Light Power & Gas of NY LLC (“LPG”) was based on a determination that LPG is “is a common law successor by ‘mere continuation’ . . . .” of North Energy Power LLC (“North Energy”). Complaint at 2. As discussed in the NYISO’s answer, this determination was actually based on the plain language of the tariff and is a reasonable interpretation consistent with the underlying purpose of the NYISO’s credit requirements and Commission policy.
2. The NYISO denies that it “import[ed] [a] standard of common law successor liability into its OATT.” Complaint at 2, 12.
3. The NYISO denies that its implementation of its OATT with respect to LPG has been unreasonable, unlawful, or unduly discriminatory. Complaint at 2.
4. The NYISO denies LPG’s assertion that the “NYISO has violated its tariff because it has not completed various predicate steps required under the bad debt/re-entry provision in Section 27 of the OATT.” *Id.*
5. The NYISO denies that “any determination of successor liability should be made by a New York court, not by the NYISO,” Complaint at 2. The NYISO’s decision to decline to register LPG is not dependent upon the successor liability doctrine, and the reasons why the NYISO made that determination, *i.e.* the language of its OATT and Commission precedent and policy, should be reviewed by the Commission, not by a state court.
6. The NYISO admits that LPG is, to the best of the NYISO’s knowledge, an energy services company that has been authorized to do business in New York State by the New York Department of Public Service (“NYDPS”) but notes that this state regulatory authorization does not mean that the NYISO must allow LPG into its markets. Complaint at 3.

7. The NYISO admits that it is an Independent System Operator, and that it operates the New York State transmission system and administers organized wholesale energy markets pursuant to its OATT and its Market Administration and Control Area Services Tariff. Complaint at 3.
8. The NYISO neither admits nor denies that LPG received, or is in the process of receiving, approval from the NYSDPS and various New York utilities for Electronic Data Interchange testing necessary to serve retail access customers in New York. The NYISO is not involved in those efforts but notes that obtaining these approvals would not mean that the NYISO must allow LPG into its markets. Complaint 5.
9. The NYISO neither admits nor denies that LPG “has expended significant personal services time of its Vice President, Abe Leiber, and one staff member in pursuing efforts to enter the New York marketplace.” Complaint at 5.
10. The NYISO admits that LPG is required to register with the NYISO to enable it to participate in the NYISO-administered markets. Complaint at 5.
11. The NYISO denies that LPG applied to the NYISO for registration in early December 2018. Complaint at 5. As noted in the Davies Affidavit, LPG filed its registration application with the NYISO on November 26, 2018.
12. The NYISO denies that LPG satisfied all material requirements necessary for registration. Complaint at 5.
13. The NYISO admits that it sent a letter to LPG in December 2018 stating that it would hold LPG’s application in abeyance pending North Energy’s payment of its outstanding and unpaid obligations to the NYISO. Complaint at 6.
14. The NYISO admits that, to the best of its knowledge, North Energy was a retail marketer that served retail electricity customers in New York retail markets until the NYISO terminated its participation in the NYISO-administered markets in October 2018. Complaint at 6.
15. The NYISO admits that after North Energy’s bankruptcy, it asserted claims against North Energy for various unpaid amounts which exceeded the collateral held by the NYISO and that the NYISO subsequently requested and received an order from the bankruptcy court so that it could terminate North Energy’s ability to participate in the NYISO-administered markets. Complaint at 6-7.
16. The NYISO admits that on or about December 21, 2018 LPG’s counsel contacted the NYISO’s counsel to raise LPG’s concerns. Complaint at 7.
17. The NYISO admits that LPG submitted a letter to the NYISO challenging the NYISO’s refusal to register LPG, and that the NYISO rejected LPG’s stated position. Complaint at 7-8.

18. The NYISO admits that it declined to provide LPG with a more expansive written explanation of its reasons for refusing to allow it to register but denies any suggestion that its refusal to do so was somehow inconsistent with the NYISO's obligations or unfair to LPG. The explanation provided by the NYISO was clear and sufficient. Complaint at 8, 15.
19. The NYISO denies that the NYISO OATT requires it to register LPG given the facts of this case and denies that it is violating its OATT. Complaint at 9.
20. The NYISO denies that any of the cases cited by LPG stand for the proposition that the NYISO OATT or the filed rate doctrine require the NYISO to register LPG given the facts and circumstances of this case. Complaint at 9-10.
21. The NYISO denies that the OATT prohibits it from treating LPG and North Energy as the same Transmission Customer for purposes of Section 27.4 of the OATT. Complaint at 12.
22. The NYISO denies the assertion that the NYISO violated its tariff or "imported" the concept of successor liability into its OATT. Complaint at 12.
23. The NYISO denies that its actions were unduly discriminatory or motivated by a desire to obtain "leverage" over LPG or based on any "bias." Complaint at 12.
24. The NYISO denies the assertion that the NYISO "has also failed to comply with the requirements of Section 27 - Attachment U - Declaration and Recovery of Bad Debt Losses." Complaint at 12. The NYISO has followed all of the requirements of its OATT in suspending LPG's registration pending its payment of North Energy's outstanding financial obligations.
25. The NYISO denies the assertion that the OATT requires it to allow LPG to enter the market until the NYISO completes the entire bad debt loss process applicable to North Energy. Complaint at 12-13. This assertion misrepresents the process to be used under the OATT in the circumstances presented in this case.
26. The NYISO admits that it has not yet formally declared a bad debt loss with regard to North Energy as the final bad debt loss amount is pending, subject to the invoice true-up process and schedule. The fact that the NYISO is following the process required under its tariff to finalize that calculation with respect to North Energy does not invalidate its refusal to register LPG.
27. The NYISO denies that its treatment of LPG was "irrational." Complaint at n. 13. Preventing LPG from entering the market until North Energy's debts are paid is a reasonable measure to protect other Market Participants.
28. The NYISO denies the Complaint's assertions regarding its allegedly erroneous application of the successor liability doctrine. Complaint at 15-16. The NYISO based its actions in this case on the express language of the NYISO OATT and its

understanding of what constituted a reasonable interpretation of that language given relevant Commission precedent and policy.

29. The NYISO denies that decisions regarding LPG's registration were made by "biased NYISO administrators," Complaint at 15. The NYISO is an independent, not-for-profit entity and has no bias against LPG or any other Market Participant.
30. The NYISO denies that it has taken any actions that were intended to "impede," or that have prejudiced in any way, LPG's ability to understand the basis for the NYISO's decision concerning LPG's registration. Complaint at 15.
31. The NYISO denies that the Commission's "rule of reason" precedent supports LPG's claims. Complaint at 16.