



February 24, 2012

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**RE: Niagara Mohawk Power Corporation
Docket No. ER12-_____
Interconnection Agreement between Niagara Mohawk Power
Corporation and the Griffiss Utility Services Corporation

Request for Waiver of 60-day Prior Notice Period**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act ("FPA"),¹ Part 35 of the Commission's regulations,² and Order No. 714,³ Niagara Mohawk Power Corporation d/b/a National Grid ("Niagara Mohawk") submits for Commission acceptance an Interconnection Agreement ("IA" or "Agreement") between Niagara Mohawk and Griffiss Utility Services Corporation ("GUSC") (collectively, the "Parties"). GUSC is a transmission customer that provides service to end-use customers located at the Griffiss Business and Technology Park in Rome, New York (the "Park"). The Agreement is designated under the New York Independent System Operator, Inc. ("NYISO") open access transmission tariff ("OATT"), FERC Electric Tariff, Original Volume No. 1 as Service Agreement No. 1852.

For the reasons discussed below, Niagara Mohawk, with the support of GUSC, requests a waiver of the 60-day prior notice period to permit the Agreement to become effective on January 1, 2012. A January 1, 2012, effective date will allow the Agreement to become effective on the day after the expiration of Service Agreement No. 920, a prior agreement between Niagara Mohawk and GUSC that was accepted by the Commission.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Electronic Tariff Filings, FERC Stats. & Regs. ¶ 31,276 (2008).

I. Background

Niagara Mohawk is a public utility that owns transmission and distribution facilities in New York. Niagara Mohawk provides retail electric service in the City of Rome, New York, and the Town of Floyd, New York, where the Griffiss Air Force Base (“the Base”) was formerly located. Prior to January 1, 2002, Niagara Mohawk provided electric service at retail to the United States Air Force at the Base.

Griffiss Local Development Corporation (“GLDC”) is a not-for-profit corporation created to revitalize the economy of Rome, New York, by transforming the Base from a military installation into the Park, which is akin to an industrial park. By order dated December 1, 1999, the New York State Public Service Commission (“New York PSC”) granted GLDC interim authority to provide electric service at retail in the Park.⁴ On January 1, 2002, GLDC began receiving transmission and sales service from Niagara Mohawk and providing electricity service to retail customers in the Park. Terms of Niagara Mohawk’s service to GLDC were set forth in Niagara Mohawk Rate Schedule No. 315, accepted by the Commission in a letter order issued in Docket No. ER02-2288 on October 22, 2002. Rate Schedule No. 315 provided for GLDC to pay certain charges incorporated by reference from Niagara Mohawk’s retail tariff as a settlement of Niagara Mohawk’s claims that GLDC should pay an exit fee under the retail tariff.

GUSC subsequently took over responsibility for operating and maintaining the electric distribution system in the Park pursuant to certain agreements with GLDC. By order dated July 20, 2006, the New York PSC approved the transfer of GLDC’s certificate of public convenience and necessity to own, operate, and maintain the electric facilities in the Park to GUSC.⁵ GUSC is a not-for-profit corporation providing electric service to businesses and other residents in the Park. To document GUSC’s role, as well as a number of related terms and conditions related to certain low cost power deliveries allocated to GLDC under New York State programs, Niagara Mohawk, GLDC, and GUSC entered into an amended settlement agreement. This amended settlement agreement was designated as Service Agreement No. 920 under the NYISO OATT. Service Agreement No. 920 was accepted by the Commission in a letter order issued in Docket No. ER06-1451 on October 2, 2006.

Service Agreement No. 920 expired consistent with its own terms on December 31, 2011.⁶ The Parties have agreed to enter into the Agreement for the purpose of documenting certain terms and conditions governing the relationship between National

⁴ Case 99-E-0090 - Griffiss Local Development Corporation, *Order Establishing Further Procedures and Requirements for Providing Electric Service Within the Griffiss Business and Technology Park* (issued and effective December 1, 1999).

⁵ Case 06-E-0287 - Niagara Mohawk Power Corporation, Griffiss Local Development Corporation and Griffiss Utility Services Corporation, *Order Approving Economic Development Rate and Transfer of a Certificate, and Providing for Lightened Regulation* (issued and effective July 20, 2006).

⁶ Upon Commission acceptance of this Agreement, Niagara Mohawk will file a Notice of Termination for Service Agreement No. 920.

Grid and GUSC after the expiration of Service Agreement No. 920. The attached Agreement addresses the terms and conditions of the interconnection between the GUSC electric system and the Niagara Mohawk transmission system. GUSC has also entered into a standard service agreement under the NYISO OATT for transmission service to GUSC commencing January 1, 2012.

II. Interconnection Agreement

Niagara Mohawk has entered into comparable interconnection agreements with New York municipal electric systems in recent years. The attached Agreement is modeled, in large part, on an interconnection agreement between Niagara Mohawk and the Village of Solvay, New York, which was accepted by Commission letter order on October 22, 2003 in Docket No. ER03-1304-000. Consistent with the Solvay agreement and Commission precedent, the Agreement provides for the direct assignment of certain costs and charges for interconnection facilities that are solely for the use of GUSC.

As documented in Article IV of the Agreement, all interconnection facilities and upgrades necessary to effect the transfer of electricity from Niagara Mohawk's transmission system to GUSC have already been constructed. As of the effective date, no interconnection study contemplates any further changes to these interconnection facilities and upgrades. Certain provisions of Article IV of the Agreement shall apply only if modifications are made to the interconnection facilities or the transmission system after the effective date of the Agreement.

The Agreement is for a term of twenty years. The Agreement also includes terms and conditions that are standard for comparable interconnection agreements, including provisions addressing the coordinated operation and maintenance of the Niagara Mohawk transmission system and the GUSC electric system, metering provisions, provisions addressing emergency operations, insurance and liability provisions, and miscellaneous provisions.

III. Effective Date

Niagara Mohawk requests waiver of the Commission's 60-day notice requirement to permit the Agreement to become effective on January 1, 2012. Good cause exists for such a waiver. As detailed above, the attached Agreement documents certain terms and conditions to facilitate continuation of service to GUSC after the termination of Service Agreement No. 920 on December 31, 2011. Niagara Mohawk and GUSC worked in good faith to finalize the Agreement as soon as possible. Although the Parties had reached agreement in principle by the end of 2011, the need to finalize the language of certain provisions, including Article IV, resulted in the execution of the Agreement in February. Granting the requested waiver will allow Niagara Mohawk to accommodate

GUSC and is in the public interest and consistent with the standard set forth by the Commission in *Central Hudson*.⁷

Niagara Mohawk requests a waiver of any Commission requirements not specifically addressed herein necessary to allow the included agreement to become effective as of January 1, 2012.

IV. Communications and Service

Communications and correspondence with respect to this matter should be addressed to the following individuals, and the following should be included on the official service list for this proceeding:⁸

William Malee
Director, Transmission
Commercial Services
Niagara Mohawk Power
Corporation,
A National Grid Company
40 Sylvan Road
Waltham, MA 02451
(781) 907-2422
bill.malee@us.ngrid.com

Sean A. Atkins
Walton Harris Walker III
Alston & Bird, LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
(202) 239-3300
(202) 239-3333 facsimile
sean.atkins@alston.com
walton.walker@alston.com

Amanda Downey
Counsel for National Grid
40 Sylvan Road
Waltham, MA 02451-1120
781-907-2136
amanda.downey@nationalgrid.com

⁷ See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106 at 61,338, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

⁸ Niagara Mohawk requests waiver of 18 C.F.R. § 385.203(b) to allow four persons to be added to the service list in this proceeding.

V. Conclusion

For the reasons stated herein, Niagara Mohawk respectfully requests that the Commission accept the Agreement, effective January 1, 2012.

Copies of this filing have been served on Griffiss, the New York State Public Service Commission, and the NYISO.

Respectfully submitted,

/s/ Amanda Downey

Amanda Downey
National Grid USA Service Company, Inc.
40 Sylvan Road
Waltham, MA 02451

*Attorney for Niagara Mohawk Power
Corporation, d/b/a National Grid*