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November 26, 2013

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A
Washington, DC 20426

RE: Rochester Gas and Electric Corporation, Docket No. ER14- -000
Filing of Large Generator Interconnection Agreement with
Allegany Generating Station LLC

Dear Ms. Bose:

Pursuant to Federal Power Act (“FPA”) Section 205, 16 U.S.C. § 824d, and Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations, Rochester Gas and Electric Corporation (“RG&E”) submits a Large Generator Interconnection Agreement (“LGIA”) between RG&E and Allegany Generating Station LLC (“Allegany”). The attached LGIA (“Allegany LGIA”) is designated as Service Agreement No. 2036 under the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”).

The Allegany LGIA is two party interconnection agreement for continued provision of interconnection service to the Allegany generating station after it is sold from RG&E to Allegany. RG&E requests that the Commission accept the Allegany LGIA effective November 1, 2013, the closing date for the sale of the Allegany generating station to Allegany.

I. Background

RG&E is public utility and a gas and electric corporation, duly organized, existing and authorized to do business under the Transportation Corporation Laws of the State of New York. RG&E serves residential, commercial, and industrial retail electric customers in its service territory in and near Rochester, New York, which territory contains a population of approximately 900,000.

Allegany Generating Station LLC is a New York limited liability company formed to acquire, own and operate the Allegany generating station, an approximately 82 MW gas-fired power plant located in the Town of Hume, Allegany County, New York.

On November 1, 2013, RG&E sold the Allegany generating station to Allegany. As part of the transaction, Allegany and RG&E executed the attached LGIA to provide continued interconnection service to the Allegany generating station.

II. RG&E-Allegany LGIA

With a few minor variations, the Allegany LGIA follows the *pro forma* LGIA set forth in Appendix 6 of Attachment X to the NYISO OATT. The main difference between the Allegany LGIA and the NYISO *pro forma* is that the Allegany LGIA is a two-party LGIA between the transmission owner, RG&E, and the generating facility owner. Under the NYISO *pro forma*, the LGIA is a three-party LGIA among the transmission owner, generating owner and the NYISO. A black-line comparison of the Allegany LGIA to the NYISO LGIA is included as Attachment B to this Letter.

Commission precedent supports acceptance of the Allegany LGIA as a two-party agreement. In prior orders, the Commission has found that, in circumstances such as this, it is not necessary for the NYISO to be a party to the LGIA.¹ The Commission stated:

[t]hey are not the type of new generator interconnection agreements envisioned by Order No. 2003; rather they are more like after-the-fact interconnection operating agreements that govern the terms, conditions, and rates associated with the continued operation and maintenance of previously constructed facilities built to accommodate the interconnection of the Alliance generators to Niagara Mohawk's transmission system. Accordingly we will not require NYISO to be a signatory to these . . . IAs.

Like the interconnection agreements in the Niagara Mohawk/Alliance case, Allegany LGIA is not a new generator interconnection agreement of the type envisioned by the Commission when it issued Order No. 2003. Instead, the Allegany LGIA governs the terms, conditions and rates associated with the continued operation of the Allegany generating station, using the previously-constructed facilities built to accommodate the interconnection of the existing facility to the RG&E transmission system. There have been no changes to the capacity or operating characteristics of the project. All that has changed is that RG&E has sold the project to Allegany and, as a result, requires an interconnection agreement. Thus, the Commission should accept the Allegany LGIA as a two-party LGIA.

¹ *Alliance Energy*, Docket No. ER07-1019, ER07-1020, and ER07-1021, issued August 7, 2008.

The NYISO's *pro forma* LGIA contains a number of provisions that are applicable to new interconnections, but are not applicable to existing interconnections, such as the Allegany interconnection that is the subject of this filing. RG&E and Allegany left nearly all of the provisions in the document, consistent with the direction of the Commission in prior orders. *See, e.g., PJM Interconnection, LLC*, 111 FERC ¶ 61,098 (2005). RG&E and Allegany use the term Interconnection Customer, rather than Developer, throughout the LGIA. In addition, a number of provisions relating to the study, engineering, development and construction of interconnection facilities have been removed. All of the provisions that have been modified/removed are identified in Appendix I.

III. Effective Date

Pursuant to Section 35.11 of the Commission's regulations, RG&E requests that the Commission accept this LGIA effective November 1, 2013, the date of the closing of the sale of the Allegany project.

IV. Documents Enclosed

The following documents are included in this filing:

- i. NYISO Service Agreement No. 2036, LGIA between Rochester Gas and Electric Corporation and Allegany Generating Station LLC, in clean format (Attachment A)
- ii. NYISO Service Agreement No. 2036 between Rochester Gas and Electric Corporation and Allegany Generating Station LLC, black-lined to show changes from the NYISO *pro forma* LGIA included in Attachment X to the NYISO OATT (Attachment B)

V. Communications and Service

Communications regarding this filing should be addressed to the following individuals:

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A copy of this filing has been served on Allegany, the NYISO and the New York Public Service Commission.

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RG&E respectfully requests that the Commission accept the RG&E-Allegany LGIA effective November 1, 2013.

Respectfully submitted,

/s/ Elizabeth W. Whittle

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