

February 7, 2014

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

**Re: Niagara Mohawk Power Corporation, d/b/a National Grid
Docket No. ER14-____-000
Amended and Restated Large Generator Interconnection
Agreement with Carr Street Generating Company, L.P. and
Request for Waiver of Commission Notice Requirement**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ and Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,² Niagara Mohawk Power Corporation d/b/a/ National Grid (“National Grid”) submits an Amended and Restated Large Generator Interconnection Agreement (“LGIA”) between National Grid and Carr Street Generating Company, L.P. (“Carr Street”). The attached LGIA (the “Carr Street LGIA”) is designated as Service Agreement No. 2076 under the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”).

The Carr Street LGIA is an undisputed agreement between National Grid and Carr Street for the continued provision of interconnection service to the generating facility owned by Carr Street and located in the City of East Syracuse, New York (“Plant”). National Grid requests that the Commission accept the Carr Street LGIA effective as of the date it was executed, December 16, 2013.

I. Background

National Grid is a public utility with a transmission system in the State of New York. Carr Street owns and operates the Plant, a gas-fired combustion turbine/combined cycle generating facility with a nameplate capacity of 122.6 MW located in the City of East Syracuse, Onondaga County, New York. The Plant has been in operation since the 1990s.

National Grid and Carr Street are parties to an interconnection agreement regarding the Plant that was filed in 2008 and accepted by the Commission in January 2009, in Docket No. ER07-70. Pursuant to that existing interconnection agreement, National Grid provides interconnection service to the Plant using the transmission system owned by National Grid.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

II. The Carr Street LGIA

National Grid and Carr Street have entered into the Carr Street LGIA to provide for continued interconnection service to the Plant using the transmission system owned by National Grid, pursuant to the terms of the Carr Street LGIA. The parties intend the Carr Street LGIA to amend and restate, and to supersede and replace, the interconnection agreement for the Plant that was accepted in Docket No. ER09-70, effective as of December 16, 2013.³

With minor variations, the Carr Street LGIA follows the *pro forma* LGIA set forth in Appendix 6 of Attachment X to the NYISO OATT. The main difference between the Carr Street LGIA and the NYISO *pro forma* is that the Carr Street LGIA is a two-party agreement between the transmission owner (National Grid) and the generation facility owner (Carr Street), whereas the *pro forma* NYISO LGIA is a three-party agreement among the transmission owner, the generation facility owner, and the NYISO.⁴

Commission precedent supports acceptance of the Carr Street LGIA as a two-party agreement. In proceedings on two-party LGIAs between National Grid and generation subsidiaries of Alliance Energy that were modeled on the *pro forma* NYISO LGIA (collectively, the “Alliance Energy LGIAs”),⁵ the Commission found that the NYISO did not need to be a party to the two-party Alliance Energy LGIAs, for the following reasons:

[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 unexecuted IAs.⁶

Like the Alliance Energy LGIAs, the Carr Street LGIA is not a new generator interconnection agreement of the type envisioned by Order No. 2003. Instead, the Carr Street LGIA governs the terms, conditions, and rates associated with the continued operation

³ National Grid will submit a separate filing to terminate the existing interconnection agreement that was accepted in Docket No. ER09-70.

⁴ Attachment B to this filing shows the differences between the Carr Street LGIA and the *pro forma* NYISO LGIA in red-line format.

⁵ The Alliance Energy LGIAs were filed and accepted pursuant to Commission proceedings in Docket Nos. ER07-1019, ER07-1020, and ER07-1021.

⁶ *Niagara Mohawk Power Corp. d/b/a National Grid*, 121 FERC ¶ 61,104, at P 22 (2007) (citation omitted). The Commission also stated that “any interconnections involving the interconnection of a new generating facility or involving increases in capacity or material modifications to the operating characteristics of existing generating facilities interconnected to Niagara Mohawk’s or any other NYISO member’s transmission system will require the NYISO to be a signatory to that IA.” *Id.* However, the Plant is already interconnected to the transmission system owned by National Grid, and there has been no increase in capacity or material modifications to the operating characteristics of the Plant. Therefore, the NYISO does not need to be a signatory to the Carr Street LGIA.

and maintenance of the previously constructed facilities built to accommodate the interconnection of the existing Plant to the National Grid transmission system. Therefore, the Commission should accept the Carr Street LGIA as a two-party agreement.

The *pro forma* NYISO LGIA contains a number of provisions that are applicable to new interconnections but are not applicable to existing interconnections, such as the interconnection for the Plant. However, National Grid and Carr Street have agreed to retain those provisions in the Carr Street LGIA. This approach is consistent with the approach authorized in *PJM Interconnection, L.L.C.*⁷ In that order, the Commission rejected a proposal to delete inapplicable provisions from an LGIA, stating that “[i]f a provision of a contract is not applicable, it is not applicable,” and concluding that “[u]nless confusion is likely, modifications to a pro forma agreement that ‘clarify’ matters not in doubt are not necessary.”⁸

National Grid and Carr Street have also included clarifying provisions in the Carr Street LGIA that differ from provisions in the *pro forma* NYISO LGIA. In Article 1 of the Carr Street LGIA, National Grid and Carr Street have revised the definition of the term “Other Interfaces” to reference the interfaces relevant to interconnection service for the Plant. National Grid and Carr Street have also not included Appendix G to the *pro forma* NYISO LGIA (entitled “Interconnection Requirements for a Wind Generating Plant”) in the Carr Street LGIA, because the Plant is not a wind generating plant.

National Grid and Carr Street have agreed to a twenty-year term for the Carr Street LGIA, as documented in Article 2.2 of the agreement. National Grid and Carr Street also have agreed to retain charges for operations and maintenance services under the Carr Street LGIA that are consistent with the charges authorized by the Commission in the existing interconnection agreement that was accepted in Docket No. ER09-70, as documented in Appendix C to the Carr Street LGIA.

III. Effective Date and Request for Waiver

Pursuant to Section 35.11 of the Commission’s regulations,⁹ National Grid respectfully requests waiver of the requirement contained in Section 35.3 of the Commission’s regulations to file service agreements not more than 30 days after service under the agreements has commenced,¹⁰ in order to allow the Carr Street LGIA to become effective as of December 16, 2013.

The parties have agreed that the Carr Street LGIA was entered into on December 16, 2013” and “shall become effective upon execution by the Parties, subject to acceptance by FERC.”¹¹ Granting the requested waiver will permit the Carr Street LGIA to become

⁷ 111 FERC ¶ 61,098 (2005).

⁸ *Id.* at P 14.

⁹ 18 C.F.R. § 35.11.

¹⁰ 18 C.F.R. § 35.3.

¹¹ Carr Street LGIA, Preamble and Article 2.1.

effective as of the date agreed upon by the parties and will not result in prejudice to any party. For these reasons, the Commission should find that good cause exists to grant an effective date of December 16, 2013.

IV. Documents Enclosed

In addition to this filing letter, attached are the following documents:

- i. The Carr Street LGIA (Service Agreement No. 2076 under the NYISO OATT), provided in clean format (Attachment A)
- ii. Red-lined revisions showing the differences between the Carr Street LGIA and the *pro forma* NYISO LGIA (Attachment B)

V. Communications and Service

Communications regarding this filing should be addressed to the following individuals, whose names should be entered on the official service list maintained by the Secretary for this proceeding:¹²

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

¹² National Grid requests waiver of 18 C.F.R. § 385.203(b) to allow four persons to be added to the service list in this proceeding.

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VI. Conclusion

For the reasons stated herein, National Grid respectfully requests that the Commission accept the Carr Street LGIA effective as of December 16, 2013.

Respectfully submitted,

/s/ Amanda C. Downey

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