

February 18, 2011

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission 888 First
Street, NE, Room 1A
Washington, D.C. 20426

**RE: Niagara Mohawk Power Corporation
Interconnection Agreement with United States Gypsum Company
Docket No. ER11-
First Revised Service Agreement No. 300**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35.12 of the Federal Energy Regulatory Commission's ("FERC" or the "Commission") regulations, 18 C.F.R. Part 35.12 (2006), Niagara Mohawk Power Corporation, d/b/a National Grid ("Niagara Mohawk"), submits for filing an Interconnection Agreement ("First Revised Service Agreement") between Niagara Mohawk and United States Gypsum Company ("U.S. Gypsum" or "Interconnection Customer") under the New York Independent System Operator, Inc. ("NYISO") open access transmission tariff ("OATT"), FERC Electric Tariff, Original Volume No. 1. Pursuant to Order No. 714, this agreement has been designated as First Revised Service Agreement No. 300. Under the Interconnection Agreement, Niagara Mohawk will continue to provide interconnection service to U.S. Gypsum for U.S. Gypsum's 5 MW generating facility located in Oakfield, Genesee County, New York.

I. Information Submitted with Filing

Niagara Mohawk filed the original interconnection agreement on February 1, 2001 in Docket No. ER01-1168-000 ("Original Agreement"). It was accepted with a NYISO rate schedule designation of Service Agreement No. 300 pursuant to a Commission staff letter order issued in that proceeding on April 20, 2001.

The Original Agreement set the term to expire in January 2011. Niagara Mohawk and U.S. Gypsum desire that the interconnection relationship continue for an additional ten years. Due to the expiration of the Original Agreement, and in an effort to ensure the justness and reasonableness of the First Revised Service Agreement, U.S. Gypsum and Niagara Mohawk mutually agree to use as the form of the First Revised Service Agreement the *pro forma* Small Generator Interconnection Agreement in Attachment Z of the NYISO OATT. This *pro forma* agreement has been modified to serve as a two-party agreement. The First Revised Service Agreement restates, supersedes and replaces the Original Agreement in its entirety.

Pursuant to the Commission's order in *New England Power Company*, 109 FERC ¶ 61,364 (2004) (“*NEP*”), the Commission's standard interconnection rules promulgated in Order No. 2006, and the procedures and agreements related thereto, including the NYISO Small Generating Facility Interconnection Procedures, do not apply in this case. In *NEP*, the Commission held that, where there are no proposed increases in capacity or material modifications of the characteristics of an existing generating facility, Order No. 2003 did not apply to generator interconnection agreements because they were not “new interconnection requests.” *Id.* at P 13; see also *Jersey Central Power & Light Company*, 110 FERC ¶ 61,273 at P 11 (2005) (“because the revision to the existing interconnection agreement does not ‘increase the capacity of a generating unit in the PJM Region,’ PJM’s interconnection procedures in its OATT...do not apply”). The U.S. Gypsum generating facility is an existing facility, and there are no proposed increases in capacity or material modifications to the characteristics of the facility. Thus, as the Commission held in *NEP*, the Commission should also find here that the Commission’s standard interconnection rules promulgated in Order No. 2003, and the procedures and agreements related thereto, including the NYISO Small Generator Interconnection Procedures, do not apply in this case. Because this interconnection was not processed under the NYISO Small Generator Interconnection Procedures, the NYISO is not a party to the First Revised Service Agreement.

II. 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 the docket established with respect to this filing:

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III. Proposed Effective Date

In accordance with section 35.3 of the Commission's Regulations, Niagara Mohawk respectfully requests that the Commission accept this Second Revised Service Agreement for filing, effective as of January 27, 2011.

IV. Documents Enclosed

Enclosed please find:

- i. This filing letter;
- ii. A First Revised Service Agreement No. 300

Copies of this filing have been served on the United States Gypsum Company, the NYISO and the New York Public Service Commission.

Respectfully submitted,

/s/ Daniel Galaburda

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Enclosures