

January 9, 2013

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

**Re: Niagara Mohawk Power Corporation, d/b/a National Grid
Docket No. ER13-____-000**

**Amended LGIAs with Alliance Energy Subsidiaries, AG Energy,
L.P.; Seneca Power Partners; and Sterling Power Partners, L.P.;
and Request for Waiver of Commission Notice Requirement**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2006), and Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35 (2012), Niagara Mohawk Power Corporation, d/b/a/ National Grid ("National Grid"), hereby respectfully submits for Commission acceptance three (3) revised Large Generator Interconnection Agreements between National Grid and the following generator subsidiaries of Alliance Energy ("Alliance") - AG Energy, L.P. ("AG Energy"), Seneca Power Partners ("Seneca"), and Sterling Power Partners, L.P. ("Sterling") (collectively, the "Alliance LGIAs" or "LGIAs"). Since 2007, AG Energy, Seneca, and Sterling have been receiving interconnection service from National Grid under existing Large Generator Interconnection Agreements accepted by the Commission (the "2007 Alliance LGIAs"). The revisions to the Alliance LGIAs do not modify the substantive rates, terms, and conditions for interconnection service to AG Energy, Seneca, and Sterling other than extending the term of those agreements. The revised Alliance LGIAs also include non-substantive updates to the name of the interconnection customer and notice information and the deletion of one inapplicable provision in Appendix C to the Sterling LGIA.

Because the Alliance LGIAs raise similar issues, National Grid is filing them together. National Grid respectfully requests that the Commission grant waiver of its 60-day notice requirement to permit each of the LGIAs to go into effect as of June 8, 2012.

I. Overview of Filing

The instant filing seeks to update the 2007 Alliance LGIAs previously accepted by the Commission in Docket Nos. ER07-1019, ER07-1020, and ER07-1021. The Alliance LGIAs are being updated to extend the term of these agreements by ten years from the requested June 8,

2012 effective date of the revised Alliance LGIAs contained in this filing. The Alliance LGIAs also include a limited set of changes updating the names of the Alliance subsidiaries and updating the notice information for both National Grid and the customers. The three Alliance generating facilities that are subject to the LGIAs have been interconnected to National Grid's transmission system for a number of years. The Alliance LGIAs contained in this filing are not the result of a request for new interconnection service under the Open Access Transmission Tariff ("OATT") of the New York Independent System Operator, Inc. ("NYISO").

The updated Alliance LGIAs, which are provided in Attachments A, B, and C to this filing, closely follow the *pro forma* NYISO LGIA contained in Appendix 6 to Attachment X to the NYISO OATT. Other than the small set of revisions to the Alliance LGIAs proposed in this filing, any differences between the *pro forma* NYISO LGIA and the Alliance LGIAs have already been authorized pursuant to a series of Commission orders issued in 2007 and 2008.¹

Black-lined documents showing the modest differences between the provisions in the currently effective Alliance LGIAs that were accepted in those orders and the provisions in the attached LGIAs are provided in Attachments D, E, and F to this filing. For each of the attached LGIAs, the proposed changes are solely to the cover page, the introductory paragraph before the recitals, Article 2.2 (entitled "Term of Agreement"), the signature block, and Appendices C (entitled "Interconnection Details") and F (entitled "Addresses for Delivery of Notices and Billings").

II. Background

The three generating facilities that are subject to the Alliance LGIAs have been interconnected to National Grid's transmission system since the 1990s. On June 8, 2007, National Grid filed with the Commission three unexecuted interconnection agreements between National Grid and AG Energy, Seneca, and Sterling with a request that the Commission rule on certain issues on which the parties were unable to reach agreement. As with the amended LGIAs submitted in this filing, the 2007 Alliance LGIAs were not the result of requests for new interconnection service under the NYISO OATT and reflected no increases in the capacity or changes to the characteristics of the existing generating facilities. The 2007 Alliance LGIAs largely followed, with some changes, the NYISO *pro forma* NYISO LGIA. In particular, modifications were made in the 2007 Alliance LGIAs to reflect the fact that they were two-party agreements between Alliance and National Grid.²

¹ *Niagara Mohawk Power Corp.*, 121 FERC ¶ 61,104 (2007) ("October 2007 Order"), *order on reh'g*, 123 FERC ¶ 61,144 (2008); Commission Letter Order, Docket Nos. ER07-1019-005, *et al.* (Aug. 7, 2008) (accepting compliance filing); Commission Letter Order, Docket Nos. ER07-1019-002, *et al.* (Dec. 17, 2007) (accepting refund report).

² By comparison, the *pro forma* NYISO LGIA is a three-party agreement to which the NYISO is a party. The NYISO was not a signatory to the Alliance LGIAs.

In the October 2007 Order, the Commission accepted the 2007 Alliance LGIAs, subject to conditions, approved the uncontested settlement related to certain refund associated with prior interconnection agreements among the parties, and directed National Grid to file a refund report. National Grid subsequently filed and obtained Commission acceptance of the required changes and refund report. The Commission accepted each of the 2007 Alliance LGIAs effective as of June 8, 2007.³

III. Proposed Changes

National Grid and AG Energy, Seneca, and Sterling have agreed to a limited set of changes to the Alliance LGIAs. First, in each LGIA, the introductory paragraph included before the recitals has been modified to reflect the date when the modified LGIA was entered into - June 8, 2012 - and the current company name of the Alliance subsidiary. The signature block in each LGIA has also been modified to reflect the change in company name.

Article 2.2 in each of the Alliance LGIAs has been modified to extend the term of service from a period of five years to a period of ten years (unless otherwise extended at the request of the Alliance subsidiary subject to the LGIA). Consequently, Article 2.2 in each LGIA now reads: "Subject to the provisions of Article 2.3, this Agreement shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as the [Alliance subsidiary] may request and shall be automatically renewed for each successive one-year period thereafter."

Appendix C to each LGIA has been modified to reflect the change in company name. Additionally, Appendix C of each LGIA has been modified to change the wording of the provision that references the one-line diagram in Appendix A that shows the point of interconnection. Appendix C of each LGIA has also been modified to delete the text that follows the section entitled "Reference." Further, the section in Appendix C of the LGIA for Sterling entitled "Construction Requirements" has been deleted because there are no ongoing construction requirements associated with this ongoing interconnection.

Lastly, Appendix F to each LGIA has been modified to include updated contact information for delivery of notices and billing.

³ The 2007 Alliance LGIAs were designated as Second Revised Service Agreement Nos. 1144, 1145, and 1146.

IV. 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:⁴

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Copies of this filing have been served on AG Energy, Seneca, Sterling, the New York State Public Service Commission, and the NYISO.

V. Effective Date and Request for Waiver

For each of the attached Alliance LGIAs, National Grid respectfully requests waiver of the 60-day notice requirement contained in Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3), pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), to allow the LGIA to become effective as of June 8, 2012. This is the date on which the parties agreed that the amended Alliance LGIAs should become effective. National Grid also requests waiver of any Commission requirements not specifically addressed herein that may be necessary to allow each LGIA to become effective as of June 8, 2012.

Good cause exists for the Commission to grant this waiver as no prejudice will result to any party and waiver is consistent with the standard set forth by the Commission in *Central Hudson*.⁵ The "Effective Date" is defined in Article 1 of each LGIA as "the date on which this

⁴ 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.

⁵ See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106, at 61,338, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

Agreement becomes effective upon execution by the Parties, subject to acceptance by the Commission.” Therefore, the parties intend for each LGIA to go into effect on the June 8, 2012 date specified in Article 1.

Most importantly, the amended Alliance LGIAs do not result in any new or modified charge for services as compared with the currently effective versions of the LGIAs. Nor are there any substantive revisions in the Alliance LGIAs other than the extension of the term of these agreements.⁶ Therefore, granting the requested waiver is appropriate.

VI. Documents Enclosed

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

- i. Third Revised Service Agreement No. 1144 under the NYISO OATT (Attachment A)
- ii. Third Revised Service Agreement No. 1145 under the NYISO OATT (Attachment B)
- iii. Third Revised Service Agreement No. 1146 under the NYISO OATT (Attachment C)
- iv. Third Revised Service Agreement No. 1144 black-lined against the currently effective version of that LGIA (Second Revised Service Agreement No. 1144) (Attachment D)
- v. Third Revised Service Agreement No. 1145 black-lined against the currently effective version of that LGIA (Second Revised Service Agreement No. 1145) (Attachment E)
- vi. Third Revised Service Agreement No. 1146 black-lined against the currently effective version of that LGIA (Second Revised Service Agreement No. 1146) (Attachment F)

⁶ If the amended Alliance LGIAs were not permitted to become effective June 8, 2012, then Section 2.2 of the 2007 Alliance LGIAs would result in the 2007 versions of the LGIAs being automatically renewed for one year until they are superseded by the attached amended LGIAs. In other words, the same rates, terms, and conditions will remain in effect regardless of whether the requested waiver is granted.

VII. Conclusion

For the reasons stated herein, National Grid respectfully requests that the Commission accept each of the three Alliance LGIAs contained in this filing, effective as of June 8, 2012.

Respectfully submitted,

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Enclosure

