



August 24, 2010

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

Re: New York State Electric & Gas Corporation, Docket No. _____

Dear Secretary Bose:

New York State Electric & Gas Corporation ("NYSEG"), submits for filing, pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824(d), and Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35, an executed version of the Original Service Agreement No. 1601 ("Interconnection Agreement") between NYSEG and Standard Binghamton LLC ("Standard") under the New York Independent System Operator, Inc. ("NYISO") Open Access Transmission Tariff ("OATT"), FERC Electric Tariff, Original Volume No. 1. Under the Interconnection Agreement, NYSEG will continue to provide interconnection service to Standard's existing large generating facility located in the City of Binghamton, New York (the "Facility").

Background Regarding The Interconnection Agreement

The Interconnection Agreement was entered into as of July __, 2010 and sets forth the rates, terms and conditions under which the Facility, a 55 MW (nominal) combined cycle natural gas power plant, will continue to be interconnected to the NYSEG transmission system. Upon the effectiveness of the Interconnection Agreement, the Interconnection Agreement will govern the interconnection of the Facility to the NYSEG transmission system.

NYSEG currently provides interconnection service to the Facility pursuant to an interconnection agreement between NYSEG and Canal Emirates Power International, Inc. ("Canal") dated as of April 3, 2000 (the "Existing IA"). The Existing IA was filed with the Commission on April 14, 2000 in Docket No. ER00-2204-000. The Commission accepted the Existing IA on June 9, 2000.

Pursuant to an Asset Purchase Agreement ("APA") dated October 18, 2000, between TransAlta USA Inc. ("TAUSA") and Canal, Canal agreed to sell and TAUSA to purchase, Canal's interest in the Facility. Under the APA, TAUSA agreed to assume all liabilities, obligation and commitments of Canal under the Existing IA. Prior to the closing of the APA, TAUSA assigned its interest in the APA (including the Existing IA) to IPP Energy LLC ("IPP") in a separate assignment agreement. IPP, a wholly-owned subsidiary of TAUSA, was formed for the sole purpose of owning and operating the Facility.

18 Link Drive, P.O. Box 5224, Binghamton, NY 13902-5224



On November 22, 2000, in Docket No. EC01-30-000, Canal and IPP filed a joint application under section 203 of the FPA for Commission authorization for Canal to transfer certain jurisdictional facilities to IPP. The jurisdictional facilities included the generator step-up transformer and interconnection equipment associated with the Facility.

On January 12, 2001, FERC issued an order approving the transfer of assets to IPP and, on January 18, 2001, the transaction between Canal and IPP was consummated. Pursuant to an Agreement of Assignment dated January 15, 2001 by and between Canal and IPP, Canal assigned the Existing IA to IPP effective January 18, 2001.

On April 2, 2008, in Docket No. EC08-51-000, FERC approved the disposition of jurisdictional facilities associated with the sale by IPP of the Facility to Standard pursuant to section 203 of the FPA. The jurisdictional facilities involved in the transaction included IPP's interest in the Existing IA. The sale of the Facility and the assignment of the Existing IA by IPP to Standard became effective on May 30, 2008.

In an effort to ensure the justness and reasonableness of the Interconnection Agreement, the form of Standard Large Generator Interconnection Agreement in Appendix 6 to Attachment X of the NYISO OATT was used with appropriate modifications to reflect that: (1) the NYISO is not a party to the Interconnection Agreement; (2) the Facility is an existing, interconnected generator as described above; and (c) the Facility is grandfathered for purposes of the deliverability interconnection standard of the NYISO OATT.

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

Proposed Effective Date and Request for Waiver of Notice Requirements

NYSEG respectfully requests waiver of the Commission's notice requirements, pursuant to 18 C.F.R. § 35.11, so that the Interconnection Agreement may become effective as of January 16, 2010. The parties had a prior IA that was set to expire on January 16, 2010. The parties agreed to request the prior IA continue if the Commission did not grant their request to waive the notice requirements and grant an effective date of January 16, 2010.¹ Good cause exists for such a waiver because: (a) the Interconnection Agreement is just and reasonable as it is based on the NYISO form of Standard Large Generator Interconnection Agreement; (b) the intent of the parties is to replace the Existing IA with the Interconnection Agreement as soon as possible consistent with current regulatory requirements; (c) the Facility is currently interconnected to the NYSEG transmission system and currently receives interconnection service from NYSEG; (d) there will be no prejudice or harm to any party in permitting the Interconnection Agreement to become effective as of January 16, 2010; and (e) permitting the Interconnection Agreement to become effective as of January 16, 2010 is consistent with the Commission's policy of directing parties to adopt standardized interconnection agreements.

NYSEG also respectfully requests a waiver of any other Commission regulation or requirement necessary to allow the Interconnection Agreement to become effective as of January 16, 2010, without modification or condition.

Order No. 614 Designations

Pursuant to the Commission's orders in *Designation of Electric Rate Schedule Sheets*, Order No. 614, 90 FERC ¶61,352 (2000) and *Southwest Power Pool, Inc.*, 92 FERC ¶61,109 (2000), NYSEG is required to designate the Interconnection Agreement as a service agreement under the NYISO OATT. As a result, NYSEG has designated the Interconnection Agreement as:

New York Independent System Operator, Inc.
NYISO Tariffs - Open Access Transmission Tariff
Original Service Agreement No. 1601
Effective: January 16, 2010

¹ See Letter dated January 15, 2010 submitted by NYSEG and Standard, Docket No. ER00-2204-000, attached hereto.

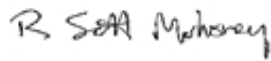
Documents Enclosed

Enclosed are an original and six copies of each of the following documents:

- (i) this transmittal letter;
- (ii) letter dated January 15, 2010 submitted by NYSEG and Standard, Docket No. ER00-2204-000, and
- (iii) the Original Service Agreement No. 1601 (Attachment A).²

Thank you for your assistance in this matter.

Respectfully submitted,



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Enclosures

cc: Kevin M. Lang, Esq., Couch White, LLP (w/encl)
Honorable Jaclyn A. Brilling, Secretary, NYPSC (w/encl)
Karen G. Gach, Senior Attorney, NYISO (w/encl)

² NYSEG did not include a Notice of Cancellation regarding the Existing IA pursuant to the Commission's regulations at 18 C.F.R. § 35.15 (2009). Pursuant to that provision, a Notice of Cancellation is not required if a jurisdictional rate schedule that will expire on its own terms will be replaced (as is the case here) with another rate schedule.