

June 24, 2011

VIA ELECTRONIC FILING

Ms. Kimberley D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**RE: Niagara Mohawk Power Corporation
Docket No. ER11-_____
Interconnection Agreement between Niagara Mohawk Power
Corporation and the Village of Ilion, New York**

**Request for Expedited Commission Action,
Shortened Comment Period, and Waiver of 60-day Prior Notice
Period**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ Part 35 of the Commission’s regulations,² and Order No. 714,³ Niagara Mohawk Power Corporation (“Niagara Mohawk”), d/b/a National Grid submits for Commission acceptance an Interconnection Agreement (“IA” or “Agreement”) between Niagara Mohawk and the Village of Ilion, New York (“Ilion”)(collectively, the “Parties”). The Agreement is designated under the New York Independent System Operator, Inc. (“NYISO”) open access transmission tariff (“OATT”), FERC Electric Tariff, Original Volume No. 1 as Service Agreement No. 1755.

For the reasons discussed below, Niagara Mohawk, with the support of Ilion, requests a shortened comment period of seven days on this filing and waiver of the 60-day prior notice period to permit this agreement to become effective on July 1, 2011. A July 1, 2011, effective date is critical to Ilion’s plans to maintain jobs in upstate New York through arrangements with the Remington Arms Company factory (“Remington Factory”) located in the Village of Ilion. Although Niagara Mohawk is not requesting a Commission order on the filing by any specific date, Niagara Mohawk does request an expedited Commission order on this filing.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Electronic Tariff Filings, FERC Stats. & Regs. ¶ 31,276 (2008).

I. Background

The Village of Ilion owns and operates a load serving municipal electric system which is currently interconnected to the transmission system of Niagara Mohawk through a single delivery point. The Agreement details terms and conditions related to the ongoing interconnection of the Niagara Mohawk and Ilion systems and the manner by which National Grid and Ilion will coordinate to ensure the ongoing reliability of the New York State Transmission System.

The Remington Factory is located in a dual franchise area and is currently a retail customer of Niagara Mohawk. The Remington Factory has notified Niagara Mohawk that it would like to exit the Niagara Mohawk retail franchise under Rule 52 in Niagara Mohawk's retail tariff, PSC 220, and become a retail customer of the Village. The Agreement in combination with the Village's purchase of assets from Remington Factory provides for the current retail delivery point to be converted to a wholesale delivery point between the Niagara Mohawk and Ilion systems.⁴ This change will enable the Village, rather than Niagara Mohawk, to offer service to the Remington Factory. This arrangement was developed by the Village with the support of Niagara Mohawk to address the interests of the Remington Factory and allow the Remington Factory access to inexpensive hydro power under a New York State program administered by the New York Power Authority. This arrangement will allow the Remington Factory to maintain its presence in the Village and thereby retain much-needed jobs in upstate New York.

II. Interconnection Agreement

Niagara Mohawk has entered into comparable interconnection agreements with other New York municipal electric systems in recent years. The attached Agreement is modeled in large part on an interconnection agreement between Niagara Mohawk and the Village of Solvay, New York, which was accepted by Commission letter order on October 22, 2003 in Docket No. ER03-1304-000. Consistent with the Solvay agreement and Commission precedent, the Agreement provides for the direct assignment of certain costs and charges for interconnection facilities that are solely for the use of Ilion.⁵

Niagara Mohawk is currently in the process of developing a standard municipal interconnection agreement that can document the terms and conditions of interconnection between Niagara Mohawk and a number of municipal electric systems in New York. Niagara Mohawk is engaged in negotiations with the Municipal Electric Utilities Association of New York ("MEUA") to develop this standard municipal interconnection agreement. Niagara Mohawk expects to submit the standard municipal interconnection agreement for Commission approval once the negotiations with MEUA are completed.

⁴ Each of the delivery points are connected to the Niagara Mohawk system through separate sole use facilities which are not networked together.

⁵ See, e.g., *Entergy Services, Inc.* 89 FERC ¶ 61,079 (1999).

Given the need for the Village of Ilion to have an interconnection agreement in effect by July 1, 2011, that documents the needed arrangements to accommodate the Remington Factory, the Parties have agreed to contractual provisions that will allow the attached Agreement to become effective by the start of July but also allow Ilion to benefit from future input from MEUA and others related to the appropriate terms and conditions of the standard municipal interconnection agreement under development. Specifically, Section 30.6 of the Agreement requires Niagara Mohawk to offer to Ilion revisions to the Agreement based upon the final standard municipal interconnection agreement negotiated between Niagara Mohawk and the MEUA and accepted by the Commission

III. Effective Date and Request for Shortened Comment Period and Expedited Action

Niagara Mohawk requests waiver of the Commission's 60-day notice requirement to permit the Agreement to become effective on July 1, 2011. Niagara Mohawk also requests a shortened comment period of seven days on the filing to facilitate an expedited Commission order on the Agreement.

Good cause exists for such a waiver. As detailed above, Niagara Mohawk is responding to Ilion's immediate need to reach suitable arrangements with the Remington Factory in order to allow the factory to continue its presence in upstate New York. The Remington Factory provides jobs that are important to the economy of the Village of Ilion. Granting the requested waiver will allow Niagara Mohawk to accommodate Ilion and is in the public interest and consistent with the standard set forth by the Commission in *Central Hudson*.⁶

Niagara Mohawk requests a waiver of any Commission requirements not specifically addressed herein necessary to allow the included agreements to become effective as of July 1, 2011.

⁶ See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106 at 61,338, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

IV. Communications and Service

Communications and correspondence with respect to this matter should be addressed to the following individuals, and the following should be included on the official service list for this proceeding:⁷

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V. Conclusion

For the reasons stated herein, Niagara Mohawk respectfully requests that the Commission accept the Agreement, effective July 1, 2011.

Copies of this filing have been served on Iilon, New York state regulators, and the NYISO.

Respectfully submitted,

/s/ *Daniel Galaburda*

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⁷ Niagara Mohawk requests waiver of 18 C.F.R. § 385.203(b) to allow three persons to be added to the service list in this proceeding.