

Katherine E. Lovette
Counsel
Legal Department



October 25, 2010

Via Electronic Filing
Hon. Kimberly D. Bose
Secretary,
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC

Re: Service Agreement No. 1160 Second Amended and Restated
Interconnection Agreement Between Niagara Mohawk Power Corporation
d/b/a National Grid and Sithe/Independence Power Partners, L.P.
Docket No. ER00-

Dear Secretary Bose:

Enclosed please find the Second Amended and Restated Interconnection Agreement between Niagara Mohawk Power Corporation d/b/a National Grid ("Niagara Mohawk") and Sithe/Independence Power Partners, L.P. ("Sithe") for electronic filing with the Commission pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and section 35 of the Commission's Regulations, 16 C.F.R. § 35 (2010). Pursuant to the Commission's Order No. 714, the Second Amended IA has been designated by the New York Independent System Operator, Inc. ("NYISO") as Service Agreement No. 1160 ("SA 1160") under NYISO's Open Access Transmission Tariff ("OATT").

The SA 1160 supersedes the First Amended and Restated Interconnection Agreement between Niagara Mohawk and Sithe, which was filed with the Commission on June 21, 2001 in Docket No. EL999-65-000 and approved by the Commission as Niagara Mohawk's Rate Schedule FERC No. 189 by order dated March 27, 2002. *Niagara Mohawk Power Corporation*, 98 FERC ¶ 61,316 (2002).

SA 1160 modifies the provisions of Article 12 thereof dealing with taxes. In particular, the provisions requiring Niagara Mohawk to compensate Sithe for certain tax benefits were deleted, and the percentage of real property tax on the Interconnection Facility for which Sithe is obligated to compensate Niagara Mohawk was reduced from 50 percent to 46 percent. Niagara Mohawk respectfully requests that the Commission accept the Second Amended IA for filing with an effective date of October 26, 2010.

Sithe has agreed to the changes proposed in SA 1160 and to the proposed effective date thereof. Accordingly, the Commission should review and approve this filing under the “just and reasonable” standard of FPA § 205. Approval of this submission on less than 60 days notice is appropriate under the Commission’s *Central Hudson* policy on filing requirements, since this change will reduce Sithe’s payments to Niagara Mohawk under this interconnection agreement. See *Central Hudson Gas & Electric Corporation*, 60 FERC ¶ 61,106 (1992).

A copy of this filing has been served on Sithe, the New York Independent System Operator, and the New York State Department of Public Service.

If you have any questions with regard to this filing, please do not hesitate to call me at 718-403-3320.

Respectfully Submitted,

/s/ Katherine E. Lovette

Katherine E. Lovette
Counsel

KEL:
Encl.