

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Wholesale Competition in Regions) Docket Nos. RM07-19-000 and
with Organized Electric Markets) AD07-7-000

COMMENTS OF NORTHEAST UTILITIES

Northeast Utilities (“NU”), through the Northeast Utilities Service Company (“NUSCO”), respectfully submits comments on the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Notice of Proposed Rulemaking (“NOPR”)¹ in the above-referenced docket on behalf of the NU Operating Companies.² NU shares the Commission’s goal to improve competitive opportunities in organized wholesale electric markets operated by Regional Transmission Organizations (“RTOs”) and Independent System Operators (“ISOs”).

I. BACKGROUND

NUSCO is a service company subsidiary of NU, a registered holding company under the Public Utilities Holding Company Act of 2005³ and parent of the NU Operating Companies. NUSCO acts as agent for its electric utility transmission, distribution, and generation company affiliates, the NU Operating Companies. The NU Operating Companies are responsible for procuring the electric power supply for their retail

¹ *Wholesale Competition in Regions with Organized Electric Markets*, 122 FERC ¶61,167 (2008)

² The Connecticut Light and Power Company (“CL&P”), Western Massachusetts Electric Company (“WMECO”), Holyoke Water Power Company (“HWP”) and its wholly-owned subsidiary Holyoke Power and Electric Company (“HP&E”), and Public Service Company of New Hampshire (“PSNH”).

³ Enacted in the Energy Policy Act of 2005 effective February 8, 2006. Pub. L. No. 109-58, 119 Stat. 594 (2005), § 1263.

customers that have not chosen competitive suppliers. The NU Operating Companies actively participate in (1) the organized competitive wholesale power markets administered by ISO-NE and (2) the ongoing consensus building processes that are the hallmark of the spirit of cooperation between the New England Power Pool (“NEPOOL”) Participants, other stakeholder interests, and ISO-NE. Many of the procedures that enable this cooperation are memorialized in the enabling agreements that established ISO-NE as an RTO.⁴

NU previously submitted comments in these proceedings in response to the Commission’s June 22, 2007 Advance Notice of Proposed Rulemaking.

II. COMMENTS

In the interest of brevity, NU is filing to support NEPOOL’s comments in this proceeding. NEPOOL’s comments reflect a broad-based stakeholder process that reviewed the Commission’s proposed wholesale market reforms in the NOPR from a New England regional perspective. NU believes the Commission can best accomplish its objectives in the region with the guidance provided by the New England stakeholders’ responses to the NOPR’s proposed market enhancements. Indeed, as noted in NEPOOL’s comments, many of the market reforms proposed in the NOPR already are in place or are under active consideration in New England. On the other hand, some of the NOPR’s suggested reforms could upset existing consensus building already achieved through great effort in various proceedings. In particular, NU echoes the concern of the NEPOOL Participants over eliminating supply offer and demand bid caps during system

⁴ See *ISO New England Inc. et al.*, 107 FERC ¶61,147 (2004).

emergencies. Such an approach could undermine the agreements and balance of interests reached in the settlement agreement creating the Forward Capacity Market (“FCM”). The FCM settlement was premised on the assumption that energy offers and bids in excess of \$1,000/MWh would continue to be prohibited. Finally, NU applauds the Commission’s decision to grant ISOs and RTOs substantial flexibility to demonstrate compliance with the four areas of proposed market enhancements: 1) demand response; 2) long-term power contracting; 3) market monitoring; and (4) RTO and ISO responsiveness.

III. CONCLUSION

NU hopes that NEPOOL’s comments demonstrate to the Commission that region-developed and tailored enhancements to wholesale competitive markets and the organizations that operate them are preferable to “one size fits all” generic rules.

Respectfully submitted,

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