



Raymond W. Hepper
Vice President, General Counsel

Theodore J. Paradise
Senior Regulatory Counsel

July 11, 2008

To the NEPOOL Board of Review:

RE: NEPOOL Board of Review July 7, 2008 Request to ISO New England

ISO New England Inc. ("ISO") is in receipt of a "Notice Requesting ISO-NE Comments" ("Notice") dated July 7, 2008 and captioned with the reference: 01-NE-BD-2008. The Notice states that:

The genesis of the proposed revisions to Market Rule 1 subject to this appeal is ISO-NE. In these circumstances, ISO-NE is best positioned to explain and defend those aspects of its proposal that are subject to this appeal.

Accordingly, to assist the Board in its review, it is requested that ISO-NE submit comments on this appeal on or before c.o.b. July 12, 2008. This is consistent with ISO-NE's request approved by FERC that this issue be resolved through the stakeholder process prior to the submission of a proposal to the Commission. ISO-NE's participation will also provide a more complete record for FERC review of any ISO-NE filing in this matter. (Citation omitted.)

Under Sections 7.5 and 11 of the Second Restated NEPOOL Agreement, the Review Board process is intended to provide any NEPOOL Participant with an opportunity to seek review of a Participant Committee action. This Agreement does not, and indeed cannot, contemplate the ISO as a party to any Review Board proceeding. Rather, Section 11.6 of the Participants Agreement sets forth the ISO's agreed role in any appeal taken by a Participant to the Review Board. That section provides:

11.6. NEPOOL Review Board. If the Review Board created pursuant to the RNA grants an appeal of a NEPOOL Participant and makes a recommendation on how to address the subject matter of the appeal, ISO shall respond in writing to any such recommendation within ten (10) business days after it has been issued to ISO by the Review Board. Nothing in this Section 11.6 shall be deemed to require ISO to delay making a filing or require the Commission to delay deciding any matter because an appeal is pending before the Review Board. The Review Board shall not have the right to review or otherwise participate in actions of ISO or to take any action with respect to any matter involving a dispute between ISO and NEPOOL or any Governance Participant.

Thus, the governing documents contemplate that the Participants Committee and the Participants themselves will be the parties to any Review Board appeal. The ISO's role is limited under these documents. Of course, after the completion of the Review Board process, the ISO, in accordance with the Participants Agreement, will respond to any Review Board decision as appropriate.

