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October 31, 2007

VIA ELECTRONIC FILING

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

**Re: ISO New England Inc.
Docket No. ER07-1289-001;**

Expedited Treatment Requested

Dear Secretary Bose:

Transmitted electronically for filing in the referenced dockets is the Request for Expedited Clarification or, in the Alternative, Rehearing of ISO New England Inc., Maine Electric Power Company and the Participating Transmission Owners Administrative Committee.

If there are any questions concerning this filing, please call me at (202) 661-2212.

Respectfully submitted,

/s/ Daniel R. Simon

Daniel R. Simon
Counsel for ISO New England Inc.

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

ISO New England Inc.

)

Docket No. ER07-1289-001

**REQUEST FOR EXPEDITED CLARIFICATION OR, IN THE ALTERNATIVE,
REHEARING OF ISO NEW ENGLAND INC., MAINE ELECTRIC POWER COMPANY
AND THE PARTICIPATING TRANSMISSION OWNERS ADMINISTRATIVE
COMMITTEE**

Pursuant to Section 313(a) of the Federal Power Act (“FPA”), 16 U.S.C. § 8251(a) (2000), and Rules 212 and 713 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.212 & 385.713 (2007), ISO New England Inc. (the “ISO”), Maine Electric Power Company (“MEPCO”) and the Participating Transmission Owners Administrative Committee (collectively, the “Filing Parties”) request clarification or, in the alternative, rehearing of the Order Conditionally Accepting Tariff Revisions, *ISO New England Inc.*, 121 FERC ¶ 61,097 (2007), issued October 29, 2007 (the “October 29 Order”).¹

The October 29 Order set an effective date of November 1, 2007 for the August 16, 2007 filing (the “August 16 Filing”) by the Filing Parties to allow the ISO to provide service over the MEPCO transmission facilities through Regional Transmission Service available in the ISO’s Open Access Transmission Tariff (“ISO OATT”).² The Filing Parties hereby request that the Commission change the effective date established in the October 29 Order from November 1,

¹ By making this expedited filing, the ISO does not waive any rights it has to file a second request for rehearing or clarification regarding the merits of the October 29 Order.

² The ISO OATT is Section II of the ISO’s Transmission, Markets and Services Tariff.

2007 to December 1, 2007, consistent with the pleadings submitted by the Filing Parties.

Because of the short time frame involved, the Filing Parties request the Commission to issue clarification or rehearing on an expedited basis.

I. STATEMENT OF ISSUES

In accordance with Rule 713(c)(2) of the Commission's Rules of Practice and Procedure, the Filing Parties request clarification and/or rehearing of the following issue:

Because the August 16 Filing requested an effective date, with notice, on or after November 1, 2007, because the ISO and MEPCO have since informed the Commission that a November 1 effective date will be unnecessary, and because the ISO will not be prepared by November 1 to administer the ISO OATT changes proposed in the August 16 Filing, the Commission should change the effective date established in the October 29 Order from November 1, 2007 to December 1, 2007. It would be arbitrary, capricious, and not in accordance with law for the Commission to impose on the ISO an effective date earlier than it requested and earlier than it is prepared to implement.

II. REQUEST FOR EXPEDITED CONSIDERATION

The Filing Parties request the Commission to grant clarification and/or rehearing on an expedited basis. Good cause exists for granting this request. As noted in several filings in this docket and in a related docket, the North East Reliability Interconnection ("NRI") transmission tie line will not become commercially operational until after December 1, 2007 and the ISO OATT modifications accepted in the October 29 Order need not become effective until December 1, 2007.³ Therefore, the ISO did not contemplate a November 1, 2007 effective date

³ See Joint Answer to Protests and Answer of ISO New England Inc. and Maine Electric Power Co., Inc., Docket No. ER07-1289-000 at 6 (filed September 21, 2007) ("Joint Answer to Protests"); *ISO New England Inc., et al.*, Answer of ISO New England Inc. and Maine Electric Power Co., Inc. to the Motion of the PPL Companies, Docket No. ER07-1289-000 at 4, 10 (filed August 29, 2007) ("Joint Answer to PPL's Motion"); see also ISO New England Inc. and Maine Electric Power Company, MEPCO Grandfathered
(continued...)

and is not yet able to implement the related ISO OATT modifications. Given that the October 29 Order was issued only two days ago and that it established an effective date only three calendar days after its issuance, the ISO will be unable to implement it in a timely fashion. Expedited treatment of this request is necessary to provide clarity to the ISO and its Market Participants.

III. BACKGROUND

In the August 16 Filing, the Filing Parties submitted in this docket the “MEPCO Roll-in Proposal” to amend the ISO OATT, the Transmission Operating Agreement, and the MEPCO Transmission Operating Agreement. The MEPCO Roll-in Proposal would, *inter alia*, allow the ISO to provide service over the MEPCO transmission facilities through “Regional Transmission Service.” The proposal also provides that MEPCO’s transmission customers that have external Long-term Firm Point-to-Point MEPCO transmission service agreements will have the option to “grandfather” such agreements. The Filing Parties determined that the ISO OATT changes were necessary in order to eliminate the conflicts that would arise from providing Regional Transmission Service over the NRI transmission tie line.

The MEPCO Roll-in Proposal requested that it “become effective either on November 1, 2007 or December 1, 2007, coinciding with the months that [Bangor Hydro-Electric Company (“BHE”)] expects the NRI to commence commercial operation.”⁴ Therefore, the proposal requested “an effective date of the beginning of the month, with notice, on or after November 1,

(...continued)

Transmission Service Agreements, Docket No. ER07-1387-000, Transmittal Letter at 2 (filed September 17, 2007).

⁴ MEPCO Roll-in Proposal at 15. *See also id.* at 2.

2007 (the effective date will be either November 1 or December 1).”⁵ Also, the majority of the revised ISO OATT sheets filed as part of the proposal reflected the correct effective date of “With notice, on or after November 1, 2007.”⁶

On August 27, 2007, PPL EnergyPlus, LLC, PPL Maine, LLC, PPL Great Works, LLC, and PPL Wallingford Energy LLC (collectively, “PPL”) filed in this docket a motion to intervene and to request the extension of the deadline for grandfathering election. In a joint answer, the ISO and MEPCO reiterated the requested effective date of, with notice, on or after November 1. They also explained that BHE, the NRI project owner, had informed the ISO by letter dated August 23, 2007 that the NRI project would not become commercially operational until December.⁷ Therefore, the Joint Answer to PPL’s Motion concluded that the “MEPCO Roll-in Proposal need not become effective until December 1, 2007.”⁸

Furthermore, on September 6, 2007, PPL and Casco Bay Energy Company, LLC filed protests to the MEPCO Roll-in Proposal. In responding to these protests, the Joint Answer to Protests stated that “the NRI project . . . becomes commercially operational in December.”⁹

⁵ *Id.*; see also October 29 Order at P 9 (“The Filing Parties request that the Commission accept the proposed changes, without modifications, to become effective on or after November 1, 2007.”).

⁶ Although thirty-seven of the revised ISO OATT sheets filed as part of the MEPCO Roll-in Proposal included the correct effective date of “With notice, on or after November 1, 2007,” the remaining eight inadvertently included an effective date of “With notice, on or before November 1, 2007.” The ISO regrets any inconvenience caused by this error.

⁷ Joint Answer to PPL’s Motion at 10.

⁸ *Id.*

⁹ Joint Answer to Protests at 7.

On September 17, 2007, the ISO and MEPCO jointly filed an update to the ISO OATT (*i.e.*, Attachment H) to reflect those MEPCO customers electing to grandfather their MEPCO transmission service agreements pursuant to the MEPCO Roll-in Proposal.¹⁰ In that filing, the ISO and MEPCO explained that, based on BHE's notice that the NRI project would commence commercial operations in December, the MEPCO Roll-in Proposal would become effective December 1, 2007, subject to Commission acceptance.

Because the August 16 Filing requested an effective date of, with notice, on or after November 1, and because BHE informed the ISO that the NRI project would not commence commercial operations until December, the ISO's information technology ("IT") department has targeted to complete the software changes necessitated by the MEPCO Roll-in Proposal in time for a December 1, 2007 effective date.

IV. REQUEST FOR CLARIFICATION OR, IN THE ALTERNATIVE, REHEARING

The Filing Parties seek clarification or, in the alternative, rehearing of the effective date for the MEPCO Roll-in Proposal. The intent of the filing parties was to obtain an effective date of, with notice, on or after November 1, 2007, to allow for flexibility in establishing an effective date on the first of the month that the NRI project becomes commercially operational. The October 29 Order, however, established an effective date of November 1, 2007, presumably because a handful of the revised ISO OATT sheets inadvertently included an effective date of, with notice, on or *before* November 1, 2007. The ISO concedes that a handful of tariff sheets incorrectly stated "before" instead of "after," but the Filing Parties' intent in the August 16 Filing

¹⁰ ISO New England Inc. and Maine Electric Power Company, MEPCO Grandfathered Transmission Service Agreements, Docket No. ER07-1387-000, Transmittal Letter at 2 (filed September 17, 2007).

and subsequent answers was clear: that a November 1 effective date would only be necessary if the NRI project became commercially operational in November. Yet since filing the MEPCO Roll-in Proposal, BHE has informed the ISO – and the ISO and MEPCO in turn have informed the Commission – that the NRI project would not become commercially operational until December 2007. Therefore, the MEPCO Roll-in Proposal need not become effective until December 1, 2007.

The October 29 Order also complicates the ISO's ability to implement the MEPCO Roll-in Proposal on November 1 by requiring the Filing Parties to change the date for electing grandfathered treatment to ten business days after the date of issuance of this order (*i.e.*, November 12), which is eleven calendar days after the effective date. As a result, the ISO and MEPCO would not know which MEPCO customers have elected to grandfather their existing service agreements until eleven calendar days after the ISO begins providing Regional Transmission Service over the MEPCO transmission facilities. Furthermore, MEPCO would not be able to file the updated list of customers electing grandfathered treatment (*i.e.*, Attachment H to the ISO OATT) until the later part of November, and the ISO would not be able to recognize these agreements as supporting external transactions until after the MEPCO filing.

In light of these circumstances, the ISO reasonably assumed that the MEPCO Roll-in Proposal, if accepted, would not have to become effective on November 1. As such, the ISO's IT department's has been diligently preparing for a December 1 effective date. The October 29 Order, however, unexpectedly set an effective date of November 1. The ISO simply is not prepared to implement the MEPCO Roll-in Proposal that date. Therefore, the Filing Parties ask the Commission to establish a December 1, 2007 effective date. Moreover, the Filing Parties cannot determine the impact of the entire set of conditions expressed with the October 29 Order,

incorporate the changes to the August 16 Filing imposed by the October 29 Order, and implement those changes in time for a November 1 effective date.

This change will not harm Market Participants, because the process described above indicates that the ISO has repeatedly provided notice that the MEPCO Roll-in Proposal would not become effective until November 1 or later, and that, once BHE provided an update on the NRI project's status, the changes would not become effective until December 1. In fact, the delayed effective date will provide Market Participants additional time to prepare for the change, including MEPCO's transmission customers that may need to analyze the October 29 Order to determine whether to elect grandfathered treatment.

V. CONCLUSION

For the reasons stated herein, the Filing Parties request expedited clarification or, in the alternative, rehearing of the October 29 Order to change the MEPCO Roll-in Proposal effective date from November 1, 2007 to December 1, 2007.

Respectfully submitted,

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Counsel for ISO New England Inc.

October 31, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 31st day of October, 2007.

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