

October 6, 2009

VIA FED-EX DELIVERY

The Honorable Kimberly D. Bose, Secretary
The Honorable Nathaniel J. Davis, Sr., Deputy Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Re: Compliance Filing of Revisions to Attachment F of the ISO New England Open Access Transmission Tariff; *Central Maine Power Company*, Docket No. ER09-938-_____

Dear Secretary Bose and Deputy Secretary Davis:

Pursuant to Rule 1907 of the Federal Energy Regulatory Commission's ("FERC or the "Commission")¹ Rules of Practice and Procedure, 18 C.F.R. § 385.1907 (2007), the Participating Transmission Owners Administrative Committee ("PTO AC"),² on behalf of the Participating Transmission Owners ("PTOs"), and ISO New England Inc. ("ISO" or "ISO-NE")³ (together, the "Filing Parties") hereby submit an original and five copies of this transmittal letter and proposed revision to Attachment F, Annual Transmission Revenue Requirements, of the ISO OATT in compliance with the Commission's order issued on August 7, 2009, in Docket No. ER09-938-000 ("Compliance Filing").⁴

¹ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in the ISO New England Inc. Transmission, Markets and Services Tariff ("ISO Tariff"), including the ISO-NE's Open Access Transmission Tariff ("ISO OATT"), which is Section II of the ISO Tariff, and Market Rule 1, which is Section III of the ISO Tariff. The ISO Tariff is available at www.isone.com/regulatory/tariff/index.html.

² On September 8, 2009, the PTO AC submitted a Motion to Intervene Out-of-Time and Motion for Clarification in the above-referenced proceeding. See *Central Maine Power Company*, Motion to Intervene Out-of-Time and Motion for Clarification of the Participating Transmission Owners Administrative Committee; Docket No. ER09-938-000 (Sept. 8, 2009) ("PTO AC Motion"). The PTO AC Motion is currently pending before the Commission.

³ The Federal Power Act, Section 205 rights over Attachment F of the ISO OATT are held jointly by the PTOs and not the ISO. The ISO, however, joins this filing given the Commission's directives in Paragraph 42 of the August 7 Order. See August 7 Order at P 42. See also PTO AC Motion at 5-6.

⁴ *Central Maine Power Co.*, 128 FERC ¶ 61,143 (2009) ("August 7 Order").

I. DESCRIPTION OF FILING PARTY AND COMMUNICATIONS

The PTO AC is a committee established pursuant to the New England Transmission Operating Agreement (“TOA”) among the PTOs⁵ and ISO-NE and accepted by the Commission as part of the formation of the New England RTO.⁶ Pursuant to the terms of the TOA, the PTOs own, physically operate, and maintain Transmission Facilities⁷ in New England and ISO-NE has Operating Authority over all of the Transmission Facilities of the PTOs. The TOA also grants the PTOs certain authority under Section 205 of the Federal Power Act to submit filings to the Commission in matters affecting rates and charges, including cost allocation, for all regional transmission services under the ISO OATT, as well as for the terms and conditions of Local Service under Schedule 21 of the ISO OATT. Pursuant to the Commission’s RTO Orders and Attachment F of the ISO Tariff, the PTOs also have the responsibility for making annual informational filings with the Commission to reflect the regional formula transmission rates.⁸

The ISO is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO Tariff and operating agreements with transmission owners. In its capacity as an RTO, the ISO has the responsibility to protect the short-term reliability of the New England Control Area and to operate the system according to reliability standards established by the Northeast Power Coordinating Council (“NPCC”) and the North American Electric Reliability Corporation (“NERC”).

All correspondence and communications in this proceeding should be addressed to the undersigned as follows:

⁵ The PTOs include: Bangor Hydro-Electric Company; Town of Braintree Electric Light Department; NSTAR Electric Company; Central Maine Power Company; Central Vermont Public Service Corporation; Connecticut Municipal Electric Energy Cooperative; The City of Holyoke Gas and Electric Department; Florida Power & Light Company – New England Division; Green Mountain Power Corporation; Massachusetts Municipal Wholesale Electric Company; New England Power Company d/b/a National Grid; New Hampshire Electric Cooperative, Inc.; Northeast Utilities Service Company on behalf of its affiliates: The Connecticut Light and Power Company, Western Massachusetts Electric Company, and Public Service Company of New Hampshire; Taunton Municipal Lighting Plant; Town of Norwood Municipal Light Department; Town of Reading Municipal Light Department; The United Illuminating Company; Unitil Energy Systems, Inc. and Fitchburg Gas and Electric Light Company; Vermont Electric Cooperative, Inc.; Vermont Electric Power Company, Inc.; Vermont Transco, LLC; and Vermont Public Power Supply Authority.

⁶ See e.g., *ISO New England, Inc.*, 106 FERC ¶ 61,280 (2004), *ISO New England, Inc.*, 109 FERC ¶ 61,147 (2004).

⁷ As used herein, the defined term “Transmission Facilities” has the meaning ascribed thereto in Schedule 1.01 of the TOA.

⁸ The first such informational filing was submitted to the Commission by the PTOs on May 12, 2005, under Docket Nos. RT04-2-000, *et al.* for regional rates in effect as of February 1, 2005.

For the ISO:

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II. BACKGROUND AND DESCRIPTION OF THE COMPLIANCE CHANGES

The above-referenced proceeding involves Central Maine Power Company's ("CMP") April 1, 2009, as supplemented on June 8, 2009, submission in the referenced docket of proposed revisions to the Attachment F Implementation Rule and Schedule 21-CMP to implement certain transmission rate incentives authorized by the Commission in *Central Maine Power Co.*, 125 FERC ¶ 61,079 (2008).⁹ The August 7 Order accepted the CMP Filing, including the proposed revisions to the revenue requirement formula in the Attachment F Implementation Rule to add construction work in progress ("CWIP") for CMP's proposed Maine Power Reliability Program Project.¹⁰

⁹ Hereinafter, "CMP Filing".

¹⁰ August 7 Order, at 1.

In the August 7 Order, among other things, the Commission found that “the language in Attachment F of the Tariff specifying that *any change* to the Attachment F Implementation Rule must be approved by the Participating Transmission Owners” was not just and reasonable, because the PTOs hold the rights under Section 3.04 of the Transmission Operating Agreement “to unilaterally file revisions to their own revenue requirements.”¹¹ Given this finding, the Commission directed the ISO, pursuant to Section 206 of the Federal Power Act, to:

revise Attachment F of the Tariff to remove the requirement that changes to the Attachment F Implementation Rule filed pursuant to section 3.04(a) of the TOA must be approved by the Participating Transmission Owners Administrative Committee and within sixty days of the date of this order, to submit a revised tariff sheet.¹²

To comply with this directive, the ISO worked with the PTOs, who have revised the Attachment F by deleting the following sentence in Attachment F: “Any changes to that rule must be approved by the PTO Administrative Committee, and filed with the Commission.” This revision is shown in redlined text in Appendix 1 of this Compliance Filing.

III. STAKEHOLDER PROCESS

The proposed revision to Attachment F was presented and reviewed by the New England Power Pool Transmission Committee on August 25, 2009. Because the ISO does not have the Section 205 rights over Attachment F, the Transmission Committee did not act on the proposed revision. There were no concerns raised at that meeting with respect to the proposed revision to Attachment F.

At its September 15, 2009 meeting, the PTO AC, acting jointly in the accordance with the Disbursement Agreement among the PTOs, voted 98.89% in favor¹³ to approve the proposed revision to Attachment F in compliance with the August 7 Order.

IV. REQUESTED EFFECTIVE DATE

The Filing Parties request that the Commission accept the compliance changes to become effective on June 1, 2009, consistent with the Commission’s August 7 Order.

¹¹ *Id.* at 42.

¹² *Id.*

¹³ Abstentions by Connecticut Municipal Electric Energy Cooperative; The City of Holyoke Gas and Electric Department, Massachusetts Municipal Wholesale Electric Company, New Hampshire Electric Cooperative, Inc., and Vermont Public Power Supply Authority represent the remaining 1.11% of this vote.

V. MATERIALS INCLUDED WITH THIS COMPLIANCE FILING

Materials included herewith are as follows:

- This transmittal letter.
- Attachment 1: Blacklined revised sheet for Attachment F of the ISO OATT.
- Attachment 2: Clean revised sheet for Attachment F of the ISO OATT.
- Attachment 3: List of governors and utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont to which a copy of this filing has been sent.

Pursuant to Section 17.11(e) of the Participants Agreement, Governance Participants are being served with this filing electronically rather than by paper copy. The names and addresses of the Governance Participants are posted on the ISO's website at http://www.iso-ne.com/regulatory/ferc/nepool/gov_prtcpnts_eserved.pdf.

Honorable Kimberly D. Bose

October 6, 2009

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VI. CONCLUSION

The Filing Parties request that the Commission accept this filing as submitted and without modification or condition, to be made effective as of June 1, 2009.

Respectfully submitted,

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On behalf of the PTO AC

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On behalf of ISO New England Inc.

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 Berlin, Connecticut, this 6th day of October, 2009.

David R. Peluzzi

Attachment 1

- I. The Transmission Revenue Requirement shall equal the sum of the PTO's (A) Return and Associated Income Taxes, (B) Transmission Depreciation Expense, (C) Transmission Related Amortization of Loss on Reacquired Debt, (D) Transmission Related Amortization of Investment Tax Credits, (E) Transmission Related Municipal Tax Expense, (F) Transmission Related Payroll Tax Expense, (G) Transmission Operation and Maintenance Expense, (H) Transmission Related Administrative and General Expense, (I) Transmission Related Integrated Facilities Charges, minus (J) Transmission Support Revenue, plus (K) Transmission Support Expense, plus (L) Transmission Related Expense from Generators, plus (M) Transmission Related Taxes and Fees Charge, minus (N) Revenue for Short-Term service under the OATT and (O) Transmission Rents Received from Electric Property.

The details for implementation of Attachment F, as well as the definitions of the terms used in the Attachment F formula, shall be established in accordance with the Attachment F

Implementation Rule contained in this OATT. ~~Any changes to that rule must be approved by the PTO Administrative Committee, and filed with the Commission.~~

Issued by: Carol Currier~~Kathleen A. Carrigan,~~ Effective: June 1, 2009~~With notice, on or after February 1, 2005~~
Chair, PTO Administrative Committee~~Senior Vice President and General Counsel~~
Issued on: October 6, 2009~~December 22, 2004~~

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER09-938-000, issued August 7, 2009, 128 FERC 61,143 (2009).

Attachment 2

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- I. The Transmission Revenue Requirement shall equal the sum of the PTO's (A) Return and Associated Income Taxes, (B) Transmission Depreciation Expense, (C) Transmission Related Amortization of Loss on Reacquired Debt, (D) Transmission Related Amortization of Investment Tax Credits, (E) Transmission Related Municipal Tax Expense, (F) Transmission Related Payroll Tax Expense, (G) Transmission Operation and Maintenance Expense, (H) Transmission Related Administrative and General Expense, (I) Transmission Related Integrated Facilities Charges, minus (J) Transmission Support Revenue, plus (K) Transmission Support Expense, plus (L) Transmission Related Expense from Generators, plus (M) Transmission Related Taxes and Fees Charge, minus (N) Revenue for Short-Term service under the OATT and (O) Transmission Rents Received from Electric Property.

The details for implementation of Attachment F, as well as the definitions of the terms used in the Attachment F formula, shall be established in accordance with the Attachment F Implementation Rule contained in this OATT.

Issued by: Carol Currier
Chair, PTO Administrative Committee
Issued on: October 6, 2009

Effective: June 1, 2009

Attachment 3

The Honorable M. Jodi Rell
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The Honorable John E. Baldacci
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The Honorable Deval Patrick
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