

August 13, 2008

VIA HAND 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: Filing Concerning the Regional and Local System Planning Processes Under Attachment K and Appendix 1 to Attachment K of the ISO New England Inc. Open Access Transmission Tariff in Compliance with Order Issued on May 15, 2008; Docket No. OA08-58-___

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 (2008), ISO New England Inc. ("ISO-NE" or "ISO"), the Participating Transmission Owners Administrative Committee ("PTO AC"),² and the New England Power Pool Participants Committee ("NEPOOL") (collectively, the "Filing Parties")³ hereby jointly submit this transmittal letter and

¹ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in the Second Restated New England Power Pool Agreement (the "Second Restated NEPOOL Agreement"), the Participants Agreement, or 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.iso-ne.com/regulatory/tariff/index.html.

² The PTO AC joins this filing on behalf of the Participating Transmission Owners ("PTOs") in New England. 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, Public Service Company of New Hampshire, Holyoke Power and Electric Company and Holyoke Water Power Company; Taunton Municipal Lighting Plant; Town of Norwood Municipal Light Department; Town of Reading Municipal Light Department; The United Illuminating Company; Unifil 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.

³ The Filing Parties note that the rights under Section 205 of the Federal Power Act to modify terms, conditions and rates in the ISO Tariff are held and exercised by ISO-NE and the PTOs in accordance with the transmission operating agreement among the ISO and the PTOs ("TOA"). NEPOOL is not a transmission provider with a compliance obligation but is the voluntary association whose members participate in the New England regional transmission organization ("RTO"). NEPOOL provides advisory input through sector voting on those parts of the ISO Tariff over which the ISO has Section 205 filing rights. NEPOOL has voted in support of the compliance filing
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proposed revisions to Appendix 1 to Attachment K of the ISO's Open Access Transmission Tariff ("ISO OATT"), which contains the Local System Planning Process ("Attachment K – Local" or "LSP Process"), to comply with the Commission's order issued on May 15, 2008 in the captioned docket ("May 15, 2008 Order").⁴

I. OVERVIEW OF FILING

As more fully explained below, this filing reflects the response of the ISO and the PTO AC to the directives of the May 15, 2008 Order. In this filing, the ISO demonstrates how Attachment K treats resources on a comparable basis in compliance with Order No. 890-A. In Section IV below, the ISO explains how its regional system planning process gives any entity the opportunity to propose market solutions, including demand-side resources and distributed generation that could modify or obviate the need for a regulated transmission solution through an assessment of the regional system needs. The ISO also demonstrates that its regional system planning process provides for due consideration of such proposed market responses in the Needs Assessments. The ISO further shows how the Forward Capacity Auction evidences a level of parity between demand and generating resources and how cleared demand resources are a part of the regional system planning process as market responses on a comparable basis to generating resources.

Also in this filing, as more fully explained in Section V below, the PTO AC submits proposed modifications to Attachment K – Local to insert language that will cause regulated transmission proposals to be coordinated between Non-PTF and regional planning activity.

II. DESCRIPTION OF THE FILING PARTIES; COMMUNICATIONS

ISO-NE is the private, non-profit entity that serves as the regional transmission organization for New England. ISO-NE operates the New England Transmission System (*i.e.*, those facilities located in the New England region) and administers the New England Markets pursuant to the ISO Tariff and the operating agreements with the New England transmission owners. In its capacity as the RTO for New England, ISO-NE has the responsibility to protect the short-term reliability of the control area and to operate the system according to the reliability standards established by the Northeast Power Coordinating Corporation ("NPCC") and the North American Electric Reliability Corporation ("NERC").

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being made by ISO-NE and takes no position, because it has not voted, on the other parts of this filing. The stakeholder consultation provisions of the TOA between the PTOs and ISO-NE were observed with respect to the changes to Schedule 21.

⁴ *ISO New England Inc.*, 123 FERC ¶ 61,161 (2008).

The PTOs are Transmission Providers providing Local Service over Non-PTF transmission facilities⁵ on an open access basis under Schedule 21 of the ISO-NE OATT. Pursuant to the terms of the TOA among the PTOs and ISO-NE, the PTOs own, physically operate and maintain Transmission Facilities in New England and ISO-NE is authorized to exercise operating authority over all of the Transmission Facilities of the PTOs, including those used to provide service under Schedule 21. The TOA also grants to the PTOs authority under Section 205 of the Federal Power Act to submit filings to the Commission in matters affecting the rates, terms and conditions of Local Service under Schedule 21 and rates and charges, including cost allocation, for regional transmission service under the ISO-NE OATT.

NEPOOL is a voluntary association organized in 1971 pursuant to the New England Power Pool Agreement with over 300 members that participate in the New England RTO. The Participants include all of the electric utilities rendering or receiving services under the ISO Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, demand response providers, end users and a merchant transmission provider. Pursuant to revised governance provisions accepted by the Commission in *ISO New England Inc. et al.*, 109 FERC ¶ 61,147 (2004), the Participants act through the NEPOOL Participants Committee. The Participants Committee is authorized by Section 6.1 of the Second Restated NEPOOL Agreement and Section 8.1.3(c) of the Participants Agreement to represent NEPOOL in proceedings before the Commission. Pursuant to Section 2.2 of the Participants Agreement, “NEPOOL provide[s] the sole Participant Processes for advisory voting on ISO matters and the selection of ISO Board members, except for input from state regulatory authorities and as otherwise may be provided in the Tariff, TOA and the Market Participant Services Agreement included in the Tariff.”

All correspondence and communications in this proceeding should be addressed to the undersigned for the ISO, PTO AC and NEPOOL as indicated in Attachment 1 hereto.

III. BACKGROUND

On February 16, 2007, the Commission issued a Final Rule on *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890,⁶ to address and remedy what the Commission characterized as flaws in the *pro forma* OATT adopted by Order No. 888. The Commission determined that these flaws provided transmission providers the opportunity to unduly discriminate in the provision of transmission service. To implement the reforms adopted

⁵ Non-PTF are those transmission facilities owned by the PTOs that do not constitute PTF, OTF or MTF (TOA Schedule 1.01; ISO OATT Section II.1.89).

⁶ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12266 (March 15, 2007), *FERC Statutes and Regulations* ¶31,241 (2007) (“Order No. 890”); *order on reh’g*, Order No. 890-A, 73 Fed. Reg. 2984 (January. 16, 2008) *FERC Statutes and Regulations* ¶ 31,261 (2007) (“Order No. 890-A”); *order on reh’g*, Order No. 890-B, 73 Fed. Reg. 39091 (July. 8, 2008) *FERC Statutes and Regulations* ¶ 61,299 (2008), *reh’g pending* (“Order No. 890-B”).

in Order No. 890, the Commission directed that all independent system operators (“ISOs”) and regional transmission operators (“RTOs”) and the transmission-owning members of ISOs/RTOs make a compliance filing under Section 206 of the Federal Power Act (“FPA”) adopting the revisions to the *pro forma* OATT set forth in the Final Rule or “demonstrate that their existing tariff provisions are consistent with or superior to the revised provisions of the *pro forma* OATT.”⁷ Such reforms, as stated in Order No. 890, were not intended to disrupt existing ISO and RTO market designs. As the Commission reiterated, “nothing in this rulemaking is intended to upset the market designs used by existing ISOs and RTOs.”⁸

In pertinent part, Order No. 890 directed each transmission provider to amend its OATT to incorporate a regional system planning process in a new Attachment K that complies with certain principles⁹ and other planning requirements established thereunder.¹⁰ Alternatively, Order No. 890 provided an opportunity for each transmission provider, including ISOs and RTOs, to make a compliance filing “describing its existing coordinated and regional planning process[es], including the appropriate language in its tariff, and show that this existing process is consistent with or superior to the requirements of the Final Rule.”¹¹

On December 7, 2007, the ISO, the PTO AC, Cross-Sound Cable Company, LLC (“CSC”), the Schedule 20A Service Providers (“SSPs”), which are the entities that provide service over the Phase I/II HVDC-TF tie to Quebec under Schedule 20A of the ISO OATT, the Maine Electric Power Company (“MEPCO”)¹² and NEPOOL (collectively, the “December 7 Filing Parties”) filed proposed revisions to the ISO OATT to comply with the Commission’s Order No. 890 and subsequently issued order extending the deadline for transmission providers to submit their transmission planning process¹³ (the “Attachment K Compliance Filing”).¹⁴ The

⁷ Order No. 890 at P 157.

⁸ *Id.* at P 158.

⁹ Order No. 890 identified nine principles that the transmission planning process had to satisfy; namely: coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies, and cost allocation. As explained more fully below, the ISO, along with other parties, made a filing on December 7, 2007 in the above-captioned docket to comply with Order No. 890 (“Attachment K Compliance Filing”). That filing demonstrated how the regional and local system planning processes adopted in Attachment K and Attachment K – Local, respectively, satisfied each of these principles. *See* Attachment K Compliance Filing at 18-34, 36-38.

¹⁰ Order No. 890 at P 437.

¹¹ *Id.*

¹² Although MEPCO, the SSPs, and CSC are not joining as parties to this filing, MEPCO and the SSPs have authorized the Filing Parties to express their support of this filing and CSC has indicated that it is not opposed to it.

¹³ *Preference in Transmission Service*, Order Extending Compliance Action Date and Establishing Technical Conference, 120 FERC ¶ 61,103 (2007) (“July 27, 2007 Order”).

¹⁴ At the time of the Attachment K Compliance Filing, the classification of the MEPCO transmission facilities as PTF was pending before the Commission in Docket No. ER07-1289. Subsequently, on August 7, 2008, a settlement
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Attachment K Compliance Filing modified the ISO OATT to incorporate a new Attachment K (and other conforming changes) containing the Regional System Planning Process (“Attachment K”) conducted by the ISO and Attachment K – Local containing the LSP Process performed by the PTOs in close coordination with the ISO. As described in the Attachment K Compliance Filing, the regional and local system planning processes set forth in Attachment K and Attachment K – Local, respectively, were based on the ISO’s then-existing regional system planning process under Section II.48 of the ISO OATT, as further improved to comply with the Order No. 890 principles and address stakeholder concerns.¹⁵

On December 28, 2007, the Commission issued Order No. 890-A, which granted rehearing and clarification of Order No. 890 to address certain implementation issues, but left in place the fundamental reforms adopted in Order No. 890.¹⁶ In pertinent part, Order No. 890-A provided further guidance on Order No. 890’s planning-related reforms, including determination that transmission planning occurs in both a local and regional levels,¹⁷ and, with respect to the comparability principle, it required each transmission provider to demonstrate how its Attachment K treats demand resources on a comparable basis to generating resources.¹⁸

On May 15, 2008, the Commission issued an order accepting, with certain modifications, the Attachment K Compliance Filing.¹⁹ In that order, the Commission determined “that ISO-NE’s Attachment K transmission planning process, with certain modifications, complies with each of the nine principles and other planning requirements adopted in Order No. 890.”²⁰ The further compliance directives to be filed within 90 days of the date of the May 15, 2008 Order (*i.e.*, August 13, 2008) provided for the ISO to demonstrate how Attachment K treats resources on a comparable basis in compliance with Order No. 890-A.²¹ The compliance directives also required the ISO²² to modify Attachment K – Local to include certain regulated transmission

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agreement was filed with the Commission in Docket Nos. ER07-1289, *et al.*, resolving all issues in these dockets. That settlement agreement is currently pending before the Commission.

¹⁵ See Attachment K Compliance Filing at 3, 14-15.

¹⁶ Order No. 890-A at P 38.

¹⁷ See *id.* at PP 171-76.

¹⁸ See *id.* at P 216.

¹⁹ See May 15, 2008 Order at P 12 and Ordering Paragraph A.

²⁰ *Id.* at P 12.

²¹ See May 7, 2008 Order at P 54.

²² Pursuant to the Commission-approved TOA and the ISO OATT, the PTOs retain overall planning responsibility over the Non-Pool Transmission Facilities (“Non-PTF”) in New England and accordingly hold the Section 205 filing rights over Attachment K – Local. Accordingly, the revisions to Attachment K – Local in compliance with the directives in the May 15, 2008 Order are being filed herein by the PTO AC, on behalf of the PTOs. See Attachment K Compliance Filing at 3-4.

language in the needs assessment provision.²³ These findings and compliance directives, as applicable to each of the Filing Parties in accordance with the rights and responsibilities under the TOA and the ISO OATT,²⁴ are addressed in their respective sections, below.

IV. ISO-NE'S COMPLIANCE WITH THE MAY 15, 2008 ORDER

A. Background

The transmission planning principles adopted in Order No. 890 included a comparability principle. Order No. 890 adopted this principle to address the concerns of the Commission "that transmission providers have historically planned their transmission systems to address their own interests without regard to, or ahead of, the interests of their customers."²⁵ To address this concern, Order No. 890 required

transmission providers, after considering the data and comments supplied by customers and other stakeholders, to develop a transmission system plan that (1) meets the specific request of its transmission customers and (2) otherwise treats similarly-situated customers . . . comparably in transmission system planning.²⁶

Order No. 890 also directed transmission providers to allow demand resource participation in the transmission planning process in a manner comparable to generation, where the demand resource is capable of providing the functions assessed in the transmission planning process and may be relied upon on a long-term basis.²⁷

In the May 15, 2008 Order, the Commission determined that the ISO's transmission planning process in Attachment K meets the comparability principle adopted in Order No. 890.²⁸ As noted above, subsequent to the Attachment K Compliance Filing, the Commission issued Order No. 890-A, which provided additional guidance on the comparability principle. Specifically, Order No. 890-A clarified that comparability does not require "that generation resources and demand resources be subject to the same operational parameters in every circumstances."²⁹ Rather, Order No. 890-A clarified, "[t]reating similarly-situated resources on a comparable basis does not necessarily mean that the resources are treated the same."³⁰ Given

²³ See May 7, 2008 Order at P 100.

²⁴ See Order No. 890-A at P 175.

²⁵ May 15, 2008 Order at P 51.

²⁶ Order No. 890 at P 494.

²⁷ See *id.* at P 479; see also May 15, 2008 Order at P 51.

²⁸ See May 15, 2008 Order at P 53.

²⁹ Order No. 890-A at P 216.

³⁰ *Id.*

this further guidance, Order No. 890-A required that as part of the transmission planning process, “each transmission provider . . . identify how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning.”³¹ The May 15, 2008 Order provides the ISO an opportunity to demonstrate that the Commission-approved Attachment K complies with this Order No. 890-A requirement.³²

B. The ISO’s Attachment K Meets the Comparability Principle as Further Clarified in Order No. 890-A

The ISO’s Attachment K complies with the requirements established in Order No. 890-A. The ISO’s regional system planning process gives any entity the opportunity to propose market solutions, which may include demand-side resources (*e.g.*, demand response resources, conservation and energy efficiency) and distributed generation, among others, that could modify or obviate the need for a regulated transmission solution through an assessment of the regional system needs.³³ The regional system planning process provides for due consideration of such proposed market responses in the Needs Assessments³⁴ performed by the ISO under Attachment K, consistent with the guidance provided in Order No. 890-A. Specifically, Section 4.2(a) of Attachment K specifies the manner in which market responses, including demand resources, are accounted for in the Needs Assessments to determine whether the reliability or market efficiency needs of the regional transmission system persist in light of a market solution.

To ensure equal consideration of demand resources and generation, Section 4.2(a) of Attachment K requires the ISO to incorporate in the Needs Assessments resources that “have cleared in a Forward Capacity Auction pursuant to Market Rule 1 of the ISO Tariff” or “have been selected in, and are contractually bound by, state-sponsored Request For Proposals” or other “financially binding obligation pursuant to a contract.” To illustrate, at the conclusion of each Forward Capacity Auction (“Auction”) and related milestones, pursuant to Section 13 of Market Rule 1, the ISO will incorporate the resources that result from the Auction into the base case used for the Needs Assessments to either update an existing, or initiate a new, assessment of the system that takes into account the results of the Auction. The equal consideration and inclusion of cleared resources (*i.e.*, resources that have an obligation to be available at a specified time) may resolve previously identified problems in the system and modify or obviate the need for a regulated transmission solution. Relying upon the results of the Auction and other state-sponsored programs provides the level of certainty necessary for the planning process to account for the availability and capability of these resources to meet the needs of the system.

³¹ *Id.*

³² May 15, 2008 Order at P 53 (stating, “since Order No. 890-A was issued subsequent to the filing before us [*i.e.*, the Attachment K Compliance Filing], ISO-NE and its transmission owners did not have an opportunity to demonstrate that it complies with this requirement of Order No. 890-A.”).

³³ *See* Attachment K at § 3.5.

³⁴ *See id.* at § 4.1.

The Auction held on February 4-6, 2008, evidences a level of parity between demand and generating resources. As indicated in the ISO's March 3, 2008 Forward Capacity Auction Results Filing, the February 4-6 Auction presented significant incentives and opportunities for demand resources to participate in the market.³⁵ As the FCA Results Filing states:

[A] goal in developing FCM was to allow Demand Resources to compete with generation resources in the FCA. Demand Resources represented a significant portion of the new resources that cleared in the auction. A total of approximately 1,813 MW of capacity from new resources secured Capacity Supply Obligations in the auction. Of that amount, about 1,188 MW came from New Demand Resources. Additionally, 1,366 MW of Existing Demand Resources were selected in the auction.³⁶

As discussed above, the ISO's Attachment K makes these cleared demand resources a part of the regional system planning process as market responses on a comparable basis to generating resources.

The Commission determined in the May 15, 2008 Order that the ISO's "planning process allows market responses such as demand-side projects, distributed generation and other similar solutions" to "participat[e] in the planning process, in a manner comparable to generation." Consistent with this determination and for the reasons provided herein, the ISO submits that its Attachment K meets the Commission's requirements of comparability in the transmission planning process in accordance with Order Nos. 890 and 890-A.

V. PTOs' COMPLIANCE WITH THE MAY 15, 2008 ORDER

A. Background

As described in the Attachment K Compliance Filing, the PTOs³⁷ are Transmission Providers that, pursuant to the TOA, own, physically operate and maintain PTF and Non-PTF in the New England RTO under the operating authority of the ISO. Both the TOA and the ISO-NE OATT govern the obligations and rights of each PTO with respect to planning and expansion of

³⁵ See ISO New England Inc.'s Forward Capacity Auction Results Filing, filed on March 3, 2008, in Docket No. ER08-633-000 at 2 ("FCA Results Filing"). See also *ISO New England Inc.*, 123 FERC ¶ 61,290 (2008) (accepting the FCA Results Filing).

³⁶ FCA Results Filing at 5.

³⁷ The PTOs offer a combination of network and point-to-point transmission service over Non-PTF under Schedule 21. Schedule 21 - Common contains common terms and conditions applicable for all Local Service. The Local Service Schedules of each PTO under Schedule 21 contain specific rates, terms and conditions applicable to Local Service over the Non-PTF facilities owned by each PTO. Local Service works in conjunction with regional transmission service over the PTF to provide a complete package of Transmission Service over all Transmission Facilities internal to New England.

New England's Transmission Facilities.³⁸ Section 3.09 and Schedule 3.09 of the TOA set forth rights and obligations of both the PTOs and ISO-NE, including the conditions under which the PTOs are obligated to build new Transmission Facilities.³⁹ Schedule 21 sets forth the study procedures the PTOs will follow in response to a request for service under the ISO-NE OATT. Under the terms of the TOA and the ISO-NE OATT, the PTOs have planning authority over the Non-PTF Transmission Facilities in New England.

On December 7, 2007, in the above-captioned docket, the PTO AC, on behalf of the PTOs, jointly filed Attachment K – Local.⁴⁰ As discussed in Section III above, the May 15, 2008 Order largely accepted the Attachment K, but required certain amendments. With regard to Attachment K-Local, the May 15, 2008 Order required the addition of the “regulated transmission project language” from the regional system plan to Attachment K-Local.⁴¹ The PTOs have modified Attachment K – Local to comply with and address the Commission's comments by inserting language that will clearly cause proponents of regulated transmission plans to identify regional plans that require coordination with Non-PTF system planning. Additionally, proponents of regulated transmission proposals for Non-PTF planning will communicate such proposals with the Planning Advisory Committee, and other interested stakeholders, for coordination with the regional system planning process.

For purposes of this filing, the PTOs, through the PTO AC, have coordinated with each other, ISO-NE and the other transmission owners in New England to make this compliance filing. Pursuant to the provisions of the TOA and the Disbursement Agreement, the PTO AC has unanimously approved the LSP Process tariff provisions in Attachment K – Local proposed in this filing.⁴²

B. Revisions to Attachment K - Local

In Attachments 2 and 3 hereto, the PTO AC has incorporated the modifications to Attachment K-Local to address the Commission's requirement that regulated transmission proposals be coordinated between both Non-PTF and regional planning activity. Specifically, the PTO AC submits such modifications as set forth on First Revised Sheet No. 6293 and Original Sheet No. 6293A of Appendix 1 of Attachment K of the ISO-NE OATT.

³⁸ See TOA at § 3.09.

³⁹ *Id.*

⁴⁰ The Transmission Facilities at issue in this filing are all under the operating authority of ISO-NE and all provide service pursuant to the ISO-NE OATT.

⁴¹ May 15, 2008 Order at P 100.

⁴² At its August 6, 2008 meeting, the PTO AC voted with 98.49% in favor (1.51% abstained), to unanimously approve the enclosed Attachment K – Local revisions.

VI. STAKEHOLDER PROCESS

The May 15, 2008 Order did not require modifications to ISO's Attachment K – Regional System Planning Process. Accordingly, no action was required by the NEPOOL Technical Committees or the Participants Committee. The ISO, however, discussed with stakeholders at the June 3, 2008 meeting of the NEPOOL Transmission Committee and the June 21/22, 2008 joint meeting of the NEPOOL Reliability Committee and the Transmission Committee the May 15, 2008 Order and the further compliance directives therein. At these meetings, the ISO and stakeholders discussed the manner in which Attachment K currently integrates market responses, including demand resources, in the transmission planning process and no concerns were raised. The NEPOOL Transmission Committee also had an opportunity to review and provide informal feedback to the PTOs on the proposed revisions to Attachment K – Local, which were developed in close coordination with the ISO.

VII. REQUESTED EFFECTIVE DATE

The Filing Parties respectfully request that the changes proposed to Attachment K – Local, as described above, be made effective as of **December 7, 2007**, or any subsequent date that the Commission shall so designate.

VIII. ADDITIONAL SUPPORTING INFORMATION

The Filing Parties submit the following additional information in substantial compliance with relevant provisions of Section 35.13 of the Commission's regulations:⁴³

35.13(b)(1) - Materials included herewith are as follows:

- ◆ This transmittal letter;
- ◆ Attachment 1: Correspondence and communications;
- ◆ Attachment 2: Blacklined revised sheets of the ISO Tariff showing the modifications effected by this filing;
- ◆ Attachment 3: Clean revised sheets of the ISO Tariff showing the modifications effected by this filing;
- ◆ Attachment 4: List of governors and utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont to which a paper copy of this filing has been sent.

⁴³ 18 C.F.R. § 35.13 (2008).

35.13(b)(2) - As set forth in Section VII above, the Filing Parties request that the proposed changes be made effective as of December 7, 2007, or any subsequent date that the Commission shall so designate.

35.13(b)(3) - Pursuant to Section 17.11(e) of the Participants Agreement, Governance Participants are being served 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_prtcpts_eserved.pdf. A paper copy of this transmittal letter and the accompanying materials have also been sent to the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area, and to NECPUC. The names and addresses of these governors and regulatory agencies are shown in Attachment 4. In accordance with Commission rules and practice, there is no need for the Governance Participants or the entities identified on Attachment 4 to be included on the Commission's official service list in the captioned proceeding unless such entities become intervenors in this proceeding.

35.13(b)(4) - A brief description of the materials submitted pursuant to this filing is contained in Section I of this transmittal letter.

35.13(b)(5) - The reasons for this filing are discussed in this transmittal letter.

35.13(b)(6) - The Filing Parties' approval of their respective changes is evidenced by this filing.

35.13(b)(7) - The Filing Parties have no knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

35.13(b)(8) - A form of notice and electronic media are no longer required for filings in light of the Commission's Combined Notice of Filings notice methodology.

35.13(c)(1) - The proposed changes will not effect any rate increase.

35.13(c)(2) - The Filing Parties do not provide services under other rate schedules that are similar to those in the ISO Tariff and its relevant schedules.

35.13(c)(3) - No specifically assignable facilities have been or will be installed or modified in connection with the proposed changes.

Honorable Kimberly D. Bose
Honorable Nathaniel J. Davis, Sr.
August 13, 2008
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IX. CONCLUSION

The Filing Parties request that the Commission accept this filing as submitted and without modification or condition, to be made effective as of December 7, 2007.

Respectfully submitted,



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on behalf of the PTO Administrative Committee



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for the New England Power Pool

August 13, 2008

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 13th day of August, 2008.

A handwritten signature in cursive script that reads "Lyndsey K. Sites". The signature is written in black ink and is positioned above the printed name.

Lyndsey K. Sites

Ballard Spahr Andrews & Ingersoll, LLP
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202-661-7618

Attachment 1

COMMUNICATIONS AND SERVICE

All correspondence and communications in this proceeding, for service purposes or otherwise, should be addressed as follows:¹

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¹ Due to the joint nature of this filing, the Filing Parties respectfully request a waiver of Section 385.203 of the Commission's regulations to allow the inclusion of more than two persons on the service list in this proceeding.

Attachment 2

Planning Advisory Committee review of its proposed LSP and posting its LSP and the LSP Project List.

1.4 Description of LSP

The LSP shall describe the projected improvements to Non-PTF that are needed to maintain system reliability and shall reflect the results of a reliability review within the limited geographical areas that pertain to the LSP, as determined by each PTO (“LSP Needs Assessments”), and corresponding system planning and expansion studies. The LSP Needs Assessments will be coordinated with the RSP and include the information that the ISO-NE incorporates into the RSP plans, as applicable. The proponents of regulated transmission proposals in response to LSP Needs Assessments shall also identify any RSP plans that require coordination with their regulated transmission proposals addressing the Non-PTF system needs.

The LSP shall identify the planning process, criteria, data, and assumptions used to develop the LSP. To the extent the current LSP utilizes data, assumptions or criteria used by the ISO in the RSP, any such data, assumptions or criteria will also be identified in the LSP.

~~Each PTO’s LSP will be made available on a website for review by the Planning Advisory Committee, Transmission Customers and other stakeholders, subject to~~

~~the ISO New England Information Policy and CEH restrictions or requirements.~~

~~The ISO's posting of the RSP and the RSP Project List will include links to each~~

~~PTO's specific LSP posting.~~

~~The LSP of a particular PTO shall be posted not less than 3 business days prior to~~

~~its presentation by the PTO to the Planning Advisory Committee. The Planning~~

Each PTO's LSP will be made available on a website for review by the Planning Advisory Committee, Transmission Customers and other stakeholders, subject to the ISO New England Information Policy and CEII restrictions or requirements. The ISO's posting of the RSP and the RSP Project List will include links to each PTO's specific LSP posting.

The LSP of a particular PTO shall be posted not less than 3 business days prior to its presentation by the PTO to the Planning Advisory Committee. The Planning

Attachment 3

Planning Advisory Committee review of its proposed LSP and posting its LSP and the LSP Project List.

1.4 Description of LSP

The LSP shall describe the projected improvements to Non-PTF that are needed to maintain system reliability and shall reflect the results of a reliability review within the limited geographical areas that pertain to the LSP, as determined by each PTO (“LSP Needs Assessments”), and corresponding system planning and expansion studies. The LSP Needs Assessments will be coordinated with the RSP and include the information that the ISO-NE incorporates into the RSP plans, as applicable. The proponents of regulated transmission proposals in response to LSP Needs Assessments shall also identify any RSP plans that require coordination with their regulated transmission proposals addressing the Non-PTF system needs.

The LSP shall identify the planning process, criteria, data, and assumptions used to develop the LSP. To the extent the current LSP utilizes data, assumptions or criteria used by the ISO in the RSP, any such data, assumptions or criteria will also be identified in the LSP.

Each PTO's LSP will be made available on a website for review by the Planning Advisory Committee, Transmission Customers and other stakeholders, subject to the ISO New England Information Policy and CEII restrictions or requirements. The ISO's posting of the RSP and the RSP Project List will include links to each PTO's specific LSP posting.

The LSP of a particular PTO shall be posted not less than 3 business days prior to its presentation by the PTO to the Planning Advisory Committee. The Planning

Attachment 4

**New England Governors
and Utility Regulatory
and Related Agencies**

August 6, 2008

Connecticut

The Honorable M. Jodi Rell
State Capitol
210 Capitol Ave.
Hartford, CT 06106

Connecticut Department of Public Utility Control
10 Franklin Square
New Britain, CT 06051-2605

Maine

The Honorable John E. Baldacci
One State House Station
Rm. 236
Augusta, ME 04333-0001

Maine Public Utilities Commission
State House, Station 18
242 State Street
Augusta, ME 04333-0018

Massachusetts

The Honorable Deval Patrick
Office of the Governor
Rm. 360 State House
Boston, MA 02133

Massachusetts Department of Public Utilities
One South Station
Boston, MA 02110

New Hampshire

The Honorable John H. Lynch
State House
25 Capitol Street
Concord, NH 03301

New Hampshire Public Utilities Commission
21 South Fruit Street
Suite 10
Concord, NH 03301-2429

Rhode Island

The Honorable Donald L. Carcieri
State House Room 115
Providence, RI 02903

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Vermont

The Honorable James H. Douglas
109 State Street, Pavilion
Montpelier, VT 05609

Vermont Public Service Board
112 State Street, Drawer 20
Montpelier, VT 05620-2701

**New England Governors
and Utility Regulatory
and Related Agencies**

August 6, 2008

John D. Burke, President
New England Conference of
Public Utilities Commissioners, Inc.
c/o Vermont Public Service Board
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Power Planning Committee
New England Governors' Conference, Inc.
76 Summer Street, 2nd Floor
Boston, MA 02110-1226