

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

ISO New England Inc.

)

Docket No. ER10-741-000

**COMMENTS OF
NEW ENGLAND POWER POOL PARTICIPANTS COMMITTEE**

(February 23, 2010)

Pursuant to Rule 212 of the Commission's¹ Rules of Practice and Procedure, 18 C.F.R. § 385.212 (2009), the New England Power Pool ("NEPOOL") Participants Committee² files these comments in the captioned docket.³ The captioned docket was initiated by the February 12, 2010 filing by ISO New England Inc. ("ISO-NE") of its quarterly Capital Projects Report and schedule of unamortized costs of its funded capital expenditures for the quarter ending December 31, 2009 (collectively, the "Capital Projects Filing").

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-NE Tariff").

² NEPOOL is a voluntary association organized in 1971 pursuant to the New England Power Pool Agreement, and it has grown to include more than 410 members. The Participants include all of the electric utilities rendering or receiving services under the ISO-NE Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, demand response providers, developers, 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 NEPOOL 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. NEPOOL is the principal stakeholder organization for the New England RTO.

³ NEPOOL timely moved to intervene in the above-captioned dockets by document-less intervention.

I. BACKGROUND & COMMENTS

As required by the Commission in its letter order in Docket No. ER05-135-000,⁴ the Capital Funding Arrangements in Section IV.B of the ISO-NE Tariff (the “CFA”)⁵ provide that ISO-NE will file quarterly reports with the Commission, pursuant to Section 205 of the Federal Power Act,⁶ specifying, by project, ISO-NE’s prior year spending on multi-year projects, year-to-date spending and a forecast of the next calendar year spending.⁷ Pursuant to these requirements, ISO-NE submitted its Capital Projects Filing.

The quarterly Capital Projects Report for the quarter ending December 31, 2009 was discussed by the NEPOOL Budget and Finance Subcommittee (the “Subcommittee”) at its February 11, 2010 meeting. While no formal recommendation was made or action taken, none of the Subcommittee members in attendance objected to that material as included in the Capital Projects Filing.

VI. RELIEF REQUESTED

WHEREFORE, for the reasons stated herein, the NEPOOL Participants Committee requests that the Commission consider these comments in making its decision on the Capital Projects Filing.

⁴ *ISO New England Inc.*, 109 FERC ¶ 61,382 (2004) (“December 30 Letter Order”). The revised tariff sheets were accepted by the Commission in its letter order in Docket No. ER05-374-002 (Mar. 24, 2005).

⁵ The CFA provides for ISO-NE to collect its capital expenditures from the NEPOOL Participants to the extent that it is unable to obtain third-party financing for those expenditures. The CFA also permits ISO-NE to collect from the Participants (i) the remaining unamortized costs of assets financed through third-party arrangements if that financing is terminated, accelerated and/or not refinanced when it becomes due, (ii) ISO-NE’s working capital amounts if ISO-NE’s working capital financing is terminated and/or accelerated and (iii) ISO-NE’s obligations with respect to the private financing obtained by ISO-NE to support weekly billing if that financing is terminated and/or accelerated.

⁶ 16 U.S.C. § 824d (2010).

⁷ ISO-NE Tariff, Section IV.B.6.2.

Respectfully submitted,

NEPOOL Participants Committee

By: _____

Paul N. Belval
Day Pitney LLP
242 Trumbull Street
Hartford, CT 06103
Tel: (860) 275-0381
Fax: (860) 881-2509
E-mail: pnbelval@daypitney.com

Its Attorney

Dated: February 23, 2010

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with the Combined Notice of Filings #2 issued February 17, 2010, I have this day served the foregoing document electronically upon ISO New England Inc.

Dated at Hartford, Connecticut this 23rd day of February, 2010.

Jennifer E. Galiette
Day Pitney LLP
242 Trumbull Street
Hartford, CT 06103-1212
Tel: (860) 275-0338
Fax: (860) 331 8830
E-mail: jgaliette@daypitney.com

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