

135 FERC ¶ 61,125
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 12, 2011

In Reply Refer To:
TC Ravenswood, LLC v.
New York Independent
System Operator, Inc.
Docket No. EL10-70-000

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Dear Mr. D'Andrea and Mr. Fernandez:

1. On April 19, 2011, TC Ravenswood, LLC (Ravenswood); Consolidated Edison Company of New York, Inc.; Orange and Rockland Utilities, Inc.; the New York Independent System Operator, Inc. (NYISO); New York Power Authority; Consolidated Edison Solutions, Inc.; Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc.; Astoria Generating Company, L.P.; Independent Power Producers of New York, Inc.; and the New York State Public Service Commission (collectively, the Parties) filed an Offer of Settlement (Settlement) pursuant to Rule 602 of the Commission's Rules of Practice and Procedure¹ in the captioned proceeding.

2. The Settlement resolves all issues set for hearing and settlement judge procedures by the Commission's December 7, 2010 order² in this proceeding regarding

¹ 18 C.F.R. § 385.602 (2010).

² *TC Ravenswood, LLC v. New York Indep. Sys. Operator, Inc.*, 133 FERC ¶ 61,205 (2010).

compensation to Ravenswood for certain costs Ravenswood incurred for the period May 1, 2009, through April 30, 2010, to meet its obligations under the New York State Reliability Council's Local Reliability Rule I-R3 (Rule I-R3 or Minimum Oil Burn Rule). In addition, the Settlement resolves all issues related to the compensation of Ravenswood for complying with Rule I-R3 for the period May 1, 2010, through April 30, 2011.

3. The Settlement provides that Ravenswood will withdraw its complaint in this proceeding, with prejudice, within 10 business days of a Commission Final Order, as defined in the Settlement, accepting the Settlement without condition or modification. Under the Settlement, Ravenswood will receive a total payment of \$7,000,000 for the period from May 1, 2009, through March 31, 2011. NYISO will recover that amount from the Loads in Zones H, I, and J, pursuant to the NYISO Open Access Transmission Tariff Rate Schedule 1.

4. The Settlement also includes a three-year agreement effective May 1, 2011, through April 30, 2014 (TCR Minimum Oil Burn Agreement) between Ravenswood and NYISO which specifies how Ravenswood will be compensated for complying with Rule I-R3 for the period May 1, 2011, through April 30, 2014, and proposes amendments to NYISO's Market Administration and Control Area Services Tariff (Services Tariff) to accommodate "Minimum Oil Burn Agreements." The Settlement provides that the Settlement, TCR Minimum Oil Burn Agreement, and Services Tariff amendments shall become effective May 1, 2011. The Parties state that the proposed NYISO Services Tariff amendments were voted and approved unanimously, with abstentions, by the NYISO Management Committee and subsequently approved by the NYISO Board of Directors. NYISO states that it will file the tariff amendments in the eTariff format on the day following the last date for filing an application for rehearing with the Commission.

5. The Parties requested, and the Presiding Administrative Law Judge granted, a shortened comment period for the Settlement with initial comments to be filed on or before April 22, 2011 and reply comments to be filed on or before April 26, 2011. On April 21, 2011, Commission Trial Staff filed comments in support of the Settlement. No adverse comments or replies were filed. On May 3, 2011, the Settlement Judge certified the Settlement to the Commission as uncontested.³

6. We conclude that the Settlement appears to be fair and reasonable and in the public interest. Therefore, pursuant to section 385.602(g)(3) of the Commission's regulations,⁴ we hereby approve it, effective May 1, 2011, as requested. The Settlement

³ *TC Ravenswood, LLC v. New York Indep. Sys. Operator, Inc.*, 135 FERC ¶ 63,004 (2011).

⁴ 18 C.F.R. § 385.602(g)(3) (2010).

includes proposed revisions to section 4.1.9 of NYISO's Services Tariff. We direct NYISO to file, within 31 days of the date of this order, identical revised tariff records in eTariff format to be effective May 1, 2011.⁵ The Commission's approval of this Settlement does not constitute precedent regarding any principle or issue in this proceeding.

7. This order terminates the proceeding in Docket No. EL10-70-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁵ See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276, at P 96 (2008).