

**APPENDIX C – MOTION FOR WAIVER FROM CERTAIN INITIAL (PART A)
APPLICATION REQUIREMENTS**

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

APPLICATION OF NORTH AMERICA TRANSMISSION, LLC AND NORTH AMERICA TRANSMISSION CORPORATION FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED PURSUANT TO ARTICLE VII OF THE PUBLIC SERVICE LAW FOR AN ALTERNATING CURRENT TRANSMISSION UPGRADE PROJECT CONSISTING OF AN EDIC TO FRASER 345 kV TRANSMISSION LINE AND A NEW SCOTLAND TO LEEDS TO PLEASANT VALLEY 345 kV TRANSMISSION LINE

CASE No. 13-T-0454

PROCEEDING ON MOTION TO EXAMINE ALTERNATING CURRENT TRANSMISSION UPGRADES

Case No. 12- T-0502

ALTERNATING CURRENT TRANSMISSION UPGRADES COMPARATIVE PROCEEDING

Case No. 13-E-0488

MOTION OF NORTH AMERICA TRANSMISSION, LLC AND NORTH AMERICA TRANSMISSION CORPORATION FOR WAIVERS FROM CERTAIN REQUIREMENTS OF THE INITIAL (PART A) APPLICATION

Pursuant to 16 NYCRR 85-2.3(c), the Commission’s Order of December 16, 2014 (the “December 16 Order”)¹ as modified by the December 30, 2014 letter ruling on extension requests² and as part of an Initial (Part A) Application for a Certificate of Environmental Compatibility and Public Need for an Alternating Current Transmission Upgrade Project, consisting of an Edic to Frasier 345 kV

¹ New York State Public Service Commission, Case No. 12-T-0502, Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades, *Order Establishing Modified Procedures for Comparative Evaluation* (December 16, 2014).

² New York State Public Service Commission, Case No. 12-T-0502, Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades, *December 30, 2014 letter ruling*.

Transmission Line and a New Scotland to Leeds to Pleasant Valley 345 kV Transmission Line (the “Project”), North America Transmission, LLC and North America Transmission Corporation (collectively, “North America”) respectfully request waiver of the following section of the Commission’s regulations insofar as the regulations apply to the Initial (Part A) Article VII application for the Project as defined above.

“4. Notice that the SIS/SRIS studies are in progress (study scope accepted and work underway pursuant to a Study Agreement with the NYISO).”³

The December 16 Order and December 30 letter may require that North America submit on January 20⁴ with its Initial (Part A) Article VII Application a “[n]otice that the [System Impact Study]/[System Reliability Impact Study] studies are in progress,” meaning that a study scope has been accepted and work is underway pursuant to a Study Agreement with the New York Independent System Operator (“NYISO”). Thus, it appears that the requirement that North America submit (1) a “system impact study or system reliability impact study, performed in accordance with the open access transmission tariff of [NYISO]”; and (2) “an indication as to whether the Operating Committee of the NYISO has approved the study” need not be met until North America submits the remainder (or Part B) of its Article VII Application for the Project.

³ December 16 Order, Appendix D, item 4 at 3

⁴ Elsewhere in the December 16 Order and December 30 letter the requirement for an SRIS is identified as February 27, 2015. However, as described herein it is also not possible to meet such deadline for other elements of this proposal because, in North America’s experience, the FES stage alone requires more than nine months.

North America currently has two different interconnection requests (IRs) in the NYISO Interconnection Queue in accordance with NYISO's Standard Large Facility Interconnection Procedure. The Edic – Fraser 345 kV project and New Scotland – Leeds – Pleasant Valley 345 kV project are in different stages of the NYISO Large Facilities Interconnection Process.

An interconnection request for the Edic – Fraser 345 kV transmission project was submitted September 21, 2012, queue #391. NYISO completed the Feasibility Study on July 29, 2013. A scope of study for the SRIS was presented by the NYISO Planning staff during the September 5, 2013 Transmission Planning Advisory Subcommittee meeting where it was approved and accepted. Subsequently, the project SRIS scope was also presented to NYISO's Operating Committee (OC) on September 19, 2013 where it was accepted and the OC recommended that the project proceed with the SRIS. A study agreement was fully executed between North America, NYISO, and the interconnecting Transmission Owners for the SRIS on November 8, 2013. North America has provided all the data requested by NYISO to initiate the SRIS and the study has been completed in draft form.

An Interconnection Request for New Scotland – Leeds – Pleasant Valley 345 kV project was submitted to NYISO on September 5, 2013. NYISO has determined the Interconnection Request to be valid, and per NYISO's request, North America furnished the data requested to initiate the Feasibility Study on December 6, 2013. As part of the Interconnection Request, North America had requested that the project be allowed to proceed to the SRIS phase directly since previous studies have been performed for a National Grid sponsored System Interconnection Study (SIS) that had analyzed the same

project in July 2013 (Queue #385) and found the proposed project acceptable with no adverse impact to the NY's electric transmission system. However, NYISO staff and the Interconnecting Transmission Owners did not grant the request to bypass the Feasibility Study phase. A draft Feasibility Study has been completed but not yet finalized.

No interconnection request has been made for the New Scotland-Leeds-Pleasant Valley alternatives including alternative interconnections to Knickerbocker, a route along the I-87 corridor, sharing a common tower and rebuilding existing 115 kV transmission lines, or changes to the Churchtown substation. No interconnection requests have been made for other elements of North America's proposal, such as series compensation on the existing Fraser-Gilboa 345 kV circuit, series compensation on the existing Marcy-New Scotland 345 kV circuit, series compensation on the existing Edic-New Scotland 345 kV and looping the existing Marcy-Coopers Corner 345 kV circuit to the existing Fraser Substation. These elements were identified in response to the December 16 Order, and it will not be possible to complete an SRIS prior to the Commission's decision in this proceeding. The Commission's decision is identified as August or September 2015, in less than 9 months. It has taken longer than that for each of North America's existing interconnection requests to complete only the feasibility study stage. In addition, it is likely, but not clear that some of these elements would be subject to Article VII, and therefore additional deliberation would be needed to determine whether the provisions regarding an SIS/SRIS would be applicable. However, to the extent a waiver may be necessary for a requirement to have a completed SRIS, North America requests such a waiver. Good cause exists to grant such waiver as described below.

There is good cause for granting the waiver request, as North America has been diligently pursuing the SRIS for its original proposal, and completion of the studies, which involves the participation of NYISO and relevant transmission owners, is beyond North America's control. North America requests further permission, in accordance with 16 NYCRR § 85-2.3(c), to submit the SRIS studies and NYISO Operating Committee information for the elements approved by the Commission with its Part B Article VII Application for the Project.

To the extent that North America's above interpretation of the Orders is correct, and only a notice that the SRIS is underway pursuant to a Study Agreement with NYISO is required for the Initial (Part A) Article VII Application, North America has met such requirement for the Edic-Fraser transmission line component but must request a waiver from that requirement for any other component.

In addition, each request through the SRIS stage represents a commitment estimated at \$200,000.⁶ Most of these payments are to the incumbent transmission owners for studies. Depending on how NYISO interprets the elements and permutations of North America's proposal, in order to ensure each potential element and permutation is studied could require ten or more requests with a commitment of millions of dollars. Conducting such interconnection feasibility studies in the interim period prior to the Commissions selection of a final set of projects will be a waste of time and resources. In North America's

⁶ Per the NYISO tariff, the fees for the initial stages of the interconnection process are: a \$10,000 non-refundable application fee, a \$10,000 additional deposit if the developer does not have site control, a \$30,000 Interconnection Feasibility Study deposit at the time of the interconnection request, an additional \$30,000 Interconnection Feasibility Study deposit prior to beginning the Interconnection Feasibility Study, a \$120,000 Interconnection System Reliability Impact Study deposit, altogether totaling \$200,000 in estimated costs through completion of the SRIS. The actual costs of studies could be greater, and this does not include additional studies beyond the SRIS.

experience, proceeding with diligence through the queue will not result in an SIS/SRIS prior to a Commission decision in August/September 2015. Furthermore, the completion of an SIS/SRIS does nothing to inform the comparative analysis to be conducted in this proceeding. The important output of the studies for the comparative proceeding is whether there are any reliability issues or other system upgrades required in order to realize the transfer capacity of the proposal. NYISO will be performing a transfer analysis for each proposal, and the results of such analysis should identify if there are any reliability issues or other system upgrades required. In other words, the NYISO analysis in this proceeding serves the same purpose that an SIS/SRIS would serve. Therefore, allowing submittal in the Part B application of notice that SIS/SRIS are underway will not require any delays in the comparative proceeding.

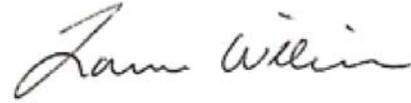
Accordingly, North America respectfully requests a waiver from the requirement that notice be provided that SRIS studies are underway at any time prior to the filing of a Part B application.

CONCLUSION

For the reasons set forth above, North America requests that the relief requested be granted.

Dated: January 19, 2015

Respectfully submitted,

A handwritten signature in cursive script that reads "Lawrence Willick".

Lawrence Willick

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