

BY HAND

March 9, 2009

Anthony J. Como, Director, Siting and Permitting
Office of Electricity Delivery and Energy Reliability (Electricity, Delivery and Energy Reliability)
U.S. Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

US Department of Energy

MAR - 9 2009

Re: Comments of the New York Independent System Operator, Inc. in
Support of International Transmission Company's Application to
Amend Presidential Permit. OE Docket No. PP-230-4

Dear Mr. Como:

I am writing on behalf of the New York Independent System Operator, Inc. ("NYISO") to express the NYISO's support for International Transmission Company's ("ITC Transmission's") application to amend its Presidential permit to permit it to replace its failed Bunce Creek Station 675 MVA phase-shifting transformer with two 700 MVA phase shifting transformers that will be connected in series. The construction, installation, interconnection and operation of the new phase shifting transformers will make it possible to better align actual power flows with scheduled power flows at the points of interconnection between the transmission facilities that are owned by ITC Transmission and the transmission facilities that are owned by Hydro One Networks Inc. ("Hydro One"); in other words, at the border between the State of Michigan and the Province of Ontario.

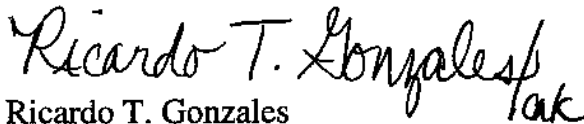
For decades, Control Areas around Lake Erie have been subject to significant, unscheduled, unpredictable circulating power flows that, at times, have adverse reliability and market impacts.¹ Operation of phase-shifting transformers at the border between Michigan and Ontario will permit the Control Areas operated by the Midwest Independent Transmission System Operator, Inc. and the Control Area operated by the Independent Electricity System Operator of Ontario to better align the actual interchange of electricity with scheduled interchanges. Better conforming actual to scheduled interchange at the Ontario/Michigan border

¹ See, e.g., the NYISO's July 21, 2008 filing in Federal Energy Regulatory Commission Docket No. ER08-1281-000.

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will reduce unscheduled power flows in *all* of the Control Areas that surround Lake Erie, including the Control Area that the NYISO operates. The NYISO anxiously awaits the effective operation of the phase-shifting transformers to better conform actual power flows to scheduled power flows and respectfully requests that the Department of Energy promptly grant ITC Transmission's request to amend its Presidential permit.

Respectfully submitted,

Handwritten signature of Ricardo T. Gonzales in black ink. The signature is written in a cursive style and includes the initials 'tak' at the end.

Ricardo T. Gonzales
Vice President – Operations
New York Independent System Operator, Inc.

cc: James Frankowski
John R. Staffier