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June 22, 2010

Hon. Judge Casutto  
Administrative Law Judge  
NYS Department of Public Service  
Three Empire State Plaza  
Albany, NY 12223

**RE: STIPULATION ON SCHEDULE FOR SUSPENSION PERIOD**  
***Case No. 09-T-0049; Application by Upstate Power Corporation for a***  
***Certificate Pursuant to Article VII of the Public Service Law***

Dear Judge Casutto:

We represent the Applicant Upstate Power Corp. in the above referenced proceeding. The purpose of this letter is to provide you with the attached fully executed stipulation between Staff and the Applicant regarding the schedule for the proceeding between now and the status conference scheduled for September 15, 2010. The motion seeking the suspension was granted by Your Honor on March 31, 2010 in order to allow the Applicant time to prepare an additional evaluation of alternates to the proposed transmission line location.

The attached Stipulation provides that the Applicant will fully inform the public and the parties regarding the reasons for the suspension period. The Applicant will accomplish this by publishing a notice in the Watertown Times, Jefferson County Journal, Oswego Palladium Times, Post Standard and Salmon River News. The notice will contain a description of the purpose for this schedule, inform the public about the continuing Alternatives Scoping and Evaluation Process, identify the websites of both Upstate and the Department of Public Service where additional information can be found, and locations where more details, including information about any additional alternate locations for the proposed transmission line, when available, may be obtained. (An agreed upon public notice is attached to the Stipulation). The Applicant has already updated its website and will continue to provide updates on the process and notice of any upcoming public meetings.

In addition to setting forth the Stipulation, this letter is intended to update you on the Applicant's progress on its alternatives analysis. As Your Honor has noted, the number of alternates discussed at various points in this proceeding needs to be narrowed down by the Applicant prior to carrying the alternates forward to litigation. In order to effectively organize

and narrow down the potential alternates the Applicant has devised a method of eliminating alternates in two tiers. The first tier (Tier I) evaluates the alternates based on a "desktop" review of the comparative benefits and detriments of each of the potential line locations in order to eliminate alternates whose detriments clearly outweigh any benefits. The Tier II analysis will be a more detailed evaluation of a smaller number of the locations determined to be the most viable alternates. These locations will be evaluated in much further detail than the Tier I analysis. This evaluation will provide an assessment of the potential reliability, congestion, cost and other concerns. These alternate locations will likely be carried forward as the "alternatives" for purposes of potential litigation in this proceeding.

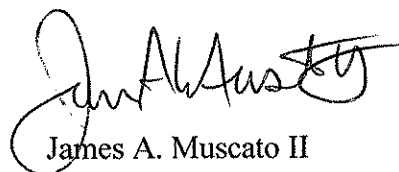
Over the last two months, the Applicant has been conducting the Tier I analysis. The Tier I evaluation is nearing completion. Staff had previously suggested that the Applicant meet with National Grid to discuss the potential alternates being reviewed by the Applicant. The Applicant recently attended a meeting with National Grid and Jefferson County to discuss alternates and particularly the alternate that would connect the wind project to the transmission grid through the Coffeen Street substation in Watertown, New York. Upon hearing from National Grid regarding the substantial constraints to interconnecting at Coffeen Street, the County is now interested in exploring potential options for improving the transmission capability to Coffeen Street and generally to the north of the currently identified "preferred" transmission line option in this Application.

The Applicant respects the County's desire for a regional solution for the transmission line planning process in the area. We recognize that this issue may at some point have relevance to the instant proceeding, depending on the success of the County's inquiries. Nevertheless, the Applicant will continue working on the Tiered alternatives analysis with the goal of submitting the completed evaluation prior to the status conference scheduled for September 15.

We anticipate providing Your Honor and the parties with an update on the status of the alternatives analysis at the status conference on September 15, 2010. This might also be an opportunity for the County to update the parties on its inquiry. In addition, at that time we will provide Your Honor and the parties a schedule for the completion of the submission of a supplement to the application based on the results of the alternatives analysis. We also anticipate discussing a schedule for outstanding discovery and potential litigation dates.

Thank you for your attention to this matter. Please let us know if you have any questions regarding this request.

Respectfully submitted,



James A. Muscato II

cc: All Parties

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

**Case 09-T-0049**-Application of Upstate NY Power Corp. for a Certificate of Environmental Compatibility and Public Need for a 50.6 mile 230 kV Transmission Facility from Galloo Island in the Town of Hounsfield, Jefferson County to Fitzpatrick-Edic Substation in the Town of Mexico, Oswego County.

**JOINT STIPULATION ON SCHEDULE**

WHEREAS, on February 17, 2010, a Motion for Postponement/Suspension of the pending litigation schedule was filed by Upstate NY Power Corp. (Upstate) in order to afford it time to prepare additional materials regarding alternative routes for the proposed transmission line and to supplement its pending application;

WHEREAS, Upstate has agreed to notify the public (as identified below) of the status of the proceeding, the study of alternate locations to the current "preferred" route location of the proposed transmission line that it is undertaking and to share the evaluation of the study with the public prior to formally supplementing the application by submission to the Secretary. Upstate intends that by the next status conference, currently scheduled for September 15, 2010, it will have identified potential viable alternate locations for the proposed transmission facilities and narrowed the number of reasonable

alternate locations for further review by Upstate in this proceeding;

WHEREAS, on March 31, 2010, Judge Casutto ordered the proceeding to be suspended until a status conference on September 15, 2010;

WHEREAS, by entering into this stipulation and extending the schedule of this proceeding, Staff of the Department of Public Service does not concede that the facility is eligible for NIETC treatment before FERC and similarly Upstate does not waive its assertion that the NEITC does apply to the facility:

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by the Signatory Parties, that due to Upstate's motion requesting that the proceeding be suspended and the granting of that motion that the proceeding will be suspended until September 15, 2010, Upstate will not make application to the FERC seeking intervention in this proceeding pursuant to the Energy Policy Act of 2005 (Federal Power Act Section 216 and its implementing regulations) on the grounds that the New York State Public Service Commission (PSC) failed to complete its review within the one year time frame specified in FPA Section 216(b)(1)(C) prior to a final determination by the PSC. Counsel for Upstate and signatory hereto, Young, Sommer LLC, represents that it has the authority to bind the Applicant in this manner.

IT IS FURTHER HEREBY STIPULATED AND AGREED, that Upstate will conduct the following activities during the suspension period:

1. Upstate will update its website ([www.upstatenypower.com](http://www.upstatenypower.com)) to include: this stipulation; the ALJ's Ruling; detailed route maps showing the proposed route, reasonable alternate routes previously presented, and, once they are developed, the newly identified reasonable alternate route locations for the transmission line; updates to the Project status and schedule that will be updated on an ongoing basis as needed, but no later than on a monthly basis.

2. Provide notice of any scheduled public meetings where any alternate locations for the transmission line will be discussed, when available, by posting the dates, times and locations of the public meetings on Upstate's website at least two weeks before the public meeting dates and provide newspaper notice if required by the local jurisdiction, in the same manner as the town would notice its regular town meetings.

3. Within 15 business days of the ALJ's Ruling on this Stipulation, Upstate shall provide public notice of the ALJ's Ruling on the Motion in the Watertown Daily Times, Jefferson County Journal, Oswego Palladium Times, Post Standard and Salmon River News. The notice shall contain a description of the purpose for this schedule, inform the public about the

continuing Alternatives Scoping and Evaluation Process, identify the websites of both Upstate and the Department of Public Service where additional information can be found, and locations where more details, including information about any additional alternate locations for the proposed transmission line, when available, may be obtained. A copy of the published newspaper notice will be posted on Upstate's website within 5 days of publication. (An agreed upon proposed notice is attached as Exhibit A).

4. At the status conference schedule for September 15, 2010, the Applicant shall provide the ALJ and the parties an update on discussions with the local municipalities and National Grid regarding the transmission line alternate routes; an update on the status of the alternatives analysis, if it has not been provided to the parties already; and a schedule for submission of the alternatives analysis and a supplement to the application, if necessary. The supplement will include: the alternate route locations studied, any new reasonable alternate locations for the transmission line, and a comparison of the merits and detriments of each alternative, as well as the reasons why the proposed route (which may be a newly "preferred" proposed route) is better than the alternates.

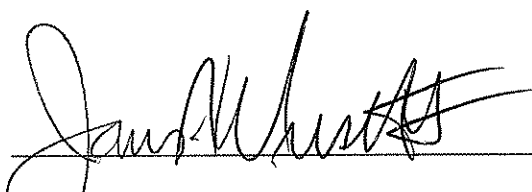
5. Upon the submission of the supplement referenced in paragraph 4, Upstate will provide direct individual notice, by

mail to all individual landowners and municipalities located on the right-of-way of the preferred route and each reasonable alternate route location identified in the supplement to the application within five days of submitting a supplement with the Commission. The mailing shall be in a format mutually agreed upon by Staff and the Applicant.

IN WITNESS WHEREOF, the Parties hereto have this day signed and executed this Stipulation.

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Staff of the New York State  
Department of Public Service  
By: Ashley Priscott  
Assistant Counsel  
Date: June \_\_, 2010



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Upstate NY Power Corp.  
By: Young Sommer LLC  
Signed by James A. Muscato II  
Counsel for the Applicant  
Upstate NY Power Corp.  
Date: June 22, 2010

PUBLIC NOTICE REGARDING  
HOUNSFIELD WIND FARM

**Case 09-T-0049**-Application of Upstate NY Power Corp. for a Certificate of Environmental Compatibility and Public Need for a 50.6 mile 230 kV Transmission Facility from Galloo Island in the Town of Hounsfield, Jefferson County to Fitzpatrick-Edic Substation in the Town of Mexico, Oswego County.

On March 31, 2010, presiding Administrative Law Judge Hon. Judge Casutto granted Upstate NY Power Corp.'s request for a suspension of the transmission line proceeding. Upstate requested the suspension to conduct additional studies of alternative locations to its proposed transmission line location. The applicant is studying potential alternative route locations and is preparing a supplement to its application that will provide an explanation of the routes studied, identify reasonable alternate locations for the line, and the reasons for rejecting other locations that were studied. A status conference is scheduled for September 15, 2010. Details regarding the alternative route location evaluation will be posted on the applicant's website ([www.upstatenypower.com](http://www.upstatenypower.com)) and the public is encouraged to review the website for additional information on the proposed project and updates on the process. Details regarding upcoming meetings will also be available on the website. Documents filed with the Public Service Commission regarding the Project can be found on the Department's website ([www.dps.state.ny.us](http://www.dps.state.ny.us)). Copies of the application are available at local libraries and town offices.