APPLICATION

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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Application of Long Island Power Authority for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII Of the Public Service Law to Install a Second 138 kV Cable in the Certified Underground Conduit from the Riverhead Substation to the Canal Substation

Case No.:_____

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APPLICATION

1.0 INTRODUCTION

Long Island Power Authority ("LIPA" or "Applicant")[1] is submitting this Application for a Certificate of Environmental Compatibility and Public Need authorizing the installation of a new underground 138 kilovolt ("kV") alternating current transmission facility, in an existing second conduit approximately 16 miles long, between LIPA's existing Riverhead and Canal Substations ("the Second Cable" or "the Project"). The Second Cable will be installed in an existing underground conduit that was constructed as part of the installation of the first 138 kV cable[2] (the "Original Facility") between LIPA's Riverhead and Southampton Substations.[3] The Application is made pursuant to Article VII of the Public Service Law and the New York State Public Service Commission's ("Commission" or "NYPSC") implementing regulations (16 NYCRR Parts 85, 86, and 88). The proposed in-service date is Spring 2011.

[1] The Long Island Power Authority's operating subsidiary, Long Island Lighting Company d/b/a LIPA, will own the Project.
[2] The cable was installed in 2000 at which time it operated at 69 kV. In 2005, the cable between Riverhead and the Canal Substation was converted to 138 kV.
[3] Case 99-T-1423, Order Granting Certificate of Environmental Compatibility and Public Need, February 29, 2000 ("2000 CECPN").

A motion for waiver of certain application requirements is also included.

As specified in Section 122 of the Public Service Law and Section 85-2.8 of the regulations, this application contains the following information:

1.1 Description of the Proposed Electric Transmission Facility;
1.2 Project Location;
1.3 Summary of Environmental Studies and Environmental Impact;
1.4 Need for the Facility;
1.5 Coordination between LIPA and NYSDOT
1.6 Description of Reasonable Alternatives; and
1.7 Other Relevant Information.

Exhibits 1-16 and the prepared testimony sponsoring the Application and Exhibits are also included and follow the Application.

1.1 Description of the Proposed Electric Transmission Facility

The Project will consist of three cables, each approximately 16 miles of solid dielectric cable. Each cable will be constructed of 2500 kcm (1200 mm sq) copper conductor approximately 1.7 inches in diameter, having cross-linked polyethylene insulation approximately 0.85 inches thick rated at 138 kV AC. A corrugated metallic sheath will surround the insulation to provide mechanical protection and prevent water migration into the cable. An outer polyethylene jacket will encase the metallic sheath. In all, each cable will measure approximately five inches in diameter.[4]

Each of the three cables will be installed within its own 8-inch high-density polyethylene ("HDPE") conduit. The cable conduits are already in place and were installed in a trefoil (triangular) configuration pursuant to the 2000 CECPN issued by the Commission. The cable conduits were buried nominally at 42 inches below-grade along the designated route in 2000. The Cable Installation and Manhole Details drawings in Exhibit 5 (Drawings F-68709 and F-69725) show typical cross sections of the trench and manholes with the Second Cable and conduits. The Second Cable is a new circuit which is being added to a parallel, existing cable circuit previously approved by the Commission and

[4] Drawing TXCCA-138S1200-0610J26 of Exhibit 5 illustrates a typical cable cross section.

installed seven years ago to support the energy needs of the region. In addition to the new transmission facilities, Exhibit 5 also identifies known underground utilities and facilities that were encountered at the time of construction along the route. These utility facilities will not be disturbed during the installation of the Second Cable because the cable conduits for the new circuit already exist along the entire route.

1.2 Project Location

The Project, which consists of an underground electric three-phase transmission line of approximately 16 miles in length, will be installed from LIPA's Riverhead Substation located south of the Peconic River to LIPA's Canal Substation located on NYS Route 27, which is approximately 0.4 miles east of Canal Road. Both substations are located in the Town of Southampton.

Specifically, an underground transition terminal will be built for the Second Cable starting at LIPA's Riverhead Substation located south of the Peconic River, southeast of the intersection of NYS Route 25 and Mill Road in the Town Riverhead. From this point the 16 mile installation route migrates east and south along LIPA's Right-of-Way ("ROW") for approximately 1.6 miles, between LIPA's existing 69kV tower and wood pole lines to County Road 51 (Riverhead-Moriches Road), crossing County Road 94, Nugent Drive.

The route crosses under the westbound lanes of County Road 51 and heads southwest along the northern segment of the median for approximately 0.8 miles to Speonk - Riverhead Road. The transmission line then turns south along the western shoulder of Speonk - Riverhead Road to NYS Route 27 for 2.4 miles. At the intersection of Speonk - Riverhead Road and NYS Route 27, the conduits were directionally drilled under Route 27 to its south side where they travel east along the southern side of the roadway. The conduits were installed approximately 30 feet south of the edge of the eastbound lanes for 11.2 miles to the Shinnecock Canal. Stainless steel conduits were attached for both the existing cable circuit and future second circuit to the underside of the Shinnecock Canal Route 27 Bridge, crossing the Canal. In addition, cable transition structures and cable trays were installed on either side of the bridge for the existing cable circuit. The

conduits, cable transition structures, and cable trays were installed with the approval of the New York State Department of Transportation ("NYSDOT") in 2000. As part of this project, two additional cable transition structures and cable trays, identical to the ones installed in 2000, will be installed on either side of the bridge for the Second Cable. The additional cable transition structures and cable trays needed for the Second Cable were not installed in 2000 in order to defer the cost. The route continues approximately 0.4 miles along Canal Road and onto the shoulder of the NYS Route 27 entrance ramp and enters the Canal Substation on the west side. The cable route terminates near the western fence line of the substation. Refer to section 1.4 for need for this new facility.

The Canal Substation was constructed after the Original Facility was installed. The first cable was cut and brought into the Canal Substation when the substation was uprated to 138kV. This first cable terminates at the Canal Substation instead of Southampton Substation. This limited the need to expand Southampton Substation due to higher voltages placed on the cable.

1.3 Summary of Environmental Studies and Environmental Impact

The Second Cable will be installed in existing underground conduits, illustrated in Exhibit 5, that were constructed as part of the installation of the Original Facility between LIPA's Riverhead and Southampton Substations. The analyses used in the 1999 Article VII Application for the Original Facility has been used as the basis for re-analyzing existing conditions and potential impacts associated with the Second Cable. Important revisions to the 1999 analyses are noted in the attached Exhibits. As new disturbance resulting from the installation of the Second Cable will be minimal, no significant adverse environmental impacts have been identified.

1.4 Need for the Facility

The proposed Project is a significant component of LIPA's plans to reinforce the existing transmission capacity of the South Fork of Long Island. The need for the Second Cable is locational (i.e., specific to a particular area) because the North and South Fork of Long Island loads are served by radial lines. Reinforcements, be they supply, transmission or

demand side management programs, that are implemented west of Riverhead, will not solve this local problem. Furthermore, since the Project is part of the first link in the chain of supply to the South Fork, it is critical to meeting the entire electric system requirements of the South Fork. Additional reinforcements farther east of this Project will also be required and are being addressed separately. For example, LIPA has recently completed constructing a new 69 kV line that will augment the Southampton to Bridgehampton 69 kV double circuit tower line.

Peak demand for power in LIPA's service territory, including the South Fork, has been increasing steadily in recent years. Demand on the South Fork has increased over the six-year period between 2000 and 2006 by an average of 5.2 percent. Demand is forecasted to increase on the South Fork at an annual average of about 3.3 percent through 2025. This growth rate is significantly higher than the 1.7 percent annual growth rate in electric demand projected for the remainder of LIPA's service territory. As explained in Exhibit E-4, based on forecasted load growth, the Project will be needed prior to the Summer of 2011 in order to protect against significant load shedding and outages in the event of the loss of the existing Riverhead to Canal 138 kV line as well as unavailability of the East End generators that supply the East End.

Forecasting or projecting growth for the purposes of identifying utility needs for the South Fork of Long Island focuses upon the anticipated future demand from the Suffolk County towns of Southampton and East Hampton. Each town incorporates considerable land area and numerous villages and place designations, each of which has seasonal population fluctuation. The factors which affect utility demand are the year round and seasonal populations, vacant land and estimated anticipated growth. For each town, U.S. Census figures present only the year-round resident population, not the seasonal peak. However, master plan and demographic information for both towns indicate that summer peak is "nearly triple" the resident population. The utility provider is required to plan and design for peak utilization.

Suffolk County Planning Department and the towns of East Hampton and Southampton have produced demographic analyses which can be used to estimate growth in the area.

In addition, Suffolk County has produced a "Saturation Population Analysis – Eastern Suffolk County" (2001) which identifies "the future potential population that would exist when all available land is developed in accord with existing zoning".

Southampton consists of the following place names:

Bridgehampton	Riverside
Eastport	Sagaponack
East Quogue	Sag Harbor Village
Flanders	Shinnecock Hills
Hampton Bays	Shinnecock Reservation NY
Northampton	Southampton Village
North Haven Village	Speonk
North Sea	Tuckahoe
Noyack	Water Mill
Quiogue	Westhampton
Quogue Village	Westhampton Beach Village
Remsenburg	West Hampton Dunes Village

Occupying 102,539.2 acres of land, Southampton's year-round resident population of 55,216 for the year 2000 was an increase of 19% from 1990 total resident population of 45,351. Suffolk County has estimated the seasonal population, utilizing the 2000 data from the U.S. Census for housing units reserved for seasonal, recreational or occasional use. This figure, 12,615 dwelling units for the town of Southampton, can render a seasonal population of 50,460 persons assuming a seasonal occupancy of 4.0 persons per seasonal housing unit. This population, added to Southampton's year-round population of 55,216 produces a year-round plus seasonal population for Southampton in 2000 of 105,676.

The Town attributes growth factors within the second home market as:

- Demand for second homes
- Increase use of second homes
- Increase of telecommuting and working from homes

The saturation planning for Southampton indicates that an additional 44 percent growth can occur in Southampton, reaching a build-out population of 151,721 persons for both year-round plus seasonal saturation.

This study indicates that Southampton has the largest number of potential new seasonal housing units in eastern Long Island, due to the steady proportion of seasonal usage over 30 percent.

East Hampton's Comprehensive Plan (May 6, 2005) provides information relative to the population in the Town. East Hampton occupies 74.3 square miles. The villages and place names within the Town of East Hampton are:

Amagansett
East Hampton Village
East Hampton North
Montauk
Napeague
Northwest Harbor
Sag Harbor Village
Springs
Wainscott

Within these 74.3 square miles, in addition to the residential communities and farmlands, open space and environmentally sensitive lands, this development within these communities has been tempered by natural resource protection efforts.

The comprehensive plan indicates that year round population for East Hampton was 19,719 for the 2000 census, which was 22 percent growth from the 1990 resident population of 16,132.

Suffolk County has estimated a seasonal population from the U.S. Census's recording of vacant housing reserved for seasonal use. East Hampton's estimate for seasonal residents is based on 10,693 units occupied by four persons per unit to reach 47,772. The year-round plus seasonal population is estimated at 62,491 in 2000.

The population saturation estimate in East Hampton is an increase of 43 percent over the 2000 estimate, which is 89,566 persons. This estimate allows for 41 percent more seasonal housing units, to 15,095 and 48 percent growth in the year-round population, to 29,186 persons.

According to the East Hampton Comprehensive Plan, East Hampton and Southampton had the greatest population increases in Suffolk County in the decade 1990 – 2000, with 22 percent and 21.8 percent growth, respectively. This growth far exceeded Suffolk County as a whole, at 7.4 percent and New York State at 5.5 percent for this same 10-year period.

While the current U.S. Census population estimate for Suffolk County is indicative of a 3.5% rate of change (from April 1, 2000 to July 1, 2006), the saturation study by the Suffolk County Planning Department indicates considerably more growth potential for the two towns. Therefore the utility demand growth projections which indicate the need for this infrastructure reinforcement project, being based upon a 3% per year growth in demand, is based upon prudent utility planning. Within both Towns, a major portion of the new load growth on the LIPA system is expected to be from residential development, as described in detail in Exhibit 13.

This growth in peak demand has resulted in demand greater than the existing electrical transmission system and existing older, less efficient, peaking generating resources on the South Fork can satisfy without reinforcement. The purpose of the Project is to help ensure the continued reliable service to the East End of Long Island. The Second Cable is only one component and the only component required at this time under Article VII of the several planned east end reinforcements needed to meet the growth in demand. Without this Project, the risk of electric outages on the East End will significantly increase, thus jeopardizing the health, welfare and economic prosperity in the two South Fork towns.

It is also important to note that reinforcing the South Fork also helps support the North Fork. Should a transmission outage occur on the North Fork, power is supplied over the Southold to Buell (East Hampton) Substations line which will assist in meeting energy needs. Furthermore, with the addition of the Second Cable, the need to utilize the existing less efficient East End generators will be reduced and the South Fork's energy needs can be met in part by using newer, more efficient, and less costly resources that are available from the west.

1.5 Coordination between LIPA and NYSDOT

LIPA commenced consultations with the NYSDOT, Region 10, in June 2007 concerning possible NYSDOT requirements for installation of the Second Cable. In July 2007, LIPA provided DOT Region 10 with documents, plans and drawings pertaining to the installation of first cable in 2000, and the proposed Second Cable. In August 2007, DOT Region advised LIPA that it was sending the information to the DOT Quality Assurance Bureau's Head Engineer in Albany for review and comment.

In October 2007, NYSDOT Region 10 advised LIPA that, amongst other matters, the proposed Second Cable would implicate NYSDOT's policy on "Accommodation of Utilities Within State Highway Rights-of-Way" (17 NYCRR Part 131, et seq and Part 133). ("Accommodation Plan") The Accommodation Plan generally provides that longitudinal use of freeways is subject, amongst other regulations, to 23 CFR Part 645, administered by the Federal Highway Administration for highways with full control of access. (Part 131.6). According to NYSDOT, Sunrise Highway is a fully controlled access highway.

According to 23 CFR 645.215:

"When a utility files a notice or makes an individual application or request to a STD ["State Transportation Department"] to use or occupy the right-of-way of a Federal-aid highway project, the STD is not required to submit the matter to the FHWA for prior concurrence, except when the proposed installation is not in accordance with this regulation or with the STD's utility accommodation policy approved by the FHWA for use on Federal-aid highway projects."

The State rules implementing the State's Accommodation Plan provide in part that:

"131.12 Exceptions. It may not be feasible in all cases to comply with all the requirements of Section 131.6 through 131.11. Alternative proposals with justification may be submitted to the Department for review. The Department may permit such deviation upon determination that it will not adversely affect the traveling public,

maintenance or safe operation of the highway, /or is in conflict with applicable law or regulation."

In December 2007, LIPA met in Hauppauge with representatives of both DOT Albany and Region 10 to discuss how LIPA could address NYSDOT concerns and still be able to move the proposed Second Cable project forward. In March 2008, LIPA and NYSDOT agreed to work together on a document that would be submitted to FHWA to obtain the required approvals or determine that FHWA approval was not necessary. LIPA and DOT met again in May 2008. LIPA met with DOT to provide responses to previous questions that arose in the March 2008 meeting and to address any remaining DOT concerns. NYSDOT raised some additional concerns/questions at this meeting and LIPA commenced addressing those questions. Additionally, LIPA updated NYSDOT on the status of Article VII filing and document submittals.

In LIPA's opinion, there is a reasonable basis in NYSDOT's and FHWA's regulations that the pulling of the Second Cable is not a "use" or "occupation" of the state's freeways, as the conduit is already in place. The installation of the Second Cable would, therefore, comply with NYSDOT's Accommodation Plan because it qualifies for an exception under Part 131.12 and will otherwise meet the substantive requirements of the federal regulations concerning highway safety, agricultural impacts and environmental effects as contained in 23 CFR 209 9(c). The NYSDOT would, therefore, not be required to submit the Second Cable Application to FHWA for approval under the federal regulation, 23 CFR 645.215(d), quoted above.

In early June 2008, LIPA was working on addressing NYSDOT concerns/questions from the May meeting. DOT did not want LIPA using Route 27 to install the cable. Accordingly, LIPA was actively looking for alternative access routes to access Route 27 without using the highway entrances and exits.

On June 20, 2008 a field meeting between LIPA and the NYSDOT resulted in the NYSDOT Regional Engineer confirming LIPA's findings that no alternate routes could be used to access the existing conduit for installation of the Second Cable from the Pine

Barrens south of Route 27. NYSDOT Regional Engineer concurred that LIPA could access Route 27 by using the grass area adjacent to the ramps at the intersections of Sunrise and Old Riverhead Rd., Riverhead-Quogue Rd. and Rt. 24. Access east of Route 24 was identified as an area where access must be done from Route 27, since there were no other access points. Additionally, the NYSDOT Regional Engineer stated that the use of concrete (Jersey) barriers will not be required since there was adequate distance from the fog line. Barrels will be sufficient. Bumper trucks will also be required as LIPA moves equipment and material south of the barrels. During this field meeting LIPA agreed to provide draft Maintenance and Protection of Traffic plans and overall pictorial traffic route plans for NYSDOT review prior to completing a full drawing package submittal.

On July 19, 2008, LIPA submitted the draft MPT plan and overall pictorial traffic route plans for NYSDOT approval.

On July 21, 2008, NYSDOT Regional Engineer reviewed the aforementioned submittal making the following comments:

1. The proposed MPT plan will work for Manholes 34 through 36 where there is a narrower ROW (as no service roads were designed and additional ROW acquired). The DOT requested that a hatch-out area be placed on the drawing to delineate the construction vehicle access road.
2. NYSDOT also commented that, for the MPT for NYSDOT Manholes 12-17, 19-21, 23-31, that barrels and an impact attention vehicle would need to be placed @ 10'-12'south (at the edge of paved shoulder) so that the paved shoulder would remain open to disabled traffic.

On July 29, 2008, LIPA addressed the second comment and returned a draft traffic plan for Manholes 12 to 31. Additionally, LIPA verbally requested of the DOT what other types of data or drawings might be needed for submittal to the FHWA. NYSDOT advised that it was presently working to determine these requirements and once it was understood, it would make a request of LIPA.

On August 5, 2008, LIPA addressed the first comment and submitted an updated MPT plan for Manhole 34 for NYSDOT review and comments.

On October 24, 2008, after several inquires by LIPA representatives, a NYSDOT representative sent an e-mail to LIPA advising that LIPA should compile the information required for a request to FHWA for an exception to the NYSDOT Accommodation Plan, closely mirroring what was submitted to FHWA by NYSDOT for another LIPA transmission facility, the Newbridge Road Connector. The exception would recommend the access arrangements and other traffic management plans agreed to by NYSDOT during the June 20, 2008 field meeting described above. LIPA is assembling the requested documentation.

Exhibit 15 (E-6), Effect on Transportation, addresses traffic safety measures that LIPA proposes to implement to avoid or minimize any traffic disruptions and to otherwise comply with the applicable substantive provisions of NYSDOT's traffic and safety standards and the substantive requirements of Suffolk County and the Town of Southampton.

1.6 Description of Alternate Routes and Technology

Various alternative routes and overhead and underground construction were considered and studied extensively when the Original Facility was proposed and subsequently installed in 2000. This Original Facility consists of three 2500 kcm (1200 mm sq.) copper conductor cables, having cross-linked polyethylene insulation, and was installed in three separate conduits. At that time, a second set of conduits was installed, with the understanding that a second 138 kV cable would be installed when needed.

In addition to the alternate routes evaluated for the Original Facility, State Route 24 has been evaluated as an alternate route for the Second Cable. As described in Exhibit 3, the use of an alternate route for this Second Cable would be undesirable from engineering, environmental and economic perspectives.

The approved route in 2000 was developed by evaluating possible routes that utilize the edge of County and State road ROWs[5]. This route was optimal because it had the fewest environmental impacts and was selected, in part, to minimize impacts to undisturbed areas in the Core Preservation Area of the Central Long Island Pine Barrens. Unlike the alternative routes, the selected route relied heavily on existing ROWs, where construction impacts were minimal, traffic disturbances were minimized, and the overall community impact was reduced. As determined by the Commission in the 2000 CECPN, the route was certified because it was found to represent the minimal environmental impact considering the relevant factors required by Article VII.

Alternative technologies were also evaluated in this Application. The alternative technologies considered were: no action; generation; demand side management and energy efficiency; overhead transmission; high voltage direct current ("HVDC") technology; alternative underground transmission line technologies; and alternative transmission voltage. A discussion of the route selection process, evaluation of alternative routes, alternative technology and their associated costs can be found in Exhibit 3.

1.7 Other Relevant Information

Exhibit 1 provides the name, address and phone number of the Applicant; name of the principal officer of the applicant; and the names and addresses of those who will have documents and correspondence served upon them.

2.0 CONCLUSION

LIPA respectfully requests that the Commission issue an order pursuant to Article VII of the Public Service Law, granting the following:

1) A Certificate of Environmental Compatibility and Public Need for the installation of the Second Cable described herein.

[5] Case 99-T-1423, Order Granting Certificate of Environmental Compatibility and Public Need, February 29, 2000 ("2000 CECPN)

2) Such other and further authorizations, consents, permissions, approvals, and permits, as necessary, for the installation of the Second Cable described herein pursuant to section 130 of the Public Service Law.

Dated: November 21, 2008

PUBLIC NOTICE

PUBLIC NOTICE

PROPOSED NEW 138 kV UNDERGROUND TRANSMISSION CABLE, IN AN EXISTING UNDERGROUND CONDUIT

General Information

The Long Island Power Authority (LIPA) proposes to install a new 138 kilovolt (kV) transmission cable in an existing, underground conduit approximately 16 miles long previously installed in 2000, between LIPA's existing Riverhead Substation, located south of the Peconic River, and Canal Substation, located on New York State (NYS) Route 27 (0.4 miles east of Canal Road) in the Town of Southampton. The proposed project is part of LIPA's plan to reinforce the existing transmission capacity of the South and North Fork of Long Island. The electric transmission cable is subject to the licensing requirements of Article VII of the Public Service Law and must receive a Certificate of Environmental Compatibility and Public Need from the New York State Public Service Commission (PSC).

Description of Facility

LIPA's proposed 16 mile long underground transmission cable consists of an underground three-phase transmission line. The project will consist of three cables, each approximately 16 miles of solid dielectric cable. Each cable will be constructed of 2500 kcm (1200 mm sq) copper conductor approximately 1.7 inches in diameter. A corrugated metallic sheath will surround the insulation to provide mechanical protection and prevent water migration into the cable. Overall diameter of each cable is approximately 5 inches. Each of the three cables will be installed within its own 8-inch high-density polyethylene ("HDPE") conduit. The cable conduits are already in place and were installed in a trefoil (triangular) configuration. The Second Cable is a new circuit which is being added to a parallel, existing cable circuit previously approved by the PSC and installed in 2000 to support the energy needs of the region.

Proposed Route

From the Riverhead Substation located south of the Peconic River, southeast of the intersection of NYS Route 25 and Mill Road, the 16 mile installation route migrates east and south along LIPA's Right-of-Way ("ROW") for approximately 1.6 miles, between LIPA's existing 69 kilovolt ("kV") tower and wood pole lines on County Road 51 (Riverhead-Moriches Road), crossing County Road 94, Nugent Drive. The route crosses under the westbound lanes of County Road 51 and heads southwest along the northern segment of the median for approximately 0.8 miles to Speonk-Riverhead Road. The transmission line then turns south along the western shoulder of Speonk-Riverhead Road and NYS Route 27 for 2.4 miles. At the intersection of Speonk-Riverhead Road and NYS Route 27, the conduits were directionally drilled under Route 27 to its south side where they travel east along the southern side of the roadway. The conduits were installed approximately 30 feet south of the edge of the eastbound lanes for 11.2 miles to the Shinnecock Canal. Stainless steel conduits are attached to the underside of the Shinnecock Canal Route 27 Bridge, crossing the Canal. The route continues approximately 0.4 miles along Canal Road and onto the shoulder of the NYS Route 27 entrance ramp and enters the Canal Substation on the west side. The cable route terminates near the western fence line of the substation.

Alternate Routes

Various alternate routes as well as overhead and underground construction were considered and studied extensively when the First Cable was proposed, subsequently approved by the PSC and installed in 2000. In addition to the alternate routes evaluated for the First Cable, State Route 24 has been evaluated as an alternate route for the Second Cable. The use of an alternate route for this Second Cable would be undesirable from engineering, environmental, and economic perspectives.

Date of Article VII Filing

LIPA expects to file its Article VII application with the PSC on or about November 21, 2008. Copies of the application may be reviewed at the Riverhead Public Library, Westhampton Public Library, Quogue Library, Rogers Memorial Library, and the Hampton Bays Public Library. The application will also be available for review on LIPA's Web site, located at www.lipower.org.

LIPA

Long Island Power Authority

www.lipower.org

November 12, 2008

Dear Customer:

In an effort to address the growing energy needs and reinforce the electric reliability along the South Fork of Long Island, LIPA is planning a system improvement with construction anticipated to begin in 2010.

In 2001 LIPA installed a 16-mile underground transmission cable from Riverhead to Southampton. During that construction, a spare set of conduits for a future second cable were also installed underground. This project will place cables in those spare conduits by pulling them from manhole to manhole and splicing them together.

Enclosed is a copy of the public notice for the project. Should you have any additional questions, I can be reached at 516-719-9864.

Sincerely,

Tracy Burgess Levy
Director of Community Relations
Long Island Power Authority.

MOTION FOR WAIVER

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Application of Long Island Power Authority for a Certificate of Environmental Compatibility and Public Need Pursuant to ArticleVII Of the Public Service Law to Install a Second 138 kV Cable in the Certified Underground Conduit from the Riverhead Substation to the Canal Substation

Case No.:_____

MOTION FOR WAIVER OF CERTAIN APPLICATION REQUIREMENTS

Pursuant to 16 NYCRR § 85-2.4, and as part of the filing for a certificate of environmental compatibility and public need for the captioned Second Cable Project, the Long Island Power Authority ("LIPA" or the "Applicant") respectfully requests waiver of the following sections of the New York State Public Service Commission's (the "Commission") regulations otherwise applicable to this Article VII Application.

1. 16 NYCRR § 88.4(a)(4) – Provide a copy of the System Reliability Impact Study Forwarded by the Transmission Planning Advisory Subcommittee.

The Applicant requests waiver of the requirement to submit the above-described system reliability impact study ("SRIS"). Steve Corey of the New York Independent System Operator ("NYISO") confirmed that an SRIS is not required for the Second Cable Project because it is expected to affect a NYISO interface transfer capability by less than 10 MW. NYISO requires an SRIS for Transmission Owner transmission projects that are expected to affect transfer capability by more than 10 MW (*See* Attachment E-4-2 included in Exhibit 13 (E-4) for e-mail

correspondence between NYISO, LIPA, KeySpan and DPS Staff). The Commission waived the same requirement for ConEdison.[1]

2. 16 NYCRR § 86(a)(1)(iii) – Archeological, Geological, Historical or Scenic Areas Within Three Miles of the Right-of-Way.

The Applicant requests waiver of the "three-mile standard" because the proposed Second Cable Project will be installed in an existing conduit. Accordingly, there will be no impacts to the subject resources beyond the immediate existing, Commission-approved, right-of-way where cable pulling and splicing would take place. As described in the instant Article VII application, cable pulling and splicing activities would have insignificant impacts outside the approved right-of-way. Accordingly, LIPA requests that potential impacts to the subject resources be studied within an area 300 feet from either side of the existing approved right-of-way.

3. 16 NYCRR § 86.3(b)(2) – Aerial Photographs Taken Within Six Months of the Date of Filing.

The Applicant requests a waiver of the requirement to submit aerial photographs ". . . of urban areas and urbanizing fringe areas" taken within six months of the date of filing. The Applicant is submitting aerial photographs that were taken during the period January - March 2006, less than two and one-half years before the date of filing. The Applicant has verified through field reconnaissance that the 2006 photographs substantially reflect actual current conditions.

[1] Consolidated Edison Company of New York Inc. – *Order Adopting the Terms of a Joint Proposal, Granting Certificate of Environmental Compatibility and Public Need, and Approving an Environmental Management and Construction Plan*, issued May 17, 2006 at page 10 and April 4, 2006 Joint Proposal at pages 20-21.

Conclusion

For the reasons stated, LIPA respectfully requests that its Motion for Waiver of Certain Application Requirements be granted in all respects and that the Commission grant such other and further relief as is just and proper.

Dated: November 21, 2008

Respectfully submitted,

READ AND LANIADO, LLP
Attorneys for Long Island Power Authority

By: _____

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Subject: Riverhead to Canal Cable Project - Article VII SRIS
From: Stephen T Marron <smarron@keyspanenergy.com>
Date: Thu, 06 Sep 2007 15:14:46 -0400
To: Edward Schrom <edward_schrom@dps.state.ny.us>, POLINA ADELSON <padelson@keyspanenergy.com>
CC: Steven Corey <scorey@nyiso.com>, Curt J Dahl <cdahl@keyspanenergy.com>

Ed,
As we discussed here is the e-mail from Steve Corey at the NYISO indicating that an SRIS is unnecessary for the proposed Riverhead to Canal 138 kV cable.
Please let me know if you need any thing else. If it is okay would you please inform Paul that a waiver of the SRIS Article VII application requirement would be acceptable.
Regards,
Steve

--
Stephen T. Marron
KeySpan Energy
Electric Planning & Forecasting
(516) 545-2644

-------- Original Message --------
Subject: Re: Riverhead to Canal Cable Project
Date: Thu, 25 Jan 2007 08:36:44 -0500
From: SCorey@nyiso.com
To: Stephen J. Cantore <scantore@service.lipower.org>
CC: Garsils, Andris <agarsils@service.lipower.org>, Curt J Dahl <cdahl@keyspanenergy.com>, Parmelee, Jim <jparmelee@lipower.org>, POLINA ADELSON <padelson@keyspanenergy.com>, RICHARD ZAMBRATTO <rzambratto@keyspanenergy.com>

Steve,

I agree with your assessment that the project is expected to affect NYISO interface transfer capability by less than 10 MW. I think that's fairly self-evident, given the location of the project, but I appreciate the offer.

Regards,

Steve Corey
Manager, Interconnection Projects
New York ISO
(518) 356-6134

"Stephen J. Cantore"
<scantore@service.lipower.org>

01/25/2007 07:46 AM

To SCorey@nyiso.com
cc POLINA ADELSON <padelson@keyspanenergy.com>, Curt J Dahl <cdahl@keyspanenergy.com>, "Parmelee, Jim" <jparmelee@lipower.org>, RICHARD ZAMBRATTO <rzambratto@keyspanenergy.com>, "Garsils, Andris" <agarsils@service.lipower.org>
Subject Re: Riverhead to Canal Cable Project

Steve,

Thanks for the information. It was very helpful. It is my understanding that the Riverhead - Canal 138kV Project will not affect transfer capability by 10 MW or more. Does NYISO require any confirmation of this from the TO?

Thanks - Steve

SCorey@nyiso.com wrote:

Steve,

Transmission Owner transmission projects don't fall under the Large Facility Interconnection Procedures. However, the ISO Agreement requires NYISO staff and the Operating Committee to evaluate the reliability impact of TO transmission projects, as well as other market participant projects. Therefore, NYISO requires a System Reliability Impact Study (SRIS) for Tranmission Owner Transmission projects that are extected to affect the Transfer Capability of any NYISO transmission interface by more than 10 MW. (Projects expected to impact Transfer Capability by 10 MW or less are not required to undergo an SRIS.)

The process is as follows:

1) The TO should provide written notice of the project to the NYISO (a letter to me works) with some basic information about the project.

2) NYISO posts the project on the Interconnection and Transmission Queue.

3) An SRIS Scope is prepared and goes the same review and approval as for an Interconnection Project.

4) The SRIS report also goes through the same review and approval as for an Interconnection Project.

Unless other arrangements are made, NYISO expects the TO to take the lead in the SRIS for its project.

As examples, there is currently a LIPA transmission project listed on the NYISO Queue that dates back to August 2004 called the Holtsville-Brentwood-Pilgrim 138 kV Project (Queue Position #154). KeySpan/LIPA developed an SRIS Scope for that project that was reviewed and approved, but no SRIS Report has yet been submitted for review. There are a number of other TO projects on the Queue that have completed an SRIS (e.g. RG&E Rochester Transmission Project - QP #136, ConEd Mott Haven Substation - QP #146, just to name a couple).

I don't know enough about the Riverhead-Canal cable project to say whether or not an SRIS is required. However, whether or not an SRIS is required or performed, **the TO should notify the NYISO of any proposed**

transmission plans it has during preparartion of the annual Load and Capacity Data Report ("Gold book"), and for incorporation into the NYISO and NPCC base cases (for the FERC 715 power flow cases and the NPCC BCD cases).

Does this answer your question? Contact me if you have any further questions.

Regards,

Steve Corey
Manager, Interconnection Projects
New York ISO
(518) 356-6134

"Stephen J. Cantore" <scantore@service.lipower.org>

01/23/2007 08:38 AM

To "Corey, Steve" <SCorey@nyiso.com>
cc
Subject Riverhead to Canal Cable Project

Steve,

LIPA is working on plans for a 138kV cable from Riverhead to Canal (Southampton). Can you tell me what the interconnection or NYISO process is for such cable projects.

Thanks - Steve
[attachment "scantore.vcf" deleted by Steven Corey/NYISO]

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Stephen T. Marron
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