

Congress of the United States
Washington, DC 20515

September 15, 2014

Hon. Cheryl A. LaFleur
Acting Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: New York Lower Hudson Valley New Capacity Zone

Dear Chairman LaFleur,

We urge the Federal Energy Regulatory Commission (FERC) to immediately reverse its decision supporting the creation of a New Capacity Zone (NCZ) in New York's lower Hudson Valley. The NCZ has resulted in a significant and unwarranted price increase for lower Hudson Valley electric consumers. Estimates indicate that the annual increase in electric prices associated with the NCZ will reach approximately \$280 million.

The creation of the NCZ has been opposed by federal, State, and local elected officials, as well as State regulators and businesses. The New York Independent System Operator, Inc., which crafted the NCZ, recognized the significant economic impact on consumers that the NCZ would cause, and therefore proposed a phase-in of the NCZ. However, the Commission appears to have ignored these calls for action and abandoned any concern for the price impacts imposed on consumers within the NCZ. It is our hope that The Commission fulfill its legal obligation to ensure that electric consumers are not forced to pay unjust and unreasonable rates.

We are aware that various parties have sought judicial review of FERC's orders establishing the NCZ. These legal challenges are currently pending in the Second Circuit Court of Appeals, with oral arguments scheduled for September 12, 2014. In light of the impending oral arguments, it is our hope that FERC would reconsider this issue and take into account the concerns of rate payers, local elected officials, utilities and state regulators. Given the importance of these issues to our constituents in the lower Hudson Valley, we request the Commission's prompt attention to this urgent matter.

Sincerely,





CPH

Pit Murray

SG

Eliot L. Engel