



FEDERAL ENERGY REGULATORY COMMISSION

April 1, 2008
Cross Hudson, LLC *et al.*
Docket No. EL08-35-000

MEDIA CONTACT
Barbara A. Connors – 202.502.8680

FERC Approves Rate Plan for NJ-NY Transmission Line

The Federal Energy Regulatory Commission (FERC) today approved, in part, a rate request and other related requests from Cross Hudson LLC, PSEG Energy Resources and Trade and PSEG Fossil LLC that will facilitate development of a transmission project connecting a New Jersey generating unit with the New York Independent System Operator Inc. (NYISO). But FERC rejected the petitioners' request to agree to refrain from ordering the project to interconnect with PJM under Federal Power Act section 202(b), in the event the Bergen 2 unit would be disconnected from the PJM grid in the future.

Background and Order

Cross Hudson will develop, own and operate an eight-mile transmission line connecting a new 345 kilovolt substation at PSEG Fossil's 550 megawatt Bergen Unit No. 2 (Bergen 2) in Ridgefield, N.J., to the NYISO transmission system at Consolidated Edison's West 49th Street substation in New York City.

The project as proposed would entail Bergen 2 disconnecting from the PJM system. That issue is not before FERC. This order only gives rate authorization to Cross Hudson for use of the line.

FERC said this case is a matter of first impression, meaning that this is the first time the Commission has considered such a case. The proposed project has characteristics both of a line dedicated to a specific facility and a line that is integrated into the interconnected transmission system.

Based on the specific circumstances presented in the petition, FERC granted the petitioners' request for negotiated, non-cost based rates. Yet changed circumstances could alter the project's status and its future ability to obtain non-cost based rates, FERC said. The order notes that, "[s]hould any electric energy being transmitted along the project come from a source other than Bergen 2, the Commission may need to reevaluate the project's transmission rates."