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November 15, 2001

Hon. Janet Hand Deixler  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350  
**VIA FEDERAL EXPRESS**

**RE: Case 00-M-0504 - Competitive Opportunities Proceeding -  
Unbundling Track**

Dear Secretary Deixler:

The National Energy Marketers Association (NEM) and KeySpan Energy Services, Inc., seek guidance from the Commission with respect to the Commission's Order in this proceeding issued November 9, 2001. In the November 9th Order Directing Filing of Embedded Cost Studies, the Commission states that each utility will perform embedded cost of service studies and will provide an explanation and justification of its assumptions and methods after which "other parties will have the right to propose alternative assumptions and methods." Order at 12.

However, the Order does not set out a schedule during which "the ordinary discovery process would be available." Order at 9. The only schedule in the Order is that requiring the utilities to file their studies by March 15, 2002, followed in 30 days by rates and a 90-day period thereafter, after which the rates would become effective. While it is clearly the intent of the Commission to allow parties an opportunity for discovery of the utilities' embedded cost studies, it is our concern that, given the limited timeframe between the filing of the studies and the effective date of the rates, parties will not adequately be able to conduct discovery and have the opportunity to propose alternative assumptions and methods. We are of the view that parties will be severely disadvantaged if the Commission does not provide for a specific schedule within the 120-day timeframe and possibly beyond for such discovery and comment and seek the Commission's express guidance on this matter.

Sincerely,

Craig G. Goodman  
President  
National Energy Marketers Association  
cc: active parties (via e-mail)  
Judge Stockholm and Judge Garlin (via email and Federal Express)

Ron Lukas  
Vice President  
KeySpan Energy Services, Inc.