



April 24, 2008

Honorable Jaclyn Brillling, Secretary
New York State Department of Public Service
Three Empire State Plaza
Albany, NY 12223

Re: Case No. 07-M-0906-Joint Petition of IBERDROLA, S.A., Energy East Corporation, RGS Energy Group, Inc., Green Acquisition Capital, Inc., New York State Electric & Gas Corporation for Approval of the Acquisition of Energy East Corporation by IBERDROLA, S.A.

Dear Secretary Brillling,

The Greater Rochester Enterprise (“GRE”) hereby submits this letter as its Reply Brief for Case No. 07-M-0906. As indicated in the testimony that GRE submitted in this proceeding, the mission of GRE is to help revitalize the region’s economy. Certain parties in their Initial Briefs have identified or reiterated positions that GRE believes will be contrary to the mission of revitalizing the region’s economy. GRE will react to those positions accordingly.

Both PSC Staff and the Independent Power Producers of New York (“IPPNY”) continue to hold the position that RG&E must divest its hydroelectric generating plants. GRE believes that the RG&E hydroelectric generating plants are a clean, renewable and economic source of energy for the Rochester region and RG&E should not be required to divest these facilities. The PSC Staff also holds the position that IBERDROLA should be required to divest its current wind generation projects and be precluded from developing additional wind capacity in New York, and IPPNY holds the position that IBERDROLA should be precluded from developing additional wind capacity that would be interconnected with RG&E’s or NYSEG’s transmission or distribution system. GRE, as indicated in its initial testimony, believes that IBERDROLA’S commitment to renewable energy initiatives sets them apart and makes them ideal partners for New York and our economy. The limitations and requirements indicated by the PSC Staff and by IPPNY with respect to divestiture of and prohibitions on further development of wind capacity should be rejected. Further, the Joint Petitioners’ Partial Acceptance Document sections dealing with Vertical Market Power and Renewable Commitment should be used as the basis for any conditions of approval of the acquisition related to divestiture and renewable energy ownership. Especially in light of the fact that the Federal Energy Regulatory Commissions (FERC) approval of the merger included a ruling that No Vertical Market Power concerns exist with regard to this transaction.

With respect to the Joint Petitioners' Partial Acceptance Document, a number of parties, including the PSC Staff, Multiple Intervenors, and the Consumer Protection Board in their initial briefs indicated that the Petitioners did not go far enough with their acceptance of more than \$200 million of Positive Benefit Adjustments which would produce over \$50 million of immediate, annual rate reduction. GRE does not agree with these parties. GRE believes as Strategic Power management indicates in its initial brief, that the public interest is served by the \$50 million of immediate rate reductions, the retention of jobs in the local community, and the commitment to invest \$100 million in upstate New York. GRE therefore recommends that the Public Service Commission approve this merger.

Respectfully submitted,



Dennis M. Mullen
President & CEO

cc: Administrative Law Judge Rafael Epstein