



June 26, 2008

Honorable Jaclyn Brilling, 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 Brilling,

The Greater Rochester Enterprise ("GRE") hereby submits this letter to handle brief on exceptions for Case No. 07-M-0906. The mission of GRE is to help revitalize the region's economy. Certain parties in their briefs and testimony have identified or reiterated positions, as has Judge Epstein that GRE believes will be contrary to the mission of revitalizing the region's economy.

As an active party in this case GRE takes exception to the following general themes outlined in Judge Epstein's administrative decision.

- 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 is counterproductive to revitalization of the region's economy. GRE believes strongly that IBERDROLA'S commitment to renewable energy initiatives sets them apart and makes them ideal partners for New York and our economy. ***Their willingness to publicly commit \$2 billion in support of renewable energy initiatives in New York State is both bold and speaks volumes of their willingness to assist the State in finding solution to its long term energy needs.*** The limitations and requirements indicated by the PSC Staff and supported by Judge Epstein with respect to divestiture of and prohibitions on further development of wind capacity should be rejected.
- The position that Vertical Market Power concerns exist with regard to this transaction is contrary to the findings of the Federal Energy Regulatory Commissions (FERC) approval of the merger. Conditioning the approval of this transaction on the grounds of Vertical Market Power concerns is not supportable and should be rejected.

- The petitioner has accepted more than \$200 million of Positive Benefit Adjustments which would produce over \$50 million of immediate, annual rate reduction. GRE believes that the public interest is well served by the \$50 million of immediate rate reductions, the retention of jobs in the local community, and the commitment to invest \$2 billion in New York State.

GRE joins with Governor Paterson and Senator Schumer in urging the Public Service Commission to approve this merger.

Respectfully submitted,



Dennis M. Mullen  
President & CEO

cc: Administrative Law Judge Rafael Epstein