

**By Hand**

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Compliance Filing of the New York Independent System Operator, Inc.  
in Docket Nos. ER04-230-002 and ER04-230-004**

Dear Ms. Salas:

Pursuant to the Commission's May 7, 2004 *Order Granting Rehearing* ("May 7 Order")<sup>1</sup> in this proceeding, the New York Independent System Operator, Inc. ("NYISO") respectfully submits this compliance filing.

**I. List of Documents Submitted**

The NYISO submits the following documents:

1. This filing letter;
2. a clean version of the NYISO's proposed compliance revisions to its Market Administration and Control Area Services Tariff ("Services Tariff") ("Attachment I");
3. a redlined version of the same ("Attachment II"); and
4. a form of *Federal Register* Notice ("Attachment III").

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<sup>1</sup> *New York Independent System Operator, Inc.*, 107 FERC ¶ 61,134 (2004).

## **II. Copies of Correspondence**

Copies of correspondence concerning this filing should be served on:

Robert E. Fernandez, General Counsel and Secretary  
Mollie Lampi, Assistant General Counsel  
Belinda F. Thornton, Director of Regulatory Affairs  
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tmurphy@hunton.com

## **III. Service List**

Copies of this filing are being served on all parties designated on the official service list maintained by the Secretary of the Commission in this proceeding. The NYISO is also serving a copy of this filing on the New York State Public Service Commission and the electric utility regulatory agencies in New Jersey and Pennsylvania.

## **IV. Description of the Proposed Changes**

The NYISO's Real Time Scheduling (RTS) filing had originally proposed that if a Supplier offers resources in the Day-Ahead Energy Market that are capable of providing Operating Reserves, but does not submit an Availability Bid for Operating Reserves, the resource would have been assigned a Day-Ahead Availability Bid of \$0/MWh up to the quantity of capacity that it made available to the NYISO in its Day-Ahead Bid ("the default bid rule"). Pursuant to the Commission's May 7 Order, the NYISO hereby submits revised tariff sheets that replace the default bid rule with a rule that will automatically reject Day-Ahead offers from Suppliers bidding ISO-Committed Flexible or Self-Committed Flexible capacity if those offers do not include a Day-Ahead Availability Bid for Operating Reserves.

Specifically, Services Tariff § 4.2.2 C1 and § 4.2.2.2 I, Rate Schedule 4 § 2.1 and Attachment D, Table D-6 are being revised to replace the default bid rule with the bid rejection language as described above and as shown in Attachments I and II of this filing.

In accordance with existing procedures, suppliers submitting bids through the NYISO's Market Information System (MIS) web interface or the Upload/Download batch procedures can check the status of their bid. If a Day-Ahead offer for ISO-Committed Flexible or Self-Committed Flexible capacity is rejected because there is no Day-Ahead Availability Bid for

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June 7, 2004  
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Operating Reserves, the bid status will show that the bid validation failed. The Supplier will then be able to resubmit a valid offer, if desired, any time prior to the Day-Ahead Market deadline.

**V. Federal Register Notice**

A form of *Federal Register* Notice is attached as Attachment III hereto. In addition, the *Federal Register* Notice has been provided in Microsoft Word format on the attached diskette.

**VI. Conclusion**

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this compliance filing and notice.

Respectfully submitted,



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Mollie Lampi  
Assistant General Counsel  
New York Independent System Operator, Inc.  
3890 Carman Road  
Schenectady, NY 12303  
518-356-7530

June 7, 2004

Attachments

## **ATTACHMENT I**

**ATTACHMENT II**

## **ATTACHMENT III**

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

**New York Independent System Operator, Inc.**

**Docket Nos. ER04-230-002 and  
ER04-230-004**

**NOTICE OF FILING**

Take notice that on June 7, 2004, the New York Independent System Operator, Inc. (“NYISO”) filed compliance tariff sheets in the above-captioned proceeding.

The NYISO has served a copy of this filing to all parties on the official service list in this proceeding, including the New York State Public Service Commission, and to the electric utility regulatory agencies in New Jersey and Pennsylvania.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 CFR §§ 385.211 and 385.214). All such motions or protests should be filed on or before the comment date. This filing is available for review at the Commission or may be viewed on the Commission’s website at [www.ferc.gov](http://www.ferc.gov), using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, call (202) 502-8222 or TTY, (202) 208-1659. Protests and interventions may be filed electronically via the Internet in lieu of paper. *See*, 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission’s Web site under the “e-filing” link. The Commission strongly encourages electronic filings.

Comment Date:

Magalie R. Salas  
Secretary

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2003). I have also served a copy of this filing upon the New York State Public Service Commission and the electric utility regulatory agencies in New Jersey and Pennsylvania.

Dated at Washington, D.C., this 7th day of June, 2004.

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