

KATHY ROBB
DIRECT DIAL: 212 • 309 • 1128
EMAIL: krobb@hunton.com

May 30, 2001

FILE NO: 55430.4NY96665

BYHAND

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, D.C. 20426

New York Independent System Operator, Inc.

Revisions to Independent System Operator Agreement to Reduce the Written Notice
Period Requirements Applicable to Meetings of the Management Committee,
the Operating Committee, and the Business Issues Committee

Dear Mr. Boergers:

Pursuant to Sections 205 and 206 of the Federal Power Act¹ and Section 35.13 of the Federal Energy Regulatory Commission's (the "Commission") regulations,² the New York Independent System Operator, Inc. (the "NYISO"), by counsel, requests that the Commission authorize it to amend the New York Independent System Operator Agreement³ (the "ISO Agreement") to reduce the written notice requirements applicable to meetings of the Management Committee, the Operating Committee, and the Business Issues Committee from seven (7) to five (5) business days. The NYISO respectfully requests that the Commission issue an order making these revisions effective the day after this filing (May 31, 2001).

¹ 16 U.S.C. § 791a-825r.

² 18 C.F.R. § 35.13 (2000).

³ Signed in 1999 by Central Hudson Gas and Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York State Electric and Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., Rochester Gas & Electric Corporation, and New York Power Authority, and amended by subsequent filings with FERC.

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Unless otherwise defined, capitalized terms in this filing letter shall have the meaning set forth in the ISO Agreement and in the Market Administration and Control Area Services Tariff (the "ISO Services Tariff").

I. Documents Submitted

The NYISO submits the following documents:

1. This filing letter;
2. Revised ISO Agreement that reflects the revisions requested in this filing (Attachment I);
3. Blacklined revised ISO Agreement sheets that show the revisions requested in this filing (Attachment II); and
4. Draft *Federal Register* Notice (Attachment III).

II. Effective Date

The NYISO proposes to make this filing effective the day after this filing (May 31, 2001). There is good cause for a waiver of the Commission's usual 60-day notice requirement in order to permit the NYISO Committees to conduct their business more expeditiously in time for the 2001 Summer peak load period. This filing relates to technical procedures applicable to meetings of NYISO Committees, and received strong support by the members of the Management Committee and the NYISO Board. It should not, as a result, surprise or impede the interests of any party to the ISO Agreement or Market Participants⁴ more generally.

⁴ Section 2.103 of the ISO Services Tariff defines "Market Participant" as "[a]n entity, excluding the ISO, that produces, transmits, sells, and/or purchase for resale Capacity, Energy or Ancillary Services in the Wholesale Market. Market Participants include: Transmission Customers under the ISO OATT, Customers under the ISO Services Tariff, Power Exchanges, Transmission Owners, Primary Holders, LSEs, Suppliers and their designated agents. Market Participants also include entities buying or selling TCCs."

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III. Copies of Correspondence

Copies of correspondence concerning this filing should be served on:

Robert E. Fernandez, Esq., General Counsel
John P. Buechler, Director of Regulatory Affairs
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303
Tel: (518) 356-6153
Fax: (518) 356-4702
rfernandez@nyiso.com
jbuechler@nyiso.com

Ira Freilicher
Kathy Robb
Hunton & Williams
200 Park Avenue, 43rd Floor
New York, NY 10166-0136
Tel. (212) 309-1000
Fax (212) 309-1100
ifreilicher@hunton.com
krobb@hunton.com

Arnold Quint⁵
Hunton & Williams
1900 K Street, N.W.
Washington, DC 20006
Tel. (202) 955-1542
Fax (202) 778-2201
aquint@hunton.com

IV. Names and Addresses of Persons to Whom a Copy of this Filing Has Been Mailed

The NYISO has mailed a copy of this filing to all parties that have executed Service Agreements under the NYISO's Open-Access Transmission Tariff or Services Tariff, to the New York State Public Service Commission, and to the electric utility regulatory agencies in New Jersey and Pennsylvania.

V. Explanation of the Proposed Revisions

⁵ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) to permit service on counsel for the NYISO in both New York and Washington, D.C.

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The ISO Agreement currently requires that a written notice of each meeting of the Management Committee must be provided no less than seven (7) business days before the date of the meeting. (Section 7.11(c).) Similarly, the ISO Agreement provides that the committee by-laws of the Operating Committee and of the Business Issues Committee shall include provisions for notice at least seven (7) business days prior to each meeting. (Sections 8.01(k) and 9.01(g).)

While these provisions were intended to ensure that fair and adequate notice be given of each meeting, they have in practice impeded the ability of NYISO Committee members to address unexpected issues as they arise. To promote efficiency and provide greater flexibility to the various NYISO Committees, the NYISO proposes to reduce the written notice period requirements to five (5) business days.

The changes also describe how the notice requirement should be calculated. These clarifications will ensure that the three NYISO Committees will uniformly apply and calculate the notice period. The clarifications provide which days should be included and excluded from the computation. They are similar to standard practice rules regarding notice period requirements, including those of the Commission.

VI. Satisfaction of Sections 205 and 206

Section 19.01 of the ISO Agreement requires that amendments to the governance provisions set forth in a series of Sections, including Section 7.11, must be filed under Section 206 of the Federal Power Act. Section 19.01, however, also requires that amendments to other provisions of the ISO Agreement, including Sections 8.01 and 9.01, must be filed under Section 205 of the Federal Power Act.

As stated in its May 31, 2000 Filing, the NYISO has taken the position that the Federal Power Act Section 206 requirement in Section 19.01 relates to burden of proof.⁶ The NYISO submits that the amendments proposed here meet that burden. The amendments were approved by the NYISO Board of Directors and by a unanimous show of hands at the Management Committee. In these circumstances, and especially in light of the procedural nature of the revisions requested, the Commission should treat the filing herein as if it were made under Section 205 and approve it without

⁶ New York Independent System Operator, Inc., Revisions to Independent System Operator Agreement (May 31, 2000). Accepted for filing in ER00-2652-000 (July 13, 2000).

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a hearing. The NYISO has complied with all the Section 205 filing requirements, and requests any waivers necessary to make this filing effective as of May 31, 2001.

VII. Requisite Agreement

The Management Committee's Subcommittee on By-laws developed and adopted the revisions to the ISO Agreement requested here. On May 10, 2001, members of the Management Committee reviewed and adopted the proposed revisions by a unanimous show of hands, including three abstentions.⁷ The NYISO's independent Board of Directors subsequently approved the proposed revisions.

VIII. No Costs Relating to Discriminatory Employment Practices

The NYISO has no knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative or unnecessary costs that are demonstrably the product of discriminatory employment practices.

IX. Federal Register Notice

A form of *Federal Register* Notice is provided as Attachment III hereto. A diskette of the notice is also provided.

Respectfully submitted,

Kathy Robb
Counsel for
New York Independent System Operator, Inc.

Attachments

⁷ Motion #5, NYISO Management Committee Meeting, May 10, 2001, Motions from the Meeting, http://www.nyiso.com/services/documents/groups/mgmt_comm/05_10_01/motions_summary.pdf.

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cc: Mr. Daniel L. Larcamp, Director Office of Markets, Tariffs and Rates, Room 8A-01,
Tel. (202) 208-2088
Ms. Alice M. Fernandez, Director Office of Markets, Tariffs and Rates—East Division,
Room 82-15, Tel. (202) 208-0089
Ms. Andrea Wolfman, Office of the General Counsel, Room 101-29,
Tel. (202) 208-2097
Mr. Stanley Wolfe, Office of the General Counsel, Room 102-37,
Tel. (202) 208-0891
Mr. Michael Bardee, Office of the General Counsel, Room 101-09,
Tel. (202) 208-2068

ATTACHMENT I

ATTACHMENT II

ATTACHMENT III

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.) Docket No. _____

NOTICE OF FILING

Take notice that the New York Independent System Operator, Inc. (“NYISO”) on May 30, 2001 tendered for filing proposed revisions to NYISO Agreement. The NYISO requests an effective date of one day after this filing (May 31, 2001).

Copies of this filing were served upon all to all parties that have executed Service Agreements under the NYISO’s Open-Access Transmission Tariff or Services Tariff, to 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, NE, Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385.214). All such motions or protests must be filed in accordance with § 35.8 of the Commission’s regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room. This filing may also be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance).

David P. Boergers
Secretary