

July 7, 1999

By Hand

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Central Hudson Gas & Electric Corporation, et al.,
Docket Nos. ER97-1523-000, OA97-470-000,
and ER97-4234-000

Dear Secretary Boergers:

The New York Independent System Operator, Inc. ("New York ISO"), by counsel, hereby provides notice that, pursuant to Attachments K, L and M to the New York ISO Open Access Transmission Tariff, as filed on April 30, 1999, in the above-captioned dockets, customers with Existing Transmission Agreements, including grandfathered OATT service agreements, are required to indicate whether they will opt either to elect to convert their existing transmission rights to Transmission Congestion Contracts ("TCCs") or to take Grandfathered Rights. Thus, an existing transmission customer, as defined by in the ISO OATT, has the ability to make a voluntary conversion of its existing transmission rights to TCCs by a date certain as discussed below. In the absence of such notification, the existing transmission customer is deemed to have retained Grandfathered Rights as governed by the ISO OATT.

The timing of the conversion option has been modified since the April 30 Compliance Filing, in response to comments and protests filed on June 11, 1999, and is described in the Answer of the Member Systems of the New York Power Pool thereto dated June 30, 1999. Under the April 30 Compliance Filing, existing transmission customers would have been required to make this election no later than July 21, 1999. Now, such customers would be

The Honorable David P. Boergers
July 7, 1999
Page 2

required to make their election by July 21, 1999 only if they desire to participate in the Transitional Auction. If such customers do not wish to participate in the Transitional Auction, they may choose to defer their election up until two weeks prior to the Initial Centralized TCC Auction.

Accordingly, the one-time election to convert to TCCs must be made, and notification sent, no later than two weeks prior to the Initial Centralized TCC Auction, which is scheduled to be held in the Spring of 2000. However, those customers desiring to sell Grandfathered TCCs in the Transitional Auction, which is scheduled to be held on August 4, 1999, must make their one-time election to convert their existing transmission rights to Grandfathered TCCs and send notification no later than July 21, 1999, which is two weeks prior to that auction. (Capitalized terms are as defined in the ISO OATT.)

Notification of such election to convert to TCCs should be sent, in writing, to William J. Museler, President, New York Independent System Operator, Inc., c/o New York Power Pool, 3890 Carman Road, Schenectady, NY 12303. Additionally, any questions concerning the right to convert to TCCs or the procedures and ramifications of converting to TCCs may be directed to Market Relations, New York Independent System Operator, Inc. at the same address.

A Notice of Filing suitable for publication and a 3-1/2" diskette containing the Notice in WordPerfect format are enclosed. Confirmation copies also are enclosed.

Respectfully submitted,

NEW YORK INDEPENDENT
SYSTEM OPERATOR, INC.

By: _____
Counsel

Enclosure