

October 23, 2001

GLORIA J. HALSTEAD
DIRECT DIAL: 202 • 778 • 2274
EMAIL: ghalstead@hunton.com

FILE NO: 55430.000037

By Hand

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

New York Independent System Operator, Inc.'s Clarification of
September 25, 2001 Filing in Docket No. ER01-3112-000

Dear Mr. Boergers:

Pursuant to Section 205 of the Federal Power Act,¹ the New York Independent System Operator, Inc. ("NYISO"), by counsel, hereby submits corrections to its September 25, 2001 filing in the above captioned proceeding which proposed various changes to its Market Administration and Control Area Services Tariff ("Services Tariff") and its Open Access Transmission Tariff ("OATT"). These corrections clarify NYISO's proposed revision prescribing the period of time, before a given dispatch hour, that the NYISO will run its Balancing Market Evaluation ("BME"). Since the filing, some stakeholders have expressed confusion as to the meaning of the proposed tariff revisions specifying that the NYISO "will run BME no later than 90 minutes before the dispatch hour." The intent of the September 25 filing was to increase the NYISO's flexibility to run BME at any point within 90 minutes prior to the dispatch hour. NYISO, therefore, proposes to change the pertinent tariff language to "will run BME *no more than* 90 minutes before the dispatch hour." Any language in the September 25 filing that is inconsistent with this clarification should be disregarded.

Because this is such a small adjustment and since there is a need to modify the language quickly, NYISO requests that no new Notice of Filing be issued in this proceeding. In the alternative, NYISO requests a comment period of no more than 5 days if the Commission decides that it is necessary to issue an amended Notice of Filing.

¹ 16 U.S.C. 824d (1994 & Supp. V 1999).

The Honorable David P. Boergers, Secretary
October 22, 2001
Page 2

I. List of Documents Submitted

The NYISO submits the following documents:

1. this filing letter;
2. revised tariff sheets for the affected portions of the OATT and Services Tariff (Attachment I);
3. redlined revised sheets from the OATT and Service Tariff identifying the new tariff provisions proposed by the NYISO (Attachment II); and
4. a form of *Federal Register* Notice (Attachment III).

II. Copies of Correspondence

Copies of correspondence concerning this filing should be served on:

Robert Fernandez, General Counsel and Secretary
Belinda Thornton, Director of Regulatory Affairs
Mollie Lampi, Senior Attorney
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303
Tel: (518) 356-6000
Fax: (518) 356-4702
rfernandez@nyiso.com
bthornton@nyiso.com
mlampi@nyiso.com

Arnold H. Quint
Ted J. Murphy
Gloria J. Halstead
Hunton & Williams
1900 K Street, N.W., Suite 1200
Washington, DC 20006
Tel: (202) 955-1500
Fax: (202) 778-2201
aquint@hunton.com
tmurphy@hunton.com
ghalstead@hunton.com

III. Proposed Effective Date

The NYISO hereby requests that the corrected tariff sheets attached hereto become effective on the same date as the other sheets included in the September 25 filing, i.e. October 30, 2001.

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

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

V. Corrected Description of the NYISO's Proposal to Increase its Flexibility to Run BME

The NYISO proposes to revise its current rules prescribing the period of time, before a given dispatch hour, that the NYISO will run BME. Currently, the Services Tariff directs the NYISO to run BME "ninety (90) minutes before each dispatch hour." The NYISO proposes to revise Section 2.10, which defines "Balancing Market Evaluation," and Section 4.14, "Balancing Market Evaluation (Hour Ahead)" to provide that the NYISO will run BME no more than 90 minutes before the dispatch hour in a manner that shall be set forth in the ISO Procedures. This change will increase the NYISO's ability to adjust its transaction scheduling process and check out procedures to more closely align them to the timing of similar processes by other Control Areas. The NYISO will consult with its Business Issues Committee before revising the ISO Procedures to modify the time period in which it runs BME. The NYISO is also proposing corresponding changes to Attachment J of the OATT.

The Honorable David P. Boergers, Secretary
October 22, 2001
Page 4

VI. Federal Register Notice

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

Respectfully submitted,

Gloria J. Halstead
Counsel for
New York Independent System Operator, Inc.

cc: Ms. Alison Silverstein, Advisor to Commissioner Wood, Rm. 11B-3,
Tel. 202/208-0388
Ms. Mary C. Morton, Advisor to Commissioner Brownell, Rm. 10F-09,
Tel. 202/208-0642
Mr. Michael D. Alexander, Advisor to Commissioner Breathitt, Suite 11C,
Tel. (202) 208-0377
Mr. Wilbur C. Earley, Advisor to Commissioner Massey, Suite 11-D,
Tel. (202) 208-0100

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, Lead Counsel for Market Oversight and Enforcement,
Room 9E-01, Tel. (202) 208-2097
Mr. Stanley Wolfe, Office of the General Counsel, Room 102-37,
Tel. (202) 208-0891
Mr. Michael Bardee, Lead Counsel for Markets, Tariffs and Rates, Room 101-09,
Tel. (202) 208-2068

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person that has executed a Service Agreement under the NYISO's Open Access Transmission Tariff or Market Administration and Control Area Services Tariff, as well as the regulatory commissions of New York, New Jersey and Pennsylvania in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 2010 (2001).

Dated at Washington, D.C. this 22nd day of October, 2001.

Gloria J. Halstead
Hunton & Williams
1900 K Street, N.W.
Washington, DC 20006-1109
(202) 778-2274

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.) Docket No. ER01-3112-000

NOTICE OF FILING

Take notice that on October 22, 2001, the New York Independent System Operator, Inc. (“NYISO”) filed a correction to revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) and its Open-Access Transmission Tariff (“OATT”) to make permanent two temporary market rules pertaining to External Transactions that were initially implemented as “Extraordinary Corrective Actions,” and to introduce several new enhancements to its external transaction scheduling processes. The NYISO has requested a waiver of the usual sixty day notice period so that this filing can become effective on October 30, 2001.

The NYISO has served a copy of the filing on 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 should be filed on or before _____. 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 application are on file with the Commission and are available for public inspection.

David P. Boergers
Secretary