

August 29, 2008

Via Electronic Filing

Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: *New York Independent System Operator, Inc., Notice of Phased Implementation of Dynamic Ramp Solution at the New York/Hydro Quebec Interface;*
Docket No. ER07-669-___**

Dear Secretary Bose:

On March 28, 2007 the New York Independent System Operator, Inc. (“NYISO”) filed proposed revisions to its Open Access Transmission Tariff and Market Administration and Control Area Services Tariff in which it requested that the Commission accept tariff revisions to permit it to implement a second Proxy Generator Bus at its Chateaugay Interface¹ with the Hydro Quebec Control Area. On May 16, 2007, acting pursuant to delegated authority, the Director of the Division of Tariffs and Market Development—East issued a Letter Order accepting the NYISO’s proposed tariff revisions for filing. The Letter Order also asked the NYISO “to advise the Commission if it plans to implement dynamic ramping on the Chateaugay Proxy Generator Bus.”

On September 9, 2008 the NYISO plans to deploy software that will permit it to dynamically allocate ramp capacity between the Chateaugay Import/Export Proxy Generator Bus and the Chateaugay Wheels Through Proxy Generator Bus based on the economics of Bids and offers at the two Proxy Generator Buses. However, the NYISO will not immediately implement its dynamic ramp solution. Rather, the NYISO will gradually relax the ramp constraints that apply at its Import/Export and Wheels Through Proxy Generator Buses while it concurrently tightens the new, dynamic ramp constraint. Eventually, only the dynamic ramp constraint (which applies to both Proxy Generator Buses) will be used to solve ramp constraints at Chateaugay. Prior notice will be provided to Market Participants each time the Chateaugay ramp limits are changed.

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the NYISO’s OATT and Services Tariff.

Please contact the undersigned with any questions regarding this letter or the NYISO's plan for phasing in a dynamic ramp solution at its Chateaugay Interface.

Respectfully submitted,

/s/ Alex M. Schnell
Alex M. Schnell
New York Independent System Operator, Inc.
518-356-8707

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service lists compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated at Rensselaer, New York this 29th day of August, 2008.

/s/ Alex M. Schnell

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