

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

In Reply Refer To: New York Independent System Operator, Inc.

Docket Nos. EL04-110-001 and EL04-110-002  
EL04-115-002 and EL04-115-003  
ER04-983-002 and ER04-983-003  
EL04-113-002

9/10/04

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Attention: New York Independent System Operator, Inc.

Reference: Compliance Report on Efforts to Prevent the Recurrence of Errors Involving the Administration of Transmission Congestion Contract Auctions, Withdrawal of July 2 Filing, and Compliance Report on the Implementation of the Shortfall Reimbursement Surcharge

Dear Sirs:

On July 22, 2004, you submitted a report informing the Commission of your efforts to prevent the recurrence of errors involving the administration of Transmission Congestion Contract (“TCC”) auctions. This was pursuant to Ordering Paragraph C of the Commission’s June 22, 2004 order, which allowed the New York Independent System Operator, Inc. (“NYISO”) to cancel the July 2004 TCC Reconfiguration Auction in response to the discovery of a transcription error in the NYISO’s Billing and Accounting System TCC Contract Database.<sup>1</sup>

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<sup>1</sup> See New York Independent System Operator, Inc., 107 FERC ¶ 61,292 (2004)

The report is accepted for informational purposes and is in compliance with the Commission's Orders.

On July 26, 2004, you filed a Notice of Withdrawal of the NYISO's July 2, 2004 filing ("July 2 Filing") which requested, among other requests for relief, that the Commission initiate settlement discussions between the NYISO and its stakeholders regarding the transcription error in the TCC Contract Database. The July 2 Filing also requested authorization to implement a series of comprehensive programs designed to remedy the impact of the database error, failing a settlement of issues.<sup>2</sup> The NYISO and its stakeholders continued settlement discussions, which culminated in a Settlement Agreement being filed with the Commission on July 13, 2004 and accepted by the Commission on July 22, 2004.<sup>3</sup> An express condition of the Settlement Agreement was that the NYISO would withdraw the July 2 Filing within two business days of the Commission's acceptance of the Settlement Agreement. NYISO's request to withdraw the above referenced filing is hereby accepted as requested.

On August 6, 2004, you submitted a report describing the implementation of a Shortfall Reimbursement Surcharge to alleviate the effects of the database error. This was pursuant to the Commission's July 22, 2004 order accepting the Settlement Agreement discussed above.<sup>4</sup> The NYISO also wishes to correct a ministerial error in the Services Tariff revisions that were approved in that order. Mirant Corporation and the New York Transmission Owners<sup>5</sup> filed motion to intervene in this proceeding. However, no substantive comments were filed. The report is accepted for informational purposes and is in compliance with the Commission's Orders. The modifications to the Services Tariff are also hereby accepted.

This action is taken pursuant to the authority delegated to the Director, Division Tariffs and Rates - East, under 18 C.F.R. § 375.307.

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<sup>2</sup> Filed in Docket Nos. EL04-115-000, ER04-983-000 on July 2, 2004

<sup>3</sup> *See* New York Independent System Operator, Inc., 108 FERC ¶ 61,075 (2004)

<sup>4</sup> *Id*

<sup>5</sup> Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; LIPA; New York Power Authority; New York State Electric & Gas Corporation; Rochester Gas and Electric Corporation; Orange and Rockland Utilities, Inc.; and Niagara Mohawk Power Corporation.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against an of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Alice Fernandez, Director  
Division of Tariffs and Market  
Development- East