

August 29, 2005

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Eighth Biweekly Informational Report of the New York Independent System Operator, Inc. Addressing Price Corrections and Software Corrections; Docket No. ER04-230-009

Dear Secretary Salas:

On May 9, 2005 the Commission issued an Order in the above docket granting two temporary revisions to the Temporary Extraordinary Procedures (“TEP”) contained in Attachment E to the New York Independent System Operator Inc.’s (“NYISO’s”) Market Services Tariff and Attachment Q to the NYISO’s Open Access Transmission Tariff (“OATT”). In its Order, the Commission required the NYISO to “file biweekly reports with the Commission, for informational purposes only, on the use of the TEP and on both the status of the software corrections and the status of testing the adequacy of price determinations.” This is the NYISO’s eighth biweekly informational report; it covers the first 25 days of August, 2005.

Use of the TEP

As the attached Price Correction and Reservation Summary chart graphically indicates, the NYISO reserved prices for 161 hours over the first 25 days of August and corrected prices in 68 hours over the first 11 days of August.¹

Testing of Adequacy of Price Determinations

For the first twenty days of August, 2005 the NYISO has fully complied with the ten-day price correction posting deadline authorized by the Commission. Price corrections for four days required more than five days to post, due primarily to corrections associated with the Out-of-Merit (“OOM”) software issue for which a fix was deployed on August 16.

¹ The Price Correction and Reservation Summary charts were prepared on August 26, 2005. The charts reflect price reservation activity through August 25 and price correction activity through August 11. Price corrections are also complete for August 15 - 20.

Status of Software Corrections

The NYISO deployed fixes for the following two software issues on August 16, 2005:

- When a Combustion Turbine (“CT”) is dispatched OOM, the unit should be flagged as a “block loaded” generator that is not ordinarily eligible to set price. Instead, the OOM committed CTs were being incorrectly flagged as flexible and eligible to set price.
- An issue that infrequently arose in the NYISO’s Real-Time Dispatch software relating to generator unit operating status that can result in the need for price corrections.

At this time, it appears that both of the fixes that were deployed on August 16 are performing to expectations. In particular, the NYISO has not needed to reserve hours to address the OOM issue after the OOM fix was deployed.

On August 25, 2005 the NYISO identified a new software issue affecting the dispatch of non-CT 10-minute synchronous reserve providers:

- Under certain limited circumstances, spinning reserve bids for non-CT 10-minute units were not being correctly evaluated by the NYISO’s Security Constrained Unit Commitment (“SCUC”) or Real-Time Scheduling (“RTS”) programs.

On August 25 and August 26 the NYISO deployed software fixes to its SCUC and RTS programs, respectively, to address the newly identified software issue. The NYISO will make available corrected market outcomes for the August 26 Day-Ahead Market run by re-running the bid-load re-dispatch pass of SCUC with the software correction in place.

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The NYISO continues to work to solve the remaining outstanding software problem it identified in its prior informational reports.

Please contact either of the undersigned if you have questions regarding this letter or the attached charts.

Respectfully submitted,

/s/ Alex M. Schnell
Mollie Lampi, Assistant General Counsel
Alex M. Schnell
New York Independent System Operator, Inc.

cc: Daniel L. Larcamp
Anna V. Cochrane
Connie N. Caldwell
Michael A. Bardee

Price Correction and Reservation Summary Chart for August, 2005 prepared on August 26, 2005.

Key

	reserved
	reserved and corrected
	reserved and released

August	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	Hours Reserved	Hours With Corrections	Hours Released			
8/1/2005																									6	6	0			
8/2/2005																										11	11	0		
8/3/2005																										6	6	0		
8/4/2005																										7	7	0		
8/5/2005																										9	6	3		
8/6/2005																										7	2	5		
8/7/2005																										3	0	3		
8/8/2005																										8	8	0		
8/9/2005																										2	2	0		
8/10/2005																										13	10	3		
8/11/2005																										13	10	3		
8/12/2005																										15	0	0		
8/13/2005																										13	0	0		
8/14/2005																										9	0	0		
8/15/2005																										6	3	3		
8/16/2005																										2	0	2		
8/17/2005																										3	0	3		
8/18/2005																										5	0	5		
8/19/2005																										0	0	0		
8/20/2005																										3	2	1		
8/21/2005																										6	0	0		
8/22/2005																										5	0	0		
8/23/2005																										2	0	0		
8/24/2005																										6	0	0		
8/25/2005																										1	0	0		
8/26/2005																										0	0	0		
8/27/2005																										0	0	0		
8/28/2005																										0	0	0		
8/29/2005																										0	0	0		
8/30/2005																										0	0	0		
8/31/2005																										0	0	0		
Monthly Totals																										161	73	31	Total	
																											5.2	2.4	1.0	Average
																											15	11	5	Max
																											0	0	0	Min

Certificate of Service

I hereby certify that I have this day electronically 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 Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated at Albany, New York this 29th day of August, 2005.

/s/ Alex M. Schnell _____
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