

August 15, 2005

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

**Re: Seventh 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 seventh biweekly informational report; it covers the month of July and the first nine days of August, 2005.

Use of the TEP

As the attached Price Correction and Reservation Summary chart graphically indicates, the NYISO reserved prices for 137 hours and corrected prices in 103 hours in July. The NYISO has reserved prices for 59 hours in the first nine days of August, 2005.<sup>1</sup>

Testing of Adequacy of Price Determinations

For the month of July and first day of August, 2005 the NYISO has fully complied with the ten-day price correction posting deadline authorized by the Commission. Price corrections for nine days in July and August 1 required more than five days to post, due primarily to corrections associated with the Out-of-Merit (“OOM”) software issue.

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<sup>1</sup> The Price Correction and Reservation Summary charts were prepared on August 11, 2005. The charts reflect price reservation activity through August 9 and price correction activity through August 1. Price corrections are also complete for August 6.

### Status of Software Corrections

The NYISO is presently scheduled to deploy fixes for the following two software issues tomorrow, 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 are being incorrectly flagged as flexible and eligible to set price.
- An issue that infrequently arises in the NYISO’s Real-Time Dispatch software relating to generator unit operating status that can result in the need for price corrections.

The NYISO will update the Commission on the deployment and status of the corrections for the software issues identified above in its next Biweekly Informational Report. 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 July, 2005 prepared on August 11, 2005.**

**Key**

	reserved
	reserved and corrected
	reserved and released

July	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			
7/1/2005																									9	5	4			
7/2/2005																										9	4	5		
7/3/2005																										0	0	0		
7/4/2005																										1	0	1		
7/5/2005																										4	2	2		
7/6/2005																										3	3	0		
7/7/2005																										2	2	0		
7/8/2005																										0	0	0		
7/9/2005																										1	1	0		
7/10/2005																										2	2	0		
7/11/2005																										13	13	0		
7/12/2005																										3	0	3		
7/13/2005																										1	1	0		
7/14/2005																										6	5	1		
7/15/2005																										9	9	0		
7/16/2005																										2	1	1		
7/17/2005																										2	1	1		
7/18/2005																										10	9	1		
7/19/2005																										12	7	5		
7/20/2005																										9	8	1		
7/21/2005																										7	7	0		
7/22/2005																										6	3	3		
7/23/2005																										2	2	0		
7/24/2005																										2	2	0		
7/25/2005																										5	5	0		
7/26/2005																										3	3	0		
7/27/2005																										8	5	3		
7/28/2005																										1	1	0		
7/29/2005																										4	2	2		
7/30/2005																										1	0	1		
7/31/2005																										0	0	0		
<b>Monthly Totals</b>																										<b>137</b>	<b>103</b>	<b>34</b>	<b>Total</b>	
																											<b>4.4</b>	<b>3.3</b>	<b>1.1</b>	<b>Average</b>
																											<b>13</b>	<b>13</b>	<b>5</b>	<b>Max</b>
																											<b>0</b>	<b>0</b>	<b>0</b>	<b>Min</b>

**Price Correction and Reservation Summary Chart for August, 2005 prepared on August 11, 2005.**

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	0	0	
8/3/2005																										6	0	0	
8/4/2005																										7	0	0	
8/5/2005																										9	0	0	
8/6/2005																										7	2	5	
8/7/2005																										3	0	0	
8/8/2005																										8	0	0	
8/9/2005																										2	0	0	
8/10/2005																										0	0	0	
8/11/2005																										0	0	0	
8/12/2005																										0	0	0	
8/13/2005																										0	0	0	
8/14/2005																										0	0	0	
8/15/2005																										0	0	0	
8/16/2005																										0	0	0	
8/17/2005																										0	0	0	
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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	
<b>Monthly Totals</b>																										<b>59</b>	<b>8</b>	<b>5</b>	<b>Total</b>
																										<b>1.9</b>	<b>0.3</b>	<b>0.2</b>	<b>Average</b>
																										<b>11</b>	<b>6</b>	<b>5</b>	<b>Max</b>
																										<b>0</b>	<b>0</b>	<b>0</b>	<b>Min</b>

**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 15<sup>th</sup> day of August, 2005.

/s/ Alex M. Schnell \_\_\_\_\_  
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