

March 3, 2004

#### BY HAND

The Honorable Magalie R. Salas Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

> Compliance Filing of New York Independent System Operation, Inc. in Re: Docket No. ER04-294-00

Dear Ms. Salas:

In its February 2, 2004, Order Conditionally Accepting the Congestion Rent Shortfall Reduction Methodology ("February 2 Order") in the above-captioned proceedings, the Commission accepted revisions to the New York Independent System Operator's ("NYISO's") Open Access Transmission Tariff ("OATT") and Market Administration and Control Area Services Tariff ("Services Tariff") proposed in the NYISO's Filing of Tariff Revisions to Reduce the Magnitude of Congestion Rent Shortfalls<sup>2</sup> ("December 12 Filing"). The Commission accepted these tariff revisions subject to the NYISO making a compliance filing to incorporate revisions proposed by the New York Transmission Owners<sup>3</sup> ("NYTO Comments"). The NYISO hereby tenders this filing in compliance with the February 2 Order.4

#### **Documents Submitted** I.

- This letter; 1.
- Clean revised sheets from the OATT incorporating the NYISO's proposed 2. revisions ("Attachment I");
- Redlined revised sheets from the OATT identifying the NYISO's proposed 3. revisions ("Attachment II");
- Clean revised sheets from the Services Tariff incorporating the NYISO's 4. proposed revisions ("Attachment III");

<sup>&</sup>lt;sup>1</sup> 106 FERC ¶ 61,095 (February 2, 2004).

<sup>&</sup>lt;sup>2</sup> Docket No. ER04-294-000 (December 12, 2003).

<sup>&</sup>lt;sup>3</sup> See Comments of the New York Transmission Owners, Docket No. ER04-294-000 (January 8, 2004).

<sup>&</sup>lt;sup>4</sup> The NYISO is submitting contemporaneously with this filing a separate filing pursuant to Section 205 of the Federal Power Act to correct two entries in the Tables of ETCNL Data for Converting ETCNL to ETCNL TCCs.

The Honorable Magalie R. Salas, Secretary March 3, 2004 Page 2

- 5. Redlined revised sheets from the Services Tariff identifying the NYISO's proposed revisions ("Attachment IV");
- 6. A form of Federal Register notice ("Attachment V").

## II. Copies of Correspondence

Communications regarding this proceeding should be addressed to:

Robert E. Fernandez, General Counsel and Secretary Mollie Lampi, Assistant General Counsel Belinda Thornton, Director of Regulatory Affairs New York Independent System Operator, Inc. 3890 Carman Road

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William L. Newton<sup>5</sup> Hunton & Williams LLP 951 East Byrd Street Richmond, VA 23219 Tel: (804) 788-8200 Fax: (804) 788-8218 wnewton@hunton.com

#### III. Service List

Copies of this filing are being served on all parties designated on the official service list maintained by the Secretary of the Commission in these proceedings. The NYISO is also serving a copy of this filing to all parties that have executed Service Agreements under the NYISO's OATT or Services Tariff, the New York State Public Service Commission and to the electric utility regulatory agencies in New Jersey and Pennsylvania.

<sup>&</sup>lt;sup>5</sup> The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2001) to permit service on counsel for the NYISO in both Washington, D.C. and Richmond, Virginia.

# IV. Description of Proposed Tariff Changes

The Commission ordered the NYISO in the February 2 Order to make certain revisions set forth in the NYTO Comments. This filing includes the following ordered changes:

- 1) Removal of Section 5.6 of Attachment M of the OATT (Sheet No. 571C) and Attachment B of the Services Tariff (Sheet No. 364D) and complementary changes to Attachment H of the OATT (Sheet No. 397);
- 2) Removal of the phrase "the underlying economic value of its RCRR TCCs" from Section 6.7 of Attachment M of the OATT (Sheet No. 571I) and Attachment B of the Services Tariff (Sheet No. 364I);
- 3) Removal from Section 3.0 of the item "(i) Table 1 ETCNL/TCCs;" in Attachment M of the OATT (Sheet No. 567) and of Attachment B of the Services Tariff (Sheet No. 361) and the renumbering the remaining of items in the list; and
- 4) Addition of the subscript to the definition of the term "Interface Revenue" in Section 6.2 of Attachment M of the OATT (Sheet No. 571F) and of Attachment B of the Services Tariff (Sheet No. 364G).

In addition, the NYISO has updated Sheet Nos. 617 and 625X in Attachment N of the OATT and Sheet No. 420M in Attachment B of the Services Tariff to incorporate tariff revisions accepted by the Director OMTR/Tariffs and Market Department – East pursuant to delegated authority in Docket No. ER04-356-000 on February 25, 2004 ("February 25 Order"). This is necessary because changes to these sheets that were approved in the February 2 Order did not, in accordance with the guidelines of Order No. 614<sup>6</sup> for "squeezed sheets," include changes approved by the Commission in the March 1 Order. Accordingly, the NYISO has incorporated into Sheet Nos. 617, 625X, and 420M the changes approved in the March 1 Order to ensure that these provisions appear in the latest versions of these tariff sheets and therefore remain in effect.

The changes discussed above are reflected in the clean and redlined versions of the OATT and Services Tariff, as identified in Attachments I, II, III, and IV of this letter.

# V. Proposed Effective Date

The NYISO proposes that its compliance revisions become effective on February 2, 2004, the effective date established in the February 2 order.

 $<sup>^6</sup>$  90 FERC  $\P$  61,352 (March 31, 2000) (codified at 18 CFR Part 35).

The Honorable Magalie R. Salas, Secretary March 3, 2004 Page 4

## VI. Federal Register Notice

A form of Federal Register notice is provided as Attachment V hereto.

#### VII. Conclusion

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this compliance filing.

Respectfully submitted,

Mollie Lampi

Assistant General Counsel

New York Independent System Operator, Inc.

3890 Carman Road

Schenectady, NY 12303

518-356-7530

cc: Daniel L. Larcamp, Director Office of Markets, Tariffs and Rates, Room 8A-01, Tel. (202) 502-6700

Alice M. Fernandez, Director Office of Markets, Tariffs and Rates -- East Division, Room 71-31, Tel. (202) 502-8284

Robert E. Pease, Acting Director of Division of Enforcement, Office of Market Oversight and Enforcement, Room 52-41, Tel. (202) 502-8131

Michael A. Bardee, Lead Counsel for Markets, Tariffs and Rates, Room 101-09, Tel. (202) 502-8068



New York Independent System Operator, Inc. Original Volume No. 1 FERC Electric Tariff Attachment M

First Revised Sheet No. 609

Superseding Original Sheet No. 609

Table 2 (continued) Attachment M

		TABLE 2- ETCNL Data for Converting ETCNL to ETCNL TCCs	Converting ETCNL to E	TCNL TCCs	
	Holder of ETCNL	Name of Set of ETCNL	Point of Injection	Point of Withdrawal	Transmission Capacity (MW)
21.	Con Edison	Native Load - Selkirk	Pleasant Valley 345kV	NYC Zone	193
22.	Con Edison	Native Load - IP2	Indian Pt 2	Dunwoodie Zone	214
23.	Con Edison	Native Load - IP2	Indian Pt 2	NYC Zone	629
24.		Native Load - IP3	Indian Pt 3	Dunwoodie Zone	26
25.	l	Native Load - IP3	Indian Pt 3	NYC Zone	82
26.	Con Edison	Native Load - IP Gas Turbine	Indian PtGT Buchanan	Dunwoodie Zone	12
27.	Con Edison	Native Load - IP Gas Turbine	Indian PtGT Buchanan	NYC Zone	36
28.	NMPC	Native Load - NMP1	Nine Mile Pt. #1	Capital Zone	610
29.	NMPC	Native Load - NMP2	Nine Mile Pt. #2	Capital Zone	460
30.	NMPC	Native Load - Hydro North	Colton Hydro	Capital Zone	110
31.	NYSEG	Native Load - Homer City	PJM Proxy Bus	Central Zone	863
32.	NYSEG	Native Load - Homer City	PJM Proxy Bus	West Zone	100
33.	NYSEG	Native Load - Allegheny 8&9	PJM Proxy Bus	Central Zone	37
34.	NYSEG	Native Load - BCLP	PJM Proxy Bus	Central Zone	80
35.	NYSEG	Native Load - LEA (Lockport)	Gardenville 115kV	Central Zone	100
36.	NYSEG	Native Load - Gilboa	Gilboa	Capital Zone	66

1. Where two different amounts of transmission Capacity are separated by a "/", the first number shall indicate the transmission Capacity available for conversion to ETCNL TCCs in a Centralized TCC Auction held for a Winter Capability Period, and the second number shall indicate the transmission Capacity available for conversion to ETCNL TCCs in a Centralized TCC Auction held for a Winter Capability Period. Notes:

William J. Museler, President Issued on: Issued by:

March 3, 2004

Effective:



First Revised Sheet No. 609 Superseding Original Sheet No. 609

New York Independent System Operator, Inc. Original Volume No. 1 FERC Electric Tariff Attachment M

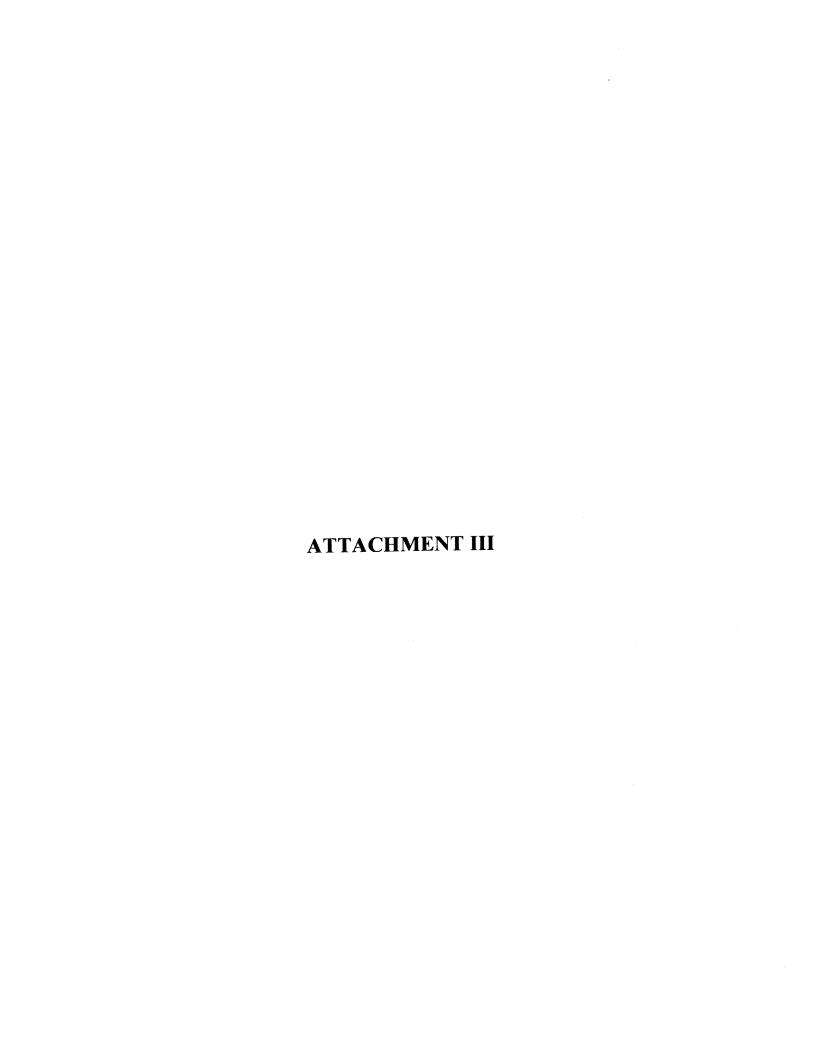
Table 2 (continued) Attachment M

		TABLE 2- ETCNL Data for Converting ETCNL to ETCNL TCCs	Converting ETCNL to ET	CNL TCCs	
	Holder of ETCNL	Name of Set of ETCNL	Point of Injection	Point of Withdrawal	Transmission Capacity (MW)
1,0	Con Edison	Native Load - Selkirk	Pleasant Valley 345kV	NYC Zone	193
2	Con Edison	Native Load - IP2	Indian Pt 2	Dunwoodie Zone	214
23	Con Edison	Native Load - IP2	Indian Pt 2	NYC Zone	629
24.	1	Native Load - IP3	Indian Pt 3	Dunwoodie Zone	26
25.	↓_	Native Load - IP3	Indian Pt 3	NYC Zone	82
26.	Con Edison	Native Load - IP Gas Turbine	Indian PtGT Buchanan	Dunwoodie Zone	12
27	Con Edison	Native Load - IP Gas Turbine	Indian PtGT Buchanan	NYC Zone	36
28		Native Load - NMP1	Nine Mile Pt. #1	Capital Zone	610
29.	1	Native Load - NMP2	Nine Mile Pt. #2	Capital Zone	460
30.	1	Native Load - Hydro North	Colton Hydro	Capital Zone	110
3	NYSEG	Native Load - Homer City	PJM Proxy Bus	Central Zone	863
32.	NYSEG	Native Load - Homer City	PJM Proxy Bus	West Zone	100
33.	NYSEG	Native Load - Allegheny 8&9	Pierce Rd 230kVPJM Proxy Bus	Central Zone	37
34	NYSEG	Native Load - BCLP	PJM Proxy Bus	Central Zone	80
35.	+	Native Load - LEA (Lockport)	Gardenville 115kV	Central Zone	100
36.	┼	Native Load - Gilboa	Gilboa	Hudson Valley <u>Capital</u> Zone	66

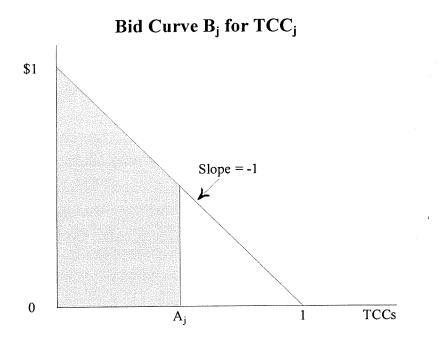
1. Where two different amounts of transmission Capacity are separated by a "/", the first number shall indicate the transmission Capacity available for conversion to ETCNL TCCs in a Centralized TCC Auction held for a Summer Capability Period, and the second number shall indicate the transmission Capacity available for conversion to ETCNL TCCs in a Centralized TCC Auction held for a Winter Capability Period. Notes:

William J. Museler, President December 12, 2003 March 3, 2004 Issued by: Issued on:

Effective:



each of the following must be simultaneously feasible in a Power Flow: (i) existing TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction; (ii) Grandfathered Rights; and (iii) ETCNL not previously sold as TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction. As a result, the objective function will maximize the area under the bid curve for each Table 1 ETCNL/TCC that remains after reduction, summed over all Table 1 ETCNL/TCCs, subject to the simultaneous feasibility Constraint. This area for one Table 1 ETCNL/TCC is illustrated in the following diagram:



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William J. Museler, President

March 3, 2004

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## 6.0 Reservation of Transmission Capacity in an Auction through RCRR TCCs

6.1 Before each Centralized TCC Auction, the ISO shall, subsequent to performing the reduction process pursuant to Section 3.0 of this Part IV of this Attachment B, determine the number of RCRRs between each of the following contiguous pairs of Load Zones within the NYCA that the ISO shall allocate to Transmission Owners: West – Genesee; Genesee – Central; North – Mohawk Valley; Central - Mohawk Valley; Mohawk Valley – Capital; Capital - Hudson Valley; Hudson Valley – Millwood; Millwood – Dunwoodie; Dunwoodie - New York City; Dunwoodie - Long Island.

The ISO shall determine the number of RCRRs that the ISO shall allocate for each of these Load Zone pairs by maximizing the number of RCRRs between each Load Zone pair that are simultaneously feasible with all (i) existing TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction, (ii)

Grandfathered Rights, and (iii) ETCNL not previously sold as TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction and that

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6.2 The ISO shall allocate RCRRs between each Load Zone pair to each Transmission Owner in an amount equal to the product of (i) the number of RCRRs between the Load Zone pair for the Centralized TCC Auction as calculated pursuant to Section 6.1 of this Part IV of this Attachment B, and (ii) the Transmission Owner's allocation factor for that Load Zone pair, which shall be calculated pursuant to the following formula:

Allocation 
$$Factor_{t,j} = \frac{\sum_{a \in A} \left(Interface \ Revenue_{t,j,a}\right)}{\sum_{\substack{t \in T \ a \in A}} \left(Interface \ Revenue_{t,j,a}\right)}$$

Where,

Allocation = The allocation factor used by the ISO to allocate a share of

Factor<sub>t,i</sub> RCRRs between Load Zone pair j to Transmission Owner t for a

Centralized TCC Auction

Interface = The revenue from Residual TCCs associated with the Interface

Revenue<sub>t,i,a</sub> between Load Zone pair j in Centralized TCC Auction a

assigned to Transmission Owner t

t = A Transmission Owner

T = The set of all Transmission Owners

a = A Centralized TCC Auction

A = The set of Centralized TCC Auctions beginning with the

Centralized TCC Auction held for the 2000 Summer Capability Period and ending with the Centralized TCC Auction held for the

2003-2004 Winter Capability Period

j = A Load Zone pair.

Before each Centralized TCC Auction, the ISO shall, subsequent to performing the reduction process pursuant to Section 3.0 of this Part IV of this Attachment B, determine the number of RCRRs that each Transmission Owner shall have a right to convert to RCRR TCCs. The ISO shall notify each Transmission Owner of the ISO's determination with regard to its RCRRs in a written notice to be received by the Transmission Owner on or before the date specified in the timeline for the relevant Centralized TCC Auction posted on the ISO's website, as that timeline may be revised from time to time.

- A Transmission Owner may exercise its right to convert its RCRRs into RCRR TCCs by notifying the ISO of the number of the Transmission Owner's RCRRs that the Transmission Owner elects to convert to RCRR TCCs. The Transmission Owner shall make the notification in a written notice to be received by the ISO on or before the date specified in the timeline for the relevant Centralized TCC Auction posted on the ISO's website, as that timeline may be revised from time to time. After receipt by the ISO, the Transmission Owner's notification shall not be modified or revoked, except by permission of the ISO.
- 6.7 A Transmission Owner shall not sell its RCRR TCC except through a Centralized TCC Auction or Reconfiguration Auction, and shall not sell its RCRR TCC through Direct Sales or through Secondary Markets.

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William J. Museler, President

Issued on:

March 3, 2004

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New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2

Substitute First Revised Sheet No. 420M Superseding 1st Rev Original Sheet No. 420M

b. For stage 1 round n of a 6-month sub-auction, (i) the Transmission System model for the sub-auction, (ii) the TCCs and Grandfathered Rights resulting from the sub-auction, and (iii) the phase angle regulator schedule produced in the Optimal Power Flow solution for stage 1 round n.

Fbasecase

Attachment B

- The Energy flow, in MW-p, on binding Constraint a produced in, as the case may be:
  - a. For Reconfiguration Auction n, a Power Flow using the following base case data set: (i) the Transmission System model for Reconfiguration Auction n, (ii) the TCCs and Grandfathered Rights valid prior to Reconfiguration Auction n, as determined in the Optimal Power Flow solution for the final round of the last sub-auction held for TCCs valid during the month corresponding to Reconfiguration Auction n, and (iii) the phase angle regulator schedules determined in the Optimal Power Flow solution for the final round of the last sub-auction held for TCCs valid during the month corresponding to Reconfiguration Auction n; or
  - b. For stage 1 round *n* of a 6-month sub-auction, a Power Flow run using the following base case data set: (i) the Transmission System model for the actual 6-month sub-auction, and (ii) the base case set of TCCs (including TCCs and Grandfathered Rights that will be valid during the period for which the sub-auction is being held) and the phase angle regulator schedule produced in a single Optimal Power Flow determined for all stage 1 rounds of a 6-month sub-auction using the Transmission System model for the actual 6-month sub-auction that is modified so as to model as in-service all transmission facilities that were out-of-service in the Transmission System model used for the sub-auction, the TCCs and Grandfathered Rights that will be valid during the period for which the sub-auction is being held, and all Bids to purchase and offers to sell made into all stage 1 rounds of the sub-auction that includes round *n*

W<sub>n</sub> = Either (i) for stage 1 round *n* of a 6-month sub-auction, the percentage of transmission Capacity sold in stage 1 round *n*, divided by the percentage of transmission Capacity sold in all stage 1 rounds of the sub-auction of which stage 1 round *n* is a part; or (ii) for Reconfiguration Auction *n*, 1.

$$ACR_{a,n} = SP_{a,n} * (F_{\text{actual}} - F_{\text{RL}}) * Wn$$
 (B-15b)

Where,

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William J. Museler, President

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March 3, 2004

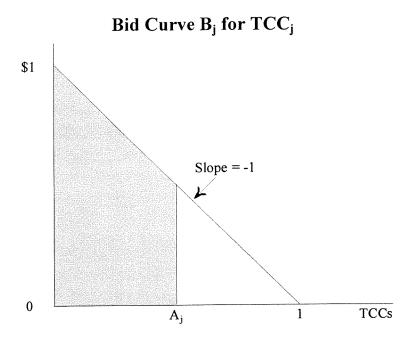
Effective:



New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2 Attachment B

each of the following must be simultaneously feasible in a Power Flow: (i) Table 1

ETCNL/TCCs; (ii) existing TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction; (iii) Grandfathered Rights; and (iii) ETCNL not previously sold as TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction. As a result, the objective function will maximize the area under the bid curve for each Table 1 ETCNL/TCC that remains after reduction, summed over all Table 1 ETCNL/TCCs, subject to the simultaneous feasibility Constraint. This area for one Table 1 ETCNL/TCC is illustrated in the following diagram:



Attachment B

5.6 A Transmission Owner shall not sell its ETCNL TCC or the underlying economic value of its ETCNL TCC except through a Centralized TCC Auction or Reconfiguration Auction, and shall not sell its ETCNL TCC or the underlying economic value of its ETCNL TCC through Direct Sales or through Secondary Markets.

## 6.0 Reservation of Transmission Capacity in an Auction through RCRR TCCs

6.1 Before each Centralized TCC Auction, the ISO shall, subsequent to performing the reduction process pursuant to Section 3.0 of this Part IV of this Attachment B, determine the number of RCRRs between each of the following contiguous pairs of Load Zones within the NYCA that the ISO shall allocate to Transmission Owners: West – Genesee; Genesee – Central; North – Mohawk Valley; Central - Mohawk Valley; Mohawk Valley – Capital; Capital - Hudson Valley; Hudson Valley – Millwood; Millwood – Dunwoodie; Dunwoodie - New York City; Dunwoodie - Long Island.

The ISO shall determine the number of RCRRs that the ISO shall allocate for each of these Load Zone pairs by maximizing the number of RCRRs between each Load Zone pair that are simultaneously feasible with all (i) existing TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction, (ii)

Grandfathered Rights, and (iii) ETCNL not previously sold as TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction and that

The ISO shall allocate RCRRs between each Load Zone pair to each Transmission Owner in an amount equal to the product of (i) the number of RCRRs between the Load Zone pair for the Centralized TCC Auction as calculated pursuant to Section 6.1 of this Part IV of this Attachment B, and (ii) the Transmission Owner's allocation factor for that Load Zone pair, which shall be calculated pursuant to the following formula:

Allocation Factor<sub>t,j</sub> = 
$$\frac{\sum_{a \in A} (Interface Revenue_{t,j,a})}{\sum_{\substack{t \in T \\ a \in A}} (Interface Revenue_{t,j,a})}$$

Where,

Revenue<sub>t,i,a</sub>

Allocation = The allocation factor used by the ISO to allocate a share of

Factor<sub>t,i</sub> RCRRs between Load Zone pair j to Transmission Owner t for a

Centralized TCC Auction

Interface = The revenue from Residual TCCs associated with the Interface

between Load Zone pair j in Centralized TCC Auction a

assigned to Transmission Owner t

t = A Transmission Owner

T = The set of all Transmission Owners

a = A Centralized TCC Auction

A = The set of Centralized TCC Auctions beginning with the

Centralized TCC Auction held for the 2000 Summer Capability Period and ending with the Centralized TCC Auction held for the

2003-2004 Winter Capability Period

j = A Load Zone pair.

6.5 Before each Centralized TCC Auction, the ISO shall, subsequent to performing the reduction process pursuant to Section 3.0 of this Part IV of this Attachment B, determine the number of RCRRs that each Transmission Owner shall have a right to convert to RCRR TCCs. The ISO shall notify each Transmission Owner of the ISO's determination with regard to its RCRRs in a written notice to be received by the Transmission Owner on or before the date specified in the timeline for the relevant Centralized TCC Auction posted on the ISO's website, as that timeline may be revised from time to time.

- 6.6 A Transmission Owner may exercise its right to convert its RCRRs into RCRR TCCs by notifying the ISO of the number of the Transmission Owner's RCRRs that the Transmission Owner elects to convert to RCRR TCCs. The Transmission Owner shall make the notification in a written notice to be received by the ISO on or before the date specified in the timeline for the relevant Centralized TCC Auction posted on the ISO's website, as that timeline may be revised from time to time. After receipt by the ISO, the Transmission Owner's notification shall not be modified or revoked, except by permission of the ISO.
- 6.7 A Transmission Owner shall not sell its RCRR TCC or the underlying economic value of its RCRR TCC except through a Centralized TCC Auction or Reconfiguration Auction, and shall not sell its RCRR TCC or the underlying economic value of its RCRR TCC through Direct Sales or through Secondary Markets.

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2 Attachment B

<u>Substitute</u> First Revised Sheet No. 420M Superseding <u>1st Rev</u> Original Sheet No. 420M

- b. For stage 1 round n of a 6-month sub-auction, (i) the Transmission System model for the sub-auction, (ii) the TCCs and Grandfathered Rights resulting from the sub-auction, and (iii) the phase angle regulator schedule produced in the Optimal Power Flow used to calculate the Energy flow on a Constraint for the simulated sub auction held solution for stage 1 round  $n_{\overline{1}}$ , as described in the definition of  $F_{\text{basecase}}$  in this formula (B 15a).
- $F_{\text{basecase}}$  = The Energy flow, in MW-p, on binding Constraint a produced in, as the case may be:
  - a. For Reconfiguration Auction n, a Power Flow using the following base case data set: (i) the Transmission System model for Reconfiguration Auction n, (ii) the TCCs and Grandfathered Rights valid prior to Reconfiguration Auction n, as determined in the Optimal Power Flow solution for the final round of the last sub-auction held for TCCs valid during the month corresponding to Reconfiguration Auction n, and (iii) the phase angle regulator schedules determined in the Optimal Power Flow solution for the final round of the last sub-auction held for TCCs valid during the month corresponding to Reconfiguration Auction n; or
  - b. For stage 1 round n of a 6-month sub-auction, a Power Flow run using the following base case data set: (i) the Transmission System model for the actual 6-month sub-auction, and (ii) the base case set of TCCs (including TCCs and Grandfathered Rights that will be valid during the period for which the sub-auction is being held) and the phase angle regulator schedule produced in a single Optimal Power Flow determined for all stage 1 rounds of a 6-month sub-auction using the Transmission System model for the actual 6-month sub-auction that is modified so as to model as in-service all transmission facilities that were out-of-service in the Transmission System model used for the sub-auction, the TCCs and Grandfathered Rights that will be valid during the period for which the sub-auction is being held, and all Bids to purchase and offers to sell made into all stage 1 rounds of the sub-auction that includes round n

W<sub>n</sub> = Either (i) for stage 1 round *n* of a 6-month sub-auction, the percentage of transmission Capacity sold in stage 1 round *n*, divided by the percentage of transmission Capacity sold in all stage 1 rounds of the sub-auction of which stage 1 round *n* is a part; or (ii) for Reconfiguration Auction *n*, 1.

$$ACR_{a,n} = SP_{a,n} * (F_{\text{actual}} - F_{\text{RL}}) * Wn$$
 (B-15b)

Where,

Issued by: Issued on:

William J. Museler, President

December 12, 2003 March 3, 2004

Effective:



# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.

Docket No. ER04-294-000

## NOTICE OF FILING

Take notice that on March 3, 2004, the New York Independent System Operator, Inc. ("NYISO") tendered for filing a compliance filing in connection with the Commission's February 2, 2004, order in the above-referenced dockets.

The NYISO has served a copy of this filing to all parties listed on the official service list maintained by the Secretary of the Commission in these proceedings. The NYISO has also served a copy of this filing to all parties that have executed Service Agreements under the NYISO's Open-Access Transmission Tariff or Services Tariff, 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, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR §§ 385.211 and 385.214). Protests will be considered by the Commission to determine 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. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's website at http://www.ferc.gov, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866) 208-3676, or for TTY, contact (202) 502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper. See, 18 CFR 385.2001(a)(l)(iii) and the instructions on the Commission's website under the "e-filing" link. The Commission strongly encourages electronic filings.

Comment Date:

Magalie R. Salas Secretary

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties listed on the official service list maintained by the Secretary of the Commission in docket number ER04-294-000 in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure 18 C.F.R. § 385.2010 (2003).

Dated at Washington, D.C. this 3rd day of March, 2004.

Catherine A. Karimi

Sr. Professional Assistant

Hunton & Williams LLP

1900 K Street, NW

Washington, DC 20006