

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Long-Term Firm Transmission Rights**                    )  
**in Organized Electricity Markets**                    )                    **RM06-8-\_\_\_**

**REQUEST FOR A ONE WEEK EXTENSION OF TIME  
TO SUBMIT COMPLIANCE FILING AND REQUEST FOR EXPEDITED ACTION  
OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

In accordance with Rule 2008 of the Commission’s Rules of Practice and Procedure,<sup>1</sup> the New York Independent System Operator, Inc. (“NYISO”), respectfully requests that the Commission grant a one week extension of time, *i.e.*, until February 5, 2007, to submit its compliance filing in the above-captioned proceedings. The NYISO also requests that the Commission act expeditiously and, to the extent that they apply, waive its normal notice requirements.

The NYISO is seeking a brief extension so that it may consider the implications of modifying its compliance proposal to enable Load Serving Entities (“LSEs”) to obtain long-term transmission rights at a price that would be fixed from the beginning of their term. The NYISO makes this request reluctantly because it understands the importance that the Commission attaches to timely compliance with Order Nos. 681 and 681-A (“LTFTR Orders”).<sup>2</sup> Nevertheless, the NYISO believes that an extension is warranted because the inclusion of a “fixed price option” could strengthen its compliance filing, provided that the NYISO has enough time to finalize the design of the new feature and to integrate it with the rest of its proposal. In

---

<sup>1</sup> 18 C.F.R. §§ 385.2008 (2006).

<sup>2</sup> *Long-Term Firm Transmission Rights in Organized Electricity Markets*, Order No. 681, FERC Stats. & Regs. ¶31,226 (July 20, 2006), *affirmed* Order 681-A, 117 FERC ¶ 61,201 (November 16, 2006).

addition, because the possibility of including a fixed price option was only recently raised by some of the NYISO's stakeholders, it has not been vetted in the same way as other parts of the NYISO's compliance proposal. Although the NYISO cannot promise that the requested extension would result in consensus stakeholder support for a fixed price option, it would give stakeholders a chance to express their concerns. The NYISO would then have an opportunity to resolve as many issues as possible without materially delaying its compliance filing.

## I. Communications

Communications and correspondence regarding this filing should be directed to:

Robert E. Fernandez, General Counsel and Secretary  
\*Mollie Lampi, Assistant General Counsel  
Elaine D. Robinson, Director of Regulatory Affairs  
New York Independent System Operator, Inc.  
10 Krey Boulevard  
Rensselaer, N.Y. 12144  
Tel: (518) 356-6000  
Fax: (518) 356-4702  
rfernandez@nyiso.com  
mlampi@nyiso.com  
erobinson@nyiso.com

\*Ted J. Murphy  
Michael E. Haddad  
Hunton & Williams LLP  
1900 K Street, NW  
Suite 1200  
Washington, D.C. 20006-1109  
Tel: (202) 955-1500  
Fax: (202) 778-2201  
tmurphy@hunton.com  
mhaddad@hunton.com

\* persons designated for service.

## II. Request for One Week Extension of Time to Submit Compliance Filing

The NYISO has been working closely with its stakeholders for several months to develop a compliance proposal under the LTFTR Orders. Until recently, the NYISO focused on developing rules that would allocate annual rights to LSEs that they could then convert into Transmission Congestion Contracts ("TCCs") with a duration of one year.<sup>3</sup> LSEs would receive these annual rights in a quantity sufficient to cover a reasonable portion of their load for as long as they continued to serve it, which could be substantially longer than the ten years required by

---

<sup>3</sup> TCCs are the NYISO's version of financial transmission rights.

the LTFTR Orders. The conversion price would be the annual market-clearing price for TCCs with the same points of injection and withdrawal and a duration of one year.

In the last few weeks it has been suggested that the NYISO could improve its compliance proposal by giving LSEs an additional option to obtain a long-term TCC at a price that would be fixed up front for the duration of the TCC. The NYISO is open to making this addition but, because the concept was put forward so recently, it has not yet been able work through all of the issues involved in developing a complete fixed price option proposal. It will not be possible for the NYISO to address all of the questions that have arisen by January 29 without rushing its internal review of complex design considerations and foregoing stakeholder input.

For example, because the fixed price option is new, the NYISO has only recently had a chance to consult its independent market advisor for guidance on how best to determine a fixed price for long-term TCCs. The NYISO's compliance proposal would obviously benefit substantially if it had time to incorporate the independent market advisor's input.

The NYISO must also consider how to integrate a long-term fixed price option into its tariffs. In some cases, integration would raise complex questions. For example, the NYISO's existing rules governing the allocation of congestion rent payments and congestion rent shortfalls associated with TCCs are all based on the premise that TCCs would be priced through auctions rather than a fixed price mechanism. The NYISO needs a brief extension of time to complete its review of these existing provisions, and others like them, and to develop any tariff changes necessary to accommodate a fixed price option. If an extension were denied, it would create a risk that the NYISO would file revisions that were incomplete or incompatible with other parts of its tariff.

Finally, the NYISO has had little opportunity to discuss the possible addition of a fixed price option with its stakeholders and has not yet presented them with a detailed proposal. In the short time that the issue has been on the table, stakeholders have raised questions about a fixed price option that the NYISO has not yet been in a position to answer. Some stakeholders have already indicated that they intend to oppose a fixed price option but have not yet had a chance to articulate their concerns. The NYISO understands that a one week extension will likely not be sufficient for it to achieve a consensus among its stakeholders. An extension would, however, give stakeholders an opportunity to provide feedback on a complete fixed price option proposal and to influence its final form.

Limiting the extension to a single week is also consistent with the Commission's clear directive that transmission organizations must move quickly to comply with the LTFTR Orders. Some stakeholders have suggested that the NYISO should take more time to consider a fixed price option and address the issue in a subsequent filing, but the NYISO believes that such an approach would not be consistent with the Commission's expectations.

Rule 2008 authorizes the Commission to extend any deadline, including one imposed by one of its regulations, before it expires if a requesting party demonstrates that there is "good cause" to do so. For the reasons set forth in the preceding paragraphs, the NYISO respectfully submits that there is good cause for a brief extension of time in this proceeding.

#### **IV. Request for Expedited Action**

Because the LTFTR Orders' compliance filing deadline is imminent, the NYISO respectfully requests that the Commission act expeditiously and issue an order today granting it a one week extension. Expedited action would bring certainty that would facilitate the scheduling

of an additional stakeholder meeting (or meetings) on fixed price option issues prior to February 5. It would also enable the NYISO to plan its final internal reviews more efficiently.

To the extent that they are applicable to this request, the NYISO also asks that the Commission waive its normal notice requirements. The NYISO has previously informed its market participants that it would seek an extension of time and will notify them that this filing has been made today.

## **V. Conclusion**

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission grant it one week extension of time to submit its compliance filing in the above-captioned proceeding.

Respectfully submitted,

/s/ Ted J. Murphy

Counsel for  
New York Independent System Operator, Inc.

January 26, 2007

cc: Shelton M. Cannon  
Larry Gasteiger  
Connie Caldwell  
Michael A. Bardee  
Kathleen E. Nieman  
Dean Wight  
Lance Hinrichs