TED MURPHY
DIRECT DIAL: 202-955-1588
EMAIL: tmurphy@hunton.com

February 21, 2003

BY HAND DELIVERY

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

New York Independent System Operator, Inc.'s
Filing of Tariff Revisions Regarding Customer Creditworthiness Requirements

Dear Ms. Salas,

Pursuant to Section 206 of the Federal Power Act,[1] and Section 19.01 of the Independent System Operator Agreement, the New York Independent System Operator, Inc. ("NYISO"),[2] at the direction of its independent board of directors, by counsel, hereby submits revisions to its Open Access Transmission Tariff ("OATT") and Market Administration and Control Area Services Tariff ("Services Tariff") to specify the creditworthiness requirements for customers participating in the NYISO-administered markets.

I. Documents Submitted

1. This letter;

2. Clean revised sheets from the OATT incorporating new tariff provisions proposed by the NYISO ("Attachment I");

3. Redlined revised sheets from the OATT identifying the new tariff provisions proposed by the NYISO ("Attachment II");

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[1] 16 U.S.C. § 824e (2002).

[2] Capitalized terms that are not otherwise defined herein shall have the meaning set forth in Article 1 of the OATT, including the definitions proposed to be added with this filing.

4. Clean revised sheets from the Services Tariff incorporating new tariff provisions proposed by the NYISO ("Attachment III");

5. Redlined revised sheets from the Services Tariff identifying the new tariff provisions proposed by the NYISO ("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 F. Thornton, Director of Regulatory Affairs
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303
Tel: (518) 356-6000
Fax: (518) 356-4702
rfernandez@nyiso.com
mlampi@nyiso.com
bthornton@nyiso.com

Arnold H. Quint
Ted J. Murphy
Hunton & Williams
1900 K Street, N.W.
Washington, D.C. 20006
Tel: (202) 955-1500
Fax: (202) 778-2201
aquint@hunton.com
tmurphy@hunton.com

Kevin W. Jones[3]
Hunton & Williams
951 East Byrd Street
Richmond, VA 23219
Tel: (804) 788-8731
Fax: (804) 788-8218
kjones@hunton.com

III. Background

The tariff authority for the NYISO's current creditworthiness requirements is contained in Article 11 of the OATT and Article 8 of the Services Tariff. Additional details of the NYISO's current creditworthiness requirements are contained in the Financial Assurance Policy

[3] 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.

for NYISO Customers.[4] In its March 14, 2002, order in docket number ER01-3009-003, the Commission stated that "all matters affecting rates, terms and conditions of jurisdictional transactions" are required to be on file with the Commission.[5] The Commission emphasized that "[i]t is insufficient for such provisions as creditworthiness or collateral provisions to be well established components of a policy; they must be on file with the Commission."[6] The NYISO is now submitting these proposed tariff provisions to provide a detailed description of the creditworthiness requirements for customers participating in the NYISO-administered markets. In addition to incorporating greater detail into the tariffs, these proposed revisions include significant changes and improvements to the NYISO's current creditworthiness requirements.

The creditworthiness provisions submitted in this filing are the result of a substantial undertaking in which NYISO staff has worked closely with Market Participants and independent credit experts for nearly two years. Early in this process, a special working group composed of credit experts appointed by each sector of the Management Committee was formed to work with NYISO staff to develop a comprehensive credit policy proposal. NYISO staff worked extensively with this working group in the development of these proposed requirements. In addition, throughout this process, the NYISO received advice from PriceWaterhouseCoopers regarding industry credit standards and many of the specifics of the creditworthiness standards being developed for the NYISO. More recently, the NYISO has met with various other NYISO committees and subcommittees on numerous occasions in the course of finalizing the proposed creditworthiness requirements.

At the December 13, 2002, meeting of its Business Issues Committee and the December 16, 2002, meeting of its Management Committee, the NYISO presented a package of proposed revisions to its tariffs including the creditworthiness requirements contained herein and provisions regarding the allocation of bad debt losses and the collection of working capital.[7] The combined proposal received a favorable vote of 60.35% at the Business Issues Committee, but narrowly failed to achieve a passing vote at the Management Committee, with 57.09% in

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[4] *See* Registration Packet for NYISO Customers and Guests, Addendum B, A10, available at http://www.nyiso.com/services/relations/cregistration/pdf/nyiso_reg.pdf.

[5] 98 FERC ¶ 61,282 at 62,217 (2002).

[6] *Id*.

[7] The bad debt loss and working capital allocation provisions discussed herein are distinct from those that were the subject of the NYISO's filings regarding bad debt losses and working capital that were filed with the Commission on November 13, 2002, and November 18, 2002, respectively.

support.[8] At its December 17, 2002, meeting, the Board of Directors instructed the NYISO to consider alternatives to the proposed bad debt and working capital provisions and to file revisions to the NYISO tariffs to incorporate the creditworthiness requirements as presented to the Business Issues Committee and the Management Committee. On February 20, 2003, the Management Committee again considered a motion to adopt the package of revisions that were originally presented to it on December 16, 2003, including the credit requirements that the NYISO is now filing *and* the proposed revisions regarding the allocation of bad debt losses and the collection of working capital. Upon its reconsideration, the Management Committee approved the proposed tariff provisions, with one minor change regarding the working capital portion, by a vote of 60.36%.

Despite the Management Committee's approval of the package of proposed revisions, the NYISO is making this filing pursuant to Section 206 of the Federal Power Act. This is necessary because the Management Committee approved the creditworthiness provisions presented in this filing as part of a package that also included additional provisions that the NYISO Board of Directors has not yet approved for filing.[9] In light of this fact, and the Board of Directors' instructions to the NYISO to file just the proposed creditworthiness requirements, the NYISO is making the instant filing pursuant to its authority to file changes to its tariffs unilaterally.[10] The NYISO will present the proposed changes regarding the allocation of bad debt losses and the collection of working capital to the Board of Directors at its next meeting and, if the Board of Directors approves, will make an appropriate filing with the Commission pursuant to Section 205 of the Federal Power Act. The NYISO believes that it is important to implement the improved creditworthiness requirements as quickly as possible in light of growing concern about the financial strength of some companies in the electric industry. Furthermore, based upon the voting history explained above, the NYISO believes that there is significant support for the proposed creditworthiness requirements.

IV. Description of Proposed Creditworthiness Requirements

The proposed creditworthiness requirements strike an important balance: they are carefully tailored to protect against losses attributable to nonpayment by a NYISO customer

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[8] Pursuant to Section 7.10 of the ISO Agreement, a favorable vote of 58% or more is required for approval of a motion by the Business Issues Committee and the Management Committee.

[9] A motion to approve the creditworthiness requirements separately from the changes regarding the allocation of bad debt losses and the collection of working capital was made and tabled at the February 20, 2003, meeting of the Management Committee.

[10] Pursuant to the Section 19.01 of the ISO Agreement, the NYISO is permitted to unilaterally file changes to its tariffs under Section 206 of the Federal Power Act.

without creating barriers to entry or unduly burdening customers in the New York markets. In addition, the requirements were developed with the recognition that the liability for the bad debt of a customer in the NYISO-administered markets falls upon other customers.[11] In this sense, the very customers that will be subject to the NYISO's creditworthiness requirements are also the customers for whose benefit the requirements have been designed.

The proposed creditworthiness requirements establish with specificity the manner in which the NYISO will: (i) determine a customer's projected financial obligation to the NYISO; (ii) determine the amount of unsecured credit, if any, that the NYISO will extend to a customer toward that financial obligation based on its creditworthiness; and (iii) secure the balance of the projected financial obligation in excess of the amount of a customer's unsecured credit. The proposed provisions also establish additional financial reporting requirements for NYISO customers and address certain issues related to customer default and termination or withdrawal from the NYISO-administered markets.

The proposed creditworthiness requirements will apply to all customers participating in NYISO-administered markets as well as to any applicant seeking to become a customer. The same creditworthiness requirements will be applied to customers taking service under the OATT and Services Tariff.

A. <u>Operating Requirement</u>

The losses that could result from nonpayment by a NYISO customer are determined by the nature and extent of the customer's activities in the NYISO-administered markets. The proposed creditworthiness requirements accurately reflect the exposure attributable to a customer by accounting for the customer's activity in each market to derive an overall Operating Requirement, as defined in the attached tariff sheets. A Customer's Operating Requirement is composed of four components: the Energy and Ancillary Services Component, the UCAP Component, the TCC Component, and the Bid Component. The amount of a customer's Operating Requirement then determines the total amount of unsecured credit and, if necessary, collateral that the customer is required to demonstrate or provide to participate in the NYISO markets. This approach affords the convenience of dealing with a single requirement while addressing a customer's financial obligations across all New York markets.[12]

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[11] Bad debts are among the costs that the NYISO recovers from customers through Rate Schedule 1. OATT, Rate Schedule 1, Section 3.A.

[12] Virtual Transactions will continue to have separate creditworthiness requirements. As discussed below, the creditworthiness requirements for Virtual Transactions Customers will remain unchanged.

The NYISO will not permit a customer to net its accounts in different markets for purposes of determining its Operating Requirement. For example, if a NYISO customer is a net payee in the energy markets and a net payor in the TCC market, it will not be permitted to use its position as a net seller of energy to offset the creditworthiness requirements for its TCCs. To adequately secure a customer's obligations, the NYISO must separately consider the customer's participation in each of the markets that it administers to determine the amount of credit support required. An energy marketer's net payable position in the energy markets, for example, would not justify forgiving the collateral requirement to secure long-term negative TCCs. The marketer's net payable position in the energy market could deteriorate over time, or the customer could discontinue its activity in the energy markets, leaving an unsecured obligation to the NYISO for the TCCs. Furthermore, it may be possible in a bankruptcy proceeding for a customer to reject certain contracts that it has entered into with the NYISO, such as long-term TCC contracts. In that case, the court likely would estimate the customer's obligation for the TCCs over the course of the lives of the instruments, with the resulting damages assertable by the NYISO in the bankruptcy proceeding only as a pre-petition claim. For netting purposes, that pre-petition claim could only be satisfied, if at all, through the offset of pre-petition amounts owed by the NYISO to the debtor-marketer. In that event, the stream of energy market revenues that the NYISO had projected and planned to use as security for the customer's long-term negative TCCs would be largely unavailable for that purpose, leaving the NYISO unsecured and the NYISO's other customers exposed to significant losses.

The Energy and Ancillary Services Component of the Operating Requirement is based on an estimate of the customer's daily financial obligations in the Energy and Ancillary Services markets and the customer's ability to meet those obligations. The estimated daily payment obligation is calculated as the higher of: (i) the greatest daily average amount that the customer owed to the NYISO for Energy and Ancillary Services during any month in the prior same-season Capability Period, or (ii) the daily average amount owed by the customer in the prior ten days.[13] The estimated daily payment obligation is then multiplied by either 45 or 90, depending on whether the customer is deemed to be "Investment Grade,"[14] and whether the customer has

[13] For new customers, the Energy and Ancillary Services Component will be calculated based on the average Energy price during the prior same-season Capability Period and the customer's estimated peak Load during the current Capability Period.

[14] A customer shall be deemed to be Investment Grade if it has a rating of BBB- / Baa3 or better according to the methodology described in the attached tariff sheets. A customer that has not received a rating from a NYISO-approved rating agency may request a rating from the NYISO ("Equivalency Rating") for purposes of determining whether the customer is deemed Investment Grade.

signed a prepayment agreement,[15] to derive the customer's Energy and Ancillary Services Component.

By estimating a customer's payment obligation based on its previous same-season peak, the NYISO establishes a conservative baseline credit requirement. This is intended to prevent the NYISO from frequently having to request additional collateral from a customer as the Capability Period progresses toward the peak month. If, however, the customer has gained load or energy prices are higher than during the previous same-season Capability Period, such that the customer's energy purchases exceed those in the peak of the prior Capability Period, then the second part of the two-part formula would set the collateral requirement to reflect the upward trend in the customer's obligations and to protect against the additional credit risk to the NYISO.

The UCAP Component of the Operating Requirement will be calculated as the sum of all amounts then-owed, whether billed or unbilled, for UCAP purchased in the NYISO-administered market. This requirement captures the full outstanding obligation of a UCAP purchaser and secures the NYISO against the risk of nonpayment.

The TCC Component of the Operating Requirement incorporates the credit requirements for Primary Holders of TCCs that the NYISO filed with the Commission on December 19, 2002.[16] A detailed explanation of these requirements was included in the December 19 Filing.

The Bid Component of the Operating Requirement is based on a customer's requested amount of authorization to bid in UCAP and TCC auctions and, five days prior to a UCAP Deficiency Procurement Auction,[17] the maximum amount that the customer may be required to pay for UCAP purchased in the auction on its behalf. Credit assurance is required for bids in a UCAP auction and for positive bids in a TCC auction because, if successful, the bidder will be

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[15] A Non-Investment Grade Customer may reduce by half the amount of collateral that it is required to provide to support its purchases of Energy and Ancillary Services by entering into a prepayment agreement as described in the attached tariff sheets. By prepaying for services each week, a customer reduces the NYISO's risk of nonpayment and, accordingly, the NYISO's need for collateral to secure the customer's obligations.

[16] *New York Independent System Operator, Inc.'s Filing of Tariff Revisions Regarding TCC Credit Requirements*, Docket No. ER03-297-000 (December 19, 2002) ("December 19 Filing").

[17] Although customers are permitted to procure UCAP on a bilateral basis until up to three days prior to a Deficiency Procurement Auction, they will be required to provide credit assurance to support amounts that they may be required to purchase in the Deficiency Procurement Auction *five* days in advance of the auction. This requirement is designed to give the NYISO sufficient time to terminate the customer prior to the auction if the customer fails to provide adequate credit assurance. This sequence is necessary to prevent an under-collateralized customer from having UCAP purchases made on its behalf and then defaulting on the resulting payment obligation.

required to pay up to the amount of its bids to make its purchases. Credit assurance is also required for negative offers in TCC auctions, because the seller of a negative TCC will be required to *pay* the purchaser at the conclusion of the auction. Finally, credit assurance is required five days prior to a UCAP Deficiency Procurement Auction if a customer has not yet certified that it has satisfied its UCAP requirement because the Customer may be required to purchase UCAP in the auction at specified deficiency prices.[18] Therefore, the NYISO requires credit assurance for each of these types of bids to support the bidder's potential financial obligations to the NYISO.

The NYISO's carefully-tailored credit requirements will require careful monitoring and administration to ensure that customers do not accrue unsecured obligations to the NYISO in excess of the allowable amounts. The NYISO credit department will monitor the financial positions and total outstanding exposure of each of its customers on a daily basis. The NYISO Credit Manager will then compare that information to each customer's Unsecured Credit and any collateral that it has provided to determine whether the customer will be required to provide additional collateral as security for its obligations to the NYISO. If so, the NYISO will make a demand for additional collateral from the customer to secure its outstanding obligations.

B. Satisfying the Operating Requirement

A customer may satisfy its Operating Requirement with unsecured credit, collateral, or a combination of both. If a customer does not have unsecured credit, or to the extent that a customer's Operating Requirement exceeds its unsecured credit, it must provide collateral to the NYISO.[19] The exemption from the NYISO's creditworthiness requirements for customers with a long-term payment history will be eliminated. In addition, no customer will be granted an unlimited amount of Unsecured Credit, as is currently granted to customers with an acceptable long-term unsecured debt rating.[20] Investment Grade Customers, however, will be permitted to enter into a pay-down agreement, in lieu of providing collateral that would otherwise be required, pursuant to which the Customer shall, upon written demand by the NYISO, pay down

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[18] *See* Services Tariff, Section 5.14.

[19] A customers shall be required to provide additional collateral only when its Operating Requirements exceeds its total Unsecured Credit and any existing collateral by $10,000 or more. This provision prevents a customer from frequently having to provide collateral to cover only a small exposure and makes the NYISO's creditworthiness requirements easier to administer.

[20] *See* Services Tariff, Section 8.1; OATT, Section 11.0.

the amount by which its Operating Requirement exceeds the amount of its Unsecured Credit and any collateral that it has provided.[21]

A customer deemed to be Investment Grade under the proposed financial assurance requirements will be eligible to receive Unsecured Credit in an amount up to 7.5% of its tangible net worth, based on its credit rating and subject to a twenty (20%) percent market concentration cap.[22] The percentage of the customer's tangible net worth that it may receive in Unsecured Credit is determined by its credit rating as indicated on the credit matrix in the attached tariff pages. This starting point may then be adjusted upward by up to 10% or downward by up to 100% based on the NYISO's Credit Assessment of the customer. The Credit Assessment will be conducted according to an established methodology that will be described on the NYISO website and commercially available. The purpose of the Credit Assessment in determining the amount of a customer's Unsecured Credit is to account for the customer's liquidity and aspects of its creditworthiness that the NYISO may be uniquely qualified or positioned to assess.

Because municipal electric cooperatives generally do not present a significant risk of nonpayment, but are unable to demonstrate creditworthiness through conventional indicators, the NYISO will assume a $1 million starting point at which to begin its Credit Assessment of these entities. A municipal electric cooperative may be deemed to have a higher starting point if it is able to comply with the NYISO's creditworthiness requirements.

[21] A customer's Operating Requirement includes a forward-looking estimate of the total amount of energy purchases that the customer *will have made* at the end of the monthly billing and payment cycle. Therefore, a pay-down agreement effectively limits the NYISO's risk of nonpayment of amounts projected to be owed in excess of the customer's Unsecured Credit by requiring a payment from the customer at any time that its Operating Requirement exceeds its Unsecured Credit and any collateral that it has already provided.

[22] The market concentration cap is calculated as twenty (20%) percent of the NYISO's accounts receivable in the month during the previous calendar year in which the sum of the following is highest: (i) one and one half times the Energy and Ancillary Services purchases in the ISO markets, (ii) amounts then-owed (billed and unbilled) for UCAP purchased in the ISO-administered auctions, and (iii) total TCC auction sales. This upper limit on the amount of Unsecured Credit that may be granted to any one customer provides a very important protection against losses of a magnitude that would be very difficult for the remaining customers in the NYISO-administered markets to absorb. The NYISO's proposed market concentration cap is comparable to limits imposed by both the Independent System Operator of New England, Inc. ("ISO-NE") and the PJM Interconnection L.L.C. ("PJM") on the maximum amount of unsecured credit granted to any one customer. ISO-NE limits the amount of unsecured credit that it will grant to a customer to the lesser of: (i) $125 million or (ii) 20% of the total amount due and owing from all ISO-NE customers. *See* Restated New England Power Pool Agreement, Attachment L, Section II.2.a and Section III.D. Similarly, PJM limits the amount of unsecured credit that it will grant to a customer to $150 million. *See* PJM Credit Policy, at II(B).

The NYISO may adjust the amount of Unsecured Credit granted to a Customer from time to time. The NYISO will redetermine the amount of a customer's Unsecured Credit in the event that the customer's credit rating changes. In addition, the NYISO may reduce or cancel a customer's Unsecured Credit for up to twelve months if the customer is late in making payments twice in any twelve-month period. Through these adjustments, the NYISO will account for changes in the risk of nonpayment posed by a particular customer.

C. Acceptable Forms of Collateral

A customer that does not have sufficient Unsecured Credit to satisfy its Operating Requirement must provide collateral to the NYISO. A customer must generally supply any collateral required within three business days of a demand by the NYISO. Three types of collateral may be used to satisfy the financial assurance requirements: (i) a cash deposit; (ii) an acceptable letter of credit; or (iii) an acceptable affiliate guarantee.

D. Creditworthiness Requirements for Virtual Transactions

The creditworthiness requirements for Virtual Transactions will be moved to Attachments K and W, respectively, but remain unchanged and will continue to be determined separately from the requirements that apply to other NYISO markets.[23] The NYISO continues to believe that the credit requirements for Virtual Transactions provide an important protection against the potential risks associated with this market feature. As it stated in its report on virtual trading during the Summer 2002 Capability Period,[24] the NYISO believes that any changes to the current requirements should be made only after the proposed changes to the NYISO's overall credit requirements are implemented.

E. Reporting Requirements

The proposed credit requirements establish expanded reporting obligations for NYISO customers. Most of these requirements will apply to all customers, though some apply only to a customer seeking Unsecured Credit. As recent examples have shown, a company's credit can deteriorate rapidly and rating agency reports often lag behind a developing problem. The

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[23] *See* Services Tariff, Section 8.4.

[24] *New York Independent System Operator, Inc. Evaluation of the Impact of Virtual Trading on the Summer 2002 New York Electricity Markets*, Docket Nos. ER01-3009-000, et al (December 16, 2002) ("December 16 Report"). As stated in the December 16 Report, the NYISO believes that any changes to the creditworthiness requirements for Virtual Transactions should be made only after the changes to the general creditworthiness requirements presented in this filing have been implemented.

information required to be provided by customers will allow the NYISO to timely assess and respond to changes in a customer's creditworthiness.

F. Customer Default, Termination, and Withdrawal

Under the proposed provisions, the NYISO may declare a customer in default in the event that it fails to make a payment when due or fails to comply with the NYISO's creditworthiness requirements. Upon the NYISO's notice to a customer, the customer shall have two business days within which to cure a nonpayment default and three business days within which to cure a creditworthiness default. If the customer does not cure the default within the allowable period, the NYISO may immediately terminate service to the customer under the OATT, the Services Tariff, or both upon notice to the Commission.

The NYISO believes that it is very important that it have the default and termination authority described above and included in the attached tariff sheets. Without this authority the NYISO may be unable to protect other customers from significant losses that could be incurred in the event that a customer fails to make payments to the NYISO. The proposed provisions are similar to those currently found in the Services Tariff,[25] with the exception that the cure period afforded to a customer that is in default for failing to meet the NYISO's creditworthiness standards would be reduced to three (3) days from the current five (5) day cure period. The proposed provisions more significantly alter the OATT. Under the current provisions of the OATT,[26] the NYISO must wait thirty (30) days after it gives notice to a customer of a failure to make payment before it can even declare a default and initiate a proceeding with the Commission to terminate service to the customer. Furthermore, under the current provisions of the OATT, the NYISO may not terminate service to the customer until the Commission approves such a request. This long delay in the termination of a nonpaying customer may result in significant and unnecessary losses that would have to be borne by other customers.

Under the proposed termination and withdrawal provisions, NYISO will give notice to all customers in the event of an individual customer's default. The NYISO will also notify all customers upon the customer's subsequent cure of the default or upon the NYISO's termination of the customer as a result of the default.

The NYISO will retain collateral provided by a customer in an amount and for so long as necessary to secure the customer's obligations to the NYISO. Invoices issued by the NYISO are

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[25] *See* Services Tariff, Section 7.5.A (xv).

[26] *See* OATT, Section 7.3.

subject to true-ups and customer challenges after they are issued.[27] Therefore, the NYISO must be able to secure a customer's potential payment obligations after its termination or withdrawal from the NYISO markets.

V. Proposed Effective Date

The NYISO respectfully asks that this filing become effective 90 days after the Commission issues a final order accepting it. The NYISO is making this request because it will require substantial effort to prepare for the administration of these creditworthiness requirements. The NYISO therefore does not intend to begin the implementation, which it estimates will take ninety days, until after a final order is issued. Because the effective date will not be known until after the Commission issues a final order, the NYISO's proposed tariff sheets do not specify an effective date. The NYISO would instead make a compliance filing identifying the date after a final order is issued.

VI. Federal Register Notice

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

VII. Service List

Copies of this filing are being served on all signatories of the OATT and Services Tariff.

[27] See Services Tariff, Section 7.4.A.; OATT, Section 7.2A.1.

VIII. Conclusion

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, respectfully requests that the Commission accept the proposed tariff changes identified in this filing.

Respectfully submitted,

NEW YORK INDEPENDENT
SYSTEM OPERATOR, INC.

By_______________________
Counsel

Arnold H. Quint
Ted J. Murphy
Hunton & Williams
1900 K Street, N.W.
Washington, D.C. 20006

Kevin W. Jones
Hunton & Williams
951 East Byrd Street
Richmond, VA 23219

Of Counsel

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
Stanley P. Wolf, Office of the General Counsel, Room 101-03, Tel. (202) 502-8891

ATTACHMENT I

ATTACHMENT II

ATTACHMENT III

ATTACHMENT IV

ATTACHMENT V

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc. **Docket No. ER03 - ____**

NOTICE OF FILING

Take notice that on February 21, 2003, the New York Independent System Operator, Inc. ("NYISO"), filed proposed revisions to the NYISO's Open Access Transmission Tariff ("OATT") and Market Administration and Control Area Services Tariff ("Services Tariff"). The proposed filing would amend the NYISO's creditworthiness requirements for participation in the NYISO-administered markets. The NYISO has requested that the Commission make the filing effective on April 30, 2003.

The NYISO has served 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 Services 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 224 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 www.ferc.gov, using the FERRIS link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, call (202) 502-8222 or TTY, (202) 208-1659. Protests and interventions may be filed electronically via the Internet in lieu of paper. *See,* 18 CFR 385.2001(a)(I)(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 that have executed Service Agreements under the NYISO's Open-Access Transmission Tariff or Market Administration and Control Area Services Tariff in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure 18 C.F.R. § 2010 (2001).

Dated at Washington, D.C. this 21st day of February 2003.

Ted J. Murphy
Hunton & Williams
1900 K Street, N.W.
Washington, D.C. 20006-1109