

KATHY ROBB
DIRECT DIAL: 212 • 309 • 1128
EMAIL: krobb@hunton.com

February 6, 2003

FILE NO: 55430.000044

BY HAND

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

Correction of New York Independent System Operator, Inc.'s
Filing of Tariff Revisions Regarding NYISO Demand Response Programs

Dear Ms. Salas:

On December 20, 2002, the New York Independent System Operator, Inc. ("NYISO") filed tariff revisions to its Market Administration and Control Area Services Tariff ("Services Tariff") in Docket No. ER03-303-000 (the "December 20 Filing"). The filing included a new term and definition associated with Special Case Resources ("SCRs"), a NYCA demand response resource. The definition for the new term, Minimum Payment Nomination, inadvertently did not include a maximum offer price that SCRs may submit for their load reduction capability. The transmittal letter should have indicated that a maximum offer price of \$500 per Megawatt hour was approved during the NYISO committee process.

The NYISO hereby submits an amended clean and redlined copy of the applicable tariff sheet incorporating the maximum offer price in the definition of Minimum Payment Nomination. A form of Federal Register Notice is also attached.

Under the proposed tariff amendments in the December 20, 2002 filing, SCR resources are required to submit a price bid for Load reduction they are willing to provide (the "Minimum Payment Nomination"). That price bid would allow the NYISO to request performance from fewer than all the SCRs in the NYCA or Load Zone when a partial SCR Load reduction is needed, on a least cost basis.

As described in the proposed amendments, SCRs called upon to supply Load reductions are paid their Minimum Payment Nomination or the Zonal Real-Time LBMP, whichever is greater. Applying a \$500 cap on the SCR Minimum Payment Nomination aligns the payment that SCR resources may expect to receive for verified Load reductions with the payments to

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Emergency Demand Response Providers (who, for verified performance, also are paid the greater of \$500 or the Real-Time LBMP).

The NYISO respectfully requests that the December 20 Filing become effective on February 18, 2003, the original requested effective date. The addition of a maximum offer price associated with SCR demand reduction was approved by the Management Committee with the rest of the original filing components on October 16, 2002. This minor correction does not present cause for delaying the effective date of the proposed revisions.

The NYISO is serving a copy of this letter upon all parties that were served with the original filing.

Respectfully submitted,

NEW YORK INDEPENDENT
SYSTEM OPERATOR, INC.

By _____
Counsel

Kathy Robb
Hunton & Williams
200 Park Ave.
New York, NY 10166

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

**CLEAN CORRECTED
TARIFF SHEET**

**BLACKLINE CORRECTED
TARIFF SHEET**

NOTICE OF FILING

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

New York Independent System Operator, Inc.

Docket No. ER03-297-000

NOTICE OF FILING

Take notice that on February 6, 2003, the New York Independent System Operator, Inc. ("NYISO"), filed corrections to its December 20, 2002, filing in which the NYISO proposed to amend its demand response programs ("the December 20 Filing"). The filing amended a definition submitted in the December 20 Filing.

The NYISO has served a copy of this filing to all parties that have executed Service Agreements under the NYISO's 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 each party that has executed a Service Agreement under the New York Independent System Operator, Inc.'s Market Administration and Control Area Services Tariff and Open Access Transmission Tariff, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 2010 (2002).

Dated at Washington, D.C. this 6th day of February, 2003.

Catherine A. Karimi
Sr. Professional Assistant
Hunton & Williams
1900 K Street, N.W.
Washington, DC 20006