

July 6, 2005

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

> Re: Fourth 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 fourth biweekly informational report; it covers the period from June 1 through June 29, 2005. Because the Commission was not able to accept e-filings yesterday afternoon, this filing is being made one day out-of-time.

### Use of the TEP

As the attached Price Correction and Reservation Summary charts graphically indicate, the NYISO reserved prices for 334 hours from June 1<sup>st</sup> through the 29<sup>th</sup>. The NYISO corrected prices in 197 hours from June 1<sup>st</sup> through the 22<sup>nd</sup>. <sup>1</sup>

# Testing of Adequacy of Price Determinations

For the period June 10 through June 22, 2005 the NYISO has fully complied with the tenday price correction posting deadline authorized by the Commission. Due to a large number of price corrections associated with an Out-of-Merit ("OOM") issue that is described below, price corrections for 7 of the 12 days required more than five days to post.

The Price Correction and Reservation Summary chart was prepared on June 30, 2005 and reflects price reservation activity through June 29<sup>th</sup> and price correction activity through June 22<sup>nd</sup>.

#### **Status of Software Corrections**

In its First Biweekly Informational Report Addressing Price Corrections and Software Corrections, the NYISO identified a pricing anomaly that it discovered in its Real-Time Dispatch – Corrective Action Mode software. The NYISO deployed a fix for this anomaly on July 1, 2005.

Recently, the NYISO identified another issue:

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. The NYISO is investigating a software correction for this issue, but does not have a projected in-service date for the correction yet.

Please contact either of the undersigned if you have questions regarding this letter or the attached charts.

Respectfully submitted,

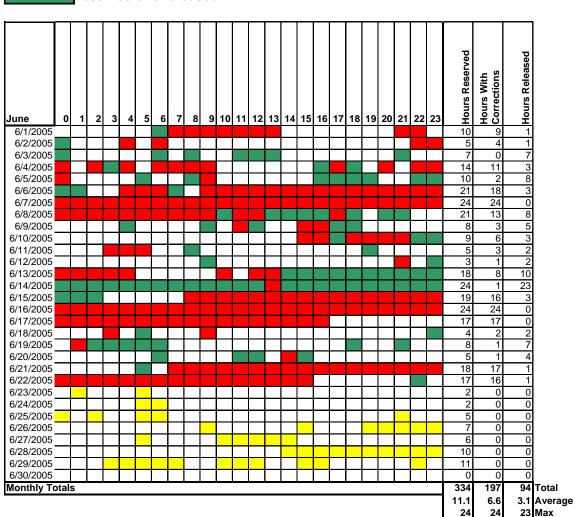
/s/ Alex M. Schnell

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 June 1 through June 29, 2005 (prepared on June 30, 2005)





0 Min

# **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 Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated at Albany, New York this 6<sup>th</sup> day of July, 2005.

/s/ Alex M. Schnell

Alex M. Schnell 290 Washington Avenue Extension Albany, NY 12203 518-356-8707