

May 16, 2005

BY HAND

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

Re: *New York Independent System Operator, Inc.*
Docket No. EL05-84-000
Designation of Agreement and Rate Schedule

Dear Ms. Salas:

In an order dated April 15, 2005,¹ the Commission accepted for filing two agreements between Niagara Mohawk Power Corporation (“Niagara Mohawk”), the New York Power Authority (“NYPA”), and the Villages of Tupper Lake and Lake Placid (“Villages”). The first agreement, termed the Tri-Lakes Agreement, provides for the division of certain responsibilities among the parties in meeting demand for both the short-term and the long-term. The second agreement, termed the Conversion Agreement, provides for the termination of transmission service to the Villages under Niagara Mohawk’s Rate Schedule 204 in order for the Villages to take service under the New York Independent System Operator, Inc. (“NYISO”) Open Access Transmission Tariff (“OATT”). The Commission also accepted changes to Rate Schedule 204 in order to effectuate the two agreements.²

¹ *Niagara Mohawk Power Corporation, et al.*, 111 FERC ¶ 61,048 (2005) (“April 15 Order”).

² Rate Schedule 204 is a transmission service agreement between Niagara Mohawk and NYPA, and concerns the provision of service to certain municipal customers, including the Villages. The changes to Rate Schedule 204 involved the removal of the Villages from the Rate Schedule’s list of municipal customers once transmission service from Niagara Mohawk terminated.

The Honorable Magalie R. Salas, Secretary
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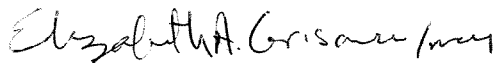
The April 15 Order also initiated a proceeding under Section 206 of the Federal Power Act to determine whether the Tri-Lakes Agreement and Rate Schedule 204 should be designated under the NYISO OATT.³ The Commission observed that in orders involving PJM Interconnection, LLC and the Midwest Independent Transmission System Operator, Inc., it had instituted Section 206 proceedings to determine whether similar agreements should be designated under those RTOs' OATTs. The Commission therefore directed the NYISO to submit a filing either designating the Tri-Lakes Agreement and Rate Schedule 204 "as related to its OATT or demonstrate why they should not be so designated."⁴

The NYISO agrees that the Tri-Lakes Agreement and Rate Schedule 204 should be designated under the NYISO OATT. Therefore, the NYISO provides the following designations:

- Tri-Lakes Agreement: Service Agreement No. 340
- Rate Schedule 204: Service Agreement No. 341

The NYISO will work with Niagara Mohawk in ensuring that the Tri-Lakes Agreement and Rate Schedule 204 are correctly re-designated under the NYISO OATT. The NYISO advises the Commission that it will also work with other New York Transmission Owners in appropriately designating similar agreements and rate schedules in the future.

Respectfully submitted,


Elizabeth A. Grisaru

Counsel for the
New York Independent System Operator, Inc.

May 16, 2005

³ The Commission found that the Conversion Agreement did not need to be filed as part of a tariff. April 15 Order at P 17.

⁴ April 15 Order at P 19.

ATTACHMENT I

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.

Docket No. EL05-84-001

NOTICE OF FILING

(May __, 2005)

Take notice that on May 16, 2005, the New York Independent System Operator, Inc. (“NYISO”) has provided service agreements designations under its Open Access Transmission Tariff to Niagara Mohawk Power Company in compliance with the Commission’s April 15, 2005 Order in Docket Nos. ER05-572-000 and EL05-84-000. The NYISO has served a copy of its filing on the official service lists compiled by the Secretary in those proceedings.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining 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 notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant and all the parties in this proceeding.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

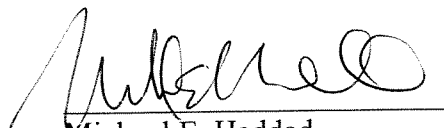
Comment Date: 5:00 pm Eastern Time on _____, 2005

Magalie R. Salas
Secretary

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document on the official service lists compiled by the Secretary in Docket Nos. ER05-572 and EL05-84 in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Washington, DC this 16th day of May, 2005.

A handwritten signature in black ink, appearing to read "Michael E. Haddad", written over a horizontal line.

Michael E. Haddad
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