

May 23, 2005

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

Re: First 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 first biweekly informational report.

Use of the TEP

As the attached Price Correction and Reservation Summary charts graphically indicate, the NYISO reserved prices pursuant to the TEP for 573 hours in February, 159 hours in March, 342 hours in April and 158 hours in May (through the 13th). Of the hours reserved, the NYISO corrected prices in 386 hours in February, 36 hours in March, 274 hours in April and 42 hours in the first thirteen days of May.¹

Testing of Adequacy of Price Determinations

The NYISO is fully complying with the ten-day price correction deadline authorized by the Commission for corrections since March 8, 2005. Most of these corrections have been made within five days of the reservation date although price corrections for 17 days required more than five days after the relevant price reservations.

¹ The Price Correction and Reservation Summary charts were prepared on May 20, 2005 and reflect correction activity through May 13th and reservation activity through May 19th.

Status of Software Corrections

All of the software problems identified in the NYISO's March 9, 2005 Request for Expedited Action and for Waivers have been corrected. The NYISO has subsequently identified additional software problems and has corrected all but two. The two remaining unresolved software problems are:

- **Desired Net Interchange ("DNI") Constraints Affecting External Proxy Pricing**
In certain hours when there is a Desired Net Interchange ("DNI") Constraint, the Real-Time Dispatch ("RTD") software is not properly implementing the tariff rule for pricing at External Proxy Buses. The software correction for this DNI issue has been developed and is in the process of being tested by the NYISO's Quality Assurance department. The NYISO expects that this correction will be implemented in June of 2005.
- **RTD-CAM Pricing Anomaly**
The NYISO is also pursuing a correction for a pricing anomaly that it discovered in its RTD-CAM software. The NYISO is awaiting return of the software fix from its developer. Testing by the NYISO's Quality Assurance department is scheduled to start in late May, with implementation expected in June, 2005.

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 Cochrane
Connie N. Caldwell
Michael A. Bardee

Price reservation and correction summary:
 For Dates 2/1/2005 through 5/19/2005 (as of 5/20/2005)

KEY:

	reserved
	reserved and corrected
	reserved and released

February	HB																							Hours Reserved	Hours With Corrections	Hours Released		
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22					23
2/1/2005																									24	24	0	
2/2/2005																									24	24	0	
2/3/2005																									24	24	0	
2/4/2005																									24	21	3	
2/5/2005																									24	12	12	
2/6/2005																									24	11	13	
2/7/2005																									24	15	9	
2/8/2005																									24	21	3	
2/9/2005																									24	13	11	
2/10/2005																									24	18	6	
2/11/2005																									24	21	3	
2/12/2005																									24	20	4	
2/13/2005																									24	12	12	
2/14/2005																									24	22	2	
2/15/2005																									24	13	11	
2/16/2005																									24	12	12	
2/17/2005																									24	14	10	
2/18/2005																									24	18	6	
2/19/2005																									24	13	11	
2/20/2005																									24	9	15	
2/21/2005																									24	14	10	
2/22/2005																									24	18	6	
2/23/2005																									24	15	9	
2/24/2005																									8	2	6	
2/25/2005																									10	0	10	
2/26/2005																									0	0	0	
2/27/2005																									1	0	1	
2/28/2005																									2	0	2	
Monthly Totals																								573	386	187	Total	
																								20.5	13.8	6.7	Average	
																								24	24	15	Max	
																								0	0	0	Min	

March	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	Hours Reserved	Hours With Corrections	Hours Released	
3/1/2005								█	█			█				█	█		█	█	█				9	0	9	
3/2/2005								█	█	█								█		█					4	0	4	
3/3/2005								█								█	█				█				4	1	3	
3/4/2005											█														1	0	1	
3/5/2005																								█	1	0	1	
3/6/2005	█																							█	2	0	2	
3/7/2005											█	█													2	0	2	
3/8/2005									█			█								█	█				4	0	4	
3/9/2005													█						█	█			█	█	5	3	2	
3/10/2005	█													█	█										3	1	1	
3/11/2005	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█			█	█						17	6	11	
3/12/2005																			█						1	0	1	
3/13/2005																									1	0	1	
3/14/2005												█	█				█	█							4	0	4	
3/15/2005	█																				█				2	0	2	
3/16/2005				█						█	█			█									█		6	1	4	
3/17/2005								█																█	2	1	1	
3/18/2005	█																		█		█		█		5	2	3	
3/19/2005	█			█				█						█					█	█	█	█	█	█	11	1	10	
3/20/2005					█	█	█								█	█	█	█		█	█	█	█	█	9	1	8	
3/21/2005					█	█	█	█	█						█			█						█	7	0	7	
3/22/2005						█		█									█	█			█	█	█		7	1	6	
3/23/2005					█			█											█	█					5	0	5	
3/24/2005						█			█	█	█								█	█	█	█	█		6	0	6	
3/25/2005									█	█	█	█							█	█	█	█	█	█	7	0	7	
3/26/2005	█	█															█	█	█	█	█	█	█	█	10	6	4	
3/27/2005	█										█					█			█	█	█	█	█		7	0	7	
3/28/2005	█																						█		2	0	2	
3/29/2005									█	█									█					█	4	1	3	
3/30/2005		█			█																			█	2	2	0	
3/31/2005					█										█	█	█	█	█	█	█			█	9	9	0	
Monthly Totals																									159	36	121	Total
																									5.1	1.2	3.9	Average
																									17	9	11	Max
																									1	0	0	Min

April	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	Hours Reserved	Hours With Corrections	Hours Released	
4/1/2005																									24	24	0	
4/2/2005																										24	24	0
4/3/2005																										24	24	0
4/4/2005																										24	24	0
4/5/2005																										17	14	10
4/6/2005																										7	2	5
4/7/2005																										7	2	5
4/8/2005																										6	2	4
4/9/2005																										24	24	0
4/10/2005																										24	24	0
4/11/2005																										17	16	1
4/12/2005																										5	1	4
4/13/2005																										3	2	1
4/14/2005																										10	2	8
4/15/2005																										4	0	4
4/16/2005																										4	2	2
4/17/2005																										2	0	2
4/18/2005																										21	21	0
4/19/2005																										19	18	1
4/20/2005																										9	2	7
4/21/2005																										3	1	2
4/22/2005																										0	0	0
4/23/2005																										3	3	0
4/24/2005																										1	1	0
4/25/2005																										4	2	2
4/26/2005																										20	19	1
4/27/2005																										17	13	4
4/28/2005																										6	3	3
4/29/2005																										9	2	7
4/30/2005																										4	2	2
Monthly Totals																										342	274	75 Total
																										11.4	9.1	2.5 Average
																										24	24	10 Max
																										0	0	0 Min

MAY	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	Hours Reserved	Hours With Corrections	Hours Released		
5/1/2005						6																6	6		3	3	0		
5/2/2005	6		6	6		6				6	6	6	6				6					6	6	6	6	16	10	3	
5/3/2005	6		6	6	6							6										6	6	6	6	8	4	4	
5/4/2005						6	6	6		6												6	6	6	6	6	5	1	
5/5/2005		6	6	6	6	6	6		6	6						6					6	6	6	6	6	13	4	9	
5/6/2005	6	6	6	6	6	6	6				6	6	6									6	6	6	6	14	3	11	
5/7/2005																										0	0	0	
5/8/2005																								6		1	0	1	
5/9/2005				6		6				6	6											6	6	6	6	9	3	6	
5/10/2005		6				6	6	6	6	6							6					6	6	6	6	8	6	3	
5/11/2005	6								6								6					6	6	6	6	4	1	3	
5/12/2005		6	6	6	6	6			6				6	6				6				6	6	6	6	12	2	10	
5/13/2005						6	6	6														6	6	6	6	5	1	4	
5/14/2005		6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	16			
5/15/2005	6				6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	15			
5/16/2005					6	6																6	6	6	6	3			
5/17/2005	6					6							6									6	6	6	6	5			
5/18/2005	6	6				6	6	6							6							6	6	6	6	10			
5/19/2005		6	6	6	6	6					6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	10			
5/20/2005																													
5/21/2005																													
5/22/2005																													
5/23/2005																													
5/24/2005																													
5/25/2005																													
5/26/2005																													
5/27/2005																													
5/28/2005																													
5/29/2005																													
5/30/2005																													
5/31/2005																													
Monthly Totals																										158	42	55	Total
																										8.3	3.2	4.2	Average
																										16	10	11	Max
																										0	0	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 23rd day of May, 2005.

/s/ Alex M. Schnell _____
Alex M. Schnell
290 Washington Avenue Extension
Albany, NY 12203