

May 10, 2005

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

Re: Proposed Tariff Revisions Enabling Generic Implementation of Scheduled Lines and Implementing the Cross-Sound Cable as a Scheduled Line of the New York Independent System Operator, Inc. Docket No. ER05-727-000

Dear Secretary Salas:

On March 25, 2005 the New York Independent System Operator (“NYISO”) filed proposed tariff revisions in which it sought authority to implement the Cross-Sound Cable as the NYISO’s first Scheduled Line. On page three of its transmittal letter the NYISO committed to “provide at least two weeks notice to the Commission, to ISO-NE and to all Market Participants before it implements the new market rules and implements the Cross-Sound Scheduled Line as its first Scheduled Line.” In compliance with its earlier commitment, pending Commission acceptance of its proposed tariff revisions, the NYISO hereby provides the promised notice to the Commission, ISO-NE and its Market Participants.

On or about May 24, 2005 the NYISO expects to deploy the software necessary to implement the Cross-Sound Cable as a Scheduled Line. In order to ensure a secure deployment of its first Scheduled Line,¹ the NYISO intends to implement the Cross-Sound Scheduled Line in steps. First, on or about May 24, 2005, the NYISO will permit the Long Island Power Authority (“LIPA”) to begin bidding Real-Time transactions at the proxy bus that is associated with the Cross-Sound Scheduled Line. Next, the NYISO will permit LIPA to submit Day-Ahead bids at the proxy bus. During the time period when the NYISO is only permitting LIPA to submit bids (and has available as backup the capability to accept LIPA’s generator and load bids for the Cross-Sound Cable), the NYISO has asked Cross-Sound Cable, LLC (“CSC, LLC”) and the New England Independent System Operator (“ISO-NE”) not to enable entities other than LIPA to obtain Advance Reservations for the use of the Cross-Sound Scheduled Line from the CSC, LLC node of the ISO-NE OASIS.

¹ The Cross-Sound Cable is presently modeled in the NYISO’s system as a generator rather than as a true proxy bus. As a precaution, the NYISO will temporarily retain the capability to permit LIPA to bid the Cross-Sound Cable as a generator.

Pending Commission acceptance of its proposed tariff revisions, on or after June 1, 2005 the NYISO expects that it will be ready to open the Cross-Sound Scheduled Line to bidding by third parties. The NYISO intends to begin evaluating third party bids in the Real-Time Market, and will naturally progress to evaluating Day-Ahead bids as third parties begin to submit them. The NYISO hereby commits to provide additional notice to the Commission, to ISO-NE and to its Market Participants at least two days before it is ready to begin evaluating the submission of proposed External Transactions by third parties.

Respectfully submitted,

/s/ Alex M. Schnell
Alex M. Schnell
New York Independent System Operator, Inc.

cc: Daniel L. Larcamp
Anna Cochrane
Connie N. Caldwell
Michael A. Bardee

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 10th day of May, 2005.

/s/ Alex M. Schnell
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