

E-FILED

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

H.Q. Energy Services (U.S.), Inc.,)	Docket Nos. EL01-19-002
)	EL01-19-003
v.)	
)	
New York Independent System Operator, Inc.)	
)	
)	
PSEG Energy Resources & Trade LLC)	EL02-16-002
)	EL02-16-003
v.)	
)	
New York Independent System Operator, Inc.)	

**MOTION OF
THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
FOR EXTENSION OF TIME TO SUBMIT REFUND REPORT**

Pursuant to Rules 212 and 2008 of the Commission’s Rules of Practice and Procedure,¹ the New York Independent System Operator, Inc. (“NYISO”) hereby respectfully requests an extension of time until June 2, 2005, to submit its refund report recalculating the market clearing prices for energy in the Real-Time Market on May 8 and 9, 2000, in compliance with ordering paragraph “B” of the Commission’s March 4, 2005 Order (“March 4 Order”) in the above-captioned proceeding.²

¹ 18 C.F.R. §§ 385.212 and 385.2008.

² *H.Q. Energy Services (U.S.), Inc. v. New York Independent System Operator, Inc.*, 110 FERC ¶ 61,243 (2005).

I. Copies of Correspondence

Communications regarding this proceeding should be served on:

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II. Background

In *PSEG Energy Resources & Trade LLC v. FERC*,³ the D.C. Circuit remanded the Commission's orders in the above dockets to allow the Commission to address whether or not the NYISO appropriately implemented its Temporary Extraordinary Procedures ("TEP") authority in light of the argument of PSEG Energy Resources & Trade LLC ("PSEG") that there was no market design flaw because the New York Power Authority ("NYPA") could have achieved the result it desired by withholding its bid from the Real-Time Market on May 8 and 9, 2000.⁴ On remand, the NYISO filed a motion to reopen the record to submit additional support showing that NYPA could not have reflected its bidding preferences under the then-existing market design.⁵ PSEG and others submitted comments and protests to the NYISO's motion.

³ 360 F.3d 200 (D.C. Cir. 2004) ("PSEG Case").

⁴ *PSEG Case* at 204.

⁵ *H.Q. Energy Services (U.S.), Inc. v. New York Independent System Operator, Inc.*, Motion of the New York Independent System Operator, Inc. to Reopen Record and for Disposition on Remand, Docket Nos. EL01-19-000, EL01-19-001, EL02-16-000, EL02-16-001 (Aug. 20, 2004).

On March 4, 2005, the Commission issued its order on remand and found that the NYISO did not appropriately implement its TEP authority. The Commission therefore directed the NYISO to file a refund report with the Commission by April 4, 2005.⁶

III. Motion for Extension of Time to Submit Refund Report

In working to comply with the March 4 Order, the NYISO and its advisors have concluded that recalculating the market clearing prices for energy in the Real-Time Market from five years ago presents a number of complex issues that the NYISO must carefully work through to ensure that the original prices are properly determined. The NYISO must recover, and then analyze, five-year-old data in order to reconstruct the market. This will include information from both electronic data archives and paper files, since it will be necessary to ensure that any routine price corrections that were rendered moot by the TEP price changes are properly implemented, so that the reinstated prices are both correct and consistent with prices in surrounding intervals. In addition, the knowledgeable personnel at the NYISO and its consultant, LECG LLC (“LECG”), are extensively engaged in pending NYISO efforts relating to the correction of errors in price determinations resulting from certain problems encountered in the implementation of the NYISO’s Standard Market Design version 2 software (“SMD2”).⁷

The NYISO, in consultation with LECG, believes that the price redetermination process for May 8 and 9, 2000, can be completed by not later than June 2, 2005, or 60 days from the filing date specified in the March 4 Order. Accordingly, the NYISO respectfully requests an

⁶ March 4 Order at Ordering Paragraph B.

⁷ See *New York Independent System Operator, Inc.*, Request for Expedited Action and for Waivers of the New York Independent System Operator, Inc., Docket No. ER04-230-001 (Mar. 9, 2005).

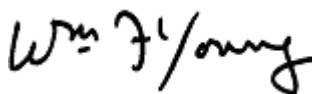
extension of time until June 2, 2005, to complete its report on the reinstated prices for May 8 and 9, 2000, at the levels that would have prevailed absent the TEP.⁸

IV. Conclusion

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission grant its request for an extension of time, until June 2, 2005, to submit its refund report on the original market clearing prices for energy in the Real-Time Market on May 8 and 9, 2000.

Respectfully submitted,
NEW YORK INDEPENDENT
SYSTEM OPERATOR, INC.

By:



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March 22, 2005

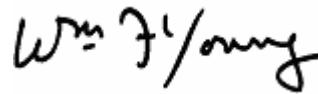
cc: Daniel L. Larcamp
Anna Cochrane
Connie N. Caldwell
Michael A. Bardee

⁸ Those prices would then provide the basis for the generation by the NYISO's billing department of corrected bills for May 8 and 9, 2000.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service lists compiled by the Secretary in Docket Nos. EL01-19-002, EL01-19-003, EL02-16-002, EL02-16-003, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 2010.

Dated at Washington, D.C., this 22nd day of March 2005.



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