

WILLIAM F. YOUNG
E-MAIL: BYOUNG@HUNTON.COM

FILE NO.: 55430.000003
DIRECT DIAL: (202) 955-1684

June 15, 2000

By Hand

The Honorable David P. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

New York Independent System Operator, Inc.
Docket No. ER00-1969-000

Dear Mr. Boergers:

Pursuant to the Commission's May 31, 2000 Order in Docket No. ER00-1969-000, the New York Independent System Operator, Inc. ("NYISO"), by counsel, hereby submits a compliance filing to revise portions of its Market Administration and Control Area Services Tariff ("Services Tariff") dealing with operation of a reserves market.

List of Documents Submitted

The NYISO submits the following documents:

1. this filing letter;
2. revised tariff sheets (Attachment I);
3. a redlined version comparison of the revised tariff sheets to the currently effective tariff sheets (Attachment II);
4. a form of *Federal Register* Notice (Attachment III).

Copies of Correspondence

Copies of correspondence concerning this filing should be served on:

Robert E. Fernandez, Esquire
General Counsel
John P. Buechler
Director of Regulatory Affairs
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

William F. Young
Linda L. Walsh
Hunton & Williams
1900 K Street, NW
Suite 1200
Washington, DC 20006

Proposed Effective Date

The NYISO proposes to make this filing effective on May 31, 2000, the date of the Commission's Order ("the Order").

Names and Addresses of Persons to Whom a Copy of the Filing Has Been Mailed

A copy of the filing is being sent to all signatories to the NYISO Services Tariff.

Brief Description of the Revisions

For the reasons described in the next section hereof, the NYISO is making changes to its Services Tariff.

Statement of the Reasons for the Tariff Changes

A. Mandatory Bidding Requirements. Revisions to pages 79 and 79A implement the provisions of the Order restricting the mandatory bid requirement to 10-minute non-spinning reserves facilities located east of the central-east constraint. Units that can demonstrate legal, environmental, physical or contractual requirements that restrict their bidding do not have to bid in the 10-minute non-spinning reserves market.¹

B. Setting Prices for Non-Spinning Reserves. The NYISO has revised Rate Schedule 4, page 137A in particular, to clarify how prices are set in the non-spinning reserves market. Revisions to page 52 also provide detail on the determination of non-spinning reserves prices.

C. Price Caps. The NYISO removes price caps in the spinning reserves markets with revisions to pages 138 and 139.

¹ The NYISO's March 27, 2000 filing revised tariff language that was in effect on that date. The Commission, on March 31, 2000, accepted another filing, filed February 1, 2000, that revised some of the same tariff provisions. The tariff revisions in this compliance filing modify the tariff as it was in effect on March 31, 2000.

D. Payments for Lost Opportunity Costs. Pursuant to the Order, to replicate arrangements for suppliers of spinning reserves, page 147 is revised to provide for the payment of lost opportunity costs to suppliers of non-spinning reserves.

E. Grammatical and Stylistic Changes. Several additional, non-substantive changes are proposed, dealing only with style and grammar. These changes are indicated in the redline comparison.

No Costs Relating to Discriminatory Employment Practices

The NYISO has no expenses or costs that have been alleged or judged to be illegal, duplicate, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

Compliance With Order No. 614

The Commission's May 31, 2000 Order required this compliance filing within 15 days. Given the limited time period, the NYISO has complied with the Commission's new tariff designation rules for the sheets included in this filing. The NYISO has not had the opportunity to redesignate and redesign its entire tariff pursuant to the new rules.

Federal Register Notice

A form of *Federal Register* Notice is provided as Attachment III hereto. A diskette of the notice is also provided in WordPerfect format.

Respectfully submitted,

William F. Young
Counsel for
New York Independent System Operator, Inc.

cc: Signatories to the NYISO Services Tariff

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.) Docket No. _____

NOTICE OF FILING

Take notice that on June 15, 2000, the New York Independent System Operator, Inc. (“NYISO”) filed Revisions to its Market Administration and Control Area Services Tariff in a compliance filing made pursuant to the order of the Federal Energy Regulatory Commission in Docket No. ER00-1969-000 on May 31, 2000. The NYISO requests an effective date of May 31, 2000 and waiver of notice requirements.

A copy of this filing was served upon all persons who have signed the NYISO Market Administration and Control Area Services Tariff.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385.214). All such motions or protests should be filed on or before _____. 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 motion to intervene. Copies of this application are on file with the Commission and are available for public inspection.

David P. Boergers
Secretary