

February 19, 2013

Jeffrey C. Cohen
Acting Secretary
Public Service Commission
3 Empire State Plaza
Albany, New York 12223

**Re: Verified Report of Construction Loan Costs and Expenses
CASE 12-E-0168 – Petition of the New York Independent System Operator, Inc. for
Authorization to Incur Indebtedness for a Term in Excess of Twelve Months.**

Dear Mr. Cohen,

The Public Service Commission of the State of New York issued an order on July 12, 2012, in the above-referenced proceeding authorizing the NYISO's request to enter into a 19-year unsecured loan with KeyBank and Citizens Bank for up to \$45,000,000 for the purpose of renovations and construction at the NYISO's Krey Boulevard and Carman Road facilities.

Ordering Clause 1 (b) of the July 12th order requires the NYISO submit an update of the verified report pursuant to Ordering Clause 1 (a), every four months for all costs and expenses associated with the credit facility.

1. NYISO incurred \$268,572 in total costs and expenses related to this credit facility, of which \$264,372 was previously reported in our letter dated October 18, 2012, as follows:

<u>Type of Fees</u>	<u>\$ Amount</u>	<u>Payee</u>
Commitment and administration fee	\$225,500	KeyBank N.A.
Agent counsel fees	\$36,490	Phillips Lytle LLP
Construction monitoring services	\$3,300	Northeast Construction Monitoring Services
Draw fees	\$3,000	KeyBank N.A.
Title insurance charges and fees	\$282	Chicago Title Insurance Company
TOTAL COSTS	\$268,572	

2. As of the date of this letter, there have been \$20,762,631 of principal borrowings on this credit facility.

Please contact me with any questions at 518-356-6125 or mmcgarvey@nyiso.com.

New York Independent System Operator, Inc.

I, Mary K. McGarvey, do hereby affirm that the contents of this document are true to the best of my knowledge.

Signed: /s/ Mary K. McGarvey
Mary K. McGarvey, Vice President & CFO

Date: February 19, 2013