

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

Issued: 7/30/04

To: New York Independent System Operator

Docket No. ER04-932-000

RE: Filing of Revised Tariff Sheets that Update Creditworthiness Requirements

On June 16, 2004, the New York Independent System Operator, Inc. (NYISO) submitted for filing revised tariff sheets (as listed on the Attachment) updating its creditworthiness requirements. NYISO states that the revised sheets add a component to the Operating Requirement¹ so that certain transmission charges currently billed and collected by transmission owners will be addressed by the NYISO's customer creditworthiness requirements. NYISO states that these revisions will provide the necessary protection from default of transmission charges due to the transmission owners and clarification of the NYISO's authority to terminate customers who fail to pay certain transmission charges to the transmission owners. NYISO further states that the revisions clarify that the unsecured credit starting point for certain affiliated municipal electric systems is the aggregate of the unsecured credit starting points of its individual members. NYISO states that this revision makes explicit what the NYISO believes was implied in the existing tariffs.

Pursuant to authority delegated to the Director, Division of Tariffs and Market Development - East, under 18 C.F.R. 375.307, the NYISO's revised tariff sheets that update its creditworthiness requirements are accepted effective August 16, 2004, as requested.

Notice of the filing was published in the Federal Register with interventions, comments, or protests due on or before July 7, 2004. Under 18 C.F.R. 385.210, interventions are timely if made within the time prescribed by the Secretary. Under 18 C.F.R. 385.214, the filing of a timely motion to intervene makes the movant a party to the proceeding, if no answer in opposition is filed within fifteen days. The filing of a timely notice of intervention makes a State Commission a party to the proceeding. No adverse comments or protests were received.

¹ The Operating Requirement reflects the nonpayment exposure attributable to each customer based on the customer's activity in each of the NYISO's markets; there is an Energy and Ancillary Services component, an Unforced Capacity component, a Transmission Congestion Charge component, a Bid component, and a proposed Wholesale Transmission Services Charge component.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against NYISO.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. 385.713.

Sincerely,

Alice Fernandez, Director
Division of Tariffs and Market
Development – East

cc: All Parties

Attachment

New York Independent System Operator, Inc.
FERC Electric Tariff
Original Volume No. 1

Third Revised Sheet No. 8
First Revised Sheet No. 55
Second Revised Sheet No. 723
Third Revised Sheet No. 727
Original Sheet No. 727A
First Revised Sheet No. 729B
Second Revised Sheet No. 735
Original Sheet No. 735A
Original Sheet No. 735B
Original Sheet No. 735C
First Revised Sheet No. 706
Third Revised Sheet No. 707
Original Sheet No. 707.00
Second Revised Sheet No. 707A

New York Independent System Operator, Inc.
FERC Electric Tariff
Original Volume No. 2

Fourth Revised Sheet No. 7
Second Revised Sheet No. 74
Second Revised Sheet No. 495
Third Revised Sheet No. 499
Original Sheet No. 499A
First Revised Sheet No. 501A
Original Sheet No. 501B
Second Revised Sheet No. 506
Original Sheet No. 506A
Original Sheet No. 506B
Original Sheet No. 506C