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FILE NO: 55430.000044

January 16, 2003

BY HAND

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Refund Report in Docket Nos. ER97-1523-063, OA97-470-058 and ER97-4234-056 and Request for Confidential Treatment

Dear Ms. Salas:

The New York Independent System Operator, Inc. (“NYISO”) hereby tenders an original and fourteen (14) copies of this filing in compliance with the Federal Energy Regulatory Commission’s (the “Commission”) November 1, 2002, order¹ (“Refund Order”) in the above-captioned proceedings, in which the Commission approved the refund of the New York Power Authority (“NYPA”) Transmission Adjustment Charge (“NTAC”) under the NYISO’s Open Access Transmission Tariff (“OATT”).

This refund stems from the settlement of a dispute over the amount of NTAC that NYPA charges transmission customers. The NTAC is collected for NYPA by the NYISO pursuant to the NYISO’s OATT.² The settlement states that, in 2001 and part of 2002, the monthly NTAC collections exceeded the monthly NTAC revenue requirement. The Refund Order therefore requires NYPA to refund monies to the NYISO, and the NYISO to return the monies to the appropriate transmission customers based upon the NYISO’s records of specific transmission transactions.

NYPA refunded \$26,707,611.99 to the NYISO on December 16, 2002, through a NYISO charge to NYPA’s account. As directed by the Commission’s order, NYISO refunded to applicable transmission customers all amounts over-collected on behalf of NYPA for the period

¹ 101 FERC ¶ 61,136 (2002).

² See Open Access Transmission Tariff, Section 7B.4.



The Honorable Magalie R. Salas
January 16, 2003
Page 2

from January 1, 2001, through October 31, 2002. This refund was made on December 19, 2002. Attachment A summarizes the amount refunded to NYPA transmission customers collectively for the NTAC in each of the relevant months in 2001 and 2002.

Attachment B details the refunds paid for each impacted transmission customer, and contains confidential information. It has been created by the NYISO from transactional information available only to the NYISO. NYPA supplied the NYISO with the total refund due to all impacted transmission customers for each year, but NYPA is unable to calculate customer-specific refund amounts. The NYISO is providing such confidential information pursuant to Section 4.0 of the NYISO's Code of Conduct ("Code of Conduct"), filed as Attachment F to the OATT, which authorizes the NYISO to disclose confidential information upon request from the Commission.

The NYISO requests that Attachment B to this filing, labeled as containing confidential information, be withheld from public disclosure. It is appropriate to treat Attachment B as confidential pursuant to 18 C.F.R. §§ 388.107(d), 388.112 (2001) and 5 U.S.C. § 552(b)(4) (2001). Specifically, these provisions exempt from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential."³ Attachment B contains confidential information that would be extremely valuable to competitors and would be nearly impossible to acquire through means other than disclosure resulting from this filing. Robert E. Fernandez, General Counsel, shall serve as the NYISO's contact person regarding this request for privileged treatment of the information. Mr. Fernandez can be reached at:

New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, New York 12303
(518) 356-6000 - telephone
(518) 356-4702 - facsimile

³ See 18 C.F.R. § 388.107(d) (2001); 5 U.S.C. § 552(b)(4) (2001).

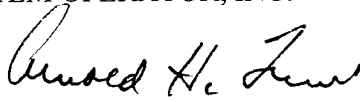


The Honorable Magalie R. Salas
January 16, 2003
Page 3

A form of Federal Register Notice is also attached. Copies of this filing are being served on all parties listed on the official service list maintained by the Secretary of the Commission in docket numbers ER97-1523-063, OA97-470-058 and ER97-4234-056.

Respectfully submitted,

NEW YORK INDEPENDENT
SYSTEM OPERATOR, INC.

By 
Counsel

Arnold H. Quint
Ted J. Murphy
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Washington, D.C. 20006

Of Counsel

cc: Daniel L. Larcamp, Director Office of Markets, Tariffs and Rates, Room 8A-01,
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Stanley P. Wolf, Office of the General Counsel, Room 101-03,
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ATTACHMENT A

2001 - 2002 NTAC REFUND: MONTHLY BREAKDOWN

Month of Over-Charge	Amount of NTAC Refunded
January 2001	\$1,358,390
February 2001	\$402,350
March 2001	\$1,569,688
April 2001	\$385,340
May 2001	\$964,688
June 2001	\$1,348,567
July 2001	\$1,059,977
August 2001	\$1,861,944
September 2001	\$776,066
October 2001	\$592,870
November 2001	\$440,128
December 2001	\$1,019,834
January 2002	\$1,104,047
February 2002	\$279,976
March 2002	\$615,795
April 2002	\$342,478
May 2002	\$584,797
June 2002	\$1,603,076
July 2002	\$5,302,284
August 2002	\$2,612,632
September 2002	\$1,313,082
October 2002	\$1,169,603
TOTAL	\$26,707,611.99

ATTACHMENT B
SUMMARY OF NTAC REFUNDS

[information removed for privileged treatment]

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

New York Independent System Operator, Inc.

**Docket Nos. ER97-1523-063
OA97-470-058
ER97-4234-056**

NOTICE OF FILING

Take notice that on January 16, 2003, the New York Independent System Operator, Inc. ("NYISO"), tendered for filing a refund report, in connection with the Commission's November 1, 2002, Order in the above-referenced dockets.

The NYISO has served a copy of this filing to all parties listed on the official service list maintained by the Secretary of the Commission in docket numbers ER97-1523-063, OA97-470-058, and ER97-4234-056.

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, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 224 of the Commission's Rules of Practice and Procedure (18 CFR §§ 385.211 and 385.214). Protests will be considered by the Commission to determine 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. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's website at www.ferc.gov, using the FERRIS link. Enter the docket number excluding the last three digits in the docket number filed to access the document. For assistance, call (202) 502-8222 or TTY, (202) 208-1659. Protests and interventions may be filed electronically via the Internet in lieu of paper. *See*, 18 CFR 385.2001(a)(I)(iii) and the instructions on the Commission's website under the "e-filing" link. The Commission strongly encourages electronic filings.

Comment date:

Magalie R. Salas
Secretary

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties listed on the official service list maintained by the Secretary of the Commission in docket numbers ER97-1523-063, OA97-470-058, and ER97-4234-056 in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure 18 C.F.R. § 385.2010 (2002).

Dated at Washington, D.C. this 16th day of January, 2003.



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