

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKETS AND RELIABILITY

In Reply Refer To:
New York Independent System Operator, Inc.
Docket No. ER07-1033-000
8/7/07

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Attention: Mollie Lampi, Assistant General Counsel
New York Independent System Operator, Inc.

Reference: Tariff Revisions Regarding the Calculation of Supplemental Event Credit
and Bid Production Cost Guarantee Payments, and related Request for
Waiver

Dear Ms. Lampi:

On June 13, 2007, the New York Independent System Operator, Inc. (NYISO) submitted revised tariff sheets¹ to its Market Administration and Control Area Services Tariff (Services Tariff) to revise the methodology by which NYISO treats start-up costs in its two cost-guarantee payments, (1) the supplemental event credit (SEC) for generators started by NYISO in an hour in which NYISO also calls a large event reserve pick-up or a maximum generation pick-up, and (2) the more broadly available real time bid production cost guarantee (RT BPCG). Additionally, NYISO seeks waiver of Subpart B of Attachment C of its Services Tariff in order to calculate the SECs and RT BPCGs pursuant to this revised calculation methodology for all open invoice months. NYISO's proposed revisions are accepted for filing, and NYISO is granted a waiver of the Commission's notice requirements to allow the tariff sheets to be effective on February 1, 2005 to allow the SECs and RT BPCGs to be calculated as proposed.

NYISO states that, while reviewing potential software and tariff changes that would be necessary to implement an interval-level supplemental payment to generators in

¹ See Appendix for list of tariff sheets.

other circumstances, NYISO discovered a discrepancy between the manner in which NYISO's software calculates the SEC and RT BPCG and the manner for doing so that is prescribed in NYISO's Services Tariff. Specifically, NYISO's software includes a units entire start-up costs in its RT BPCG while NYISO's tariff requires it to pro rate start-up costs between the SEC and the RT BPCG calculations. NYISO states that its proposed changes, which were unanimously approved by its Management Committee, would revise its Tariff to provide that the SEC and RT BPCG payments are to be calculated as currently specified in the settlement software.

Public notice of the filing was issued June 20, 2007, with comments, protests, or interventions due on or before July 5, 2007. No protests or adverse comments were filed.

This acceptance for filing shall not be construed as constituting approval of any rate, charge, classification, or any rule, regulation, 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 acceptance 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 your company.

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,

Larry Gasteiger, Director
Division of Tariffs and Market
Development - East

cc: Public File
All Parties

New York Independent System Operator, Inc.
FERC Electric Tariff
Original Volume No. 2
Tariff Sheets Accepted Effective February 1, 2005

Fourth Revised Sheet No. 422
Third Revised Sheet No. 422A
Third Revised Sheet No. 423.01