

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

Office of Markets, Tariffs, and Rates

February 4, 2003

In Reply Refer to:
New York Independent System Operator, Inc.
Docket No. ER03-328-000

Hunton & Williams
Attention: Ted J. Murphy, Esquire
Counsel for New York Independent System Operator, Inc.
1900 K Street, N.W.
Washington, DC 20006

Re: Proposed Tariff Revisions

Dear Mr. Murphy:

On December 23, 2002, you filed, on behalf of New York Independent System Operator, Inc. (NYISO), proposed revisions to the NYISO's Market Administration and Control Area Services Tariff (Services Tariff)¹ and its Open Access Transmission Tariff (OATT)².

You state that these changes are to the provisions regarding challenges and final corrections to settlement information. You also state that these proposed revisions will also allow inter-party reconciliation of a corrected settlement rather than requiring charges to customers that otherwise would have been unaffected by the settlement. NYISO states that its management committee unanimously approved, with abstentions, the proposed revisions on December 16, 2002. On the same day, the NYISO's Board of Directors approved a motion to file the proposed tariff revisions. Pursuant to authority delegated to the Director, OMTR/Division of Tariffs & Market Development - East,

¹New York Independent System Operator, Inc. FERC Electric Tariff, Original Volume No. 2.

²New York Independent System Operator, Inc. FERC Electric Tariff, Original Volume No. 1.

under 18 C.F.R. 375.307, NYISO's submittal in the above referenced docket is accepted for filing with the requested effective date subject to the discussion below.

The filing was noticed on December 27, 2002, with comments, protests, or interventions due on or before January 13, 2003. Reliant Resources, Inc. and Keyspan-Ravenswood, LLC filed timely motions to intervene that raised no substantive issues. Multiple Intervenors filed a timely motion to intervene and comments in support of NYISO's filing.

The New York Transmission Owners³ filed a timely motion to intervene and comments in support of NYISO's filing subject to one clarification. The New York Transmission Owners state that the NYISO filing requests an effective date of January 10, 2003 to "apply this improved method of reconciling successful settlement challenges to it January 2003 invoice," but the management committee motion that was approved by the stakeholders provided that the NYISO shall apply the changes to the January 2003 "bill challenge" invoices, which include invoices related to charges that date back to December 1999 and thereafter. The New York Transmission Owners state that counsel to the NYISO has authorized counsel to the New York Transmission Owners to state that the NYISO agrees that these changes will apply to invoices issued by the NYISO for the charges for the period of December 1999 and thereafter. The NYISO does not dispute this claim. Therefore, the New York Transmission Owners' clarification is granted. No changes to the proposed tariff sheets are necessary since the New York Transmission Owners' clarification is already reflected in the proposed tariff changes.

³The New York Transmission Owners include Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., LIPA, New York Power Authority, New York State Electric & Gas Corp., Orange and Rockland Utilities, Inc., Rochester Gas and Electric Corp., and Niagara Mohawk Power Corp., all of which are members of the Transmission Owners Committee of the Energy Association of New York State.

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 action is taken pursuant to the authority delegated to the Director, Division of Tariffs & Market Development – East, under 18 C.F.R. § 375.307. 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 & Market
Development - East