

February 13, 2007

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

Re: Status Report Addressing Fix for Mitigation of Out-of-Merit Generators that Return to In-Merit Status; Docket Nos. ER07-33-000 and ER07-33-001

Dear Secretary Salas:

In accordance with paragraph 12 of the Federal Energy Regulatory Commission's ("Commission's") January 12, 2007 order in Docket Nos. ER07-33-000 and ER07-33-001 ("Order"),¹ the New York Independent System Operator, Inc. ("NYISO") hereby provides this "Status Report."

Docket No. ER07-33 addressed a rarely occurring flaw in the NYISO's software for applying conduct and impact tests to generators that are set Out-of-Merit ("OOM") for a period of time and then "manually" returned to in-merit status when the NYISO's operators cancel the generator's OOM schedule. The Commission's Order instructed the NYISO to file a status report within 30 days of deploying its software fix informing the Commission whether the fix was successful. The NYISO is pleased to report that, following its deployment of a software fix on January 16, 2007, the NYISO has observed that the mitigation software is timely and accurately applying the correct conduct and impact tests to generators that received OOM schedules and were subsequently "manually" returned to in-merit status by the actions of the NYISO's operators.

Please contact the undersigned with any questions regarding this Status Report.

Respectfully submitted,

/s/ Alex M. Schnell

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¹ New York Independent System Operator, Inc., 118 FERC ¶ 61,015 (2007).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing transmittal letter upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rensselaer, New York this 13th day of February, 2007.

/s/ Alex M. Schnell
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