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October 7, 1999

By Hand

The Honorable David P. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

New York Independent System Operator, Inc.
Revision of ISO Tariffs

Dear Mr. Boergers:

Pursuant to Section 205 of the Federal Power Act and 18 C.F.R. § 35.13 of the Commission's Rules and Regulations, the Member Systems of the New York Power Pool ("Member Systems") and the New York Independent System Operator, Inc. ("NYISO") hereby file revisions to the ISO Open Access Transmission Tariff ("ISO OATT") and the New York Independent System Operator Market Administration and Control Area Services Tariff ("ISO Services Tariff"). The three revised pages filed herein relate to two issues that were addressed as errata by the Member Systems on September 1, 1999 in Docket No. ER97-1523-015 and were the subject of protests by Sithe/Independence Power Partners, L.P. and Municipal Electric Utilities Association of New York State.

The Member Systems and the NYISO are preparing for prompt commencement of operations.¹ They do not want any dispute with respect to the errata filing to result in any confusion with respect to the applicable terms of the ISO OATT and ISO Services Tariff. By this filing the Member Systems and the NYISO are providing revised tariff sheets for both tariffs together with a more detailed description of the challenged changes. The Member Systems advised the Commission as a part of their answer filed on October 6, 1999 that the tariff changes being filed herewith were being withdrawn as errata.

Correspondence

¹ By letter dated August 18, 1999, counsel for the NYISO advised the Commission that operations would commence on October 12, 1999 and that the NYISO would issue a formal notice of start-up to all market participants at least two weeks before the actual start-up date. Since the notice has not been given, start-up will be after October 12, 1999 on a date not yet established by the NYISO Board of Directors.

Copies of all correspondence concerning this filing and the names to be added to the Commission's service list are provided on Attachment A hereto.

Documents Submitted

In addition to this filing letter, the following Revised Sheet to the ISO OATT is included in Attachment B hereto: Substitute First Revised Sheet No. 48. The following Revised Sheets to the ISO Services Tariff are included in Attachment C hereto: Substitute First Revised Sheet Nos. 51 and 87. Attachment D is a form of *Federal Register* Notice.

Explanation of Changes

Each of the changes should be accepted by the Commission for the following reasons:

ISO OATT Substitute First Revised Sheet No. 48 and ISO Services Tariff Substitute First Revised Sheet No. 87

As originally submitted to the Commission, the NYISO would have received payments and made payments on the same date.² The revisions to Sheet No. 48 of the ISO OATT and to Sheet No. 87 provide a one to four day separation, depending on weekends and holidays, between the date the ISO receives payments and the date on which the ISO makes payment. The difference between the first Business Day after the 15th day of the month and the first Business Day after the 19th day of the month will permit the NYISO to try to obtain any late payments to it before it is required to turn around and itself make payments. It is a matter of prudent cash management to allow a few days for the NYISO to match revenues with the NYISO's payments for services. The NYISO's line of credit deals with cash flows generally, but is not designed to satisfy a large mismatch in receipts and payments. The change also makes NYISO payment dates consistent with those in PJM and NEPOOL.

ISO Services Tariff Substitute First Revised Sheet No. 51

The revision to Sheet No. 51 is necessary for reliability purposes. The additional language would give the NYISO the authority to limit the amount of energy offered by a generator to that level the NYISO reasonably believes the generator is capable of producing. The NYISO prepares a Security Constrained Unit Commitment ("SCUC") on a day ahead basis. The authority requested by the NYISO would provide the NYISO with additional assurance that it will be able to serve the load. The NYISO cannot rely on energy that it does not believe is likely to be available.

Effective Date and Request for Waiver

² Billings to ISO customers combine billings under the ISO OATT and the ISO Services Tariff and net any amounts owed by the customer against amounts owed by the NYISO to the customer.

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The requested effective date is the date on which the NYISO commences operations. Because that date is likely to be less than 60 days from the date of this filing, the Member Systems and the NYISO request a waiver of the Commission's notice requirements to permit the tariff amendments filed herein to become effective when the NYISO commences operations.

Federal Register Notice

A form of *Federal Register* Notice is provided as Attachment D hereto. A copy of the notice is also being provided by disk in WordPerfect 5.1 format.

Respectfully submitted,

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Attachments

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Revised Sheet to
ISO Open Access Transmission Tariff

Substitute First Revised Sheet No. 48

Revised Sheets to
New York Independent System Operator
Market Administration and Control Area Services Tariff

Substitute First Revised Sheet No. 51

Substitute First Revised Sheet No. 87

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

New York Independent System Operator, Inc.)
)
Central Hudson Gas & Electric Corporation)
Consolidated Edison Company of New York, Inc.)
Long Island Lighting Company)
New York State Electric & Gas Corporation) Docket No. ER00-_____
Niagara Mohawk Power Corporation)
Orange & Rockland Utilities, Inc.)
Rochester Gas & Electric Corp.)
Power Authority of the State of New York)
)
New York Power Pool)

NOTICE OF FILING

Take notice that on October 7, 1999, the Member Systems of the New York Power Pool (“Member Systems”) and the New York Independent System Operator, Inc. (“NYISO”) filed revised sheets for the ISO Open Access Transmission Tariff and the New York Independent System Operator Market Administration and Control Area Service Tariff. The Member Systems and the NYISO request an effective date as the date on which the NYISO commences operations and request waiver of the Commission’s notice requirements.

A copy of this filing was served upon all persons on the Commission’s official service list in Docket No. ER97-1523-000 and the respective electric utility regulatory agencies in New York, New Jersey and Pennsylvania.

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, NE, Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385.214). All such motions or protests should be filed on or before _____. Protests will be considered by the Commission in determining 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. Copies of this application are on file with the Commission and are available for public inspection.

David P. Boergers
Secretary