

September 18, 2012

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: *New York Independent System Operator, Inc., Amendment to Proposed Tariff Revisions; Docket No. ER12-2598-00_.*

Dear Ms. Bose:

On September 7, 2012,¹ the New York Independent System Operator, Inc. (“NYISO”) submitted proposed tariff revisions in this docket to its Open Access Transmission Tariff (OATT) Rate Schedule 1 to enable the NYISO to access additional funds, when needed, in order to resolve shortfalls in revenues recovered from its Transmission Customers to fund the NYISO’s annual operating costs and Commission-assessed regulatory fees (“Operating Costs” or “budget”).

The NYISO has become aware of clarifications in the proposal that are necessary to avoid confusion. The further amendments that the NYISO is proposing herein add explanatory revisions to the tariff sections previously submitted but do not propose substantive changes to the proposal. Specifically, the NYISO proposes the following revisions:

The NYISO proposes to delete the word “fully” in Sections 6.1.2 and 6.1.2.5 to clarify the potential that the use of non-physical market activity contributions for ISO budget costs may not completely eliminate a previous year’s budget revenue shortfall.

The NYISO proposes to recognize, and accommodate, the likelihood that during a calendar year in which the NYISO is using non-physical market activity revenue to fund the previous year’s budget revenue shortfall, there will likely be one month where non-physical market activity revenue is used for two purposes. These revisions appear in the

¹ See: *New York Independent System Operator, Inc.* Docket No. ER12-2598-000, Letter to Secretary Bose from Mollie Lampi, 9/7/2012 (“September 7, 2012 Filing”)

definition of the term NonPhysicalActivityRevenue_p in Section 6.1.2.5. The revisions indicate that in the month in which the NYISO uses non-physical market activity revenue to complete the pay off of the previous year's budget revenue shortfall, the NYISO will rebate back to Transmission Customers with physical market activity the remaining balance of non-physical market activity revenue collected that month.

To further support this clarification, the NYISO proposes to change the second tariff reference in the opening paragraph of Section 6.1.2.5 from 6.1.2.2 to 6.1.2.

I. List of Documents Submitted

The NYISO submits the following documents:

1. This filing letter;
2. A clean version of the proposed revisions to the OATT (Attachment I); and
3. A blacklined version of the proposed revisions to the OATT (Attachment II).

II. Communications and Correspondence

All communications and service in this proceeding should be directed to:

Robert E. Fernandez, General Counsel
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* Persons designated for receipt of service.

III. Effective Date

The NYISO respectfully requests that the Commission accept the attached tariff revisions for filing with the same effective date as the Commission assigns to the tariff revisions that the NYISO submitted on September 7, 2012, January 1, 2013.

IV. Service

The NYISO will e-mail a copy of this filing to the official representative of each party to this proceeding, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, the NYISO will post this filing on the NYISO's website at www.nyiso.com and will e-mail the electronic link to the filing to each of its customers and to each participant of its stakeholder committees.

V. Conclusion

The NYISO respectfully requests that the Commission accept this erratum to the September 7 Filing in the above captioned proceeding to be effective January 1, 2013. Please do not hesitate to contact the undersigned should you have any questions.

Respectfully submitted,

/s/ Mollie Lampi

Mollie Lampi

Assistant General Counsel

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cc: Travis Allen
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Michael McLaughlin
Joseph McClelland
Daniel Nowak

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 18th day of September, 2012.

/s/ Mohsana Akter

Mohsana Akter
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