

September 3, 2010

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.*, Docket No.ER10-____ - ____
Proposed Tariff Clarifications regarding Generating Availability Data
System Sanctions**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act,¹ the New York Independent System Operator, Inc. (“NYISO”) hereby submits proposed amendments to its Market Administration and Control Area Services Tariff (“Services Tariff”) to revise provisions concerning Operating Data,² including GADS Data sanctions.

The Services Tariff provides that a failure to submit Operating Data is a basis for the NYISO to impose a financial sanction. The Services Tariff also sets forth the manner in which the sanction is calculated. The NYISO recently conducted an internal review of the Operating Data provisions in its Services Tariff and identified opportunities to improve and clarify certain tariff provisions.³ The NYISO proposes to revise the Services Tariff provisions listed in Section II of this filing.

This filing seeks to reorganize and clarify tariff provisions that govern the imposition of sanctions for failure to submit Operating Data. The proposed tariff revisions eliminate an inconsistency in the tariff provisions that address Operating Data sanctions, clarify the grounds upon which the NYISO imposes Operating Data sanctions, and clarify the manner in which such sanctions are calculated.

¹ 16 U.S.C. §824d (2000).

² Capitalized terms that are not otherwise defined herein have the meaning specified in the Services Tariff.

³ The NYISO conducted this internal review and is making this filing as part of an on-going comprehensive review of its tariffs to identify opportunities to improve and clarify tariff provisions.

These Tariff amendments have been approved by the NYISO's Management Committee.

I. Documents Submitted

1. This filing letter;
2. A clean version of the proposed revisions to the NYISO's Services Tariff; and
3. A blacklined version of the proposed revisions to the NYISO's Services Tariff

II. Description of Proposed Tariff Revisions

Revisions to Services Tariff

The NYISO proposes changes to the body of the Services Tariff to more accurately reflect the basis for and calculation of financial sanctions for failure to submit Operating Data, including GADS Data. The proposed clarifications are organizational or clarifying in nature and will aid the reader in understanding the sanctions applicable to Installed Capacity ("ICAP") Suppliers and Transmission Owners and the manner in which such sanctions are calculated.

The proposed changes to Section 5.12.12 move the imposition of sanctions for failure to submit Operating Data from Section 5.12.12.2 (the subsection addressing sanctions for failure to comply with scheduling, bidding or notification requirements) to Section 5.12.12.1 (the subsection addressing sanctions for failure to provide required information). The proposed revisions to Sections 5.12.5 and 5.12.12 reflect that the sanction for failure to submit Operating Data is a financial penalty based on the ICAP of the generator required to submit the data rather than the obligation to schedule UCAP or notify the NYISO of an outage.

Section 5.12.12.2, as currently drafted, encompasses the failure to comply with Section 5.12.1.7 (requiring the submission of Operating Data.) The proposed revisions move this reference to Section 5.12.1.7 from Section 5.12.12.2 (addressing failure to comply with scheduling, bidding and notification requirements) to Section 5.12.12.1 (addressing failure to provide required information.)

The NYISO also proposes a ministerial drafting revision to Section 5.12.5 to ensure consistency with Section 5.12.12.1.

The following discussion describes the proposed changes for each section in more detail.

A. Section 5.12.5

Section 5.12.5 of the Services Tariff includes a reference to Operating Data sanctions, citing to Section 5.12.12.1. As currently drafted, however, Operating Data sanctions are encompassed within Section 5.12.12.2, not Section 5.12.12.1 as implied by the current language in Section 5.12.5. The NYISO proposes that the provisions regarding Operating Data sanctions

be moved from Section 5.12.12.2 to Section 5.12.12.1 and also proposes a ministerial drafting revision to Section 5.12.5 to ensure consistency with Section 5.12.12.1.

B. Section 5.12.12.1

Section 5.12.12.1 references the subsections requiring information to be provided by an Installed Capacity Supplier and sets forth the sanctions for failure to provide such required information. The proposed change in Section 5.12.12.1 adds section 5.12.1.7 (requiring the submission of Operating Data) to the list of referenced subsections. This change would make the sanction for failure to submit Operating Data, including failure to submit GADS Data, a financial penalty based on the Installed Capacity of the generator (the sanction set forth in Section 5.12.12.1) rather than a financial penalty based on the Installed Capacity Supplier's obligation to schedule or bid Energy, or notify the ISO of an outage for UCAP that was sold (the obligation set forth in Section 5.12.12.2).

C. Section 5.12.12.2

Section 5.12.12.2 presently sets forth the sanctions, and the manner in which they are to be calculated, for failure to comply with scheduling, bidding and notification requirements. As currently drafted, this Section includes, by reference, failure to comply with Section 5.12.1.7 (requiring the submission of Operating Data, including GADS Data) in its list of referenced subsections subject to the sanction set forth in this Section. The current provision tariff sanction is calculated as a deficiency charge based on the maximum number of MW that the Installed Capacity Supplier failed to schedule or bid Energy associated with UCAP that was sold. Therefore, a Market Participant that fails to submit GADS Data or other Operating Data in accordance with Section 5.12.1.7 would only be subject to a sanction if it failed to comply with the bidding, scheduling, and notification requirements. Absent the failure to schedule, bid, or notify, it would be impossible to compute the sanction for failure to submit GADS Data or other Operating Data. The change proposed in this filing would subject an Installed Capacity Supplier to sanctions under Section 5.12.12.1 if it failed to comply with Operating Data requirements, and without regard to whether it complied with any other requirements.

III. Effective Date

The NYISO requests an effective date of November 3, 2010 – 60 days after the date of this September 3, 2010 filing.

IV. Requisite Stakeholder Approval

The NYISO's Management Committee approved this proposal on July 21, 2010. The NYISO Board of Directors approved this filing on August 17, 2010.

V. Communications and Correspondence

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

Honorable Kimberly D. Bose

September 3, 2010

Page 4

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VI. Service

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the electric utility regulatory agency of New Jersey. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

VII. Conclusion

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this filing to be effective November 3, 2010.

Respectfully submitted,

/s/ Sara B. Keegan

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