

May 2, 2016

Via Electronic Filing

Norman C. Bay
Chairman
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

Re: Docket No. ER11-1844-002 - Midwest Independent Transmission System Operator, Inc.

Dear Chairman Bay,

The New York System Operator, Inc. (“NYISO”) supports the recently submitted request of Audrey Zibelman, Chair of the New York Public Service Commission, urging the Federal Energy Regulatory Commission (“Commission”) to promptly issue a final order in Docket No. ER11-1844.

On October 20, 2010 the Midwest Independent Transmission System Operator, Inc. (“MISO”) and International Transmission Company (“ITC”) jointly filed proposed revisions to the MISO’s tariffs seeking authority to allocate and recover from NYISO and PJM Interconnection, L.L.C. customers a portion of the costs of phase angle regulating transformers (“PARs”) located in the State of Michigan. On December 30, 2010 the Commission issued an Order accepting MISO’s proposed tariff sheets subject to hearing procedures and refund. The Commission’s Order stated:

44. Our preliminary analysis indicates that the Filing Parties’ proposed tariff sheets have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Therefore, we will accept the Filing Parties’ proposed tariff sheets for filing, suspend them for a nominal period, make them effective January 1, 2011, subject to refund, and set them for hearing and settlement judge procedures.¹

An evidentiary hearing was held before Presiding Administrative Law Judge Steven L. Sterner and a complete evidentiary record was developed. On December 18, 2012 Presiding Judge Sterner issued his Initial Decision determining that “it is unjust, unreasonable, and unduly discriminatory to allocate the costs of the ITC PARs to NYISO and PJM”.²

¹ *Midwest Independent Transmission System Operator, Inc.*, 133 FERC ¶ 61,275 (2010).

² *Midwest Independent Transmission System Operator, Inc.*, 141 FERC ¶ 63,021 at P 923 (2012).

Since Presiding Judge Sterner issued his Initial Decision in late 2012 the NYISO has charged its customers and paid to MISO almost ten million dollars for ITC's PARs. These payments have been made despite the Presiding Administrative Law Judge's determination that it is unjust, unreasonable, and unduly discriminatory to allocate such costs to the NYISO's customers.

As Chair Zibelman explained in her letter, it is in the interest of all parties to Docket No. ER11-1844 for the Commission to promptly act on the Initial Decision. Regardless of how the Commission decides, it is likely that an appeal will be taken. The ongoing delay thus deprives all affected parties of a final resolution and certainty concerning this matter.

The Commission's prompt attention to this matter is requested and appreciated.

Respectfully submitted,

/s/ Robert E. Fernandez

Robert E. Fernandez,

General Counsel

Alex M. Schnell,

Assistant General Counsel/Registered Corporate
Counsel

New York Independent System Operator, Inc.

cc: Audrey Zibelman

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 2nd day of May 2016.

/s/ Joy A. Zimmerlin

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