

New York Independent System Operator, Inc.) **Docket No. ER17- -000**

Pursuant to Rule 207(a)(5) of the Federal Energy Regulatory Commission (“Commission” or “FERC”) Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5), the New York Independent System Operator, Inc. (“NYISO”) hereby respectfully requests a limited, temporary waiver of its obligation under Section 2.4 of the 1993 PARs Facilities Agreement (“Agreement”)¹ to settle, on a monthly basis, certain amounts associated with the Ramapo PARs that are charged to transmission owners in the PJM region, and of its obligations under any other provisions of the Agreement or the NYISO tariffs as may be necessary to fully effectuate this waiver request.

The NYISO respectfully requests that the limited waiver begin on October 20, 2016 and continue until the completion by the parties to the Agreement of their review of certain charges and related billings under the Agreement. The NYISO understands that this review is expected to be complete by March 2017.

¹ The Agreement was filed with the Commission in Docket No. ER93-640-000 on May 10, 1993.

I. Communications

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II. Background

Certain New York transmission owners (“NY TOs”) and certain PJM transmission owners (“PJM TOs”) are parties to the Agreement.³ The Agreement provides for Con Edison to install, operate, and maintain two phase angle regulators (“PARs”) at the Branchburg-Ramapo interconnection between the NYISO and PJM Interconnection, L.L.C. (“PJM”). The Agreement also provides for the equal sharing by the NY TOs and the PJM TOs of the financial obligations associated with the PARs that are specified in the Agreement.

² The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) to permit service on counsel for the NYISO in both Washington, D.C. and Richmond, VA.

³ The signatories to the Agreement are: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Lighting Company, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., Rochester Gas and Electric Corporation, Public Service Electric and Gas Company, Philadelphia Electric Company, Pennsylvania Power & Light Company, Baltimore Gas and Electric Company, Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Potomac Electric Power Company, Atlantic City Electric Company, and Delmarva Power & Light Company. In addition, as a NYISO market participant, New York Power Authority (“NYPA”) is affected by assessments concerning the Ramapo PARs and is a party to the discussions mentioned above.

Section 2.4 of the Agreement provides that the New York Power Pool (“NYPP”) “shall include 50% of the total amount billed by Con Edison in the monthly settlement with PJM...”⁴ The NYISO, as the successor to the NYPP, invoices and settles the costs that Con Edison bills pursuant to the Agreement. The NYISO currently invoices PJM each month for the PJM TOs’ share of Con Edison’s costs. PJM then invoices the PJM TOs for those costs, collects the funds, and remits them to the NYISO.

Con Edison, the PJM TOs, the NY TOs, and NYPA are currently reviewing the charges and related billings under the Agreement. These parties have requested that the NYISO cease monthly settlements for certain amounts related to the Ramapo PARs that are charged to transmission owners in the PJM region while they perform their review, as discussed further herein.

III. Request for Waiver

In order to facilitate review of the Agreement, the NYISO respectfully asks the Commission to waive its obligation under Section 2.4 of the Agreement to settle, on a monthly basis, certain amounts associated with the Ramapo PARs that are charged to transmission owners in the PJM region, and to waive its obligations under any other provisions of the Agreement or of the NYISO tariffs as may be necessary to fully effectuate this waiver request. Upon conclusion of the review period, the NYISO expects to settle funds as provided in the Agreement, in accordance with an alternate agreement filed with FERC, or as otherwise directed by FERC. Con Edison, the NY TOs, the PJM TOs, and PJM have authorized the NYISO to indicate that they do not oppose this request.⁵

⁴ The reference to PJM in the Agreement is a reference to the PJM TOs, not PJM Interconnection, L.L.C.

⁵ PJM and the PJM TOs have indicated that waiver of Section 2.4 of the Agreement may not be necessary but that they do not oppose this waiver request.

The Commission's evaluation of whether it should grant tariff waivers has focused on several key points, including whether: (1) the waiver is of a limited scope; (2) a concrete problem needs to be remedied; and (3) the waiver will not have undesirable consequences, such as harming third parties.⁶ The NYISO's waiver request meets each of these criteria.

The waiver requested is of limited duration and scope. The waiver applies to the finite period of time from October 20, 2016, which is the requested effective date of this waiver, through the date the parties complete their review of certain charges and billings under the Agreement; the NYISO understands that this review is expected to be complete by March 2017. Furthermore, the waiver applies only to the NYISO's settlement obligations under Section 2.4 of the Agreement and any associated obligations the NYISO may have under the Agreement or under its tariffs.

The temporary waiver is necessary to remedy a concrete problem. Absent a temporary waiver of the NYISO's obligation under Section 2.4 of the Agreement to settle, on a monthly basis, certain amounts associated with the Ramapo PARs that are charged to transmission owners in the PJM region, the parties' efforts to collaboratively review the charges and related billings under the Agreement may be impaired. Finally, the waiver will not harm third parties, or have any other undesirable consequences. As explained above, the parties that would be affected by the waiver have authorized the NYISO to indicate that they do not oppose this request.

⁶ See *Indianapolis Power & Light Co. v. Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,047, at P 64; (2014); *PJM Interconnection, L.L.C.*, 146 FERC ¶ 61,178, at P 38 (2014), *New York Independent System Operator, Inc.*, 144 FERC ¶ 61,147, at P 8 (2013); *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,108, at P 14 (2012); *PJM Interconnection, L.L.C.*, 137 FERC ¶ 61,184, at P 13 (2011).

IV. Request for Waiver of Notice Period, Shortened Comment Period, and for Commission Action by October 31, 2016

The NYISO respectfully requests waiver of the Commission's 60-day prior notice requirement to allow an effective date of October 20, 2016. Waiver of the notice period is appropriate because the parties to the Agreement have authorized the NYISO to indicate that they do not oppose this filing. The Commission has allowed waivers of its prior notice requirements when the filing is uncontested and should do the same here.⁷

In addition, the NYISO respectfully requests that the Commission grant this limited, temporary waiver by no later than October 31, 2016 in order to provide time for the NYISO to modify its settlement practices that were developed to implement Section 2.4 of the Agreement prior to issuing monthly invoices on November 7, 2016. This will facilitate an expeditious review of the charges and related billings under the Agreement by Con Edison, the PJM TOs, the NY TOs, and NYPA. To meet this expedited schedule, the NYISO requests that the Commission immediately issue notice of the NYISO's waiver request and provide, in accordance with Rule 201(b), 18 C.F.R. § 385.210(b), for a shortened comment period of five (5) days.

V. Conclusion

WHEREFORE, for the foregoing reasons, the NYISO respectfully requests that the Commission grant this request for an expedited, limited, temporary waiver of Section 2.4 of the Agreement, along with any other provisions of the Agreement and the NYISO tariffs that may be necessary to fully effectuate this waiver request.

⁷ See *ISO New England, Inc.*, 116 FERC ¶ 61,308, at P 8 (2006); see also *Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, at 61,338 (1992).

Respectfully submitted,

/s/ Ted. J. Murphy

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