

October 3, 2014

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. ER15-____-000;
Proposed Tariff Amendments to Revise OATT Section 18, Attachment L

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act¹ and Part 35 of the Commission's regulations, the New York Independent System Operator, Inc. ("NYISO") respectfully submits proposed amendments to its Open Access Transmission Tariff ("OATT") Section 18 to revise several entries in Attachment L, Table 1A. These proposed tariff amendments were approved by the NYISO's Management Committee with a show of hands on May 28, 2014. The NYISO is requesting an effective date sixty days from the date of this filing.

I. Documents Submitted

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

II. Background

OATT Section 18 - Attachment L, Table 1A, ("Table 1A") lists the Long Term Transmission Wheeling Agreements and Existing Transmission Facility Agreements ("ETAs")² pursuant to which NYISO customers received transmission service before the NYISO's formation. Table 1A also identifies the Transmission Congestion Contracts ("TCCs") or Grandfathered Rights associated with each ETA and provides related information such as the

¹ 16 U.S.C. §824d (2010).

² Capitalized terms not otherwise defined herein shall have the meaning specified in Section 1 of the OATT and Section 2 of the Services Tariff.

TCC's (or Grandfathered Right's) Primary Holder, Point of Injection, Point of Withdrawal, expiration date and MW. Market Participant initiated revisions to underlying ETAs can require changes in the Table 1A listing for the TCCs associated with those underlying ETAs. These ETA revisions also have consequences for NYISO settlements and TCC Auctions.

Depending on the effective date of an ETA revision, it may need to be reflected in NYISO settlements and TCC Auctions in the near-term. OATT Section 17.9 - Attachment K provides the NYISO with an "Accepted Revisions" process allowing it to incorporate ETA revisions into its settlements and TCC Auctions as of the effective date of the ETA revision. This process ensures that the NYISO's settlements and subsequent TCC Auctions reflect up-to-date information and are administered in a timely and transparent fashion.³ The NYISO also maintains a list of Accepted Revisions on its website.

OATT Section 17.9.2 indicates that it is the responsibility of ETA signatories to use the Accepted Revisions process to keep the NYISO apprised of updates to underlying ETAs. Section 17.9.3 indicates the type of information an ETA signatory is required to submit to use the Accepted Revisions process and present the NYISO with changes or corrections to underlying ETAs. In turn, Section 17.9.3.5 directs the NYISO to process the Accepted Revision "strictly on the basis of the receipt of such information and the representations it receives from the parties to the ETA." That is, when processing any proposed change, the OATT directs the NYISO to review the documentation supporting the change and to rely strictly upon the representations made and information provided to it by the customer(s) requesting the change. Revisions objected to by other ETA signatories will not be implemented until the objection is resolved.⁴

If the proposed update to Table 1A is supported by appropriate documentation, OATT Section 17.9.1.1 directs the NYISO to post the Accepted Revision on its website and Section 17.9.1.2 directs the NYISO to incorporate the Accepted Revision into settlements and TCC Auctions as appropriate. The NYISO's website lists Accepted Revisions as corrected Table 1A entries for the relevant contract⁵ and the first Administrative Note in Table 1A, Attachment L points users to the website for the details of all Accepted Revisions not yet incorporated into Attachment L. Accepted Revisions listed on the NYISO website are effective for NYISO settlement and TCC auction purposes.

The NYISO is also directed by OATT Section 17.9.4 to incorporate Accepted Revisions into OATT Attachment L, Table 1A through Section 205 filings with the Commission using the traditional stakeholder process.⁶ Each filing is to include in Table 1A amendments or

³ This process is also available for ETA signatories to ensure entries in Table 1A are consistent with the existing terms of their ETAs. The Commission accepted the updating process as described in Attachment K in September, 2011. *See: New York Independent System Operator, Inc.* ER11-4274-000, Letter Order, September 16, 2011.

⁴ *See:* OATT Section 17.9.3.2

⁵ *See:* http://www.nyiso.com/public/markets_operations/market_data/tcc/index.jsp

⁶ The last Table 1A update was accepted by the Commission in a Letter Order issued 9/12/12 in Docket No. ER12-2272-000

corrections to ETAs that have become Accepted Revisions since the last Section 205 filing on this topic.

III. This is the second of these periodic Section 205 filings with the Commission to incorporate Accepted Revisions into Table 1A.7 Description of Proposed Tariff Revisions

The amendments being proposed here to OATT Section 18.1.1 reflect several Accepted Revisions received, processed and reflected by the NYISO in its settlements and TCC Auctions as of their effective dates. These Accepted Revisions were requested by parties to underlying ETAs since the last update to Attachment L, Table 1A in 2012. Descriptions of the proposed revisions to Table 1A are organized by reference to their Table 1A contract number which can be found in the first left-hand column of Table 1A.

1) Contract 99: Revision to Requestor and Primary Holder to replace Niagara Mohawk Power Corporation (“NMPC”)⁸ with the New York Power Authority (“NYPA”).

NYPA and National Grid requested this Accepted Revision which the NYISO implemented effective January 9, 2014. Contract 99 is supported by NMPC’s Rate Schedule 159, a grandfathered transmission agreement that provided for deliveries of NYPA power to Expansion Power customers over the NMPC transmission system. As evidence of the change to Rate Schedule 159, NYPA and National Grid provided a September 12, 2003 *Order Accepting Proposed Amendments* in Docket ER03-989-000 wherein the Commission determined, among other issues, that NYPA was the LSE serving these Expansion Power customers and therefore the Primary Holder of the TCCs reflected in this entry.⁹ NYPA has been scheduling deliveries using these grandfathered Rights as of the September 2003 Order. No party disputed the revision.

2) Contract 100: Revision to Requestor and Primary Holder to replace NMPC with NYPA.

NYPA and National Grid requested this Accepted Revision which the NYISO implemented January 9, 2014. Contract 100 is supported by NMPC’s Rate Schedule 19, a grandfathered transmission agreement which provided for deliveries of NYPA power to

⁷ The NYISO realizes that the timing of this filing does not follow the direction provided by OATT Section 17.9.4. To the extent the Commission requires a waiver of Section 17.9.4, the NYISO respectfully requests such a waiver. No party has been harmed by the inadvertent delay in this filing. The revisions to the underlying ETAs, being proposed here as Table 1A amendments, have been incorporated as Accepted Revisions into settlements and TCC Auctions as of their effective date. In addition, all Accepted Revisions are posted to the NYISO website, as described above, when finalized. Nonetheless, the NYISO has improved its processes and procedures to ensure the biennial filings as required by Section 17.9.4 are made. In addition, the NYISO will explore a tariff change with its Market Participants to extend the periodicity of these filings.

⁸ NMPC does business as National Grid

⁹ *Niagara Mohawk Power Corporation*, 104 FERC 61,279 (2003) P 67 (“2003 Order in NMPC”)

Replacement Power customers over the NMPC transmission system. In the 2003 Order in NMPC, the Commission set for hearing the issue of the appropriate LSE serving these customers¹⁰ and subsequently accepted a resolution of all issues in a July 9, 2004 *Order Accepting Uncontested Settlement*.¹¹ NYPA and National Grid submit that for the grandfathered bundled sales and transmission agreement which served these customers the 2004 Order concluded that NYPA was the LSE. NYPA has been scheduling deliveries using these grandfathered Rights as of as of FERC's July 9, 2004 acceptance of the settlement. No party disputed the revision.

3) Contract 80: Revision to Requestor and Primary Holder to replace NMPC with NYPA; revision to expiration date to replace 10/17/2014 with 7/27/2013.

NYPA and National Grid requested this Accepted Revision which the NYISO implemented January 16, 2014. Contract 80 is supported by NMPC Rate Schedule 249, a grandfathered transmission agreement that provided for delivery of NYPA's Economic Development Power over NMPC's transmission system to end use customers. As evidence to the change to Rate Schedule 249, NYPA and National Grid provided a 9/11/2013 Letter Order from the Commission in Docket ER13-2037-000 wherein the Commission accepted the 7/27/2013 termination of FERC Rate Schedule 249. The revision of the Requestor and Primary Holder, submitted as a correction to Table 1A, had no affect on settlements or auctions as deliveries of Economic Development Power to all customers ended on June 30, 2012.¹² No party disputed the revision.

4) Contract 184: Revision to Requestor and Primary Holder to replace New York State Electric and Gas ("NYSEG") with NYPA.

NYPA and NYSEG requested this Accepted Revision which the NYISO implemented January 14, 2014. Contract 184 is supported by NYSEG's Rate Schedule 110, a grandfathered transmission agreement that provided for deliveries of NYPA Expansion Power to ends users over NYSEG's transmission system. In support of the change to Rate Schedule 110, NYPA and NYSEG provided an April 29, 2003 *Order Accepting Proposed Amendments*, in Docket ER03-575-000,¹³ wherein the Commission noted¹⁴ that its decision in its May 27, 1998 *Order Denying Rehearing*¹⁵ resolved that NYPA was the

¹⁰ *Id.* P 69

¹¹ *Niagara Mohawk Power Corporation*, 108 FERC 61,035 (2004) ("2004 Order")

¹² Pursuant to a change in state law, the economic development program under which NYPA delivered Economic Development Power and power to Municipal Distribution Agencies ("MDAs") for resale to customers, was replaced with the Recharge New York Power Program, effective July 1, 2012. NYPA ended its delivery to customers under these older economic development programs June 30, 2012.

¹³ *New York State Electric & Gas Corporation*, 103 FERC 61,085 (2003)

¹⁴ *Id.* at ft. nt. 12

¹⁵ *New York State Electric & Gas Corporation*, 83 FERC 61,203 (1998)

appropriate LSE for the Expansion Power industrial customers served by Rate Schedule 110. NYPA has been scheduling deliveries using these grandfathered Rights as of FERC's July 9, 2004 acceptance of the settlement. No party disputed the revision. No party disputed the revision.

5) Contract 74.2: Revision to the expiration date replacing "Upon 2 years' notice by either party" with 6/30/2012.

NYPA and the Consolidated Edison Company of New York, Inc. ("Con Edison") requested this Accepted Revision which the NYISO implemented on August 2, 2012. Contract 74.2 is supported by Con Edison's Rate Schedule 78, a grandfathered transmission agreement that provided for deliveries of NYPA's Municipal Distribution Agency ("MDA") Power to MDAs on Long Island over the Con Edison transmission system. In support of this change to Rate Schedule 78, Con Edison provided a 7/31/2012 acceptance for filing of a Cancellation of FERC Rate Schedules FERC Nos. No 78 and 102 in Docket ER12-1963-000. Deliveries using Rate Schedule 78 ended, as Con Edison explained to the Commission in its June 5, 2012 filing in that docket, when NYPA's delivery of the power to Long Island MDAs terminated on June 30, 2012.¹⁶ No party disputed the revision.

6) Contract 74.4: Revision to the expiration date replacing "Upon termination of related NYPA supply contract" with 6/30/2012.

NYPA and the Long Island Power Authority ("LIPA") requested this Accepted Revision which the NYISO implemented on July 20, 2012. In support of this change, NYPA and LIPA provided an *Amendment to Industrial Economic Development Power Resale Agreement Between the Power Authority of the State of New York and the Nassau County Public Utility Agency* ("NCPUA") indicating the agreement under which power was delivered over LIPA's transmission system by NYPA to NCPUA for resale to LIPA customers would terminate 6/30/2012.¹⁷ Contract 74.4 represented deliveries of this NYPA power by LIPA over LIPA's facilities to these customers. No party disputed the revision.

7) Contract 75.2: Revision to the expiration date replacing "Upon 1 year's notice by either party" with 6/30/2012.

NYPA and Con Edison requested this Accepted Revision which the NYISO implemented on August 2, 2012. Contract 75.2 is supported by Con Edison's Rate Schedule 102, a grandfathered transmission agreement that provided for deliveries of NYPA's Economic Development Power to end users on Long Island over the Con Edison transmission

¹⁶ See: Letter from Margaret Comes to Secretary Bose, Docket No. ER12-1963-000, and ft. nt. 10.

¹⁷ The termination of deliveries under contract 74.4 was also in response to the termination of existing economic development programs with the advent of the Recharge New York Power Program, as described above.

system. In support of this change to Rate Schedule 102, Con Edison provided the 7/31/2012 acceptance for filing of the Cancellation of FERC Rate Schedules 78 and 102, in Docket No. ER12-1963-000, also described it item 5 above. Deliveries using Rate Schedule 102 ended, as Con Edison explained to the Commission in its June 5, 2012 filing in Docket ER12-1963-000, when NYPA's delivery of the power to economic development customers on Long Island terminated on June 30, 2012.¹⁸ No party disputed the revision.

8) Contract 75.4: Revision to the expiration date replacing "Upon 1 year's notice by either party" with 6/30/2012.

NYPA and the Long Island Power Authority ("LIPA") requested this Accepted Revision which the NYISO implemented on July 20, 2012. Pursuant to the *Delivery Agreement between Long Island Lighting Company and New York Power Authority*, dated June 1, 1991 (the 1991 Delivery Agreement) which supports contract 75.4, LIPA has delivered NYPA's Economic Development Power over its transmission facilities to end users on Long Island. In support of the change to the 1991 Delivery Agreement, NYPA provided an *Agreement for Termination of Transmission Service* executed by NYPA and LIPA indicating both parties agreed to terminate the 1991 Delivery Agreement effective June 30, 2012.¹⁹ No party disputed the revision.

9) Contracts 75.1 and 75.3: Revision to the expiration dates replacing "Upon 1 year's notice by either party" with 6/30/2012.

NYPA and the Long Island Power Authority ("LIPA") requested this Accepted Revision which the NYISO implemented on July 20, 2012. In support of the change to the entries for contracts 75.1 and 75.3, NYPA explained these entries reflected NYPA deliveries of Economic Development Power over its transmission system to the LIPA system for delivery to end users on Long Island. With the June 30, 2012 termination of the 1991 Delivery Agreement, discussed in item 8 above, pursuant to which Economic Development Power was delivered to these customers over the LIPA system, NYPA terminated the related provision of transmission service over its transmission system as of the same effective date.²⁰ No party disputed the revision.

10) Contract 14.2: Revision to MWs provided replacing 166 MW with 202 MW:

NYPA and LIPA requested that the NYISO revise contract 14.2, the record of LIPA's 166 MW remainder of interface TCC in Table 1A to reflect the June 30, 2012 termination of deliveries of NYPA's Economic Development Power and power to MDAs on Long

¹⁸ See: ft. nt. 13.

¹⁹ The termination of deliveries under contract 75.4 was also in response to the termination of existing economic development programs with the advent of the Recharge New York Power Program, as described above.

²⁰ See discussion in item 8 of this letter.

Island. The NYISO implemented this change as of August 3, 2012. These terminations are discussed in items 5 through 9 above. The parties explained that the termination of 36 MW of service over this interface to NYPA's MDA/EDP customers on Long Island²¹ increased available capacity over the interface and therefore increased LIPA's contract 14.2 TCC by the comparable amount - from 166 MW to 202 MW commencing July 1, 2012. The transmission facility over which these deliveries were made, a cable onto Long Island known as Y-49, was built by NYPA for LIPA's predecessor, the Long Island Lighting Company with the stipulation that NYPA could use some of its capacity to deliver economic development power to Long Island customers. When such deliveries ended, LIPA's entitlement to that portion of the cable's capacity returned. No party disputed the revision.

IV. Effective Date

The NYISO requests an effective date of December 2, 2014, sixty days from the date of this filing.

V. Requisite Stakeholder Approval

These amendments were approved by the NYISO Management Committee, with an abstention and no opposition, on May 28, 2014. They were approved by the NYISO's Board of Directors on July 15, 2014.

VI. Communications and Correspondence

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

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²¹ See: Revisions to Attachment L contracts 74.4 (5 MW) and 75.3 (26 MW) described above and the change, to June 30, 2012, of the termination date for contract 74.5 (5 MW) accepted by the Commission in *New York Independent System Operator, Inc.*, Docket No. ER11-4274-000 (2011).

VII. 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 New Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

VIII. Conclusion

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept for filing the proposed Tariff revisions that are attached hereto with an effective date of December 2, 2014.

Respectfully submitted,

/s/Mollie Lampi

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