

January 12, 2017

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., Informational Filing;*
Docket No. ER17-144-000**

Dear Secretary Bose:

In an order in the above-captioned proceeding issued November 17, 2016, the Commission granted the New York Independent System Operator, Inc. (“NYISO”) a temporary waiver of its obligation under Section 2.4 of the 1993 PARs Facilities Agreement (“Agreement”)¹ to settle certain amounts associated with the phase angle regulators (“PARs”) at the Ramapo terminal that are charged to transmission owners in PJM Interconnection, L.L.C (“PJM”).² The NYISO requested,³ and the Commission granted, the limited waiver to provide time for Consolidated Edison Company of New York, Inc. (“Con Edison”), the New York Power Authority (“NYPA”), the remaining New York transmission owners (“NYTOs”), and the PJM transmission owners (“PJM TOs”) to conduct a review of certain charges and billing under the Agreement. In its waiver request, the NYISO indicated that it would proceed, upon the conclusion of this review, to settle funds “as provided in this Agreement, in accordance with an alternative agreement filed with FERC, or as otherwise directed by FERC.”⁴

The NYISO understands that Con Edison, NYPA, the NYTOs, and the PJM TOs have completed their review of the charges and billing under the Agreement and have not agreed to an alternative approach. Accordingly, the waiver period has concluded, and the NYISO submits this informational filing to notify the Commission that it will resume issuing invoices in connection with the Agreement as required by Section 2.4.

The NYISO’s long-established practice for issuing invoices under the Agreement has been to invoice PJM each month for the PJM TOs’ portion of the Ramapo PARs carrying charges. PJM has then invoiced the PJM TOs for those costs, collected the funds, and remitted them to the NYISO.

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

² *New York Independent System Operator, Inc.*, Order Granting Waiver, 157 FERC ¶ 61,102 (2016) (“Waiver Order”).

³ *New York Independent System Operator, Inc.*, Petition for Limited Tariff Waiver, Shortened Comment Period, and Expedited Commission Action, Docket No. ER17-144-000 (October 19, 2016) (“NYISO Waiver Request”).

⁴ NYISO Waiver Request at 3.

On December 16, 2016, PJM informed the NYISO that the PJM TOs have terminated its authority to serve as their billing agent with respect to these charges. The NYISO is aware of a dispute between PJM and Con Edison regarding PJM's status as the authorized billing and settlement agent for the PJM TOs. On December 20, 2016, Con Edison responded to PJM's letter asserting, among other things, that the PJM TOs do not have authority to terminate PJM's obligation to collect and turn over to the NYISO payments related to the Ramapo PARs.

Notwithstanding this dispute, the NYISO continues to have a contractual obligation to issue invoices for these charges. On January 9, NYISO sent an invoice to PJM acknowledging the dispute and requesting that PJM either pay the invoice or, if unable to pay the invoice, forward it to the appropriate PJM TO contact for payment. On January 10, 2017, NYISO received alternative billing instructions identifying a single PJM TO to act as the billing contact for future invoices. Beginning in February, the NYISO will forward the Ramapo PARs invoices to the specified PJM TO contact and will indicate that all payments related to these invoices should be made directly to Con Edison.

Respectfully submitted,

/s/ James H. Sweeney

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