

October 12, 2012

By Electronic Filing

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. ER11-2547-001,
15-Minute Variable Scheduling at the PJM Interconnection, LLC Interface
Neptune Proxy Generator Bus Compliance Filing***

Dear Secretary Bose:

On December 28, 2010, the New York Independent System Operator, Inc. (“NYISO”) filed proposed tariff revisions to allow the NYISO to implement more frequent transaction scheduling at the borders of the New York Control Area (“NYCA”), enabling system operators to utilize transmission between New York and its neighbors more efficiently (“December 28, 2010 Filing”). In accordance with the Commission’s March 14, 2011, *Order Conditionally Accepting Proposed Tariff Revisions and Granting Waiver*¹ the NYISO submitted a compliance filing on April 13, 2011 (“April 13, 2011 Filing”), which was accepted by the Commission in a letter order dated July 21, 2011 (“July 21, 2011 Order”).

The April 13, 2011 Filing included proposed Tariff² changes specifying each NYCA Proxy Generator Bus³ and identifying the scheduling frequencies available for Transactions at each of the Proxy Generator Buses. The April 13, 2011 Filing included an advisory timetable for the phased implementation of variable scheduling at those Proxy Generator Buses. In its

¹ *New York Independent System Operator, Inc.*, 134 FERC ¶ 61,186 (2011).

² Capitalized terms not specifically defined herein have the meaning set forth in the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”) or in its Open Access Transmission Tariff (“OATT”).

³ Each “Proxy Generator Bus,” as that term is defined in the NYISO’s Tariffs, is reflected in the NYISO’s software, and in the compliance revisions submitted herewith, as a twinned pair of an import (gen) and export (load) bus.

April 13, 2011 Filing the NYISO committed to submit a compliance filing prior to implementation of variable scheduling at a Proxy Generator Bus and to notify Market Participants of the availability of this feature as the implementation plan progressed. As anticipated in the April 13, 2011 Filing, PJM Interconnection, LLC (“PJM”) has confirmed that it is prepared to proceed with 15-minute variable scheduling at the Neptune Proxy Generator Bus.

Consistent with the NYISO’s April 13, 2011 Filing and the Commission’s July 21, 2011 Order, the NYISO is hereby notifying the Commission and Market Participants that the NYISO and PJM intend to implement 15-minute variable scheduling at the Neptune Proxy Generator Bus on October 30, 2012. The Tariff changes submitted with this compliance filing, to become effective with the October 30, 2012 implementation, update the table in Market Services Tariff Section 4.4.4 accepted by the Commission’s July 21, 2011 Order. This updated table specifically provides that ‘variably scheduled’ will be an available scheduling frequency in addition to ‘hourly scheduled’ for the Neptune Proxy Generator Bus.

Also, in accordance with the commitments made in the April 13, 2011 Filing, the NYISO hereby provides two weeks notice of its proposal to “go live” with 15-minute variable scheduling on October 30, 2012 at the Neptune Proxy Generator Bus.

The timing of the NYISO’s implementation of 15-minute variable scheduling could be impacted by system conditions. If the NYISO determines operating conditions are not favorable for implementation of 15-minute variable scheduling at the Neptune Proxy Generator Bus, it will notify the Commission and Market Participants as soon as practicable. The NYISO will include a revised “go live” date with any such notification.

I. DOCUMENTS SUBMITTED

1. This filing letter;
2. A clean version of the proposed revisions to the NYISO’s Services Tariff (“Attachment I”); and
3. A black lined version of the proposed revisions to the NYISO’s Services Tariff (“Attachment II”).

II. SERVICE LIST

The NYISO will send an electronic copy of this filing to the official representative of each party to this proceeding, the New York Public Service Commission, and the New Jersey Board of Public Utilities. The NYISO will send an electronic link to this filing to the official representative of each of its customers and to each participant on its stakeholder committees. In addition, the complete public version of this filing will be posted on the NYISO’s website at www.nyiso.com.

III. CONCLUSION

The NYISO respectfully submits this compliance filing, consistent with the April 13, 2011 Filing and July 21, 2011 Order, to notify the Commission that the NYISO intends to implement 15-minute variable scheduling at the PJM Neptune Proxy Generator Bus on October 30, 2012, as reflected in Market Services Tariff Section 4.4.4.

Respectfully submitted,

/s/ James H. Sweeney

James H. Sweeney

New York Independent System Operator, Inc.

cc: Travis Allen
Michael Bardee
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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 12th day of October, 2012

/s/ Mohsana Akter

Mohsana Akter
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