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May 23, 2011

FILE NO: 55430.000072

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington DC, 20426

**Re: New York Independent System Operator, Inc., Amendment to Additional Compliance Filing to Revise Attachment C to the NYISO OATT and Request for Expedited Action and Request for Shortened Comment Period, Docket Nos. ER11-2048-000, -001, and -002**

Dear Ms. Bose:

Pursuant to Ordering Paragraph “B” of the Commission’s March 31, 2011 order in the above-captioned proceeding,<sup>1</sup> the New York Independent System Operator, Inc. (“NYISO”) respectfully submits this amendment to its May 12, 2011 *Additional Compliance Filing to Revise Attachment C to the NYISO OATT and Request for Expedited Action and Request for Shortened Comment Period* in these proceedings (“May 12 Filing”). The purpose of this filing is to make one further compliance revision to Attachment C of the NYISO’s Open Access Transmission Tariff (“OATT”) in order to ensure the NYISO’s full compliance with the March 31 Order.

For the reasons specified in Section IV, below, the NYISO respectfully requests that the Commission act expeditiously and issue an order accepting the May 12 Filing, as amended by this filing, no later than May 31, 2011.<sup>2</sup> The NYISO also requests that the Commission shorten the period for comments on this filing to seven calendar days in order allow for the expedited issuance of an order.

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<sup>1</sup> *New York Independent System Operator, Inc.*, 134 FERC ¶ 61,255 (2011) (“March 31 Order”).

<sup>2</sup> The May 12 Filing had asked that the Commission take these actions by May 27.

## **I. Documents Submitted**

1. This filing letter;
2. Clean Attachment C to the NYISO OATT incorporating the tariff revisions proposed in the May 12 Filing, as amended by this filing, (“Attachment I”); and
3. Blacklined Attachment C to the NYISO OATT depicting the NYISO’s proposed amendment to revisions proposed by the May 12 Filing (“Attachment II”).

## **II. Background**

The March 31 Order reiterated earlier rulings by the Commission that even though the NYISO’s Internal Interfaces do not themselves constitute “ATC Paths” the NYISO must make calculations for its Internal Interfaces to the extent necessary to support accurate ATC calculations for its External Interfaces.<sup>3</sup> Specifically, it stated that, “to the extent needed for compliance with MOD-001-1 (now MOD-001-1a), NYISO would have to calculate internal flows in order to fulfill its obligation to calculate external flows.”<sup>4</sup> Similarly, the March 31 Order re-emphasized that “to the extent needed for compliance with [MOD-001-1a] of the NERC Reliability Standards, NYISO should account for the impacts of its internal congestion on its external ATC Paths as accurately as possible, and, to the extent that NYISO has to calculate internal flows in order to fulfill its obligation to calculate external flows, it was required to do so.”<sup>5</sup>

## **III. Description of Proposed Compliance Tariff Revisions**

The May 12 Filing referenced the March Order’s statements regarding the NYISO’s obligations to calculate flows for its Internal Interfaces. The transmittal letter explained that the NYISO had determined that it was “not necessary for it to calculate ATC on its Internal Interfaces for periods further than one day-ahead in order to ensure the accuracy of calculations on External Interfaces for such time periods.” This was “principally a function of the fact that the NYISO’s Commission-approved market rules do not allow customers to schedule transactions, on either the Internal or External Interfaces, further than one day ahead.”<sup>6</sup>

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<sup>3</sup> See March 31 Order at PP 5, 7, 17.

<sup>4</sup> March Order at P 5 citing *North American Electric Reliability Corporation*, 132 FERC ¶ 61,239 (2010).

<sup>5</sup> March Order at P 5 citing *New York Independent System Operator*, 133 FERC ¶ 61,208 at PP 12-13 ((2010).

<sup>6</sup> May 12 Filing at 6 (footnotes omitted).

The May 12 Filing did not, however, include any proposed tariff language reflecting the Commission's directives in this area. The NYISO is therefore proposing to amend the May 12 Filing to include the following new language in section 9.1 of Attachment C.

To the extent necessary for compliance with MOD-001-1a, the ISO: (i) accounts for the impacts of its internal congestion on its external interfaces as accurately as possible; and (ii) calculates internal flows in order to fulfill its obligation to calculate external flows. External ATC calculations shall be performed with models that depict system conditions consistent with the expected internal flows.

#### **IV. Request for Expedited Action and for a Shortened Comment Period**

The NYISO respectfully requests that the Commission issue an order accepting the May 12 Filing, as amended by this filing, no later than May 31, 2011. The March 31 Order raised a question regarding the NYISO's compliance with the MOD standards one-day before compliance with them became mandatory. Out of an abundance of caution, and consistent with Commission precedent,<sup>7</sup> the NYISO immediately obtained a sixty-day extension of time to come into full compliance with the relevant MOD standards from NERC. If the Commission issues an order accepting this filing by May 31 then the questions raised by the March 31 Order will have been fully resolved before NERC's compliance extension expires. By contrast, if the Commission is unable to act by that time, the NYISO would face additional uncertainty and would have to consider additional measures to address potential compliance issues.

The NYISO also requests that the Commission shorten the period for filing comments on this filing to seven calendar days. No entity had substantive comments regarding the NYISO's November 2010 Filing or the May 12 Filing. The NYISO is not proposing any changes to its ATC calculation practices now. It is simply adding more detail, and greater clarity, to the revisions that were partially accepted by the March 31 Order. Shortening the comment period to seven calendar days will therefore not harm any potentially interested party. To the extent necessary, the NYISO also requests that the Commission waive any answer period that might otherwise apply to its request for a shortened comment period.

#### **V. Requested Effective Date**

The NYISO respectfully requests that its proposed compliance tariff revisions become effective on May 31, 2011, the date by which the NYISO has asked the Commission to issue an order and the day that the NYISO's current compliance extension from NERC expires.

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<sup>7</sup> See *Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk-Power System*, 134 FERC ¶ 61,118 (2011) (clarifying that requests for compliance extensions should be directed to NERC in the first instance).

## **VI. 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 electric utility regulatory agency of New Jersey. In addition, the complete filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com).

## **VII. Conclusion**

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this additional compliance filing and take expedited action so that it may become effective as specified above.

Respectfully submitted,

*/s/Ted J. Murphy* \_\_\_\_\_

Ted J. Murphy

Counsel to

the New York Independent System Operator, Inc.

## 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 23<sup>rd</sup> day of May, 2011.

*/s/ Joy Zimmerlin*

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