

July 1, 2011

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-___, 15
Minute Variable Scheduling at Hydro Quebec Chateaugay Interface Proxy
Generator Buses 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 Filing”). In accordance with the Commission’s March 14, 2011 *Order Conditionally Accepting Proposed Tariff Revisions and Granting Waiver* (“March 14 Order”)¹ the NYISO submitted a compliance filing on April 13, 2011 (“April 13 Filing”). The NYISO currently awaits a Commission ruling on its April 13 Filing.

The April 13 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 Filing included an advisory timetable for the phased implementation of variable scheduling at those Proxy Generator Buses. In its April 13 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 Filing, Hydro Quebec has

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.

confirmed that it is prepared to proceed with 15 minute variable scheduling at the Proxy Generator Buses representing the Chateauguay Interface.

Consistent with the NYISO's April 13 Filing, the NYISO is hereby notifying the Commission and Market Participants that the NYISO and Hydro Quebec will be ready to implement 15 minute variable scheduling at the Chateauguay Proxy Generator Buses on July 27, 2011. The tariff changes submitted with this compliance filing update the table that the NYISO submitted in proposed Market Services Tariff Section 4.4.4 of the April 13 Filing. This updated table specifically provides that 'variably scheduled' will be an available scheduling frequency in addition to 'hourly scheduled' for the Chateauguay Proxy Generator Buses.

Also, in accordance with the commitments made in the April 13 Filing, the NYISO hereby provides more than two weeks notice of its proposal to "go live" with 15 minute variable scheduling on July 27, 2011 at the Chateauguay Proxy Generator Buses.

The timing of the NYISO's implementation of 15 minute variable scheduling could be impacted by system conditions. The proposed July 27, 2011 implementation date falls in the middle of the Summer peak season. Peak Summer operating conditions can result in extremely high loads and could make it inadvisable to implement variable scheduling on the date proposed in this filing. If the NYISO determines operating conditions are not favorable for implementation of 15 minute variable scheduling at the Chateauguay Proxy Generator Buses, 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 blacklined version of the proposed revisions to the NYISO's Services Tariff ("Attachment II").

II. EFFECTIVE DATE

Consistent with the Commission's March 14 Order and the NYISO's April 13 Filing, the NYISO requests that the Commission accept July 27, 2011 as an effective date for the proposed Tariff revisions submitted herewith. However, before the Commission can act on the instant filing, the Commission must first rule on the NYISO's April 13 Filing. The NYISO respectfully requests that the Commission issue a prompt ruling on its April 13 Filing in order to permit the NYISO and Hydro Quebec to implement variable scheduling on July 27, 2011 at the Chateauguay Proxy Generator Buses.

III. SERVICE LIST

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, to all parties listed on the Commission's official service list in Docket No. ER11-2547-___ 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.

IV. CONCLUSION

The NYISO respectfully submits this compliance filing and, consistent with Section II of this letter, requests an implementation date effective July 27, 2011 for the 15 minute variable scheduling at the Hydro Quebec Chateauguay Interface Proxy Generator Buses. As explained in Section II above, a Commission ruling on the April 13 Filing is a necessary prerequisite to Commission acceptance of the attached proposed Tariff revisions.

Respectfully submitted,

/s/ James H. Sweeney

James H. Sweeney

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 1st day of July, 2011.

/s/ Joy Zimmerlin

Joy Zimmerlin
New York Independent System Operator, Inc
10 Krey Blvd.
Rensselaer, NY 12114
(518) 356-6207