



HUNTON & WILLIAMS LLP
1900 K STREET, N.W.
WASHINGTON, D.C. 20006-1109

TEL 202 • 955 • 1500
FAX 202 • 778 • 2201

TED J. MURPHY
DIRECT DIAL: 202 • 955 • 1588
EMAIL: tmurphy@hunton.com

March 28, 2011

FILE NO: 55430.000090

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

Re: *New York Independent System Operator, Inc.*, Compliance Filing to State Currently Effective ICAP Demand Curves, Request for Action on Pending Filings, and Request for Expedited Action by April 4, 2011, Docket No. ER11-2224-____

In compliance with the Commission's January 28, 2011 Order on the NYISO's filing proposing updated Installed Capacity ("ICAP")¹ Demand Curves for Capability years 2011/2012, 2012/2013, and 2013/2014 ("January Order"),² and the Commission's March 9, 2011 order on the NYISO's request for clarification ("March Order"),³ the NYISO respectfully submits this compliance filing. The NYISO proposes a compliance modification to section 5.14.1.2 of the Market Administration and Control Area Services Tariff ("Services Tariff") to clearly establish that the currently effective ICAP Demand Curves will be in effect as of May 1, 2011 and reflect that they will remain in effect until a date established by Commission order. The NYISO is requesting an effective date of April 21, 2011 so that the rates will be in place for the May 1, 2011 ICAP Spot Market Auction.

The NYISO also requests that the Commission grant any waivers and shorten comment periods, as necessary, to issue an order on this filing, and to address pending filings, by April 4, 2011.

¹ Terms with initial capitalization that are not otherwise defined herein shall have the meaning set forth in the NYISO's Market Administration and Control Area Services Tariff ("Services Tariff"), and if not defined therein, in the NYISO's Open Access Transmission Tariff ("OATT").

² *New York Independent System Operator, Inc.*, 134 FERC ¶ 61,058 (2011) ("January Order").

³ *New York Independent System Operator, Inc.*, 134 FERC ¶ 61,178 (2011) ("March Order").

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I. LIST OF DOCUMENTS SUBMITTED

The NYISO respectfully submits the following documents:

1. This filing letter;
2. A blacklined version of the modifications to Section 5.14.1.2 of the Services Tariff (“Attachment 1”); and
3. A clean version of the modifications to Section 5.14.1.2 of the Services Tariff (“Attachment 2”).

II. BACKGROUND

On November 30, 2010 the NYISO submitted a filing to revise the ICAP Demand Curves for Capability Years 2011/2012, 2012/2013, and 2013/2014. The January Order accepted the NYISO’s proposed tariff changes subject to modification, suspended them for five months, or until an earlier date that may be set by a subsequent Commission order in this proceeding. The January Order also directed that “the currently effective demand curves will remain in effect until superseded.”⁴

On February 9, 2011, the NYISO filed a request for expedited clarification with respect to the ICAP Demand Curves that would be in effect from the current expiration date reflected in the Services Tariff (*i.e.*, April 30, 2011) until the new ICAP Demand Curves become effective (“interim period”). On February 17, 2011, the NYISO filed an interim compliance filing, proposing modifications to the Services Tariff to incorporate the escalation factor that the NYISO assumed was required by the January Order (“Interim Compliance Filing”). Subsequently, the NYISO filed a request to withdraw the Interim Compliance Filing (“Withdrawal Request”), which was opposed by the New York City Suppliers.⁵

On March 9, 2011, the Commission issued an order denying the NYISO’s and other parties’ requests for clarification and rehearing. The Commission found that the January Order held that the currently effective ICAP Demand Curves, without escalation or adjustment, were to remain in effect during the interim period.⁶ The NYISO’s Withdrawal Request and Interim Compliance Filing are still pending before the Commission.

⁴ January Order at P 168.

⁵ New York Independent System Operator, Inc., Answer of the New York City Suppliers in Opposition to the Motion of the New York Independent System Operator Inc to Withdraw February 17, 2011 Interim Compliance Filing (filed March 4, 2011).

⁶ March Order at P 16.

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III. DESCRIPTION OF PROPOSED COMPLIANCE TARIFF REVISIONS

The NYISO respectfully requests that the Commission accept the proposed compliance tariff revisions. They would revise the table in section 5.14.1.2 in accordance with the January Order and the March Order, to reflect that the current ICAP Demand Curves will remain in effect until a date to be determined by the Commission upon its issuance of an order on the compliance filing that the NYISO intends to submit on March 29, 2011. These compliance modifications will provide clarity for parties and conform the tariff to the directives in the January Order and March Order.

IV. REQUEST FOR EXPEDITED COMMISSION ACTION

Given that the March Order clarified that no escalation factor is to be applied to the ICAP Demand Curves during the interim period, there is no longer any basis for the Interim Compliance Filing. The NYISO, therefore, respectfully asks that the Commission either accept the Withdrawal Request or reject the Interim Compliance Filing upon its acceptance of the compliance tariff revisions proposed herein.

V. REQUEST FOR ACTION ON PENDING FILINGS

The NYISO respectfully requests that the Commission take any action necessary, including shortening its usual notice and comment periods, to allow for the issuance of an order accepting this filing and accepting the Withdrawal Request, or alternatively, rejecting the Interim Compliance Filing, no later than April 4, 2011. Prompt action will provide the NYISO's Market Participants clarity and certainty regarding the ICAP Demand Curves to be in effect during the interim period. This compliance filing simply updates the Services Tariff to reflect the Commission's directives in the January Order and March Order. Parties have already commented on the Demand Curve rates for the interim period.⁷ The compliance revisions are purely ministerial echoes of substantive determinations that the Commission that already made. Therefore, no party will be harmed by expedited action.

VI. SERVICE

⁷ See, e.g., New York Independent System Operator, Inc., TC Ravenswood, LLC's Answer to The New York Independent System Operator, Inc.'s Request for Expedited Clarification and Request for Expedited Action, Docket No. ER11-2224-000 (filed February 15, 2011); New York Independent System Operator, Inc., Answer of the Independent Power Producers of New York Inc. to Request for Expedited Clarification and Expedited Action of the New York Independent System Operator, Inc., Docket No. ER11-2224-000 (filed February 15, 2011); New York Independent System Operator, Inc., Answer of the Multiple Intervenors, The City of New York and the New York State Consumer Protection Board, Docket No. ER11-2224-000 (filed February 17, 2011).



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This filing will be posted on the NYISO's website at www.nyiso.com. In addition, the NYISO will e-mail an electronic link to this filing to the official representative of each party to this proceeding, to 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.

VII. CONCLUSION

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission take action as requested herein.

Respectfully submitted,

/s/Ted J. Murphy

Ted J. Murphy

Counsel to

the New York Independent System Operator, Inc.

cc: Michael McLaughlin
Anna Cochrane
Connie Caldwell
Michael Bardee
Kathleen Nieman
Lance Hinrichs
Rachel Spiker
Gregory Berson
Jeffrey Honeycutt
Daniel Nowak
Jignasa Gadani

CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing document on the official service lists compiled by the Secretary in these proceedings. I have also electronically served the foregoing on all market participants, on each participant in its stakeholder committees, on the New York State Public Service Commission, and on the electric utility regulatory agency of New Jersey.

Dated at Albany, NY, this 28th day of March 2011.

/s/ Joy Zimmerlin

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