

March 13, 2014

By Electronic Delivery

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

**Re: *New York Independent System Operator, Inc.*, Docket ER14-864-000;
Simplified and Improved Proxy Generator Bus Pricing Rules Compliance Filing**

Dear Ms. Bose:

In accordance with paragraphs 24, 32, and 37 and ordering paragraph “B” of the Federal Energy Regulatory Commission’s (“Commission”) March 4, 2014 *Order Conditionally Accepting Tariff Filing* (“March Order”),¹ the New York Independent System Operator, Inc. (“NYISO”) submits revisions to Section 17.1.6.5 of (Attachment B to) its Market Administration and Control Area Services Tariff (“Services Tariff”).

The revisions attached hereto are:

Marginal Losses Component of the Real-Time LBMP = Losses $_{RTDC}$ PROXY GENERATOR
BUS; and

Congestion Component of the Real-Time LBMP = - (Energy $_{RTDC}$ REF BUS + Losses $_{RTDC}$
PROXY GENERATOR BUS).

Attachment I to this filing letter contains a clean version of the revisions to Section 17.1.6.5 of the Services Tariff. Attachment II to this filing letter contains a blacklined version of the revisions to Section 17.1.6.5 of the Services Tariff.

¹ *New York Independent System Operator, Inc.*, 146 FERC ¶ 61,155 (2014).

The NYISO requests an April 8, 2014 effective date for these tariff revisions, which is consistent with the effective date that the Commission accepted in its March Order.²

The NYISO will send an electronic link to this filing to the official service list in Docket No. ER14-864-000 and representative of each party to this proceeding, 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 New Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

The NYISO respectfully requests that the Commission accept this compliance filing. Please do not hesitate to contact the undersigned should you have any questions.

Respectfully submitted,

/s/ James H. Sweeney

James H. Sweeney, Attorney
New York Independent System Operator, Inc.

cc: Michael Bardee
Gregory Berson
Anna Cochrane
Jignasa Gadani
Morris Margolis
Michael McLaughlin
David Morenoff
Daniel Nowak

² *Id.* at Ordering Paragraph "A".