

# Attachment I

**Statement by the NYISO's Board of Directors Regarding NYISO Filing  
Seeking Tariff Authority to Recover ITC Michigan PAR Costs From  
NYISO Customers**

**July 17, 2012**

On May 22, 2012, the Federal Energy Regulatory Commission ("Commission" or "FERC") issued a Declaratory Order instructing the NYISO that:

...the Commission has accepted MISO's proposed allocation and charges in Docket No. ER11-1844, and permitted them to become effective, subject to refund. Therefore, any charges properly billed pursuant to these Commission-accepted MISO Tariff provisions must be paid by NYISO in accordance with the provisions of MISO's Tariff.

To ensure compliance with FERC's May 22<sup>nd</sup> directive, the NYISO's Board of Directors ("Board") has authorized the NYISO Staff to submit tariff revisions pursuant to Section 205 of the Federal Power Act seeking authority to recover charges, for which the NYISO is invoiced by the Midwest Independent Transmission System Operator ("MISO"), from the NYISO's customers.

As stated in the NYISO's transmittal letter, the NYISO's proposed tariff revisions are being filed under protest. The NYISO's filing should not be interpreted as supporting either the merits of ITC's claim for compensation for the Bunce Creek Phase Angle Regulators, or MISO's proposed mechanism for recovering the cost of those facilities from NYISO customers.

Finally, the Board also takes official notice that the NYISO's stakeholders disagree with FERC's decision to require NYISO to pay for the ITC PARs, even on an interim basis, subject to refund.

Respectfully submitted,

New York Independent System Operator, Inc. - Board of Directors