

July 19, 2012

By Electronic Delivery

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.ER12-____-____
Filing to amend Section 18.1.1 of the OATT, Attachment L Table 1A**

Dear Ms. Bose:

In accordance with Section 205 of the Federal Power Act and Part 35 of the Commission's regulations, the New York Independent System Operator, Inc. ("NYISO") respectfully submits tariff revisions to its Open Access Transmission Tariff ("OATT") to adjust certain entries in Section 18.1.1 (Attachment L, Table 1A) to reflect revisions to Existing Transmission Agreements received by the NYISO and processed as Accepted Revisions.¹ These amendments, which are ministerial in nature, are offered in compliance with OATT Section 17.9.4 which directs the ISO to incorporate previously received Accepted Revisions into Section 18.1.1 biannually. These amendments have been approved by the Management Committee and the NYISO Board of Directors.

I. Documents Submitted

1. This filing letter;
2. A clean version of the proposed revisions to the NYISO's OATT ("Attachment I"); and
3. A blacklined version of the proposed revisions to the NYISO's OATT ("Attachment II").

II. Background

OATT Section 18.1.1, Attachment L, Table 1A, ("Table 1A") lists the Long Term Transmission Wheeling Agreements and Existing Transmission Facility Agreements ("ETAs") pursuant to which NYISO customers received transmission service before the NYISO's formation.

¹ Capitalized terms not otherwise defined herein shall have the meaning specified in Section 1 of the OATT.

Table 1A identifies these ETAs by providing, among other pieces of information, their MW, Point of Injection, Point of Withdrawal and expiration date. At NYISO inception, ETA signatories were granted Grandfathered Rights, the terms of which reflected the information contained in Table 1A, and had the opportunity to convert such Grandfathered Rights into Grandfathered Transmission Congestion Contracts (“TCCs”). Market Participant-initiated revisions to underlying ETAs can extend, or end early, a Market Participant’s related Grandfathered TCC or Grandfathered Right or, less frequently, change its Point of Injection or Point of Withdrawal.² As a consequence, an ETA revision can impact NYISO settlements and TCC Auctions.

Depending on the effective date of an ETA revision, it may need to be reflected in NYISO settlements and TCC Auctions in the near-term. OATT Section 17.9, Attachment K, provides the NYISO with an “Accepted Revisions” process allowing it to reflect revisions to underlying ETAs in settlements and subsequent TCC Auctions through a timely and transparent updating procedure.³

Section 17.9.2 indicates that it is the responsibility of ETA signatories to use the Accepted Revisions process to keep the NYISO apprised of updates to underlying ETAs. Section 17.9.3 indicates the type of information an ETA signatory is required to submit in using the Accepted Revisions process to present the NYISO with changes or corrections to underlying ETAs. In turn, Section 17.9.3.5 directs the NYISO to process the Accepted Revision “strictly on the basis of the receipt of such information and the representations it receives from the parties to the ETA.” That is, when processing any proposed change, the OATT directs the NYISO to review the documentation supporting the change and to rely strictly upon the representations made and information provided to it by the customer(s) requesting the change. Revisions objected to by other ETA signatories will not be implemented until the objection is resolved.⁴

If the proposed update to Table 1A is supported by appropriate documentation, OATT Section 17.9.1.1 directs the NYISO to post the Accepted Revision on its website and Section 17.9.1.2 directs the NYISO to incorporate the Accepted Revision into its settlements and TCC Auctions as appropriate. Accepted Revisions listed on the NYISO website are thus effective for NYISO settlement and TCC auction purposes.

As mentioned, Section 17.9.4 requires the NYISO to formally amend Section 18.1.1., Table 1A to incorporate Accepted Revisions that the NYISO has processed and posted to its website , through a biannual Section 205 filing with the Commission, using its traditional stakeholder process.

² Revisions to FERC-jurisdictional ETAs must be accepted by FERC before the NYISO would reflect the revision in Table 1A, through a Section 205 filing. Revisions to ETAs for which LIPA or NYPA are the providers of service must be contemplated in, and appropriate to, their underlying ETAs before such a filing.

³ This process is also available for ETA signatories to ensure entries in Table 1A are consistent with the existing terms of their ETAs. The Commission accepted the updating process as described in Attachment K in September, 2011. *See: New York Independent System Operator, Inc.* ER11-4274-000, Letter Order, September 16, 2011.

⁴ *See:* Section 17.9.3.2

This is the first such biannual filing of Section 18.1.1 amendments pursuant to the provisions of OATT Section 17.9.4.

III. Description of Proposed Tariff Revisions

The amendments being proposed here to OATT Section 18.1.1 reflect Accepted Revisions received, processed and reflected by the NYISO in its settlements and TCC Auctions in 2011. The amendments propose revisions to: i) the “Contract Expiration / Termination Date” for Contracts 74.1 and 74.3 from October 31, 2011 to June 30, 2012 and ii) the “Contract Expiration / Termination Date” for Contract 74.4 from October 31, 2011 to “Upon termination of related NYPA supply contract.”

Contracts 74.1 and 74.3 represent two legs of a five (5) MW ETA between the New York Power Authority (“NYPA”) and each of two Municipal Distribution Agencies (MDAs), the Nassau County Public Utility Agency and the Suffolk County Electrical Agency. Contract 74.1 represents deliveries of 10 MW to these two customers over NYPA facilities from Fitzpatrick (a generating facility) to the ConEd-North load bus (also known as Millwood). Contract 74.3 represents the same 10 MW delivery over NYPA’s facilities from Con Ed-Central (also known as Dunwoodie) to LIPA’s transmission system. NYPA and these MDAs revised their underlying ETAs (and related supply agreements) to extend the termination dates from October 31, 2011 to June 30, 2012.

Contract 74.4 represents a 5 MW delivery by LIPA over its transmission system to the Nassau County Public Utility Agency. LIPA and the Nassau MDA revised their underlying ETA to extend its term from October 31, 2011 to “Upon termination of related NYPA supply contract.”⁵

Revisions to these ETAs extended the Nassau and Suffolk five MW Grandfathered TCCs to June 30, 2012.⁶ These expiration date extensions were incorporated into NYISO settlements and TCC Auctions as Accepted Revisions in 2011. The NYISO also notified all customers of the proposed change described herein in accordance with Section 17.9.3.4. No written comments from other Market Participants on these revisions were received. These two five MW Grandfathered TCCs expired June 30, 2012.

⁵ The termination date for the parallel contract between LIPA and the Suffolk MDA (contract 74.5) was previously extended to June 30, 2012. This change to the “Contract Expiration / Termination Date” was included in the August 2011 filing with the Commission of Section 18.1.1, Attachment L, Table 1A in Docket ER11-4274-000.

⁶ Consolidated Edison Company of New York, Inc. (“Con Edison”) has filed in Docket ER12-1963-000 to cancel Rate Schedule 78 (listed in Table 1A under contract # 74.2), and Rate Schedule 102 (listed in Table 1A as contract # 75.2) as of June 30, 2012. The NYISO will file amendments to Table 1A reflecting the Rate Schedule cancellations proposed in ER12-1963-000 following Commission acceptance.

IV. Effective Date

The NYISO requests an effective date sixty days from the date of this filing, September 17, 2012.

V. Requisite Stakeholder and Board Approvals

The amendments incorporating the Accepted Revisions discussed herein into Table 1A were approved by the NYISO's Management Committee for filing with the FERC under Section 205 of the Federal Power Act on April 25, 2012. They were approved by the NYISO's Board of Directors on June 12, 2012.

VI. Communications and Correspondence

All communications and service in this proceeding should be directed to:

Robert E. Fernandez, General Counsel
*Mollie Lampi, Assistant General Counsel
Ray Stalter, Director Regulatory Affairs
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-8875
Fax: (518) 356-7678
rfernandez@nyiso.com
rstalter@nyiso.com
mlampi@nyiso.com

* Designated to receive service.

VII. 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 New Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

VIII. Conclusion

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept the amendments described in this filing to become effective sixty days from filing or September 17, 2012.

Respectfully submitted,

/s/ Mollie Lampi

Mollie Lampi

Assistant General Counsel

New York Independent System Operator, Inc.

10 Krey Blvd.

Rensselaer, New York 12144

(518) 356 7530

mlampi@nyiso.com

cc: Michael A. Bardee
Gregory Berson
Connie Caldwell
Anna Cochrane
Jignasa Gadani
Lance Hinrichs
Jeffrey Honeycutt
Michael Mc Laughlin
Kathleen E. Nieman
Daniel Nowak
Rachel Spiker