NEW YORK INDEPENDENT SYSTEM OPERATOR
10 Krey Boulevard ♦ Rensselaer, NY 12144

April 16, 2010

By Hand Delivery

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

Re: *New York Independent System Operator, Inc.*, Errata to March 31, 2010 Filing in Docket No. ER10- 982-000

Dear Secretary Bose:

On March 31, 2010 the New York Independent System Operator, Inc. ("NYISO") submitted proposed tariff revisions to its Market Administration and Control Area Services Tariff ("Services Tariff") and Open Access Transmission Tariff ("OATT") ") to revise and clarify provisions concerning the Transmission Congestion Contracts ("TCCs") market. It has since come to the NYISO's attention that a few inadvertent errors were made. Specifically, on sheet 574C, the NYISO inadvertently omitted the words "to maximize" preceding the algebraic expression. This change, while discussed with its stakeholders, was inadvertently not included in the final set of changes forwarded to the Commission on March 31, 2010. Also on this sheet the word "Auction" should be lowercase to be consistent with other language used in this filing. In addition, the NYISO inadvertently failed to delete the unnecessary phrase "that the Transmission Owners do not convert to RCRR TCC" which is an irrelevant reference in the context of this paragraph. The NYISO also wishes to make the following two ministerial changes: deleting the extraneous reference to Section 3.0 on Sheet 574G (whereas the proper reference exists as to Section 8.2) and deleting one extraneous word "Initial" on Sheet 576. Finally, the NYISO seeks to capitalize one instance of "table 1 ETCNL/TCCs" on sheet 574E. While these changes do not alter the substance of the NYISO's filing, taken together they are helpful to the reader of the tariff language.

Both clean and redlined versions of the proposed revised Sheets are attached to this transmittal letter. The NYISO respectfully requests that the Commission: accept this errata to its March 31, 2010 filing as containing ministerial corrections and accept the attached sheets for filing with the same effective date as the Commission assigns to the tariff revisions that the NYISO submitted on March 31, 2010. The NYISO believes a May 31, 2010 effective date remains appropriate because of the minor nature of these proposed changes. As well, the NYISO wishes to include these changes in NYISO's eTariff baseline filing due June 2, 2010[1] and a delay in the effective date will preclude this opportunity.

[1] *See e.g.*, Notice of Date for Submission of Transitional eTariff Baseline Schedules, *New York Indep. Sys. Operator Inc.*, Docket No. RM01-5-000 (December 21, 2009).

The Commission has discretion to waive the sixty day prior notice period and make tariff revisions effective before it closes when "good cause" is shown.[2] Good cause for such a waiver exists in this proceeding, as discussed. In addition, the ministerial changes proposed herein are consistent with the changes previously approved by NYISO stakeholders. The NYISO has also noticed its Market Participants to this filing in the same manner it provided notice of the original filing.

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 electric utility regulatory agency of New Jersey. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com. This is in accordance with 18 C.F.R. 35.2(e).

Communications and Correspondence

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

Robert E. Fernandez, General Counsel
Elaine D. Robinson, Director of Regulatory Affairs
Mollie Lampi, Assistant General Counsel
* Kristin Bluvas, Attorney
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-7530
Fax: (518) 356-7678

* Persons designated for receipt of service.

Respectfully submitted,

/s/ *Kristin A. Bluvas*
Kristin A. Bluvas
New York Independent System Operator, Inc.
10 Krey Boulevard.
Rensselaer, New York 12144
518-356-8540
kbluvas@nyiso.com

[2] *See e.g.*, *California Independent System Operator Corp.*, 113 FERC ¶61, 287 at PP 48-50 (2005).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service lists 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, New York this 16th day of April, 2010.

/s/ Kristin A. Bluvas
Kristin A. Bluvas
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, New York 12144
518-356-8540

Attachment I

The TCC auction software will determine the amount of each Table 1 ETCNL/TCC that will remain after reduction, which is designated as A_j in the diagram. The objective function that the TCC auction software will use to determine these coefficients A_j will be to maximize:

$$\sum_{j \in N} \int_{0}^{A_j} B_j$$

Where:

N = The set of Table 1 ETCNL/TCCs

j = Any individual Table 1 ETCNL/TCC

A_j = Any amount of each Table 1 ETCNL/TCC(j) remaining

B_j = As defined by the diagram

subject to the constraint that injections and withdrawals corresponding to the TCCs and Grandfathered Rights listed in Section 8.2 (i) and Table 1 ETCNL/TCCs remaining after reduction must be simultaneously feasible in a Power Flow.

The ISO shall apply this methodology as follows:

(i) first, on the Table 1 ETCNL/TCCs (prior to the conversion of any ETCNL to ETCNL TCCs), and

(ii) second, on the Table 1 ETCNL/TCCs remaining after conversion into ETCNL TCCs of ETCNL included in such Table 1 ETCNL/TCCs.

For purpose of the second reduction, a holder of ETCNL may elect to disaggregate the ETCNL in accordance with ISO Procedures prior to conducting the reduction process. If a TO elects to have its ETCNL disaggregated, the number of MW of ETCNL allocated to that TO specifying each Load Zone as its POW shall be replaced by the same number of MW of ETCNL, specifying the same POI as the original ETCNL, but specifying various buses within that Load Zone as the POWs, as determined in accordance with ISO Procedures.

To the extent more than one model is used in a given Centralized TCC Auction (e.g. to reflect different summer / winter ratings), the ISO shall retest the Table 1 ETCNL/TCCs remaining after reduction so as to avoid reducing the Table 1 ETCNL/TCCs more than is necessary to prevent infeasibility in a given sub-auction. However, any Table 1 ETCNL/TCC that is deemed infeasible in one Centralized TCC Auction may be deemed reduced and not eligible for retesting in a subsequent Centralized TCC Auction.

In each Centralized TCC Auction, the following transmission Capacity not required to support already outstanding TCCs or Grandfathered Rights shall be available to support TCCs that can be purchased in that Centralized TCC Auction:

(1) following any reduction pursuant to Section 8.2 of this Attachment M, all of the transmission Capacity associated with ETCNL, (a) that the Transmission Owners do not sell through a Direct Sale in advance of the Auction, or (b) that the Transmission Owners do not convert to ETCNL TCCs or (c) that has not been used to support the sale of existing TCCs that are valid for any part of the duration of any TCCs sold in the Centralized TCC Auction;

(2) all of the transmission Capacity associated with Original Residual TCCs, that the Transmission Owners do not sell through a Direct Sale in advance of the Auction, that has not been used to support the sale of existing TCCs that are valid for any part of the duration of any TCCs sold in the Centralized TCC Auction;

(3) all of the transmission Capacity associated with TCCs offered for sale by TCC Primary Holders; and

(4) any Residual Transmission Capacity, provided however that LIPA shall not be required to release available transmission Capacity into the Centralized TCC Auction and shall release available transmission Capacity into the Reconfiguration Auction.

The Centralized TCC Auction will consist of a series of sub-auctions, which will be conducted consecutively. In each sub-auction, TCCs of a single duration will be available (e.g., only TCCs with a five-year duration might be available in one sub-auction). Sub-auctions will be conducted in decreasing order of the length of the period for which TCCs sold in the sub-auction are valid. Therefore, if the ISO were to determine that five years would be the maximum length of TCCs available in the Centralized TCC Auction, then the sub-auction for TCCs with a duration of five years would be held first. All TCCs sold in the 5-year TCC sub-auction (other than those offered for sale in the next sub-auction, as described in Section 9.1) would then be modeled as fixed injections and withdrawals in the next sub-auction, in which TCCs of the next longest duration, as determined by the ISO (e.g., four years), would be available for purchase. Following that sub-auction, TCCs sold in either of the first two sub-auctions (other than those offered for sale in the next sub-auction) would then be modeled as fixed injections and withdrawals in the third sub-auction (e.g., a sub-auction for TCCs with a duration of three years), etc.

Attachment II

The TCC auction software will determine the amount of each Table 1 ETCNL/TCC that will remain after reduction, which is designated as A_j in the diagram. The objective function that the TCC a~~A~~uction software will use to determine these coefficients A_j will be to maximize:

$$\sum_{j \in N} \int_{0}^{A_j} B_j$$

Where:

N = The set of Table 1 ETCNL/TCCs

j = Any individual Table 1 ETCNL/TCC

A_j = Any amount of each Table 1 ETCNL/TCC(j) remaining

B_j = As defined by the diagram

subject to the constraint that injections and withdrawals corresponding to the TCCs and Grandfathered Rights listed in Section 8.2 (i) and Table 1 ETCNL/TCCs remaining after reduction must be simultaneously feasible in a Power Flow.

The ISO shall apply this methodology as follows:

(i) first, on the Table 1 ETCNL/TCCs (prior to the conversion of any ETCNL to ETCNL TCCs), and

(ii) second, on the Table 1 ETCNL/TCCs remaining after conversion into ETCNL TCCs of ETCNL included in such Tt~~t~~able 1 ETCNL/TCCs.

For purpose of the second reduction, a holder of ETCNL may elect to disaggregate the ETCNL in accordance with ISO Procedures prior to conducting the reduction process. If a TO elects to have its ETCNL disaggregated, the number of MW of ETCNL allocated to that TO specifying each Load Zone as its POW shall be replaced by the same number of MW of ETCNL, specifying the same POI as the original ETCNL, but specifying various buses within that Load Zone as the POWs, as determined in accordance with ISO Procedures.

To the extent more than one model is used in a given Centralized TCC Auction (e.g. to reflect different summer / winter ratings), the ISO shall retest the Table 1 ETCNL/TCCs remaining after reduction so as to avoid reducing the Table 1 ETCNL/TCCs more than is necessary to prevent infeasibility in a given sub-auction. However, any Table 1 ETCNL/TCC that is deemed infeasible in one Centralized TCC Auction may be deemed reduced and not eligible for retesting in a subsequent Centralized TCC Auction.

In each Centralized TCC Auction, the following transmission Capacity not required to support already outstanding TCCs or Grandfathered Rights shall be available to support TCCs that can be purchased in that Centralized TCC Auction:

(1) following any reduction pursuant to Section ~~3.0~~ 8.2 of this Attachment M, all of the transmission Capacity associated with ETCNL, (a) that the Transmission Owners do not sell through a Direct Sale in advance of the Auction, or (b) that the Transmission Owners do not convert to ETCNL TCCs or (c) that has not been used to support the sale of existing TCCs that are valid for any part of the duration of any TCCs sold in the Centralized TCC Auction;

(2) all of the transmission Capacity associated with Original Residual TCCs, that the Transmission Owners do not sell through a Direct Sale in advance of the Auction, ~~that the Transmission Owners do not convert to RCRR TCC~~ that has not been used to support the sale of existing TCCs that are valid for any part of the duration of any TCCs sold in the Centralized TCC Auction;

(3) all of the transmission Capacity associated with TCCs offered for sale by TCC Primary Holders; and

(4) any Residual Transmission Capacity, provided however that LIPA shall not be required to release available transmission Capacity into the Centralized TCC Auction and shall release available transmission Capacity into the Reconfiguration Auction.

The ~~Initial~~ Centralized TCC Auction will consist of a series of sub-auctions, which will be conducted consecutively. In each sub-auction, TCCs of a single duration will be available (e.g., only TCCs with a five-year duration might be available in one sub-auction). Sub-auctions will be conducted in decreasing order of the length of the period for which TCCs sold in the sub-auction are valid. Therefore, if the ISO were to determine that five years would be the maximum length of TCCs available in the Centralized TCC Auction, then the sub-auction for TCCs with a duration of five years would be held first. All TCCs sold in the 5-year TCC sub-auction (other than those offered for sale in the next sub-auction, as described in Section 9.1) would then be modeled as fixed injections and withdrawals in the next sub-auction, in which TCCs of the next longest duration, as determined by the ISO (e.g., four years), would be available for purchase. Following that sub-auction, TCCs sold in either of the first two sub-auctions (other than those offered for sale in the next sub-auction) would then be modeled as fixed injections and withdrawals in the third sub-auction (e.g., a sub-auction for TCCs with a duration of three years), etc.