

September 17, 2014

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.'s Proposed Tariff
Amendments to Permit Information-Sharing with Pipelines and LDCs;
Docket No. ER14-____-000**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act¹ and consistent with FERC Order No. 787, the New York Independent System Operator, Inc. (“NYISO”) hereby submits proposed amendments to its Open Access Transmission Tariff (“OATT”) to allow the NYISO to share Confidential Information² concerning gas-fueled generation with the operating personnel of the interstate natural gas pipeline companies—and in more limited circumstances, with the operating personnel of intrastate natural gas pipelines companies and natural gas local distribution companies (“LDCs”)—consistent with the Federal Energy Regulatory Commission’s (“Commission”) regulations under Order No. 787.³

I. Documents Submitted

1. This filing letter;
2. A clean version of the proposed revisions to the OATT, (“Attachment I”); and
3. A blacklined version of the proposed revisions to the OATT, (“Attachment II”).

II. Background and Justification

On November 15, 2013, the Commission issued a final rule in Order No. 787 adopting regulations that provide explicit authority to interstate natural gas pipeline operators and public utilities that own, operate or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information with each other to promote

¹ 16 U.S.C. §824d (2012).

² Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in the NYISO’s OATT and Market Administration and Control Area Services Tariff (“Services Tariff”).

³ Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators, 145 FERC ¶ 61,134 (2013) (“Order 787”).

reliable service or operational planning on either system. The Commission found in Order No. 787 that the regulations will “help maintain the reliability of the pipeline and public utility transmission service by permitting transmission operators to share information with each other that they deem necessary to promote the reliability and integrity of their systems.”⁴ The Commission further noted that it was “intentionally permitting the communication of a broad range of non-public, operational information to provide flexibility to individual transmission operators, who have the most insight and knowledge of their systems, to share that information which they deem necessary to promote reliable service on their system.”⁵ The Commission ordered that—to the extent existing tariff provisions prevent the type of information sharing now permitted by these regulations—the transmission provider must make a filing with the Commission to allow the sharing of such information.⁶

The NYISO OATT does not currently permit the broad range of communications with interstate natural gas pipelines authorized by Order No. 787. Consequently, the NYISO herein seeks to revise its OATT to permit such communications. The proposed OATT revision to Attachment F, Section 12.4 modifies NYISO’s treatment of Confidential Information to permit “communication of non-public, operational information concerning natural gas-fueled generation from resources located within the New York Control Area between the ISO and the operating personnel of an interstate natural gas pipeline company for the purpose of promoting reliable service or operational planning.”⁷

The proposed revisions offered by the NYISO in this filing will also permit, under certain conditions, the sharing of non-public operational information with operating personnel of LDCs and intrastate natural gas pipeline operators. This authorization is conditioned on such party or parties acknowledging, in writing, that they are prohibited from disclosing, or using anyone as a conduit for disclosure of, non-public, operational information received from NYISO to a third party or affiliate, as contemplated by the Commission. The proposed OATT revision to Attachment F, Section 12.4 thus modifies NYISO’s treatment of Confidential Information to permit:

communication of non-public, operational information concerning natural gas-fueled generation from resources located within the New York Control Area between the ISO and the operating personnel of natural gas local distribution companies and/or intrastate natural gas pipeline operators for the purpose of promoting reliable service or operational planning, provided that such party has acknowledged, in writing, that it is prohibited from disclosing, or using anyone as a conduit for disclosure of, non-

⁴ Order No. 787 at P 1.

⁵ *Id.* at P 41.

⁶ *Id.* at P 135.

⁷ The NYISO also proposes herein a ministerial grammatical revision to OATT, Attachment F, Section 12.4, changing the word “does” to “do.”

public, operational information received from the ISO to an affiliate or third party.

The Commission declined in Order No. 787 to summarily extend the broader communication tools proposed for interstate pipelines to LDCs and intrastate natural gas pipeline operators generally, because the Commission acknowledged its limited jurisdiction with respect to such entities.⁸ However, the Commission recognized that LDCs and other parties have a significant role to play in maintaining the reliability of both interstate natural gas pipeline transportation systems and electric transmission systems. As such, the Commission encouraged electric transmission operators that could benefit from sharing such information with these entities to offer tariff provisions that establish acceptable procedures for handling and protection from inappropriate disclosure or use of such information – such as by use of a non-disclosure agreement.⁹

In the New York Control Area, nearly 80% of natural gas-fueled generation is served by a natural gas LDC or connected to an intrastate pipeline. Accordingly, permitting communication of non-public operational information with LDCs and intrastate pipelines is of particular benefit to reliability in New York. The NYISO—and its stakeholders, as evidenced by their unanimous approval of the tariff revisions sought here—believes that the non-disclosure provisions required here of LDCs and interstate pipelines provide assurances that the non-public operational information to be shared will be adequately protected. The NYISO also consulted with New York State Department of Public Service staff on the development of this tariff language.

Taken together, the tariff revisions sought here will enable improved communication and coordination between the control room operators of the gas and electric networks in New York, as contemplated by the Commission in Order No. 787. Specifically, they will permit the NYISO to provide gas pipeline operators and LDCs with operating schedules for individual generators to indicate their expected gas needs. It will further allow real-time discussion among the NYISO and gas suppliers concerning specific resources that may be needed to maintain reliability, in normal and extreme weather conditions. This communication will promote enhanced situational awareness and assist in identifying and addressing circumstances which could affect bulk power system reliability in the event of fuel shortages.

III. Requested Effective Date

Pursuant to Section 205 of the Federal Power Act, the NYISO requests an effective date of November 17, 2014 for its proposed Tariff revisions, sixty days after the submission of this filing.

⁸ *Id.* at PP 56 – 57.

⁹ *Id.*, n. 83.

IV. NYISO Stakeholder Review and Board of Directors Approval

The NYISO's Management Committee approved the proposed revisions to the OATT, Attachment F, Section 12.4, unanimously on July 30, 2014. The NYISO Board of Directors approved the proposed Tariff revisions on September 15, 2014.

V. Communications and Correspondence

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

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Raymond Stalter, Director, Regulatory Affairs
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* Designated to receive service.

VI. 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.

VII. Conclusion

Wherefore, for the foregoing reasons, the NYISO respectfully requests that the Commission accept its proposed Tariff revisions for filing.

Respectfully submitted,

/s/ Christopher R. Sharp
Christopher R. Sharp, Compliance Attorney
New York Independent System Operator, Inc.

cc: Michael Bardee Gregory Berson
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