

142 FERC ¶ 61,002
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 2, 2013

In Reply Refer To:
New York Independent System Operator, Inc.
Docket No. ER06-1014-000

New York Independent System Operator, Inc.
Attn: Mollie Lampi, Assistant General Counsel
10 Krey Boulevard
Rensselaer, NY 12144

Dear Ms. Lampi:

1. On August 3, 2012, in Docket ER06-1014-000, New York Independent System Operator, Inc. (NYISO) filed a request to terminate its obligation to submit semi-annual price correction reports (August 3, 2012 Filing). The request is granted, as discussed below.
2. On March 9, 2005, following the introduction of NYISO's real-time market design, NYISO filed a request for tariff revisions to extend the period available to correct prices under NYISO's Temporary Extraordinary Procedures (TEP). On May 9, 2005, the Commission accepted NYISO's proposed tariff revisions and required NYISO to "file a report with the Commission . . . that includes a plan and a schedule for shortening the time periods both for posting notices of price corrections and for correcting prices under the TEP as well as eventually phasing out the TEP altogether."¹
3. On May 16, 2006, in compliance with the May 9, 2005 Order, NYISO filed tariff revisions to eliminate the TEP and to establish a framework and time limits for non-TEP price corrections. On July 14, 2006, the Commission accepted these tariff revisions and directed NYISO to file a semi-annual informational report on the price corrections it

¹ *New York Indep. Sys. Operator, Inc.*, 111 FERC ¶ 61,200, at P 16 (2005) (May 9, 2005 Order).

made for each six-month period.² In requiring the semi-annual informational report, the Commission found that “NYISO needs to continue to work with its participants to ensure further progress in reducing the types of, and frequency of, price errors.”³ Therefore, the Commission required NYISO to include in the informational report, among other things, a summary and discussion of the actions NYISO undertook in the preceding six months to reduce or eliminate the types of price errors that occurred.⁴ The Commission also required NYISO to include in the semi-annual informational reports a listing of each individual price correction made in the preceding six months; the cause, duration, and rate impact of the pricing error; and the actions NYISO took to correct the pricing error.⁵

4. In its August 3, 2012 Filing, NYISO notes that, following the July 14, 2006 Order, it was correcting prices in about 2.69 percent (2.69%) of all hours. NYISO states, however, that this percentage declined to less than one percent in 2008 and has remained between two tenths of one percent (0.2%) and three tenths of one percent (0.3%) since 2009. NYISO requests, in light of the substantial reduction in the number of hours requiring price corrections and its continuing tariff-based obligation to report on the price corrections it does make,⁶ that the Commission relieve NYISO of any further obligation to make additional, semi-annual, informational price correction filings. NYISO adds that it remains obligated by the tariff to post price correction reports on its website, both as they occur and quarterly. NYISO asserts that, as a result, the Commission reports contain price correction information that NYISO has already included in the reports it posts to its website and that this information will continue to be posted for any future price correction activity.

5. NYISO contends that, because it has reduced the types of, and frequency of, pricing errors and will continue to publish to its website details on price corrections when they do occur, the Commission should find that the obligation to continue to submit semi-annual price correction reports is no longer necessary and can be ended.

² *New York Indep. Sys. Operator, Inc.*, 116 FERC ¶ 61,037, at P 43 (2006) (July 14, 2006 Order).

³ *Id.*

⁴ *Id.*

⁵ *See id.*

⁶ NYISO, Services Tariff, Attachment E: Procedures for Reserving and Correction Erroneous Energy and Ancillary Services Prices, § 20.4 (Reporting Requirements).

6. We note that the information NYISO provides to the marketplace, pursuant to section 20.4 of the Services Tariff, enables market participants to remain informed of price corrections. Accordingly, given this fact and given the reduction in the number of price corrections, we grant the NYISO's request to terminate NYISO's obligation to make semi-annual reports on its price correction activity and excuse NYISO from any remaining compliance obligation it may have in this regard.

By direction of the Commission.

Kimberly D. Bose,
Secretary.