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## FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426

February 9, 2000

Docket No. ER00-886-000

LeBoeuf, Lamb, Greene & MacRae, L.L.P.
ATTN: Joseph H. Fagan, Esq.
Attorney for New York State Reliability Council
1875 Connecticut Ave., N.W.
Washington, D.C. 20009-5728

Dear Mr. Fagan:

By letter dated December 22, 1999, you submitted for filing, on behalf of the Executive Committee of the New York State Reliability Council (NYSRC), an amendment to the NYRSC Agreement. The proposed amendment provides that the NYSRC will be funded, in part, through a surcharge to rates imposed by the New York Independent System Operator (NYISO) under its ISO Open Access Tariff and/or its ISO Services Tariff.

The NYRSC cannot effect an amendment to the ISO Tariffs by amending its own agreement. Increases in the rates under the ISO Tariffs require that the NYISO file amendments to those tariffs and demonstrate that the revised rates are just, reasonable and not unduly discriminatory or preferential. Accordingly, your submittal is rejected without prejudice to any subsequent filing by the NYISO to amend its tariffs to include amounts it pays to the NYRSC.

The Commission clarifies that this letter does not address the merits of any subsequent proposal to increase rates in the ISO Tariffs for the purpose of funding the NYRSC. The merits of such a proposal will be addressed if and when the NYISO tenders appropriate amendments to its tariffs.

By direction of the Commission.

Acting Secretary.