



March 2, 2010

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

RE: **ISO New England Inc., Reconciled Tariff Sheets for Compliance With Order No. 614; Docket No. ER10- -000**

Dear Secretary Bose:

In compliance with Order No. 614,¹ ISO New England Inc. (the “ISO”)² hereby submits an original and six copies of this transmittal letter and tariff sheets reflecting the reconciliation of two filings previously accepted by the Federal Energy Regulatory Commission (“Commission”).

On April 28, 2009, the ISO and the New England Power Pool (“NEPOOL”) Participants Committee jointly filed in Docket No. ER09-1051-000 revised tariff sheets in compliance with Order No. 719³ (“Order No. 719 Compliance Filing”). On January 21, 2010, the Commission accepted the Order No. 719 Compliance Filing, including the revised tariff sheets, subject to a further compliance filing which does not affect this reconciliation filing.⁴ Among other things, the Order No. 719 Compliance Filing added to Market Rule 1 definitions for the terms “Internal Market Monitor” and “External Market Monitor.” The Order No. 719 Compliance Filing also added the following

¹ *Designation of Electric Rate Schedule Sheets*, Order No. 614, 90 FERC ¶ 61,352 (2000).

² Capitalized terms used but not defined in this filing are intended to have the meaning given to such terms in the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3 (the “Tariff”), the Second Restated New England Power Pool Agreement, and the Participants Agreement. Market Rule 1 is Section III of the Tariff.

³ *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 73 Fed. Reg. 64100 (October 28, 2008), FERC Stats. & Regs. ¶ 31,281 (2008) (“Order No. 719”).

⁴ *ISO New England Inc. and New England Power Pool*, Order On Compliance Filing, 130 FERC ¶ 61,054 (2010).

language to Appendix A of Market Rule 1: “III.A.1.5. Definitions. Capitalized terms not defined in this Appendix A are defined in Section III.1.3 of Market Rule 1.”

On October 26, 2009, the ISO, NEPOOL, and a number of other filing parties⁵ jointly submitted in Docket No. ER10-108-000 revised tariff sheets to relocate the definitions provided in Sections II, III, IV.A and IV.B of the Tariff into Section I, thereby creating one consolidated definitions section (“Definitions Filing”). The Commission accepted the Definitions Filing by letter order issued on December 9, 2009, effective January 24, 2010. Because the ISO submitted the Definitions Filing *before* the Commission accepted the Order No. 719 Compliance Filing changes at issue here (*i.e.*, January 21, 2010), the Definitions Filing changes were added to the version of the tariff sheets that did not include the Order No. 719 Compliance Filing changes. As a result, the consolidated definitions section that became effective on January 24, 2010 does not include the definitions for “Internal Market Monitor” and “External Market Monitor” that were created in the Order No. 719 Compliance Filing.

The ISO submits this reconciliation filing to insert the definitions for “Internal Market Monitor” and “External Market Monitor,” which the Commission already has accepted, into the consolidated definitions provision of Section I of the currently effective version of the Tariff. This reconciliation filing also amends Section III.A.1.5 to update the cross-reference to the current location of the relevant definitions – *i.e.*, Section I of the Tariff.

The changes made in this filing are ministerial and merely reconcile changes already accepted by the Commission in prior orders. This reconciliation filing only updates the attached Tariff sheets to ensure that they accurately reflect the language accepted by the Commission in prior proceedings as required by Order No. 614.

The ISO submits the enclosed tariff sheets (specifically, Sheet Nos. 15W, 15MM, and 7407A) in blacklined (Attachment 1) and clean (Attachment 2) formats for compliance with Order No. 614, to become effective March 3, 2010. To avoid uncertainty, the ISO is posting the enclosed tariff sheets to the published version of the Tariff on the date of this transmittal, subject ultimately to the Commission’s acceptance of this filing.

⁵ The other filing parties were Northeast Utilities Service Company, as agent for its operating companies, The Connecticut Light and Power Company, Western Massachusetts Electric Company, and Public Service Company of New Hampshire, and Cross-Sound Cable Company, LLC.

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Please acknowledge receipt of the foregoing by date-stamping and returning to our messenger the enclosed extra copies of this filing.

Respectfully submitted,

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Attachments

cc: Michelle Gardner, Esq., Patrick Gerity, Esq., and Eric Runge, Esq., NEPOOL legal counsel

Attachment 1

Existing Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.2.1 of Market Rule 1.

Existing Import Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.1 of Market Rule 1.

Export Bid is a bid that may be submitted by certain resources in the Forward Capacity Auction to export capacity to an external Control Area, as described in Section III.13.1.2.3.1.3 of Market Rule 1.

Exports are Real-Time External Transactions, which are limited to sales from the New England Control Area, for exporting energy out of the New England Control Area.

External Market Monitor means the person or entity appointed by the ISO Board of Directors pursuant to Section III.A.1.2 of Appendix A of this Market Rule to carry out the market monitoring and mitigation functions specified in Appendix A and elsewhere in this Market Rule.

External Node is a proxy bus or buses used for establishing a Locational Marginal Price for energy received by Market Participants from, or delivered by Market Participants to, a neighboring Control Area or for establishing Locational Marginal Prices associated with energy delivered through the New England Control Area by Non-Market Participants for use in calculating Non-Market Participant Congestion Costs and loss costs.

External Resource means a generation resource located outside the metered boundaries of the New England Control Area.

External Transaction is a purchase by a Market Participant of energy external to the New England Control Area or a sale by a Market Participant of energy external to the New England Control Area in the Day-Ahead Energy Market and/or Real-Time Energy Market or a through transaction scheduled by a Non-Market Participant in the Real-Time Energy Market.

Intermittent Settlement Only Resource is a Settlement Only Resource that is also an Intermittent Power Resource.

Internal Bilateral for Load is an internal bilateral transaction under which the buyer receives a reduction in Real-Time Load Obligation and the seller receives a corresponding increase in Real-Time Load Obligation in the amount of the sale, in MWs. An Internal Bilateral for Load transaction is only applicable in the Real-Time Energy Market.

Internal Bilateral for Market for Energy is an internal bilateral transaction for Energy which applies in the Day-Ahead Energy Market and Real-Time Energy Market or just the Real-Time Energy Market under which the buyer receives a reduction in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation and the seller receives a corresponding increase in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation in the amount of the sale, in MWs.

Internal Market Monitor means the department of the ISO responsible for carrying out the market monitoring and mitigation functions specified in Appendix A and elsewhere in this Market Rule.

Internal Market Monitoring Unit (INTMMU) means the staff of the ISO designated to implement Mitigation Measures.

Interruption is defined, for purposes of Schedule 21, as a reduction in non-firm transmission service due to economic reasons.

Invoice is a statement issued by the ISO for the net Charge owed by a Covered Entity pursuant to the ISO New England Billing Policy.

ISO means ISO New England Inc.

III.A.1.3. Data Access and Information Sharing. The ISO shall provide the Internal Market Monitor and External Market Monitor with access to all market data, resources and personnel sufficient to enable the Internal Market Monitor and External Market Monitor to perform the market monitoring and mitigation functions provided for in this *Appendix A*. In addition, the Internal Market Monitor and External Market Monitor shall have full access to the ISO's electronically generated information and databases and shall have exclusive control over any data created by the Internal Market Monitor or External Market Monitor. The Internal Market Monitor and External Market Monitor may share any data created by it with the ISO, which shall maintain the confidentiality of such data in accordance with the terms of the ISO New England Information Policy.

III.A.1.4. Interpretation. In the event that any provision of any ISO New England Filed Document is inconsistent with the provisions of this *Appendix A*, the provisions of *Appendix A* shall control. Notwithstanding the foregoing, Sections III.A.1.2, III.A.2.2(a)-(c), (e)-(h), Section III.A.2.3(a)-(g), (i), (n) and Section III.A.12.4 are also part of the Participants Agreement and cannot be modified in either *Appendix A* or the Participants Agreement without a corresponding modification at the same time to the same language in the other document.

III.A.1.5. Definitions. Capitalized terms not defined in this *Appendix A* are defined in the definitions section of Section I of the Tariff~~Section III.1.3 of Market Rule 1.~~

Attachment 2

Existing Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.2.1 of Market Rule 1.

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III.A.1.4. Interpretation. In the event that any provision of any ISO New England Filed Document is inconsistent with the provisions of this *Appendix A*, the provisions of *Appendix A* shall control. Notwithstanding the foregoing, Sections III.A.1.2, III.A.2.2(a)-(c), (e)-(h), Section III.A.2.3(a)-(g), (i), (n) and Section III.A.12.4 are also part of the Participants Agreement and cannot be modified in either *Appendix A* or the Participants Agreement without a corresponding modification at the same time to the same language in the other document.

III.A.1.5. Definitions. Capitalized terms not defined in this *Appendix A* are defined in the definitions section of Section I of the Tariff.