

Attachment C

Autumn 2008 Initial Auction and Winter 2008-2009 Reconfiguration Auctions Effective Periods of TCCs in Initial and Reconfiguration Auctions Classes, Stages, and Rounds for Initial Auction

- 1. The Rules, Procedures and Guidelines for the Initial Auction and Reconfiguration Auctions of TCCs to which this is attached shall:**
 - a) govern the proceedings of an auction to be conducted by the New York Independent System Operator (“NYISO”) during the period from July 28, 2008 to October 17, 2008, whereby holders of Transmission Congestion Contracts ("TCCs") may release those TCCs for sale and other auction participants may bid to purchase TCCs ("Autumn 2008 Initial Auction"); and,
 - b) govern the proceedings of monthly auctions to be conducted by the NYISO during the period October 2008 to March 2009, whereby holders of TCCs may release those TCCs for sale and other auction participants may bid to purchase TCCs ("Reconfiguration Auction") (also, Initial Auction and Reconfiguration Auction referred to, collectively, as “Auctions”).

- 2. Effective Periods of TCCs Purchased in the Initial Auction or Reconfiguration Auction**
 - 2.1 The total number of TCCs sold in the Initial Auction will be the sum of (a) Existing Transmission Capacity for Native Load (“ETCNL”) allocated to the Transmission Owners, (b) Residual TCCs allocated to the Transmission Owners prior to the formation of the NYISO that have not been sold in a direct sale prior to the Initial Auction, (c) any Grandfathered TCCs that were offered for sale in the Initial Auction, and (d) any system transfer capacity in excess of that claimed by ETCNL, Fixed Price TCCs, Existing Transmission Agreements and Residual TCCs, but for One-Year TCCs sold in the Initial Spring 2008 Auction and not offered for sale in the Initial Autumn 2008 Auction by valid Electronic Offer made or amended and timely received in accordance with the Rules, and Attachment M of the ISO OATT (collectively the “Available TCCs”). The Available TCCs will be sold in two Classes: One-Year TCCs and Six-Month TCCs. The NYISO will sell 33.3 percent of the Available TCCs as One-Year TCCs and 66.7 percent of the Available TCCs as Six-Month TCCs. In the reconfiguration auction rounds, One-Year TCCs and Six-Month TCCs will be sold. In these reconfiguration auction rounds, the available TCCs will consist of those TCCs offered for the round. All TCCs sold through the Initial Auction are valid for all hours of each day of the duration of that TCC (“Effective Period”).
 - a) One-Year TCCs sold in the Initial Auction will be valid for the period commencing on November 1, 2008 (beginning 12:00 midnight) (all times referenced in these Rules shall be according to Eastern Time) and ending on

October 31, 2009 (ending at 11:59:59 PM). This period shall constitute the Effective Period of One-Year TCCs sold in the Initial Auction.

- b) Six-Month TCCs sold in the Initial Auction will be valid for the period commencing on November 1, 2008 (beginning 12:00 midnight) and ending on April 30, 2009 (ending at 11:59:59 PM). This period shall constitute the Effective Period of Six-Month TCCs sold in the Initial Auction.

2.2 The total number of TCCs sold in the Reconfiguration Auction will be the sum of (a) any TCCs sold in the Initial Auction that were offered for sale in the Reconfiguration Auction, (b) any Grandfathered TCCs that were offered for sale in the Reconfiguration Auction, and (c) any system transfer capacity in excess of that claimed by ETCNL, Fixed Price TCCs, Existing Transmission Agreements, Residual TCCs and TCCs sold in the Initial Auction (collectively the “Available Reconfiguration Auction TCCs”).

2.3 The Available Reconfiguration Auction TCCs will be sold as One Month TCCs. The NYISO will sell 100 percent of the Available Reconfiguration Auction TCCs as One Month TCCs. All TCCs sold through the Reconfiguration Auction are valid for all hours of each day of the duration of that TCC (“Effective Period”). One Month TCCs sold in a Reconfiguration Auction will be valid for the period commencing on the first day of the relevant month (beginning 12:00 midnight) (all times referenced in these Rules shall be according to Eastern Time) and ending on the last day of the relevant month (ending at 11:59:59 PM). This period shall constitute the Effective Period of One Month TCCs sold in the Reconfiguration Auction.

3. Classes, Stages, and Rounds for the Initial Auction

3.1 The Initial Auction will be conducted according to Attachment M of the ISO OATT. Two classes of TCCs (each a “Class”) will be sold in the Initial Auction: a One-Year Class of TCCs and a Six-Month Class of TCCs. Each Class of TCCs will be auctioned in two stages: Stage 1 and Stage 2.

3.2 For the One-Year Class of TCCs sold, Stage 1 of the Initial Auction will consist of four rounds. 20% of Available TCCs being sold as One-Year TCCs will be sold in the first One-Year Stage 1 round. 20% of Available TCCs being sold as One-Year TCCs will be sold in the second One-Year Stage 1 round. 20% of Available TCCs being sold as One-Year TCCs will be sold in the third One-Year Stage 1 round. 40% of Available TCCs being sold as One-Year TCCs will be sold in the fourth One-Year Stage 1 round.

3.3 For the Six-Month Class of TCCs sold, Stage 1 of the Initial Auction will consist of four rounds. 20% of Available TCCs being sold as Six-Month TCCs will be sold in the first Six-Month Stage 1 round. 20% of Available TCCs being sold as Six-Month TCCs will be sold in the second Six-Month Stage 1 round. 24% of Available TCCs being sold as Six-Month TCCs will be sold in the third Six-Month Stage 1 round. 36% of Available TCCs being sold as Six-Month TCCs will be sold in the fourth Six-Month Stage 1 round.

3.4 For each Class of TCCs sold, Stage 2 of the Initial Auction will consist of one round in

which Primary Holders with TCCs in effect for the entire Effective Period of the TCCs being sold may submit offers to sell some or all of those TCCs in Stage 2 and other auction participants may bid to purchase those TCCs.