

6.1.6 Non-ISO Facilities Payment Charge

The ISO shall charge, and each Transmission Customer shall pay, a charge in accordance with Section 6.1.6.54 of this Rate Schedule 1 for the recovery of the costs of the ISO's monthly payments to the owners of facilities that are needed for the economic and reliable operation of the NYS Transmission System. At present, the ISO makes such payments to:

- (i) Consolidated Edison Co. of New York, Inc. for the purchase, installation, operation, and maintenance of phase angle regulators at the [BranchburgHopatcong-Ramapo Interconnection](#) between the ISO and PJM Interconnection, LLC ([the "Ramapo PARs Charge"](#)), and
- (ii) Rochester Gas & Electric Corporation for the installation of a 135 MVAR Capacitor Bank at Rochester Station 80 on the cross-state 345 kV system.

6.1.6.1 Calculation of the Ramapo PARs Charge

[The Ramapo PARs Charge is the Consolidated Edison Co. of New York \("Con Edison"\) component of the *NonISOFacilitiesCosts* defined in Section 6.1.6.5 below. Con Edison shall calculate the Ramapo PARs Charge using the procedures described in the 1993 PARs Facilities Agreement that was accepted for filing by FERC in Docket No. ER93-640-000 on May 10, 1993 \(the "1993 Agreement"\), irrespective of the effectiveness of the 1993 Agreement. The costs Con Edison may include in the Ramapo PARs Charge are limited to the categories of costs that are eligible for recovery under the 1993 Agreement, and by the rules in this Section.](#)

[In order to permit the replacement of the Ramapo 3500 PAR that failed in June of 2016 without further delay, commencing on **\[insert effective date of tariff revisions\]** Transmission Customers will begin reimbursing Con Edison for up to 100% of the costs Con Edison incurred](#)

or incurs to purchase and install a replacement for the 3500 PAR, and up to 100% of the going-forward costs Con Edison incurs to operate and maintain the 3500 PAR.

With regard to the Ramapo PAR installed in and in service since 2013 (“Installed PAR”), Con Edison shall not submit a Ramapo PARs Charge that would cause Transmission Customers to pay more than 50% of the costs Con Edison submitted for inclusion in the *Non-ISO Facilities Payment Charge* for the Installed PAR prior to **[insert effective date of tariff revisions]**.

Subject to the foregoing restriction, in order to permit the continued operation of the Ramapo Installed PAR, commencing on **[insert effective date of tariff revisions]** Transmission Customers will reimburse Con Edison for up to 100% of Con Edison’s going-forward cost of purchasing, installing, operating and maintaining the Installed PAR.

If PJM Interconnection, LLC (“PJM”), on behalf of some or all of its customers, assumes an obligation to pay a portion of the Ramapo PARs Charge, then the obligation of Transmission Customers to pay the Ramapo PARs Charge shall be reduced consistent with the obligation that PJM Interconnection, LLC assumes.

6.1.6.2 Transparency of the Ramapo PARs Charge

The ISO shall post on its web site the itemized monthly bill (for the preceeding month) that Con Edison develops and submits to the ISO in accordance with Section 2.4 of the 1993 Agreement. The itemized monthly bill determines the Ramapo PARs Charge.

No later than August 1 of each year Con Edison shall prepare and the ISO shall post on its website an estimate of the monthly costs and expenses associated with the Ramapo PARs for the next calendar year and for each of the four subsequent years.

Con Edison shall maintain books and records related to its calculation of Ramapo PARs Charge, including costs incurred. Such books and records shall be subject to review by any New York Transmission Customer at reasonable intervals during normal business hours.

6.1.6.3 Refund of the Ramapo PARs Charge to Transmission Customers

To the extent Transmission Customers paid more than 50% of the Ramapo PARs Charge for a Billing Period, they shall be eligible to receive a refund if and to the extent Con Edison's cost recovery exceeds 100% of the Ramapo PARs Charge for that Billing Period.

If PJM, or one or more PJM transmission owners, submit(s) a payment to the ISO covering Ramapo PARs Charges assessed by Con Edison for a past period that is on or after **[insert effective date of tariff revisions]** and the conditions set forth in the first paragraph of this Section 6.1.6.3 are satisfied, then appropriate refunds shall be paid to Transmission Customers in accordance with the rules set forth below.

If PJM or any of the PJM transmission owners submit payments to Con Edison covering Ramapo PARs Charges assessed by Con Edison on or after **[insert effective date of tariff revisions]** and the conditions set forth in the first paragraph of this Section 6.1.6.3 are satisfied, then Con Edison shall refund to the ISO any amounts it received in excess of 100% of the Ramapo PARs Charge for a Billing Period and the ISO shall distribute the refund it receives from Con Edison in accordance with the rules set forth below.

If the ISO receives a refund from Con Edison, or a payment from PJM or from one or more PJM transmission owners related to the Ramapo PARs Charge, then the ISO shall refund the amount received to its Transmission Customers as soon as practicable. Refunds shall be allocated to each Transmission Customer based on its market participation in the Billing Period during which refunds are issued, using the same load ratio share basis that the ISO uses to

allocate the *NonISOFacilitiesCosts* charges to Transmission Customers. Interest paid to the ISO shall be allocated to each Transmission Customer in the same manner as refunds are allocated.

6.1.6.4 Retirement and Replacement of the Ramapo PARs

If either of the Ramapo PARs described in section 6.1.6.1 fail and are not reparable, or are retired with the consent of the ISO, then the original cost of the facilities retired shall be deducted from the gross plant in service and any unrecovered book cost shall be increased by the cost of removal and reduced by any salvage value, tax benefits, and insurance proceeds. The net balance shall be billed to the ISO for payment to Con Edison in a lump sum in accordance with the calculation, transparency, and cost allocation provisions applicable to the Ramapo PARs Charge.

If either of the Ramapo PARs described in section 6.1.6.1 are damaged or condemned, the ISO may direct Con Edison to repair or replace them, provided that: (1) the costs of such repair or replacement net any insurance proceeds shall be recovered by Con Edison in accordance with the calculation, transparency, and cost allocation provisions applicable to the Ramapo PARs Charge; (2) Con Edison shall be the sole party responsible for determining whether a repair or replacement is in accordance with good utility practice; and (3) the schedule for any such repair or replacement shall be determined by Con Edison based on reliability considerations.

6.1.6.5 Calculation of Non-ISO Facilities Payment Charge

6.1.6.5.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a non-ISO facilities payment charge for each Billing Period. This charge shall be equal to the sum

of the hourly non-ISO facilities payment charges for the Transmission Customer, as calculated according to the following formula, for each hour in the relevant Billing Period.

$$\text{Non-ISO Facilities Payment Charge}_{c,h} = \frac{\text{NonISOFacilitiesCost}_M}{N} * \frac{\text{WithdrawalUnits}_{c,h}}{\text{TotalWithdrawalUnits}_h}$$

Where:

c = Transmission Customer.

M = The relevant month.

h = A given hour in the relevant Billing Period in month M .

N = Total number of hours h in month M .

$\text{Non-ISO Facilities Payment Charge}_{c,h}$ = The amount, in \$, for which Transmission Customer c is responsible for hour h .

$\text{NonISOFacilitiesCosts}_M$ = The sum, in \$, of the ISO's bills for month M for the non-ISO facilities from (i) Consolidated Edison Co. of New York (less the [one-half portion, if any](#), of such bill paid by PJM Interconnection, LLC) and (ii) Rochester Gas and Electric Corporation.

$\text{WithdrawalUnits}_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h , except for the Withdrawal Billing Units to supply Station Power as a third-party provider and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

$\text{TotalWithdrawalUnits}_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h , except for the Withdrawal Billing Units to supply Station Power as third-party providers and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

6.1.6.15.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Section 5 of this ISO OATT.

The ISO shall charge, and each Transmission Customer shall pay based on its

Withdrawal Billing Units used to supply Station Power as a third-party provider, a non-ISO

facilities payment charge for each Billing Period. This charge shall be equal to the sum of the daily non-ISO facilities payment charges for the Transmission Customer, as calculated according to the following formula, for each day in the relevant Billing Period.

$$\begin{aligned} & \text{Non-ISO Facilities Payment Charge}_{c,d} \\ &= \frac{\text{NonISOFacilitiesCosts}_M}{N} * \frac{\text{StationPower}_{c,d}}{\text{TotalWithdrawalUnits}_d} \end{aligned}$$

Where:

d = A given day in the relevant Billing Period in month M.

N = Number of days d in month M.

$\text{StationPower}_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.6.45.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.6.45.2 shall be determined for day d .

6.1.6.45.3 Non-ISO Facilities Payment Credit

The ISO shall credit each Transmission Customer based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the non-ISO facilities payment charge under Section 6.1.6.45.2 of this Rate Schedule 1 for each Billing Period. This credit shall be equal to the sum of daily payments for the Transmission Customer, as calculated according to the following formula, for each day in the relevant Billing Period.

*Non-ISO Facilities Payment Credit*_{c,d}

$$= \text{NonISOFacPayCharge}_d * \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_d}$$

Where:

d = A given day in the relevant Billing Period.

*Non-ISO Facilities Payment Credit*_{c,d} = The amount, in \$, that Transmission Customer *c* will receive for day *d*.

*NonISOFacPayCharge*_d = The sum of non-ISO facilities payment charges, in \$, for all Transmission Customers as calculated in Section 6.1.6.45.2 of this Rate Schedule 1 for day *d*.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.6.45.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.6.45.3 shall be determined for day *d*.