Draft – For discussion only

New York Independent System Operator, Inc.

FERC Electric Tariff

Original Volume No. 2

Sched. 2

that month, as recorded by the ISO.

Each month, the Cross-Sound Scheduled Line shall receive one-twelfth (1/12th) the

annual payment calculated under Section 2.0a of this Rate Schedule, pro-rated by the number of

hours that it is energized in that month, as recorded by the ISO.

For Non-Utility Generators that are operating under existing power purchase agreements,

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the entity that is purchasing Energy and/or Capacity under such agreement or providing

Transmission Service under that agreement shall be contacted by the ISO when the ISO requires

Voltage Support Service from the contracted Resource. Each month, the ISO shall pay holders of

the contracts for such Resources, which are operating under existing power purchase agreements,

an amount as described below in Section (c), except that the ISO shall pay this amount to the

Non-Utility Generator if the purchaser under the existing power purchase agreements agrees to

stipulate that the Non-Utility Generator should receive such payments. At such time as the

existing power purchase agreements are terminated or expire, the Non-Utility Generators may

then receive payments directly in accordance with this rate schedule.

(a) Annual Payment for Voltage Support Service

For purposes of the calculation set forth in Section 2.0 of this Rate Schedule, the

Effective:

October 31, 2006

annual payment to Suppliers qualified and eligible to provide Voltage Support Service

shall equal: (i) in the case of Generators and synchronous

Issued by: Mark S. Lynch, President

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