

NYISO Open Access Transmission Tariff		
Section	General Description	Proposed Revision
OATT 1.3 Definitions - C	“Capacity Reservation Cap”	“ Capacity Reservation Cap: The maximum percentage of transmission Capacity from a Transmission Owner’s sets of ETCNL that may be converted into ETCNL TCCs or the maximum percentage of a Transmission Owner <u>Member System</u> ’s RCRRs that may be converted into RCRR TCCs, as the case may be, as established by the ISO pursuant to Section 19.4.3 of Attachment M.”
OATT 1.9 Definitions - I	“Independent System Operator/Transmission Owner Agreement (“ISO/TO Agreement”)”	“ Independent System Operator/Transmission Owner Agreement (“ISO/TO Agreement”): The agreement that establishes the terms and conditions under which the Transmission Owners <u>Member Systems</u> transferred to the ISO Operational Control over designated transmission facilities.”
OATT 1.9 Definitions - I	“ISO Related Agreements”	“ ISO Related Agreements: Collectively, the ISO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement, and the ISO/TO Agreement, <u>and Operating Agreements.</u> ”
OATT 1.13 Definitions - M	“Member Systems”	“ Member Systems: The eight Transmission Owners that comprised the membership of the New York Power Pool, <u>which are: (1) Central Hudson Gas & Electric Corporation, (2) Consolidated Edison Company of New York, Inc., (3) New York State Electric & Gas Corporation, (4) Niagara Mohawk Power Corporation d/b/a National Grid, (5) Orange and Rockland Utilities, Inc., (6) Rochester Gas and Electric Corporation, (7) the Power Authority of the State of New York, and (8) Long Island Lighting Company d/b/a Long Island Power Authority.</u> ”
OATT 1.15 Definitions - O	“Operating Agreement”	“ Operating Agreement: <u>An agreement between the ISO and a non-incumbent owner of transmission facilities in the New York Control Area concerning the operation of the transmission facilities in the form of the agreement set forth in Appendix H (Section 31.11) of Attachment Y.</u> ”
OATT 1.18 Definitions – R	“RCRR TCC”	“ RCRR TCC: A zone-to-zone TCC created when a Transmission Owner <u>Member System</u> with a RCRR exercises its right to convert the RCRR

		into a TCC pursuant to Section 19.5.4 of Attachment M of the ISO OATT.”
OATT 1.18 Definitions – R	“Residual capacity Reservation Right (“RCRR”)”	Residual Capacity Reservation Right (“RCRR”): A megawatt of transmission Capacity from one Load Zone to an electrically contiguous Load Zone, each of which is internal to the NYCA, that may be converted into an RCRR TCC by a Transmission Owner <u>Member System</u> allocated the RCRR pursuant to Section 19.5 of Attachment M of the ISO OATT.
OATT 1.20 Definitions – T	“Transmission District”	“Transmission District: The geographic area served by the Investor Owned in which a Transmission Owners and, including LIPA, is obligated to serve Load, as well as the customers directly interconnected with the transmission facilities of the Power Authority of the State of New York.”
OATT 1.20 Definitions - T	“Transmission Facilities Under ISO Operational Control”	“Transmission Facilities Under ISO Operational Control: The transmission facilities of the Transmission Owners listed in Appendix A-1 of the ISO/TO Agreement; (“Listing of Transmission Facilities Under ISO Operational Control;”) and listed in Appendix A-1 of an Operating Agreement (“NTO Transmission Facilities Under ISO Operational Control”) that are subject to the Operational Control of the ISO. This listing may be amended from time-to-time as specified in the ISO/TO Agreement and Operating Agreements. ”
OATT 1.20 Definitions – T	“Transmission Facilities Requiring ISO Notification”	“Transmission Facilities Requiring ISO Notification: The transmission facilities of the Transmission Owners listed in Appendix A-2 of the ISO/TO Agreement; (“Listing of Transmission Facilities Requiring ISO Notification;”) and listed in Appendix A-2 of an Operating Agreement (“NTO Transmission Facilities Requiring ISO Notification”) whose status of operation must be provided to the ISO by the Transmission Owners (for the purposes stated in the ISO Tariffs and in accordance with the ISO OATT, and ISO/TO Agreement, and/or <u>Operating Agreements</u>) prior to the Transmission Owners making operational changes to the state of these facilities. The listing may be amended from time-to-time as specified in the ISO/TO Agreement and Operating Agreements. ”
OATT 1.20 Definitions – T	“Transmission Service Charge”	“Transmission Service Charge (“TSC”): A charge designed to ensure recovery of the embedded cost of a Transmission Owner’s transmission system <u>owned by a Member System.</u> ”

<p>OATT 2.1.1</p>	<p>Historic provision that provides for the effectiveness of the Open Access Transmission Tariff.</p>	<p>“2.1.1 Effectiveness: This Tariff shall become effective on the latest of the following: (i) September 1, 1999; (ii) Commission approval of (a) this Tariff; (b) the ISO Services Tariff; (c) the ISO Agreement; (d) NYSRC Agreement; (e) the ISO/NYSRC Agreement; and (f) the ISO/TO Agreement (collectively, the “ISO Tariffs and ISO Related Agreements”); (iii) the date on which both the Commission and the PSC grant all necessary approvals to the Transmission Owners<u>Member Systems</u> to transfer Operational Control of any facilities to the ISO or otherwise dispose of any of their property, including, without limitation, those approvals required under Section 70 of the New York Public Service Law (“PSL”) and Section 203 of the Federal Power Act (“FPA”); (iv) the last date that any other approval or authorization is received, to the extent such additional approval or authorization is necessary; (v) execution of the ISO Related Agreements <u>with the exception of any Operating Agreement</u>; or (vi) such later date specified by the Commission.”</p>
<p>OATT 2.7.3.7</p>	<p>Settlement Information and Billing Procedures for TSCs</p>	<p>“2.7.3.7 Settlement Information and Billing Procedures for TSCs The ISO shall provide each Transmission Owner<u>Member System</u> with information to facilitate TSC billing. Settlement information and billing procedures for payments of the TSC by retail access customers or LSEs serving retail access customers in accordance with Section 5 of this ISO OATT shall be separately issued, paid and collected in accordance with Section 5 of this ISO OATT. Settlement information and billing procedures for payments for TSCs for customers other than retail access customers and LSEs serving retail access customers shall be separately issued, paid and collected in accordance with the terms and conditions set forth in Attachment H of this ISO OATT in accordance with Section 5 of this ISO OATT.”</p>
<p>OATT 2.12.1 Back-Up Operation Procedures:</p>	<p>In providing for the development of Back-Up Operation procedures, this provision references Transmission Owners in the context of their responsibility in the event that the ISO will direct that the Transmission Owners to assume responsibility to</p>	<p>“2.12.1 Back Up Operation Procedures: The ISO shall maintain Back-Up Operation procedures that will carry out the intent and purposes of this ISO OATT, to the extent practical, in circumstances under which the normal communications or computer systems of the ISO are not fully functional. Such procedures shall include testing requirements and training for the ISO staff, and Transmission Owners. If a communication or computer system malfunction results in the ISO’s inability to operate the</p>

	<p>operate their respective systems.</p>	<p>NYCA in accordance with ISO Procedures or under approved testing procedures, the ISO will direct the Transmission Owners to assume the responsibility to operate their respective systems, <u>including facilities that a Transmission Owner has agreed to operate in accordance with an operation and maintenance agreement</u>, in accordance with Good Utility Practice to facilitate the operation of the NYCA in a safe and reliable manner.</p> <p>The Transmission Owners will continue to operate their respective systems, <u>including facilities that a Transmission Owner has agreed to operate in accordance with an operation and maintenance agreement</u>, until such time that the ISO is ready to resume control. During Back-Up Operation, the Transmission Owner control centers will operate to maintain the Desired Net Interchange (“DNI”) within each Transmission District. Generator Bid curves will be provided by the ISO to the individual Transmission Owners in order to permit dispatch by the Transmission Owners, subject to the Transmission Owner code of conduct <u>to the extent applicable</u>. Normal Day Ahead Market and Real Time Market operations may be halted if required.</p> <p><i>Identical to revisions to MST Section 5.3.1</i></p>
<p>OATT 4 Network Integration Transmission Service</p>	<p>References the parties to the ISO/TO Agreement with regard to the ISO providing Network Integration Transmission Service.</p>	<p>“Preamble</p> <p>The ISO will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in this Tariff and Service Agreement over the transmission facilities of the parties to the ISO/TO Agreement <u>or an Operating Agreement</u>. . . .”</p>
<p>OATT 6.10 Schedule 10 – Rate Mechanism for Recovery of the Reliability Facilities Charge (“RFC”)</p> <p>6.10.1 Applicability</p>	<p>References the NYISO/TO Reliability Agreement as it relates to the recovery of costs for regulated reliability transmission projects in the NYISO Reliability Planning Process.</p>	<p>“This rate mechanism establishes the Reliability Facilities Charge (“RFC”) for the recovery of costs related to each regulated reliability transmission project undertaken pursuant to a determination by the NYISO that a regulated solution is needed to address Reliability Needs identified by the NYISO in its reliability planning process in accordance with Section 31.2.8 of Attachment Y of the NYISO OATT and the NYISO/TO Reliability Agreement <u>or an Operating Agreement</u> . . .”</p> <p><i>Plus one more identical conforming revision within this section.</i></p>
<p>OATT 6.10.2 Recovery of Transmission Owner’s</p>	<p>References the NYISO/TO Reliability agreement as it relates to the recovery</p>	<p>“. . . This Section 6.10.2.2 also applies to the recovery of all reasonably incurred costs related to either (i) a regulated backstop transmission project or</p>

<p>Costs Related to Regulated Reliability Transmission Solutions. 6.10.2.2</p>	<p>of necessary expenses incurred to implement an orderly termination of a project.</p>	<p>(ii) an alternative regulated transmission project that the ISO has selected as the more efficient or cost effective solution and that is later halted, including but not limited to reasonable and necessary expenses incurred to implement an orderly termination of the project, in accordance with the provisions of the NYISO OATT and the NYISO/TO Reliability Agreement <u>or an Operating Agreement</u>. Following the information filing, the NYISO will bill the RFC or LIPA RFC, as applicable.”</p>
<p>OATT 12.1 Introduction</p>	<p>Within the Code of Conduct, this section references Transmission Owners that are signatories to the ISO Agreement and the ISO staff’s responsibility to provide Transmission Service and operate the OASIS.</p>	<p>“(2) provide Transmission Service pursuant to the ISO Open Access Transmission Tariff (“OATT”), acting as the Responsible Party, as defined in Order Nos. 889 et. seq. for all Transmission Owners that are signatories to the ISO Agreement and operate the OASIS in accordance with Section 12.2, below;” ¹ The “ISO Tariffs and Agreements” consist of the ISO OATT, the ISO Services Tariff, the ISO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement, and the ISO/TO Agreement, <u>and Operating Agreements</u>. The term “ISO Tariffs” consists of the ISO OATT and the ISO Services Tariff.”</p>
<p>OATT 14.2.2 NYPA Transmission Adjustment Charge (“NTAC”) 14.2.2.2.3</p>	<p>This section references the eight original Transmission Owners that are required to unanimously approve additions to NYPA’s transmission system for purposes of NYPA’s NTAC.</p>	<p>“NYPA’s recovery pursuant to NTAC initially is limited to expenses and return associated with its transmission system as that system exists at the time of FERC approval of the NTAC (“base period revenue requirement”). Additions to its system may be included in the computation of NTAC only if: a) upgrades or expansions do not exceed \$5 million on an annual basis; or b) such upgrades or expansions have been unanimously approved by the Transmission Owners<u>Member Systems</u>. Notwithstanding the above, NYPA may invest in transmission facilities in excess of \$5 million annually without unanimous Transmission Owners²<u>Member Systems</u>’ authorization outside the NTAC recovery mechanism. In that case, NYPA cannot recover any expenses or return associated with such additions under NTAC and any TCC or other revenues associated with such additions will not be considered NYPA transmission revenue for purposes of developing the NTAC nor be used as a credit in the allocation of NTAC to transmission system users.”</p>
<p>OATT 14.2.2.3 Filing and Posting of NTAC</p>	<p>References the agreement between the original Transmission Owners (less NYPA) regarding the calculation of</p>	<p>“NYPA shall coordinate with the ISO to update certain components of the NTAC formula on a monthly or Capability Period basis. NYPA may update the</p>

	NYPA’s NTAC.	NTAC calculation to change the $ATTR_{NTAC}$, initially approved by FERC, and such updates shall be submitted to FERC each year as part of NYPA’s informational filing pursuant to Section 14.2.3.2.6 of this Attachment. An integral part of the agreement between the other Transmission Owners Member Systems and NYPA is NYPA’s consent to the submission of its $ATTR_{NTAC}$ for FERC review and approval on the same basis and subject to the same standards as the Revenue Requirements of the Investor-Owned Transmission Owners. Each January, beginning with January 2001, the ISO shall inform NYPA of the prior . . .”
OATT 19.5 Reservation of Transmission Capacity in a Centralized TCC Auction through RCRR TCCs	19.5.1 The ISO shall determine the number of RCRRs between each of the following contiguous pairs of Load Zones within the NYCA that the ISO shall allocate to Transmission Owners.	<i>Changing Transmission Owner to “Member System,” where applicable.</i>
OATT 19.8.4 Centralized TCC Auctions	This section references Transmission Owners that are subject to Attachment N in considering the number of rounds for the TCC Sub-Auctions.	“Each Sub-Auction shall normally consist of at least four rounds unless the Transmission Owners that are subject to Attachment N of this Tariff unanimously consent to fewer rounds. The ISO shall have the authority to determine the percentage of the available transmission Capacity that will be available to support TCCs sold in each round of each Sub-Auction such that all of the transmission Capacity offered for sale in that Sub-Auction shall be offered by the last round of that Sub-Auction. The ISO shall announce these percentages before the Sub-Auctions. The “scaling factor” for each round shall equal the percentage of available transmission Capacity that has not yet been made available to support the sale of TCCs in previous rounds, divided by the percentage of available transmission Capacity that will be made available to support the sale of TCCs in that round.”
OATT 19.8.5 Reconfiguration Auctions	This section addresses TCC Reconfiguration Auctions and references Transmission Owner in the context of being a Primary Owner of an ETCNL TCC or RCRR TCC with regard to offering that TCC for sale.	“19.8.5 Reconfiguration Auctions A Reconfiguration Auction is an auction in which monthly TCCs may be offered and purchased. This will allow Market Participants to purchase and sell short-term TCCs. Reconfiguration Auctions will also capture short-term changes in transmission Capacity. The ISO will conduct Reconfiguration Auctions monthly and TCCs purchased in Reconfiguration Auctions will be

		<p>valid for the month following the Reconfiguration Auction. A Reconfiguration Auction will consist of a single round. Any Primary Holder of a TCC that is valid for the month in which TCCs are being sold in the Reconfiguration Auction, including a purchaser of a TCC in a Centralized TCC Auction that has not sold that TCC and a Transmission Owner that is the Primary Owner of an ETCNL TCC or <u>a Member System that is the Primary Holder of a RCRR TCC</u>, may offer that TCC for sale in a Reconfiguration Auction; provided however that the sale of TCCs in a Reconfiguration Auction shall be subject to the limitations and prohibitions set forth in this ISO OATT including the limitation on the sale or transfer of Fixed Price TCCs and the limitation on the sale or other transfer of Incremental TCCs. The transmission Capacity used to support these TCCs, as well as any other transmission Capacity not required to support already-outstanding TCCs or Grandfathered Rights, will be available to support TCCs purchased in the Reconfiguration Auction.</p> <p>Transmission Capacity made available for transmission rights in durations of no more than one month pursuant to Section 19.1.1 shall be released in Reconfiguration Auctions.”</p>
<p>OATT 19.9 Procedures for Sales of TCCs in Each Auction 19.9.8.5</p>	<p>References Transmission Owner that has elected to convert to RCRR TCCs for the Centralized TCC Auction.</p>	<p>“19.9.8.5 on its website no fewer than five (5) business days prior to the date on which a Centralized TCC Auction will begin, the number of megawatts of each set of ETCNL that each Transmission Owner has elected to convert to ETCNL TCCs for the Centralized TCC Auction and the RCRRs that each Transmission Owner<u>Member System</u> has elected to convert to RCRR TCCs for the Centralized TCC Auction;”</p>
<p>OATT 20.1.1 Overview</p>	<p>Attachment N describes the Congestion settlements related to the Day-Ahead Market and the settlements related to Centralized TCC Auctions and Reconfiguration Auctions.</p>	<p><i>Adding at the end of 20.1.1:</i> <u>“Unless expressly provided for otherwise in the ISO Tariffs, this Attachment N shall apply to the Member Systems. This Attachment N shall only apply to Transmission Owners other than the Member Systems to the extent that the ISO Tariffs do not provide otherwise.”</u></p>
<p>OATT 20.2.5 Allocation of Net Congestion Rents to Transmission Owners</p>	<p>Transmission Owner is used 16 times with regard to Attachment N in the context of allocation net congestion rents to those Transmission Owners.</p>	<p>“Each Transmission Owner’s share of Net Congestion Rents allocated pursuant to this Section 20.2.5 shall be incorporated into, <u>or otherwise accounted for as part of,</u> its TSC, or <u>NTAC or other applicable rate mechanism under the ISO Tariffs used to assess charges for Transmission Service provided by the</u></p>

		<u>Transmission Owner pursuant to this Tariff</u> , as the case may be.”
OATT 20.3 Settlement of TCC Auctions 20.3.7	Transmission Owner is used a number of times throughout this Section regarding the settlement of TCC auctions.	“Each Transmission Owner’s share of Net Auction Revenues allocated pursuant to this Section 20.3.7 shall be incorporated into, <u>or otherwise accounted for as part of</u> , its TSC, or NTAC <u>or other applicable rate mechanism under the ISO Tariffs used to assess charges for Transmission Service provided by the Transmission Owner pursuant to this Tariff</u> , as the case may be.”
31.1 New York Comprehensive System Planning Process (“CSPP”) 31.1.1	Definitions for the CSPP.	“ Responsible Transmission Owner: The Transmission Owner or Transmission Owners designated by the ISO: (i), pursuant to Section 31.2.4.3, to prepare a proposal for a regulated backstop solution to a Reliability Need or to proceed with a regulated solution to a Reliability Need, or (ii) pursuant to Section 31.2.11.3, to prepare a Gap Solution and a conceptual permanent solution to a Reliability Need. The Responsible Transmission Owner will normally be the Transmission Owner in whose Transmission District the ISO identifies a Reliability Need <u>and/or that owns a transmission facility on which a Reliability Need arises.</u> ”
OATT 31.1.7 Enrollment in the ISO’s Transmission Planning Region 31.1.7.6	This section sets forth the incumbent Transmission Owners for purposes of the ISO’s planning processes, by name, as of October 15, 2013.	“31.1.7.6 As of October 15 <u>June 1, 2013</u> 2016 , the <u>incumbent</u> Transmission Owners are: (1) Central Hudson Gas & Electric Corporation, (2) Consolidated Edison Company of New York, Inc., (3) New York State Electric & Gas Corporation, (4) Niagara Mohawk Power Corporation d/b/a National Grid, (5) Orange and Rockland Utilities, Inc., (6) Rochester Gas and Electric Corporation, (7) the Power Authority of the State of New York, and (8) Long Island Lighting Company d/b/a LIPA, <u>and (9) New York Transco, LLC.</u> ”
OATT 31.5.6.2	Requiring that cost recovery for regulated transmission projects undertaken by a Transmission Owner pursuant to Attachment Y shall be in accordance with the provisions of the NYISO/TO Reliability Agreement.	“The Responsible Transmission Owner, Transmission Owner or Other Developer will recover its costs described in this Section 31.5 incurred with respect to the implementation of a regulated transmission solution to Reliability Needs in accordance with the provisions of Rate Schedule 10 of this ISO OATT, or as determined by the Commission. Provided further that cost recovery for regulated transmission projects undertaken by a Transmission Owner pursuant to this Attachment Y shall be in accordance with the provisions of the NYISO/TO Reliability Agreement <u>or an Operating Agreement.</u> ”
OATT 31.6 Other	This provision references Transmission	“31.6.4 Rights of Incumbent Transmission Owners

<p>Provisions</p> <p>31.6.4 Rights of Incumbent Transmission Owners</p>	<p>Owners as “incumbent Transmission Owners” and specifies their rights to affect transmission facilities it owns.</p>	<p>Nothing in this Attachment Y affects the right of an incumbent Transmission Owner to: (1) build, own, and recover <u>outside of the ISO’s Tariffs the</u> costs for upgrades to the facilities it owns, regardless of whether the upgrade has been selected in the regional transmission plan for purposes of cost allocation; (2) retain, modify, or transfer rights-of-way subject to relevant law or regulation granting such rights-of-way; or (3) develop a local transmission solution that is not eligible for regional cost allocation to meet its reliability needs or service obligations in its <u>own service territory</u> <u>Transmission District</u> or footprint, <u>as applicable</u>. For purposes of Section 31.6.4, the term “upgrade” shall refer to an improvement to, addition to, or replacement of a part of an existing transmission facility and shall not refer to an entirely new transmission facility.”</p>
<p>OATT 31.11 Appendix H – Form of Operating Agreement</p>	<p>This section provides the <i>pro forma</i> Operating Agreement for new Transmission Owners.</p>	<p><i>Revisions to the pro forma Operating Agreement to include comparable provisions contained in the ISO/TO Reliability Agreement.</i></p>

<p align="center">NYISO Market Administration and Control Area Services Tariff</p>		
<p>Affected Tariff Section</p>	<p>General Explanation</p>	<p>Proposed Revision</p>
<p>MST 2.3 – Definitions – C</p>	<p>“Capacity Reservation Cap”</p>	<p>“Capacity Reservation Cap: The maximum percentage of transmission Capacity from a Transmission Owner’s sets of ETCNL that may be converted into ETCNL TCCs or the maximum percentage of a Transmission Owners <u>Member System’s</u> RCRRs that may be converted into RCRR TCCs, as the case may be, as established by the ISO pursuant to Section 19.4.3 of Attachment M of the OATT.”</p>
<p>MST 2.9 Definitions - I</p>	<p>“ISO Related Agreements”</p>	<p>“ISO Related Agreements: Collectively, the ISO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement, and the ISO/TO Agreement, <u>and</u></p>

		<u>Operating Agreements.”</u>
MST 2.13 Definitions - M	“Member Systems”	“ Member Systems: The eight Transmission Owners that comprised the membership of the New York Power Pool, <u>which are: (1) Central Hudson Gas & Electric Corporation, (2) Consolidated Edison Company of New York, Inc., (3) New York State Electric & Gas Corporation, (4) Niagara Mohawk Power Corporation d/b/a National Grid, (5) Orange and Rockland Utilities, Inc., (6) Rochester Gas and Electric Corporation, (7) the Power Authority of the State of New York, and (8) Long Island Lighting Company d/b/a Long Island Power Authority.”</u>
MST 2.15 – Definitions – O	“Operating Agreement”	“ Operating Agreement: <u>An agreement between the ISO and a non-incumbent owner of transmission facilities in the New York Control Area concerning the operation of the transmission facilities in the form of the agreement set forth in Appendix H (Section 31.11) of Attachment Y of the OATT.”</u>
MST 2.15 – Definitions – O	“Operational Control”	“ Operational Control: Directing the operation of the Transmission Facilities Under ISO Operational Control to maintain these facilities in a reliable state, as defined by the Reliability Rules. The ISO shall approve operational decisions concerning these facilities, made by each Transmission Owner before the Transmission Owner implements those decisions. In accordance with ISO Procedures, the ISO shall direct each Transmission Owner to take certain actions to restore the system to the Normal State. Operational Control includes security monitoring, adjustment of generation and transmission resources, coordination and approval of changes in transmission status for maintenance, determination of changes in transmission status for reliability, coordination with other Control Areas, voltage reductions and Load Shedding, except that each Transmission Owner continues to physically operate and maintain its facilities, <u>including those facilities that it has agreed to operate and maintain in accordance with an operation and maintenance agreement.”</u>
MST 2.16 –Definitions – P	“Primary Owner”	“ Primary Owner: The Primary Owner of each TCC is the Transmission Owner or other Transmission Customer that has acquired the TCC through conversion of rights under an Existing Transmission Agreement to Grandfathered TCCs (in accordance with Attachment K of the ISO OATT), or

		through the conversion of Existing Transmission Agreements upon their expiration (in accordance with Attachment B), or the Transmission Owner <u>or Member System</u> that acquired the TCC through the ISO’s allocation of Original Residual TCCs or through the conversion of ETCNL or an RCRR.”
MST 2.18 – Definitions – R	“RCRR TCC”	“ RCRR TCC: A zone-to-zone TCC created when a Transmission Owner <u>Member System</u> with a RCRR exercises its right to convert the RCRR into a TCC pursuant to Section 19.5.4 of Attachment M of the ISO OATT.”
MST 2.18 – Definitions – R	“Residual Capacity Reservation Right (“RCRR”)”	Residual Capacity Reservation Right (“RCRR”): A megawatt of transmission Capacity from one Load Zone to an electrically contiguous Load Zone, each of which is internal to the NYCA, that may be converted into an RCRR TCC by a Transmission Owner <u>Member System</u> allocated the RCRR pursuant to Section 19.5 of Attachment M of the ISO OATT.
MST 2.20 – Definitions – T	“Transmission District”	“ Transmission District: The geographic area served by the Investor-Owned in which a Transmission Owners and, including LIPA, <u>is obligated to serve Load</u> , as well as the customers directly interconnected with the transmission facilities of the Power Authority of the State of New York.”
MST 2.20 – Definitions – T	“Transmission Facilities Under ISO Operational Control”	“ Transmission Facilities Under ISO Operational Control: The transmission facilities of the Transmission Owners listed in Appendix A-1 of the ISO/TO Agreement; (“Listing of Transmission Facilities Under ISO Operational Control;”) <u>and listed in Appendix A-1 of an Operating Agreement(s) (“NTO Transmission Facilities Under ISO Operational Control”)</u> that are subject to the Operational Control of the ISO. This listing may be amended from time-to-time as specified in the ISO/TO Agreement <u>and Operating Agreements.</u> ”
MST 2.20 – Definitions – T	“Transmission Facilities Requiring ISO Notification”	“ Transmission Facilities Requiring ISO Notification: The transmission facilities of the Transmission Owners listed in Appendix A-2 of the ISO/TO Agreement; (“Listing of Transmission Facilities Requiring ISO Notification”) <u>and listed in Appendix A-2 of an Operating Agreement(s) (“NTO Transmission Facilities Requiring ISO Notification”)</u> whose status of operation must be provided to the ISO by the Transmission Owners (for the purposes stated in the ISO Tariffs and in accordance with the ISO OATT, and ISO/TO

		Agreement, <u>and/or Operating Agreements</u>) prior to the Transmission Owners making operational changes to the state of these facilities. This listing may be amended from time-to-time as specified in the ISO/TO Agreement <u>and Operating Agreements.</u> ”
MST 2.20 Definitions – T	“Transmission Service Charge”	“ Transmission Service Charge (“TSC”) : A charge designed to ensure recovery of the embedded cost of a Transmission Owner’s transmission system <u>owned by a Member System.</u> ”
MST 3.1 – Effectiveness	Historic provision that provides for the effectiveness of the Market Services Tariff.	“The ISO Services Tariff shall become effective on the latest of: (i) Commission approval of: (a) the ISO OATT, (b) the ISO Services Tariff, (c) the ISO Agreement, (d) the NYSRC Agreement, (e) the ISO/NYSRC Agreement, and (f) the ISO/TO Agreement (collectively, the “ISO Tariffs” and “ISO Related Agreements”) ; (ii) the date on which both the Commission and the PSC grant all necessary approvals to the Transmission Owners <u>Member Systems</u> to transfer Operational Control of any facilities to the ISO or otherwise dispose of any of their property, including, without limitation, those approvals required under Section 70 of the New York Public Service Law (“PSL”) and Section 203 of the Federal Power Act (“FPA”); (iii) the last date that any other approval or authorization is received, to the extent such additional approval or authorization is necessary; (iv) execution of the ISO Related Agreements <u>with the exception of any Operating Agreement</u> ; or (v) such later date specified by the Commission.”
MST 5.3.1 Back-Up Operation	In providing for the development of Back-Up Operation procedures, this provision references Transmission Owners in training their staff and the Transmission Owners responsibility in the event that the ISO will direct that the Transmission Owners to assume responsibility to operate their respective systems.	<p>5.3.1 Back-Up Operation</p> <p>The ISO shall develop Back-Up Operation procedures that will carry out the intent and purposes of this ISO Services Tariff, to the extent practical, in circumstances under which the normal communications or computer systems of the ISO are not fully functional. Such procedures shall include testing requirements and training for the ISO staff, Transmission Owner staff, and Market Participants. If a communication or computer system malfunction results in the ISO’s inability to operate the NYCA in accordance with ISO Procedures or under approved testing procedures, the ISO will direct the Transmission Owners to assume the responsibility to operate their respective systems, <u>including facilities that a Transmission Owner has agreed to operate</u></p>

		<p><u>and maintain in accordance with an operation and maintenance agreement</u>, in accordance with Good Utility Practice to facilitate the operation of the NYCA in a safe and reliable manner.</p> <p>The Transmission Owners will continue to operate their respective systems, <u>including facilities that a Transmission Owner has agreed to operate and maintain in accordance with an operation and maintenance agreement</u>, until such time that the ISO is ready to resume control. During Back-Up Operation, the Transmission Owner control centers will operate to maintain the Desired Net Interchange (“DNI”) within each Transmission District. Generator Bid curves will be provided by the ISO to the individual Transmission Owners in order to permit dispatch by the Transmission Owners, subject to the Transmission Owner code of conduct <u>to the extent applicable</u>. Normal Day-Ahead Market and Real-Time Market operations may be halted, if required.</p>
MST 12.4	Indemnification Provision	<p>“12.4 Indemnification</p> <p>For the purpose of this section, the terms Market Participant(s) and Customer(s) shall not include a Transmission Owner with respect to acts or omissions related in any way to the Transmission Owner’s ownership or operation of its transmission facilities when such acts or omissions are either (1) pursuant to or consistent with ISO Procedures or direction or (2) in any way related to the Transmission Owner’s or the ISO’s performance under this Tariff.</p> <p>Subject to the ISO’s obligations to the Transmission Owners under the ISO/TO Agreement, <u>the Operating Agreements</u>, and/or the ISO Agreement, each Customer and Market Participant shall indemnify, save harmless and defend the ISO, the Transmission Owners and the NYSRC including their directors, members, managers, officers, employees, trustees, committee members and agents, or each of them (individually the “Indemnitee” or collectively the “Indemnitees”) from and against all claims, demands, losses, liabilities, judgments, damages, and related costs and expenses (including, without limitation, reasonable attorney and expert fees, and disbursements incurred by the Indemnitees in any actions or proceedings between the</p>

		<p>Indemnitees and a third party, the Customer or Market Participant or any other party) arising out of or related to the Indemnitee’s or the Customer’s acts or omissions related in any way to performance under the ISO Services Tariff, a Service Agreement, an ISO Related Agreement, or ISO Procedures except to the extent that the Indemnitees are found liable for gross negligence or intentional misconduct. . . .”</p>
<p>MST 14.4 Amendments</p>	<p>Reserves the right of the ISO or a Transmission Owner under the ISO/TO Agreement to make an application to the Commission for a change and that the ISO Service Tariff may only be amended in accordance with the ISO/TO Agreement, among other things.</p>	<p>“Nothing contained in the ISO Services Tariff or any Service Agreement shall be construed as affecting in any way the right of the ISO or a Transmission Owner under the ISO/TO Agreement <u>or an Operating Agreement</u> to make application to the Commission for a change in: rates, terms, conditions, charges, or classifications of service; the provision of Ancillary Services; a Service Agreement; or a rule or regulation, under the FPA and pursuant to the Commission’s rules and regulations promulgated thereunder. . . .”</p>
<p>MST 15.5</p>	<p>Throughout Section 15.5, subsections reference Transmission Owner, including specifying “individual Transmission Owner” and “local Transmission Owner procedures,” with regard to developing and reviewing its black start and system restoration plan and also the payment of Transmission Owners, among others for providing Restoration Services under the ISO plan.</p>	<p>“15.5 Rate Schedule 5 - Payments and Charges for Black Start and System Restoration Services</p> <p>Black start and system restoration services (“Restoration Services”) are provided under the ISO’s black start and system restoration plan (“ISO Plan”) or an individual Transmission Owner’s black start and system restoration plan <u>for its Transmission District</u> by generating units that are capable of starting without an outside electrical supply or are otherwise integral to the restoration of the NYS Transmission System after an outage. This Rate Schedule establishes the terms under which a Generator shall provide, and be paid by the ISO for providing, Restoration Services under the ISO Plan or an individual Transmission Owner’s plan <u>for its Transmission District</u>. This Rate Schedule also establishes the terms under which the ISO shall recover the costs of Restoration Services payments from Customers. Provisions specific to the Consolidated Edison Company of New York, Inc. (“Consolidated Edison”) black start and system restoration plan (“Consolidated Edison Plan”) are set forth in Section 15.5.4.”</p> <p>“15.5.1 Requirements</p> <p>The ISO shall develop and periodically review the ISO Plan. The ISO may amend the ISO Plan and may solicit offers for additional resources if it</p>

		<p>determines that additional Restoration Services are needed. The ISO shall establish procedures for acquiring Restoration Services and requiring that the selected Generators test their units providing Restoration Services (“Black Start Capability Test”). The ISO shall make Restoration Services payments only to those selected Generators that have appropriate equipment installed and available for service at the request of the ISO.</p> <p>A Transmission Owner <u>with a Transmission District</u> shall develop and periodically review its black start and system restoration plan. A-Such Transmission Owner shall designate generating units with the capability to provide Restoration Services to be included in its plan if it determines that the Restoration Services are needed. . . .”</p> <p>“15.5.2 Payments to Generators for Provision of Restoration Services Under the ISO Plan and Transmission Owners’ Plans, Excluding the Consolidated Edison Plan</p> <p>By May 1st of each year, Generators selected to provide Restoration Services under the ISO Plan and under the plans developed by individual Transmission Owners <u>with a Transmission District</u>, except for under the Consolidated Edison Plan, must provide the following cost information to the ISO based upon FERC Form No. 1 or equivalent data: . . .”</p>
<p>MST 17.5 17.5.1.1 Overview</p>	<p>Congestion Settlements Related to the Day-Ahead Market and TCC Auction Settlements</p>	<p><i>Adding at the end of Section 17.5.1.1:</i></p> <p><u>“Unless expressly provided for otherwise in the ISO Tariffs, this Part 17.5 of this Attachment B shall apply to the Member Systems. This Part 17.5 of Attachment B shall only apply to Transmission Owners other than the Member Systems to the extent that the ISO Tariffs do not provide otherwise.”</u></p>
<p>MST 17.5 17.5.2.5 Allocation of Net Congestion Rents to Transmission Owners</p>	<p>Congestion Settlements Related to the Day-Ahead Market and TCC Auction Settlements</p>	<p>“. . . Each Transmission Owner’s share of Net Congestion Rents allocated pursuant to this Section 17.5.2.5 shall be incorporated into, <u>or otherwise accounted for as part of</u>, its TSC, or NTAC <u>or other applicable rate mechanism under the ISO Tariffs used to assess charges for Transmission Service provided by the Transmission Owner pursuant to this Tariff</u>, as the case may be.”</p>
<p>MST 17.5</p>	<p>Congestion Settlements Related to the Day-Ahead Market and TCC Auction</p>	<p>“. . . Each Transmission Owner’s share of Net Auction Revenues allocated pursuant to this Section 17.5.3.7 shall be incorporated into, <u>or otherwise</u></p>

<p>17.5.3.7 Allocation of Net Revenue to Transmission Owners</p>	<p>Settlements</p>	<p><u>accounted for as part of, its TSC, or NTAC or other applicable rate mechanism under the ISO Tariffs used to assess charges for Transmission Service provided by the Transmission Owner pursuant to this Tariff</u>, as the case may be.”</p>
<p>MST 23.4.5.7.9 Competitive Entry Exemption 23.4.5.7.9.1 Entry</p>	<p>23.4.5.7.9.1.1 provides for the qualification requirements for a “Competitive Entry Exemption” and references a Transmission Owner in defining “Non-Qualifying Entry Sponsors” in the context of a direct or indirect “non-qualifying contractual relationship.”</p>	<p>“23.4.5.7.9.1.1 A proposed new Generator or UDR project that becomes a member of a Class Year after Class Year 2012 may request to be evaluated for a “Competitive Entry Exemption” for its CRIS MW and shall qualify for such exemption if the ISO determines that the proposed Generator or UDR project meets each of the following requirements: (a) does not have, and at no time before the Generator first produces or the UDR project first transmits energy (for purposes of this Section 23.4.5.7.9, the “Entry Date”) shall have, (i) a direct or indirect “non-qualifying contractual relationship,” as defined in Section 23.4.5.7.9.1.2, with <u>a Public Power Entity</u>, a Transmission Owner <u>with a Transmission District in the NYCA</u>, a Public Power Entity, or any other entity with a Transmission District in the NYCA, or an agency or instrumentality of New York State or a political subdivision thereof, (collectively “Non-Qualifying Entry Sponsors”); or (ii) an unexecuted agreement, written or unwritten, with a Non-Qualifying Entry Sponsor that would support the development of the project, except those agreements that would not constitute a “non-qualifying contractual relationship,” as set forth in Section 23.4.5.7.9.1.3(i) – (viii), (b) is not itself, and is not an Affiliate of, a Non-Qualifying Entry Sponsor.”</p>