

Business Issues Committee

October 27, 2004 Meeting

Motion - Agenda #08

Motion for Tariff Clarification Regarding Direct Customer LSEs:

Whereas, suppliers to the NYISO markets have submitted bids in, and provided services to, the NYISO spot markets solely on a wholesale basis; and

Whereas, the NYISO's Services Tariff definition of Load Serving Entity ("LSE") provides that LSE customers may make purchases directly from the NYISO wholesale markets to re-sell to serve their own load (so-called "Direct Customers"); and

Whereas to be eligible to operate under the NYISO Services Tariff as an LSE, a Direct Customer must take certain actions which may include, but are not limited to, creating an affiliate to which to sell and from which to repurchase energy, ancillary services and capacity purchased from the NYISO; and

Whereas, the NYISO's Service Tariff does not clearly state the requirements that have been, and remain, applicable to Direct Customers and the NYISO has not promulgated procedures in its manuals that state these requirements;

Now Therefore:

The Business Issues Committee ("BIC") hereby directs NYISO staff to draft tariff language for review and approval at the November 10, 2004 Management Committee and manual language for approval by the BIC to clarify the requirements that must be met by a Direct Customer as an LSE permitted to make wholesale purchases from the NYISO-administered markets.