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## Schedule 1 Unbundling: OATT & MST

MAY 24, 2001



## Agenda

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- Reason for Unbundling
- Current Bundled Tariffs
- Proposed Unbundled Tariffs
  - Budget Dollars by Service Categories
  - Service Categories
- Estimated Customer Allocation

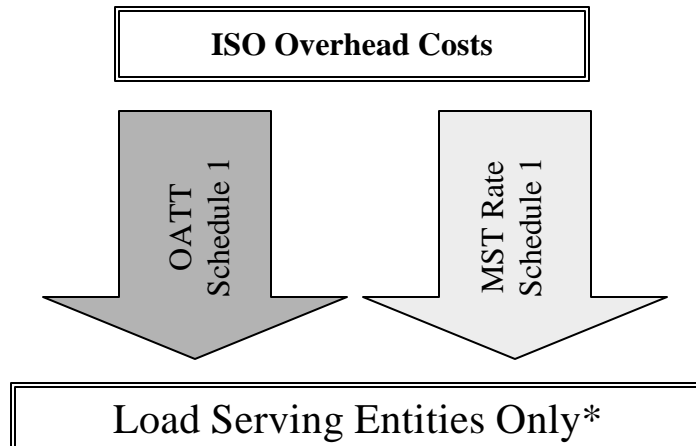
## Reason for Unbundling

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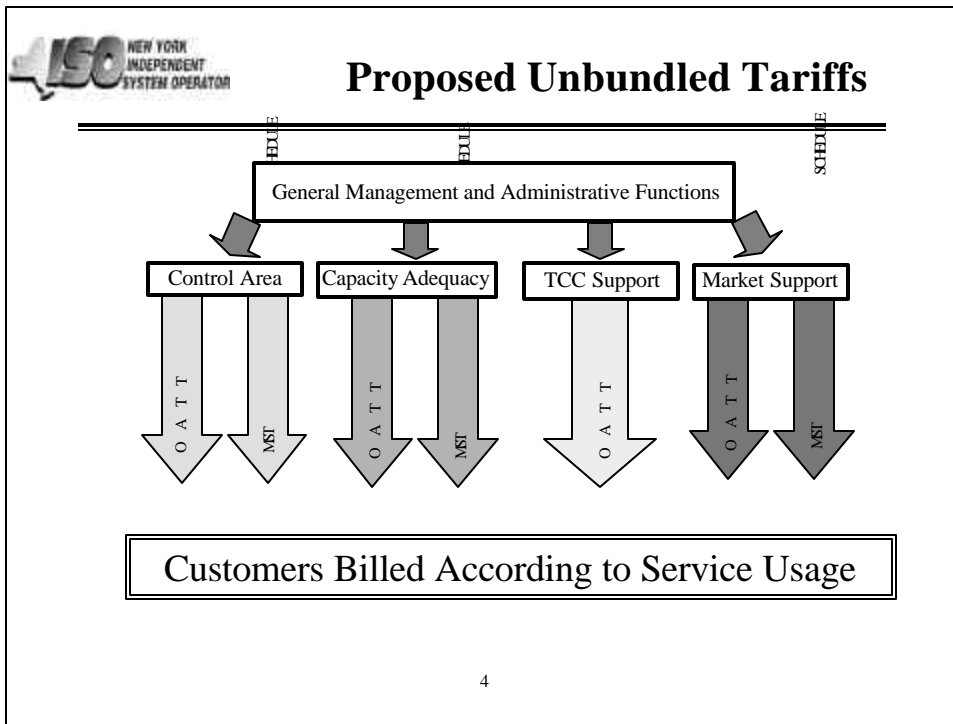
- FERC mandated change from bundled rates to unbundled rates
  - Order Accepting Filing and Requiring Submission Of A Revised Funding Mechanism  
92 FERC ¶ 61,279
  - Delineate charges between OATT and MST
  - Allocate costs to those who use each service

## Current Bundled Tariffs

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\*Includes Transmission Owners, Marketers, PTP Customers, and other LSEs



**2001 Budget Dollars by Service Categories**

	Total Budget (millions)		Billing Units	OATT Rate	MST Rate
	OATT	MST			
Control Area Services (LSE)	\$24.4	\$9.1	158,800,000 Megawatt Hours	\$0.1539 Per Megawatt Hour	\$0.0572 Per Megawatt Hour
Capacity Adequacy (LSE)	\$5.4	\$1.9	158,800,000 Megawatt Hours	\$0.0341 Per Megawatt Hour	\$0.0119 Per Megawatt Hour
Capacity Adequacy (GEN)	-	\$1.9	158,800,000 Megawatt Hours	-	\$0.0119 Per Megawatt Hour
Transmission Congestion Contracts (TCC Holders)	\$1.7	-	616,992 Megawatt Month	\$2.7553 Per Megawatt Month	-
Market Support Services (LSE)	\$16.3	\$23.0	158,800,000 Megawatt Hours	\$0.1025 Per Megawatt Hour	\$0.1445 Per Megawatt Hour
Market Support Services (GEN)	\$4.3	\$7.6	158,800,000 Megawatt Hours	\$0.0274 Per Megawatt Hour	\$0.0480 Per Megawatt Hour
Subtotal	\$52.1	\$43.5			
Combined Totals	\$95.6				

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## Control Area Services

**Service Category Description:**

This service category comprises all of the services of NYISO associated with preserving the reliability of the NYCA and administering Transmission Service.

**Internal activities include:**

OATT		MST
Energy Management Operational Regulatory Compliance Operating Procedures & Support Operations Performance Metrics Real Time Dispatch Real-time Transmission Monitoring System Drills Short-term Load Forecasting Transmission Maintenance Planning Generation Maintenance Planning Power System Modeling Transmission Outage Planning	Calculation of Available Transmission Capability OASIS Time-Dependent ATC Calculations Generator Modeling Load Management Activities System Adequacy Studies Industry Information Gathering & Dissemination Short-term Reliability Information Technology Projects-SPIDER Apps. Information Technology Projects-Energy Management Systems Information Technology Support	Calculation of Available Transmission Capability OASIS Time-Dependent ATC Calculations Unit Commitment Modeling Generator Modeling Generator Outage Activities Industry Information Gathering & Dissemination Information Technology Projects-SPIDER Apps. Information Technology Projects-Energy Management Systems Information Technology Support

## Capacity Adequacy (LSE)

**Service Category Description:**

This service category comprises all of the activities of NYISO associated with transmission expansion planning assessment and administration of the installed capacity auction and market (following the Reliability Rules established by the NYSRC), including, but not limited to, long-term load forecasting, studies regarding the resource adequacy assessment, etc.

**Internal activities include:**

OATT	MST
System Adequacy Studies Long-term Load Forecasting Short-term Load Forecasting	Installed Capacity Market Resource Adequacy Assessment



## Capacity Adequacy (GEN)

<b>Service Category Description:</b>	
This service category comprises all of the activities of NYISO associated with transmission expansion planning assessment and administration of the installed capacity auction and market (following the Reliability Rules established by the NYSRC), including, but not limited to, long-term load forecasting, studies regarding the resource adequacy assessment, etc.	
<b>Internal activities include:</b>	
<b>OATT</b>	<b>MST</b>
-	Installed Capacity Market Resource Adequacy Assessment



## TCC Administration

<b>Service Category Description:</b>
This service category comprises all of the activities of NYISO associated with administering the activities surrounding the Transmission Congestion Contracts ("TCC") provided for under Attachment M to the OATT, including, but not limited to, coordination of managing and auditing auctions and coordination of direct TCC sales on OASIS. NYISO provides this service to entities that hold TCCs.
<b>Internal activities include:</b>
Data for calculation and analyses Support and administration of TCC auctions



## Market Support Functions (LSE)

<b>Service Category Description:</b>	
This service category comprises all of the activities of NYISO associated with supporting the operation of the non-discriminatory market and related functions, including, but not limited to, market monitoring and compliance, locational based marginal pricing support, installed capacity supply compliance, and market training.	
<b>Internal activities include:</b>	
OATT	MST
Operator Training Certification Dispatcher Training Membership Maintenance Customer Support Web-site Postings for Market Participants NYISO Committee Support Maintenance of Manuals & Tech Bulletins Information Technology Operations Information Technology Projects Information Technology Projects-Market Systems Information Technology Markets & System Design	Market Monitoring and Compliance LBMP Pricing ICAP Supply Compliance Market Training Membership Maintenance Customer Support Web-site Postings for Market Participants NYISO Committee Support Maintenance of Manuals & Tech Bulletins Information Technology Operations Information Technology Projects Information Technology Projects-Market Systems Information Technology Markets & System Design



## Market Support Functions (GEN)

<b>Service Category Description:</b>	
This service category comprises all of the activities of NYISO associated with supporting the operation of the non-discriminatory market and related functions, including, but not limited to, market monitoring and compliance, locational based marginal pricing support, installed capacity supply compliance, and market training.	
<b>Internal activities include:</b>	
OATT	MST
Membership Maintenance Customer Support Web-site Postings for Market Participants NYISO Committee Support Maintenance of Manuals & Tech Bulletins Information Technology Operations Information Technology Projects Information Technology Projects-Market Systems Information Technology Markets & System Design	Market Monitoring and Compliance LBMP Pricing ICAP Supply Compliance Market Training Membership Maintenance Customer Support Web-site Postings for Market Participants NYISO Committee Support Maintenance of Manuals & Tech Bulletins Information Technology Operations Information Technology Projects Information Technology Projects-Market Systems Information Technology Markets & System Design



## General Management and Administrative Functions

**Service Category Description:**

This service category is not a separate service by NYISO. Rather, these cost comprise overhead and administrative activities performed by NYISO that support the services described in the other service categories. The cost will be allocated pro rata each year among the other categories.

**Internal activities include:**

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| <ul style="list-style-type: none"> <li>Regulatory Reporting and Data Submission</li> <li>Human Resources</li> <li>Corporate Communications</li> <li>Manage Facilities and Infrastructure</li> <li>Strategic Analysis</li> <li>Strategic Development &amp; Implementation</li> <li>Financial Accounting Services</li> <li>Settlement Collection Processing</li> <li>Market Participant Credit Issues</li> <li>Legal Activities</li> <li>Internal Auditing</li> <li>Two Part Market Settlement</li> <li>Transmission Losses Billing</li> <li>Point-to-Point Transmission Service Billing</li> <li>Daily Accounting Reports</li> <li>Monthly Billing Reports</li> </ul> | <ul style="list-style-type: none"> <li>Congestion Management Billing</li> <li>Billing Dispute Investigation</li> <li>Billing Dispute Resolution</li> <li>Record Retention</li> <li>Business Services</li> <li>Individual Project Coordination</li> <li>Organizational Change Management</li> <li>Program Management Process</li> <li>Information Technology Electronics and Comm.</li> <li>Information Technology Projects-Financial</li> <li>Information Technology Quality Assurance</li> <li>Information Technology – New Technology Dev.</li> <li>Corporate Expenses</li> <li>Capital Expenditures</li> <li>Depreciation</li> </ul> |
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## 2001 Estimated Customer Allocation

	BUNDLED	UNBUNDLED
Load Serving Entities	100%	83.6%
Generation Providers		14.5%
TCC Holders		1.9%
<b>Total All Members</b>	<b>100%</b>	<b>100%</b>



## Annual True-Up

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In keeping with current NYISO procedure, after an audit of actual annual expenses, NYISO will bill/pay customers annually to recover/refund the amount under/over collected.