PROPOSED REVISIONS TO THE OATT THAT CORRESPOND TO REVISIONS TO ATTACHMENT K OF THE OATT

Note: Corresponding changes will be made to parallel provision in the Services Tariff, where appropriate.

[Revisions to OATT definitions]

Accepted Revision: A change to the terms of an Existing Transmission Agreement for purposes of ISO Settlements, which change is related to a Grandfathered Right or Grandfathered TCC and is made pursuant to the procedures prescribed in Attachment K of the ISO OATT.

Existing Transmission Agreement ("ETA"): An agreement between two or more Transmission Owners, or between a Transmission Owner and another entity, as defined in this Tariff.in existence at the time of ISO start-up and providing for transmission service by a Transmission Owner to another Transmission Owner or another entity. Table 1A of Attachment L lists all ETAs. ETAs include Transmission Wheeling Agreements (including MWAs and Third Party TWAs) and Transmission Facility Agreements.

Existing Transmission Capacity for Native Load <u>("ETCNL")</u>: Transmission capacity identified on a Transmission Owner's transmission system to serve the Native Load Coustomers of the current Transmission Owners (as of the filing date of the original ISO Tariff-January 31, 1997) for the purposes of allocating revenues from the sale of TCCs related to that capacity. This includes transmission capacity required: (1) to deliver the output from <u>gGeneratorsing facilities</u> located out of a Transmission Owner's Transmission District; (2) to deliver power purchased under power supply contracts; and (3) to deliver power purchased under third party agreements (<u>i.e.</u>,- Non-Utility Generators). Existing Transmission Capacity for Native Load is listed in Attachment L, Table 3, "Existing Transmission Capacity Reservations for Native Load Table." [NOTE to correct references as necessary]

Grandfathered Rights: The transmission rights associated with: (1) Modified Wheeling Agreements; (2) Transmission Facility Agreements with transmission wheeling provisions; and (3) Third Party Transmission Wheeling Agreements ("TWA") where the party entitled to exercise the transmission rights associated with such Agreements has chosen, as provided in the Tariff, to retain those rights rather than to convert them to <u>Grandfathered</u> TCCs.

Modified Wheeling Agreements ("MWA"): A Transmission <u>Wheeling</u> Agreement between Transmission Owners that was in existence at the time of ISO start-up, as amended and modified as described in Section 17.2.1 of Attachment K., between Transmission Owners, that is <u>Modified Wheeling Agreements are</u> associated with existing Generators or power supply contracts existing at ISO start-up,. All Modified Wheeling Agreements are listed in Attachment L, Table 1A, and are designated in the "Treatment" column of Table 1A, as "MWA." -that will be modified effective upon LBMP implementation. The terms and conditions of the MWA will remain the same as the original agreement, except as noted in the ISO-OATT.

Point(s) of Injection ("POI"): The point(s) on the NYS Transmission System where Energy, Capacity and Ancillary Services will be made available to the ISO by the

Delivering Party-Customer or Transmission Customer under the ISO Tariffs. The Point(s) of Injection shall be specified in the Bid, Bilateral Transaction schedule, or similar entry. (May be referred to as "Point of Receipt" or similar in some Existing Transmission Agreements.)

Point(s) of Withdrawal ("POW"): The point(s) on the NYS Transmission System where Energy, Capacity and Ancillary Services will be made available to the Receiving Party Transmission Customer or Customer under the ISO Tariffs. The Point(s) of Withdrawal shall be specified in the Bid, Bilateral Transaction Schedule, or other similar entry. (SameMay be referred to as "Point of Delivery" or similar in some Existing Transmission Agreements).

Third Party Transmission Wheeling Agreements ("Third Party TWAs"): A Transmission Wheeling Agreement, as amended, between Transmission Owners or between a Transmission Owner and an entity that is not a Transmission Owner<u>. Third Party TWAs are</u> associated with the purchase (or sale) of Energy, Capacity, and/or Ancillary Services for the benefit of an entity that is not a Transmission Owner. <u>All Third Party TWAsThese agreements</u> are listed in Attachment L, Table 1A, <u>and are designated in the "Treatment" column of Table 1A, as "Third Party TWA." and 1B.</u>

Transmission Facility Agreement ("TFA"): The aAgreements listed in Attachment L, Table 2 of the ISO OATT governing the use of specific or designated transmission facilities charges to cover all, or a portion, of the costs to install, own, operate, or maintain-said transmission facilities, to the customer under the agreement and that. These agreements may or may not have provisions to provide Ttransmission Sservice utilizing said transmission facilities. All Transmission Facility Agreements are listed in Attachment L, Table 1A, and are designated in the "Treatment" column as "Facility Agmt. - MWA."

Transmission Wheeling Agreement ("TWA"): The agreements listed in Tables 1A and 1B-of Attachment L to the ISO OATT governing the use of specific or designated transmission facilities that are owned, controlled or operated by an entity for the transmission of Energy in interstate commerce. <u>TWAs between Transmission Owner</u> have been modified such that all TWAs between Transmission Owner are now MWAs.

OATT [Numbering to be corrected prior to filing]

3.3.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System:

If a Transmission Customer requests that the NYS Transmission System be expanded or modified, the Transmission Owner(s), at the ISO's request, will use due diligence to expand or modify its applicable portion of the NYS Transmission System to increase Transfer Capability, provided the Transmission Customer agrees to compensate the applicable Transmission Owner(s) for such costs pursuant to the terms of Section 3.19. The Transmission Owner(s) will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Owner has the right to expand or modify.

3.3.5 Deferral of Service:

Any increase in TCCs associated with new facilities is subject to completion of construction of those transmission facilities or upgrades.

3.3.6 Other Transmission Service Schedules:

Eligible Customers receiving Transmission Service under other agreements on file with the Commission may continue to receive Transmission Service under those agreements until such time as those agreements may be modified by the Commission. These agreements are listed in Attachment L.

3.3.7 Real Power Losses:

Real Power Losses are associated with all Transmission Service. The Transmission Customer is responsible for losses associated with all Transmission Service in accordance with Schedules 7-8 and as calculated in Attachment J.