

**FOR DISCUSSION PURPOSES ONLY
DRAFT OF SEPTEMBER 2008**

**KEY TERMS OF
PROPOSED REVISIONS TO ATTACHMENT L**

Attachment L of the NYISO OATT lists all grandfathered transmission agreements that formed the basis for the allocation of Grandfathered Rights and Grandfathered TCCs to Transmission Owners (“TOs”) and other parties at NYISO start-up. In addition, Attachment L lists all TO Transmission Facilities Agreements and ETCNL.

The NYISO is proposing to update Attachment L of the NYISO OATT. This document sets forth the key terms of the current Attachment L proposal.

All capitalized terms not otherwise defined in this term sheet shall have the meaning given to them in the NYISO OATT.

The proposals described in this term sheet are subject to completion of proposed tariff/manual language and requisite NYISO stakeholder and FERC approval.

PART I.
TABLE 1A OF ATTACHMENT L

- The NYISO will amend Table 1A to reflect the current terms of the transmission agreements listed in Table 1A, including all changes since NYISO start-up. The NYISO will file the revised Table 1A and the updating process described below as a Section 205 filing using the NYISO’s stakeholder process.
- Because the transmission agreements listed in Table 1A or the terms of service under those agreements may change from time to time, which changes must be reflected in the NYISO’s TCC auctions and related settlements, a mechanism is necessary to update those agreements pending the amendment of Attachment L. The update process will be as follows:
 - **Accepted Revisions Pending An Amendment of Attachment L**
 - The NYISO will maintain a copy of Table 1A on the NYISO website that will be updated from time to time to reflect updates made pursuant to the process below.
 - An update will be made by posting an “Accepted Revision” on the NYISO website. The NYISO will incorporate as described below an Accepted Revision into its settlements and TCC auction power flow models.
 - A proposed update will qualify as an Accepted Revision as follows:
 - for transmission agreements where NYPA or LIPA is not the provider of service, a proposed revision to the Table 1A description of a grandfathered transmission right pursuant to an amendment of a transmission agreement will be accepted as an Accepted Revision as of *the start of the day* (subject to the 30-day exception below for auction models and Net Congestion Rent allocation factors) that both (i) the NYISO has received a written notification¹ from a signatory to the Table 1A transmission agreement of a change in the transmission agreement in a form consistent with the standard NYISO form (the standard NYISO form for each type of change is attached to this document and will be part of an ISO Procedure), and (ii) the NYISO has received a FERC order approving the change and determined that the FERC order substantiates the proposed revision;
 - for transmission agreements where NYPA or LIPA is not the provider of service, a proposed revision to the Table 1A description of a transmission agreement to make it consistent with the existing terms of a transmission agreement (*i.e.*, not pursuant to an amendment) will be accepted as an Accepted Revision as of *the start of the day* (subject to the 30-day exception below) that both (i) the NYISO has received a written notification from a signatory to the Table 1A transmission agreement of a change in the transmission agreement in a form consistent with the standard NYISO form (attached to this document and to be part of an ISO Procedure), and (ii) the NYISO has determined based upon FERC orders, transmission agreements, or

¹ The written notification (and similar notifications described herein) may be sent by fax, pdf, or similar electronic means or delivered in hard copy.

other information required by the NYISO to substantiate the request that such information supports the proposed revision;² and

- for transmission agreements where NYPA or LIPA is the provider of service, a proposed revision to the Table 1A description of a transmission agreement pursuant to an amendment of a transmission agreement or to make it consistent with the existing terms of a transmission agreement (*i.e.*, not pursuant to an amendment) will be accepted as an Accepted Revision as of *the start of the day* (subject to the 30-day exception below) that both (i) the NYISO has received a written notification from a signatory to the Table 1A transmission agreement of a change in the transmission agreement in a form consistent with the standard NYISO form, and (ii) the NYISO has determined based upon transmission agreements (including amendments thereto) or other information required by the NYISO to substantiate the request that such information supports the proposed revision.
 - It will be the responsibility of the parties to a transmission agreement reflected in Table 1A, and not the NYISO, to provide the documentation required for the Accepted Revision.
 - The NYISO will maintain the list of all Accepted Revisions on its website (including the date that it became an Accepted Revision).
- The NYISO will base its settlements on the information listed in Table 1A as modified by the list of Accepted Revisions as in effect on a given day, except that:
 1. for purposes of a Reconfiguration Auction or a capability period auction, the NYISO will include in the auction model Accepted Revisions that qualified as Accepted Revisions 30 or more days prior to the start of the relevant auction (*i.e.*, the start of round 1) and changes to Table 1A that are effective pursuant to a FERC order issued 30 or more days prior to the start of the relevant auction, and will not include more recent changes;
 2. for purposes of calculating Net Congestion Rent allocation factors, the NYISO will include in such calculations Accepted Revisions that qualified as Accepted Revisions 30 or more days prior to the initial NYISO calculation of such allocation factors and changes to Table 1A that are effective pursuant to a FERC order issued 30 or more days prior to the initial NYISO calculation of such allocation factors, and will not include more recent changes; and
 3. for purposes of awarding Fixed Price TCCs, the NYISO will do so on the basis of Accepted Revisions that qualified as Accepted Revisions 30 or more days prior to the deadline for submitting to the NYISO the requisite documentation requesting the Fixed Price TCCs.

² The NYISO believes this rule is necessary because not all GFR/GFTCC changes will be pursuant to an amendment to the underlying agreement.

- **Amendment of Attachment L**
 - Table 1A of Attachment L will be amended on a regular basis through the NYISO’s stakeholder process to reflect the Accepted Revisions.³
- All NYISO market participants that are a party to a Table 1A transmission agreement will have an obligation (to be set forth in the NYISO tariffs) to notify the NYISO of any revisions to Table 1A transmission agreements or errors in Table 1A.

³ As with any portion of the NYISO’s tariffs, amendments to Table 1A may also be made through the normal stakeholder process (outside of the “Accepted Revisions” process), and the process of making “Accepted Revisions” described in this document is not intended to have any effect on a party’s rights to make a § 205 or § 206 filing to revise Table 1A.

PART II.
TABLE 1B OF ATTACHMENT L

- Table 1B is outdated and will be deleted.

PART III.
TABLE 2 OF ATTACHMENT L

- Table 2 is unnecessary and will be deleted.

PART IV.
TABLE 3 OF ATTACHMENT L

- Table 3 will be updated to reflect accurate endpoints.

PART V.
TABLE 4 OF ATTACHMENT L

- The information in Table 4 is duplicative. Table 4 will be deleted.

**FORMS OF NOTIFICATION OF
REQUIRED CHANGE TO TABLE 1A DESCRIPTIONS OF
GRANDFATHERED TRANSMISSION AGREEMENTS**

[LETTERHEAD]

NOTICE OF EARLY TERMINATION OF EXISTING TRANSMISSION AGREEMENT

[DATE]

Manager, TCC Market Operations
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

To the New York Independent System Operator, Inc.,

[Full name of Company] (the “Company”) hereby requests that the NYISO update its records in connection with the existing grandfathered transmission agreement described in Attachment L of the NYISO OATT as Contract No. [●], for [●] MW from [POI] to [POW], where the “requestor” is [●] and the “provider” is [●] (the “ETA”). The terms of the ETA reflected in the NYISO’s database of grandfathered rights (the “GFR Table”) are (or, pursuant to a change that has already been effectuated, will be) inconsistent with the terms of the ETA. More specifically, the GFR Table should show that the ETA [terminated] [will terminate]⁴ on [DATE].

Sincerely,

[NAME]
[TITLE]

⁴ Please select the appropriate phrasing based on the termination date.

[LETTERHEAD]

NOTICE OF DECREASED CAPACITY OF EXISTING TRANSMISSION AGREEMENT

[DATE]

Manager, TCC Market Operations
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

To the New York Independent System Operator, Inc.,

[Full name of Company] (the “Company”) hereby requests that the NYISO update its records in connection with the existing grandfathered transmission agreement described in Attachment L of the NYISO OATT as Contract No. [●], for [●] MW from [POI] to [POW], where the “requestor” is [●] and the “provider” is [●] (the “ETA”). The terms of the ETA reflected in the NYISO’s database of grandfathered rights (the “GFR Table”) are (or, pursuant to a change that has already been effectuated, will be) inconsistent with the terms of the ETA in effect as of [DATE]⁵ (the “Effective Date”). More specifically, as of the Effective Date the GFR Table should show that the number of MWs of transmission pursuant to the ETA is [●] MW in the summer and [●] MW in the winter, which is less than the [●] MW in the summer and [●] MW in the winter currently shown for the ETA in the GFR Table.

Sincerely,

[NAME]
[TITLE]

⁵ Please indicate the date on which the change to the underlying agreement became (or will become) effective. If the agreement was never amended (i.e., the update requested by this letter is the result of an error in properly reflecting the ETA in the GFR Table at NYISO start-up), please indicate so by inserting “NYISO start-up.”

[LETTERHEAD]

NOTICE OF EXTENSION OF TERM OF EXISTING TRANSMISSION AGREEMENT

[DATE]

Manager, TCC Market Operations
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

To the New York Independent System Operator, Inc.,

[Full name of Company] (the “Company”) hereby requests that the NYISO update its records in connection with the existing grandfathered transmission agreement described in Attachment L of the NYISO OATT as Contract No. [●], for [●] MW from [POI] to [POW], where the “requestor” is [●] and the “provider” is [●] (the “ETA”). The terms of the ETA reflected in the NYISO’s database of grandfathered rights (the “GFR Table”) are (or, pursuant to a change that has already been effectuated, will be) inconsistent with the terms of the ETA. More specifically, the GFR Table should show that the ETA **terminated** **will terminate**⁶ on [DATE], which represents an extension of the term of the ETA.

Sincerely,

[NAME]
[TITLE]

⁶ Please select the appropriate phrasing based on the termination date.

[LETTERHEAD]

NOTICE OF INCREASED CAPACITY OF EXISTING TRANSMISSION AGREEMENT

[DATE]

Manager, TCC Market Operations
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

To the New York Independent System Operator, Inc.,

[Full name of Company] (the “Company”) hereby requests that the NYISO update its records in connection with the existing grandfathered transmission agreement described in Attachment L of the NYISO OATT as Contract No. [●], for [●] MW from [POI] to [POW], where the “requestor” is [●] and the “provider” is [●] (the “ETA”). The terms of the ETA reflected in the NYISO’s database of grandfathered rights (the “GFR Table”) are (or, pursuant to a change that has already been effectuated, will be) inconsistent with the terms of the ETA in effect as of [DATE]⁷ (the “Effective Date”). More specifically, as of the Effective Date the GFR Table should show that the number of MWs of transmission pursuant to the ETA is [●] MW in the summer and [●] MW in the winter, which is more than the [●] MW in the summer and [●] MW in the winter currently shown for the ETA in the GFR Table.

Sincerely,

[NAME]
[TITLE]

⁷ Please indicate the date on which the change to the underlying agreement became (or will become) effective. If the agreement was never amended (i.e., the update requested by this letter is the result of an error in properly reflecting the ETA in the GFR Table at NYISO start-up), please indicate so by inserting “NYISO start-up.”

[LETTERHEAD]

**NOTICE OF CHANGE IN THE POINT OF WITHDRAWAL OF EXISTING TRANSMISSION
AGREEMENT**

[DATE]

Manager, TCC Market Operations
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

To the New York Independent System Operator, Inc.,

[Full name of Company] (the “Company”) hereby requests that the NYISO update its records in connection with the existing grandfathered transmission agreement described in Attachment L of the NYISO OATT as Contract No. **[●]**, for **[●]** MW from **[POI]** to **[POW]**, where the “requestor” is **[●]** and the “provider” is **[●]** (the “ETA”). The terms of the ETA reflected in the NYISO’s database of grandfathered rights (the “GFR Table”) are (or, pursuant to a change that has already been effectuated, will be) inconsistent with the terms of the ETA in effect as of **[DATE]**⁸ (the “Effective Date”). More specifically, as of the Effective Date the GFR Table should show that the point of withdrawal of the ETA is **[●]**, which represents a change in the point of withdrawal of the ETA as currently shown in the GFR Table.

Sincerely,

[NAME]
[TITLE]

⁸ Please indicate the date on which the change to the underlying agreement became (or will become) effective. If the agreement was never amended (i.e., the update requested by this letter is the result of an error in properly reflecting the ETA in the GFR Table at NYISO start-up), please indicate so by inserting “NYISO start-up.”

[LETTERHEAD]

NOTICE OF CHANGE IN THE POINT OF INJECTION OF EXISTING TRANSMISSION AGREEMENT

[DATE]

Manager, TCC Market Operations
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

To the New York Independent System Operator, Inc.,

[Full name of Company] (the “Company”) hereby requests that the NYISO update its records in connection with the existing grandfathered transmission agreement described in Attachment L of the NYISO OATT as Contract No. [●], for [●] MW from [POI] to [POW], where the “requestor” is [●] and the “provider” is [●] (the “ETA”). The terms of the ETA reflected in the NYISO’s database of grandfathered rights (the “GFR Table”) are (or, pursuant to a change that has already been effectuated, will be) inconsistent with the terms of the ETA in effect as of [DATE]⁹ (the “Effective Date”). More specifically, as of the Effective Date the GFR Table should show that the point of injection of the ETA is [●], which represents a change in the point of injection of the ETA as currently shown in the GFR Table.

Sincerely,

[NAME]
[TITLE]

⁹ Please indicate the date on which the change to the underlying agreement became (or will become) effective. If the agreement was never amended (i.e., the update requested by this letter is the result of an error in properly reflecting the ETA in the GFR Table at NYISO start-up), please indicate so by inserting “NYISO start-up.”

[LETTERHEAD]

NOTICE OF CHANGE OF PARTIES TO EXISTING TRANSMISSION AGREEMENT

[DATE]

Manager, TCC Market Operations
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303

To the New York Independent System Operator, Inc.,

[Full name of Company] (the “Company”) hereby requests that the NYISO update its records in connection with the existing grandfathered transmission agreement described in Attachment L of the NYISO OATT as Contract No. [●], for [●] MW from [POI] to [POW], where the “requestor” is [●] and the “provider” is [●] (the “ETA”). The terms of the ETA reflected in the NYISO’s database of grandfathered rights (the “GFR Table”) are (or, pursuant to a change that has already been effectuated, will be) inconsistent with the terms of the ETA in effect as of [DATE]¹⁰ (the “Effective Date”). More specifically, as of the Effective Date the GFR Table should show that the parties to the ETA are [list full party names], which represents a change in the parties currently shown in the GFR Table.

Sincerely,

[NAME]
[TITLE]

¹⁰ Please indicate the date on which the change to the underlying agreement became (or will become) effective. If the agreement was never amended (i.e., the update requested by this letter is the result of an error in properly reflecting the ETA in the GFR Table at NYISO start-up), please indicate so by inserting “NYISO start-up.”