

National Grid & New York Power Authority Northern Sub-zone Redistricting Proposal

July 2008

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- ◆ A Significant UFE Allocation Obligation was realized by the Tupper Lake and Lake Placid municipalities in the Northern Sub-zone.
- ◆ The New York State Governor's Office views significant UFE allocations to Tupper Lake and Lake Placid as a problematic situation.
- ◆ The NYISO, PSC, NYPA and National Grid were directed by the NY Governor's Office to investigate the problem and offer solutions to resolve any UFE allocation problem in the Northern Sub-zone and thereby resolving the UFE problem pertaining to Tupper Lake and Lake Placid.
- ◆ In the subject matter discussions it has been realized that the present Ngrid Northern Sub-zone configuration can be re-crafted to more accurately match the wholesale settlement point responsibility with the TOL and M Load calculations.
- ◆ NGrid, NYPA and the NYISO will take four actions to resolve the UFE problems in the Northern Sub-zone.

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Action #1:

The NYPA and Ngrid Northern Sub-zones will be redistricted to more accurately reflect the true load boundaries in the North Sub-zone. This action essentially raised past credible discussion from the 2003 timeframe.

Results #1:

This action will reflect the actual bulk power system map and establish one continuous boundary for the NYPA load areas from Plattsburg to Moses Station.

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This action will more accurately match the reporting responsibilities with the TOL and MLOAD calculations than the old configuration based upon automated generation control areas.

In concept, this proposal was introduced to the NYISO several years ago by NGrid but was not executed

This action will allow Ngrid to rely upon fewer Boundary points for M Load calculation. Ngrid Boundary points decrease by 20. NYPA Boundary points increase by 3.

MLOAD calculations will now be better aligned by Meter Authority reported data based on ownership of lines and metering equipment.

NYSEG will not be affected by the redistricting of the NYPA and NGrid Northern Sub-zones.

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The redistricting of the Northern Sub-zone will reduce the Ngrid UFE in the North SZ31 from approximately 13% to (3)% prior to Big T loss adjustments as based upon December 2007 calculations.

The redistricting will increase the NYPA UFE in the Northern Sub-zone 14 from approximately 0% to about 1% prior to Big T loss adjustments as based upon December 2007 calculations.

NGrid will experience an increase in the Mohawk Valley Sub-zone load and in the associated financial expenditures as a result of the proposed redistricting solution in the Northern Sub-zone.

As a result, Ngrid will request that a like examination of the Sub-zone boundaries in the Mohawk Valley Sub-zone be conducted so that increased settlement accuracy can be realized.

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Action #3:

Ngrid and NYPA examined the metering accuracy of the Moses –Adirondack 1 & 2 tie points in the Northern Sub-zone and will make a reporting change to the Moses-Adirondack 1 and 2 tie line points.

Result #3:

The utilization of the NYPA revenue grade meter points at the Adirondack Station will compliment the redistricting in the Northern Sub-zone and further reduce the associated NYPA UFE in the Northern Sub-zone.

NGrid will have the settlement reporting for this point be based upon revenue grade instrumentation at the NYPA Adirondack Station and be compensated back to the Moses Station.

This examination is in concert with the present efforts brought about by the NYISO.

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Action #4:

The NYISO will conduct an analysis of the appropriateness and allocation of the Big T Losses in the North Zone.

Results #4:

This will further increase the accuracy of the Northern Sub-zone settlement for all participants.

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- ◆ Ngrid, NYPA and the NYISO note that there are viable opportunities to work together to solve existing short and long term problems that improve the settlement market for all market participants in the market in the long term.