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- 1.19b NERC Transaction Priorities:** The reservation and scheduling priority applied to a Transaction under the NERC Transmission Loading Relief Procedure.
- 1.19c NERC Transmission Loading Relief (“TLR”) Procedure:** “Standard IRO-006-3 – Reliability Coordination – Transmission Loading Relief” as approved in Docket No. ER06-1545, and any amendments thereto. See www.nerc.com for the current version of the NERC TLR Procedure.
- 1.19d Net Auction Revenue:** The total amount, in dollars, as calculated pursuant to Section 3.1 of Attachment N, remaining after collection of all charges and allocation of all payments associated with a round of a Centralized TCC Auction or a Reconfiguration Auction. Net Auction Revenue takes into account: (i) revenues from and payments for the award of TCCs in a Centralized TCC Auction or Reconfiguration Auction, (ii) payments to Transmission Owners releasing ETCNL, (iii) payments or charges to Primary Holders selling TCCs, (iv) payments to Transmission Owners releasing Original Residual TCCs, (v) O/R-t-S Auction Revenue Surplus Payments and U/D Auction Revenue Surplus Payments, and (vi) O/R-t-S Auction Revenue Shortfall Charges and U/D Auction Revenue Shortfall Charges. Net Auction Revenue may be positive or negative.
- 1.19e Net Congestion Rent:** The total amount, in dollars, as calculated pursuant to Section 2.1 of Attachment N, remaining after collection of all Congestion-related charges and allocation of all Congestion-related payments associated with the Day-Ahead Market. Net Congestion Rent takes into account: (i) charges and payments for Congestion Rents, (ii) settlements with TCC Primary Holders, (iii) O/R-t-S Congestion Rent Shortfall Charges and U/D Congestion Rent Shortfall Charges, and (iv) O/R-t-S Rent Congestion Surplus Payments and U/D Congestion Rent Surplus Payments. Net Congestion Rent may be positive or negative.
- 1.20 Network Customer:** An entity receiving Transmission Service pursuant to the terms of the ISO’s Network Integration Transmission Service under Part III of the Tariff.
- 1.21 Network Integration Transmission Service:** The Transmission Service provided under Part III of the Tariff.
- 1.22 Network Load:** The Load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer’s Network Load shall include all Load served by the output of any Network Resources designated by the Network Customer. A Network Customer

may elect to designate less than its total Load as Network Load but may not designate only part of the Load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular Load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated Load.

- 1.23 Network Operating Agreement:** An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff. For Eligible Customers that take service under the ISO Services Tariff, that Tariff shall function as their Network Operating Agreement.
- 1.24 Network Operating Committee:** The ISO Operating Committee will serve this function.
- 1.25 Network Resource:** Any generating resource that provides Installed Capacity to the NYCA designated under the Network Integration Transmission Service provisions of the Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a Commission-approved reserve sharing program..
- 1.26 Network Upgrades:** Modifications or additions to transmission facilities that are integrated with and support the Transmission Owner's overall Transmission System for the general benefit of all users of such Transmission System.
- 1.26a Network Upgrade Agreement:** An agreement entered into between a Transmission Customer and a Transmission Owner that identifies the rights and obligations of each party with respect to the Network Upgrade, as described in this Tariff.

3.4 Energy Imbalance Service: The rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve Service: The rates and/or methodology are described in Schedule 5.

3.6 ISO Black Start Capability: The rates and/or methodology are described in Schedule 6.

4.0 Open-Access Same Time Information System ("OASIS")

Terms and conditions regarding Open Access Same-Time Information System and Standards of Conduct are set forth in Part 37 of the Commission's regulations ("Open Access Same-Time Information System and Standards of Conduct for Public Utilities") and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). The ISO will maintain an OASIS, including a Bid/Post System, for purposes of scheduling Transmission Service.

The ISO shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of Transmission Service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The ISO shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The ISO shall also

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post on OASIS and its public website an electronic link to a statement of the process by which the ISO shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the ISO shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the ISO deems appropriate.

5.0 Local Furnishing Bonds and Other Tax Exempt Financing

5.1 Tax Exempt Financing Pursuant to Section 142(f) of the Internal Revenue

Code: This provision is applicable only to Transmission Owners that have financed facilities for the local furnishing of Energy with Local Furnishing Bonds, as described in Section 142(f) of the Internal Revenue Code ("Local Furnishing Bonds"). Notwithstanding any other provision of this Tariff, neither the ISO nor the Transmission Owner shall be required to provide transmission service to any

6.0 Reciprocity

A Transmission Customer receiving Transmission Service under this Tariff agrees to provide comparable Transmission Service that it is capable of providing to each Transmission Owner on similar terms and conditions over facilities used for the transmission of Energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of Energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A

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Transmission Customer that takes Transmission Service from a power pool or Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO, or other transmission organization on similar terms and conditions over facilities used for the transmission of Energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of Energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains Transmission Service under this Tariff, but also to all parties to a Transaction that involves the use of Transmission Service under this Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request Transmission Service under this Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

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22.2 Modification On a Firm Basis: Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23.0 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service: Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Owner's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Owner's cost of expansion; provided that, for service prior to October 1, 2010, compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

The Assignee must execute a service agreement with the ISO governing reassignments of transmission service prior to the date on which the

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reassigned service commences. The ISO shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the ISO or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the ISO or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement,

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Resource

- For each off-system Network Resource, such description shall include:
-
- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to the New York State Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

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or NYCA such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus net sales of Energy through the LBMP Market established under the ISO Services Tariff, plus losses, plus power sales under a Commission-approved reserve sharing program. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the ISO to respond to an Emergency or other unforeseen condition which may impair or degrade the reliability of the NYS Transmission System. For all Network Resources not physically connected with the New York State Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the New York State Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4.

30.5 Network Customer Redispatch Obligation: As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to allow the ISO to redispatch its Network Resources. The redispatch of resources pursuant to this Section shall be on a least cost, non-discriminatory basis.

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2. For Imports and Internal Wheels

NTAC = Actual MWh Withdrawals x NTAC Rate

Where:

NTAC Rate is the rate listed and described in Attachment H.

Actual MWh Withdrawal is the quantity of MWh withdrawn at the Point of Delivery identified in the Transmission Customer's Transmission Service schedule, in an hour. The amount shall be determined by: (1) measurement with a revenue-quality meter; (2) assessment in accordance with a Transmission Owner's PSC-approved retail access program or LIPA's lawfully established retail access program where the customer's demand is not measured by a revenue-quality meter; or (3) using a method agreed to by the customer and the applicable Transmission Owner until such time as a revenue-quality meter is available.

F. Resales

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

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customer and the applicable Transmission Owner until such time as a
revenue-quality real-time meter is available.

E. Resales

The rates and rules governing charges and discounts stated above shall not apply to
resales of transmission service, compensation for which shall be governed by section 23.1 of the
Tariff.

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ATTACHMENT A-1

**Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II (and, to the extent applicable, Part IV) of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Transmission Provider:

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

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Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

- 3.0 Point(s) of Receipt: _____
Delivering Party: _____
- 4.0 Point(s) of Delivery: _____
Receiving Party: _____
- 5.0 Maximum amount of reassigned capacity: _____
- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____

- 7.0 Name(s) of any Intervening Systems providing transmission service: _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge(s) (including but not limited to the applicable TUC, wholesale and retail TSC, marginal losses, and NTAC):

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

The TRM used for purposes of the ATC calculations conducted for Scheduled Lines for the Day-Ahead Market and the Real-Time Market shall normally be zero (0) MW, although the ISO may increase it above that level if necessary.

The specific values of TRM used on each Internal and External Interface and Scheduled Line is posted on the ISO's website. The TRM values are periodically reviewed by the ISO and may be updated as warranted.

7.0 Existing Transmission Commitments ("ETC")

The ISO shall not set aside transmission capacity as ETC when calculating ATC or otherwise in developing SCUC and RTS market schedules.

8.0 Capacity Benefit Margin

The ISO shall not set aside transmission capacity as CBM when calculating ATC or otherwise in developing SCUC and RTS market schedules.

9.0 Coordinated ATC Postings

The ISO's practice is to make joint TTC/ATC postings along with neighboring system operators on the website of the Northeast Power Coordinating Council. The ISO does not coordinate its ATC calculations with neighboring system operators because they do not incorporate the Transmission Flow Utilization information produced by the ISO's market software into their ATC calculations.