

Attachment IV

Blacklined Version of the Revised OATT Sheets

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I. COMMON SERVICE PROVISIONS

1.0 Definitions

- 1.0a Actual Energy Withdrawals:** Energy withdrawals which are either: (1) measured with a revenue-quality real-time meter; (2) assessed (in the case of LSEs serving retail customers where withdrawals are not measured by revenue-quality real-time meters) on the basis provided for in a Transmission Owner's retail access program; or (3) calculated (in the case of wholesale customers where withdrawals are not measured by revenue-quality real-time meters), until such time as revenue-quality real-time metering is available on a basis agreed upon by the unmetered wholesale customers.
- 1.0b Advance Reservation:** (1) A reservation of transmission service over the Cross-Sound Scheduled Line that is obtained in accordance with the applicable terms of Schedule 18 and the Schedule 18 Implementation Rule of the ISO New England Inc. Transmission, Markets and Services Tariff, or in accordance with any successors thereto; or (2) A right to schedule transmission service over the Neptune Scheduled Line that is obtained in accordance with the rules and procedures established pursuant to Section 44B38 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff and set forth in a separate service schedule under the PJM Interconnection, L.L.C. Open Access Transmission Tariff; or (3) A right to schedule transmission service over the Linden VFT Scheduled Line that is obtained in accordance with the rules and procedures established pursuant to Section 38 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff and set forth in a separate service schedule under the PJM Interconnection, L.L.C. Open Access Transmission Tariff.
- 1.0c Affiliate:** With respect to a person or entity, any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization, directly or indirectly controlling, controlled by, or under common control with, such person or entity. The term "control" shall mean the possession, directly or indirectly, of the power to direct the management or policies of a person or an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.
- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of Capacity and Energy from resources to Loads while maintaining reliable operation of the NYS Transmission System in accordance with Good Utility Practice.

- 1.15f ISO Related Agreements:** Collectively, the ISO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement and the ISO/TO Agreement.
- 1.15g ISO Services Tariff:** The ISO Market Administration and Control Area Services Tariff.
- 1.15h ISO Tariffs:** The ISO OATT and the ISO Services Tariff, collectively.
- 1.15i LBMP Markets:** A term that collectively refers to both the Real-Time Market and the Day-Ahead Market.
- 1.15i.1 Linden VFT Scheduled Line:** A transmission facility that interconnects the NYCA to the PJM Interconnection, L.L.C. Control Area in Linden, New Jersey.
- 1.15j LIPA Tax-Exempt Bonds:** Obligations issued by the Long Island Power Authority, the interest in which is not included in gross income under the Internal Revenue Code.
- 1.15k Load:** A term that refers to either a consumer of Energy or the amount of Energy (MWh) or demand (MW) consumed by certain consumers.
- 1.16 Load Ratio Share:** The ratio of an LSE's Load to Load within the NYCA during a specified time period.
- 1.16a Load Serving Entity ("LSE"):** An entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the NYCA, including an entity that takes service directly from the ISO to supply its own load in the NYCA.
- 1.17 Load Shedding:** The systematic reduction of system demand by temporarily decreasing Load in response to Transmission System or area Capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.17a Load Zone:** One (1) of eleven (11) geographical areas located within the NYCA that is bounded by one (1) or more of the fourteen (14) New York State Interfaces.

1.36d Real Power Losses: The loss of Energy, resulting from transporting power over the NYS Transmission System, between the Point of Injection and Point of Withdrawal of that Energy.

1.36d.1 Real-Time Bid: A Bid submitted into the Real-Time Commitment at least seventy-five minutes before the start of a dispatch hour, or at least eighty-five minutes before the start of a dispatch hour if the Bid seeks to schedule an External Transaction at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line, the ~~or~~ Neptune Scheduled Line, or the Linden VFT Scheduled Line.

1.36d.2 Real-Time Commitment ("RTC"): A multi-period security constrained unit commitment and dispatch model that co-optimizes to solve simultaneously for Load, Operating Reserves and Regulation Service on a least as-bid production cost basis over a two hour and fifteen minute optimization period. The optimization evaluates the next ten points in time separated by fifteen minute intervals. Each RTC run within an hour shall have a designation indicating the time at which its results are posted: "RTC₀₀," RTC₃₀, and "RTC₄₅:" post on the hour, and at fifteen, thirty, and forty-five minutes after the hour, respectively. Each RTC run will produce binding commitment instructions for the periods beginning fifteen and thirty minutes after its scheduled posting time and will produce advisory commitment guidance for the remainder of the optimization period, RTC₁₅ will also establish External Transaction schedules. Additional information about RTC's functions is provided in Section 4.4.2 of the ISO Services Tariff.

1.36d.3 Real-Time Dispatch ("RTD"): A multi-period security constrained dispatch model that co-optimizes to solve simultaneously for Load, Operating Reserves, and Regulation Service on a least-as-bid production cost basis over a fifty, fifty-five or sixty-minute period (depending on when each RTD run covers within an hour). The Real-Time Dispatch dispatches, but does not commit, Resources, except that RTD may commit, for pricing purposes, Resources meeting Minimum Generation Levels and capable of starting in ten minutes. Real-Time Dispatch runs will normally occur every five minutes. Additional information about RTD's functions is provided in Section 4.4.3 of the ISO Services Tariff. Throughout the ISO Services Tariff the term "RTD" will normally be used to refer to both the Real-Time Dispatch and to the specialized Real-Time Dispatch Corrective Action Mode software.

1.36d.4 Real-Time Dispatch-Corrective Action Mode ("RTD-CAM"): A specialized version of the Real-Time Dispatch software that will be activated when it is needed to address unanticipated system conditions. RTD-CAM is described in Section 4.4.4 of the ISO Services Tariff.

1.39d Safe Operations: Actions which avoid placing personnel and equipment in peril with regard to the safety of life and equipment damage.

1.39d.01 Scheduled Energy Injection: Energy injections which are scheduled on a real-time basis by RTC.

1.39d.02 Scheduled Line: A transmission facility or set of transmission facilities: (a) that provide a distinct scheduling path interconnecting the ISO with an adjacent control area, (b) over which Customers are permitted to schedule External Transactions, (c) for which the NYISO separately posts TTC and ATC, and (d) for which there is the capability to maintain the Scheduled Line actual interchange at the DNI, or within the tolerances dictated by Good Utility Practice. Each Scheduled Line is associated with a distinct Proxy Generator Bus. Transmission facilities shall only become Scheduled Lines after the Commission accepts for filing revisions to the NYISO's tariffs that identify a specific set or group of transmission facilities as a Scheduled Line.

The following transmission facilities are Scheduled Lines: the Cross-Sound Scheduled Line, the Neptune Scheduled Line, the Dennison Scheduled Line, and the Northport-Norwalk Scheduled Line, and the Linden VFT Scheduled Line.

1.39d.1 Scheduling Differential: A monetary amount, to be defined by the ISO pursuant to ISO Procedures that is assigned to, or defines Bid Price limits applicable to, Decremental Bids and Sink Price Cap Bids at Proxy Generator Buses, in order to establish an appropriate scheduling priority for the Transaction or Firm Transmission Service associated with each such Bid. The Scheduling Differential shall be no larger than one dollar (\$1.00).

1.39e SCUC: Security Constrained Unit Commitment, described in Attachment C of the Tariff.

1.39f Second Contingency Design and Operation: The planning, design and operation of a power system such that the loss of any two (2) facilities will not result in a service interruption to either native load customers or contracted firm Transmission Customers. Second Contingency Design and Operation criteria do not include the simultaneous loss of two (2) facilities, but rather consider the loss of one (1) facility and the restoration of the system to within acceptable operating parameters, prior to the loss of a second facility. These criteria apply to thermal, voltage and stability limits and are generally equal to or more stringent than NYPP, NPCC and NERC criteria.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The ISO will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff over the transmission facilities of the parties to the ISO/TO Agreement. Point-To-Point Transmission Service is for the receipt of Capacity and Energy at designated Point(s) of Receipt and the transfer of such Capacity and Energy to designated Point(s) of Delivery. Firm Point-To-Point Transmission Service is service for which the Transmission Customer has agreed to pay the Congestion Rent associated with its service. Non-Firm Point-To-Point Transmission Service is service for which the Transmission Customer has not agreed to pay Congestion Rent. A Transmission Customer may fix the price of Day-Ahead Congestion Rent associated with its Firm Point-To-Point Transmission Service by acquiring sufficient TCCs with the same Points of Receipt and Delivery as its Transmission Service. Notwithstanding any provision in this Part to the contrary, External Transactions scheduled at the Proxy Generator Buses associated with the Cross-Sound Scheduled Line, or the Neptune Scheduled Line, or the Linden VFT Scheduled Line shall be subject to the requirements of Attachment N to the ISO Services Tariff.

13.0 Nature of Firm Point-To-Point Transmission Service

13.1 Term: The minimum term of Firm Point-To-Point Transmission Service shall be one hour and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority: All requests for Firm Point-to-Point Transmission Service will be deemed to have the same reservation priority. Firm Point-to-Point

Issued by: ~~Mark S. Lynch~~ Stephen G. Whitley, President

Effective: ~~October 11~~ June 9, 2007⁹

Issued on: ~~October 11~~ April 10, 2007⁹

Filed to comply with Order No. 890 of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000 and RM05-25-000, issued February 16, 2007, FERC Stats. & Regs. ¶ 31,241 (2007).

possible, Curtailments of External Transactions at the Proxy Generator Buses
associated with the Cross-Sound Scheduled Line, ~~or~~ the Neptune Scheduled Line,
or the Linden VFT Scheduled Line shall be based on the transmission priority of
the associated Advance Reservation for use of the Cross-Sound Scheduled Line,
~~or~~ the Neptune Scheduled Line, or the Linden VFT Scheduled Line (as
appropriate). If multiple

RTD, or, except as set forth in Sections I.EF.2 and I.EF.3 below, in the case of a Proxy Generator Bus, from the results of RTC₁₅ during periods in which (1) proposed economic transactions over the Interface between the NYCA and the Control Area with which that Proxy Generator Bus is associated would exceed the Available Transfer Capability for the Proxy Generator Bus or for that Interface, (2) proposed interchange schedule changes pertaining to the NYCA as a whole would exceed any Ramp Capacity limits in place for the NYCA as a whole, or (3) proposed interchange schedule changes pertaining to the Interface between the NYCA and the Control Area in which that Proxy Generator Bus is associated would exceed any Ramp Capacity limit imposed by the ISO for the Proxy Generator Bus or for that Interface.

2. Rules for Non-Competitive Proxy Generator Buses

Real-Time LBMPs for a Non-Competitive Proxy Generator Bus shall be determined as follows.

When (i) proposed Real-Time Market economic net Import transactions into the NYCA from the Control Area in which the Non-Competitive Proxy Generator Bus is located would exceed the Available Transfer Capability for the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located or would exceed the Available Transfer Capability of the Non-Competitive Proxy Generator Bus, or (ii) proposed interchange schedule changes pertaining to increases in Real-Time Market net imports into the NYCA from the Control Area in which the Non-Competitive Proxy Generator Bus is located would exceed the Ramp Capacity limit imposed by the ISO for the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located or would exceed the Ramp Capacity limit imposed by the ISO for the Non-Competitive Proxy Generator Bus, the Real-Time LBMP at the Non-Competitive Proxy Generator Bus will be the higher of

(i) the RTC-determined price at that Non-Competitive Proxy Generator Bus or (ii) the lower of the LBMP determined by RTD for that Non-Competitive Proxy Generator Bus or zero.

When (i) proposed Real-Time Market economic net Export Transactions from the NYCA to the Control Area in which the Non-Competitive Proxy Generator Bus is located would exceed the Available Transfer Capability for the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located or would exceed the Available Transfer Capability of the Non-Competitive Proxy Generator Bus, or (ii) proposed interchange schedule changes pertaining to increases in Real-Time Market net Exports from the NYCA to the Control Area in which the Non-Competitive Proxy Generator Bus is located would exceed the Ramp Capacity limit imposed by the ISO for the Interface between the NYCA and the Control Area in which that Non-Competitive Proxy Generator Bus is located or would exceed the Ramp Capacity limit imposed by the ISO for the Non-Competitive Proxy Generator Bus, the Real-Time LBMP at the Non-Competitive Proxy Generator Bus will be the lower of (i) the RTC-determined price at the Non-Competitive Proxy Generator Bus or (ii) the higher of the LBMP determined by RTD for the Non-Competitive Proxy Generator Bus or the Day-Ahead LBMP determined by SCUC for the Non-Competitive Proxy Generator Bus. At all other times, the Real-Time LBMP shall be calculated as specified in Section 1FE.1, above.

3. Special Pricing Rules for Scheduled Lines

Real-Time LBMPs for the Proxy Generator Buses associated with designated Scheduled Lines shall be determined as follows:

Issued by: ~~Mark S. Lynch~~Stephen G. Whitley, President
Issued on: ~~March 28~~April 10, 20079

Effective: June ~~6~~9, 20079

When proposed Real-Time Market economic net Import Transactions into the NYCA associated with a designated Scheduled Line would exceed the Available Transfer Capability of the designated Scheduled Line, the Real-Time LBMP at the Proxy Generator Bus associated with the designated Scheduled Line will be the higher of (i) the RTC-determined price at that Proxy Generator Bus or (ii) the lower of the LBMP determined by RTD for that Proxy Generator Bus or zero.

When proposed Real-Time Market economic net Export Transactions from the NYCA associated with a designated Scheduled Line would exceed the Available Transfer Capability of the designated Scheduled Line, the Real-Time LBMP at the Proxy Generator Bus associated with the designated Scheduled Line will be the lower of (i) the RTC-determined price at the Proxy Generator Bus or (ii) the higher of the LBMP determined by RTD for the Proxy Generator Bus or the Day-Ahead LBMP determined by SCUC for the Proxy Generator Bus. At all other times, the Real-Time LBMP shall be calculated as specified in Section I.FE.1 above.

The Cross-Sound Scheduled Line, ~~and the Neptune Scheduled Line, and the Linden VFT~~
Scheduled Line are designated Scheduled Lines.

5.0 Scheduling Transmission Service for External Transactions

The amount of Firm Transmission Service scheduled Day-Ahead for Bilateral Transactions which designate External Generators to supply Imports or Internal Generators to supply Exports will be equal to the amount of Energy scheduled to be consumed under those Transactions Day-Ahead. The amount of Firm Transmission Service scheduled in the RTC₁₅ for Bilateral Transactions which designate External Generators to supply Imports or Internal Generators to supply Exports will be equal to the amount of Energy scheduled to be consumed under those Transactions in the RTC₁₅. The DNI between the NYCA and adjoining Control Areas will be adjusted as necessary to reflect the effects of any Curtailments of Import or Export Transactions. Additionally, any Curtailment or Reductions of schedules for Export Transactions will cause the scheduled amount of Transmission Service to change.

To the extent possible, Curtailments of External Transactions at the Proxy Generator Buses associated with the Cross-Sound Scheduled Line, ~~or~~ the Neptune Scheduled Line, and the Linden VFT Scheduled Line shall be based on the transmission priority of the associated Advance Reservation for use of the Cross-Sound Scheduled Line, ~~or~~ Neptune Scheduled Line, or the Linden VFT Scheduled Line (as appropriate).

The ISO shall use Decremental Bids supplied by Transmission Customers using External Generators to supply Wheels-Through to determine the amount of Energy those Generators are scheduled Day-Ahead to produce in each hour. This in turn will determine the Firm Transmission Service scheduled Day-Ahead to support those Transactions. The ISO shall

8. Wheels Through the NYCA that are scheduled to exit the NYCA at the Proxy Generator Bus that represents the NYCA's Interface with the Control Area operated by IESO, and to source from the Control Area operated by the MISO.

External Transactions at the Proxy Generator Buses that are associated with the Cross-Sound Scheduled Line, ~~and the Neptune Scheduled Line, and the Linden VFT Scheduled Line~~
shall also be governed by Attachment N to the ISO Services Tariff.