

November 14, 2001

**Business Issues Committee
November 15, 2001 Meeting**

Motion to Amend Rate Schedule 1 of the FERC Services Tariff and Authorization to Implement Amendment to allocate Rate Schedule 1 Charges to All Market Participants in Accordance with their Respective Sales or Billing Units

WHEREAS, Rate Schedule 1 acknowledges that “[e]ach Market Participant that sells or purchases Energy, including Demand Side Resources, sells or purchases Capacity, or provides Ancillary Services”;

WHEREAS, Rate Schedule 1 further recognizes that “each entity that withdraws Energy to supply Load within the NYCA or provides Installed Capacity an LSE serving load within the NYCA utilizes the Control Area Services provided by the ISO and benefits from the reliability achieved as a result of ISO Control Area Services”;

WHEREAS, each Market Participant who receives or provides Energy, Demand Side Resources, Capacity and Ancillary Services has entered into a Service Agreement with the NY ISO as set forth on Attachment A to the Services Tariff;

WHEREAS, currently Rate Schedule 1 charges are billed only to LSEs serving load based on “Actual Energy Withdrawals for all Transactions to supply Load in the NYCA and all other purchases from the LBMP Markets to supply Load.”

WHEREAS, the ISO New England and the PJM Interconnection ensure that all market participants share in their respective administrative and service costs;

WHEREAS, the recent changes to Rate Schedule 1 to accommodate virtual bidding include participation from all non-defaulting customers in the event of a default;

NOW, THEREFORE, IT IS MOVED that the BIC Recommend that the Management Committee vote to Amend Rate Schedule 1 such that the NYISO charges as defined in the OATT Rate Schedule 1, Section 3A, are charged to all market participants based on Energy Transactions (i.e. injections and withdrawals) in the New York Control Area, adjusted for marginal losses as appropriate.

NOTE: Changes from posted version are highlighted.