ew York Independent System Operator, Inc.   First Revised Sheet No. 726
FERC Electric Tariff   Superseding Substitute Original Sheet No. 726
Original Volume No. 1
Attachment W

TCCs in the Primary Holder's portfolio, as defined for these

purposes, according to the formula below:

$$\sum_{n \in N} \left\{ \frac{NAPn}{3} \times RMn \right\}$$

where: NAP = the net amount of Congestion Rents (positive or
negative) between the POI and POW composing
each TCC_n during the previous three months

RM = the remaining number of months in the life of
TCC_n; *provided, however,* that in the case of
Grandfathered TCCs, RM shall equal the remaining
number of months in the life of the longest duration
TCC sold in a NYISO-administered Auction then
outstanding

N = the set of TCCs held by the Primary Holder.

(iv) **Bid Component.** The Bid Component shall be an amount equal to the

sum of: (i) the amount of bidding authorization that the Transmission

Customer has requested for use in ISO-administered TCC auctions, (ii) a

reasonable estimate of the amount the Transmission Customer may owe as

a result of requested authorization to convert AARs to TCCs, (iii) the

amount of bidding authorization that the Transmission Customer has

requested for use in ISO-administered UCAP auctions, and (iv) five (5)

days prior to any UCAP Deficiency Procurement Auction, the maximum

amount that the Transmission Customer may be required to pay for UCAP

in the upcoming Deficiency Procurement Auction.

New York Independent System Operator, Inc.   Third Revised Sheet No. 727
FERC Electric Tariff   Superseding Second Revised Sheet No. 727
Original Volume No. 1
Attachment W

Prior to participation in any ISO-administered TCC auction, a

Transmission Customer shall be required to have bidding authorization in

an amount equal to or greater than the sum of: (i) an amount equal to all

positive bids to be submitted in the auction to purchase TCCs and (ii) an

amount equal to the absolute value of all negative offer prices to be

submitted for sales of TCCs. Prior to converting AARs to TCCs, a

Transmission Customer shall be required to have authorization in an

amount equal to or greater than a reasonable estimate of the amount the

Transmission Customer may owe as a result of the conversions. Prior to

participation in an ISO-administered UCAP auction, a Transmission

Customer shall be required to have bidding authorization in amount equal

to or greater than all bids to purchase UCAP. A Transmission Customer

shall not be permitted to submit bids in an ISO-administered auction for

TCCs or UCAP nor to convert AARs to TCCs in excess of its bidding

authorization.

(v)   WTSC Component. The WTSC Component shall be equal to the greater of

either:

Greatest Amount Owed for WTSC During
Any Single Month in the Prior Equivalent Capability Period   x 50
Days in Basis Month

or –

Total Charges Incurred for WTSC for Previous Thirty (30) Days   x 50