

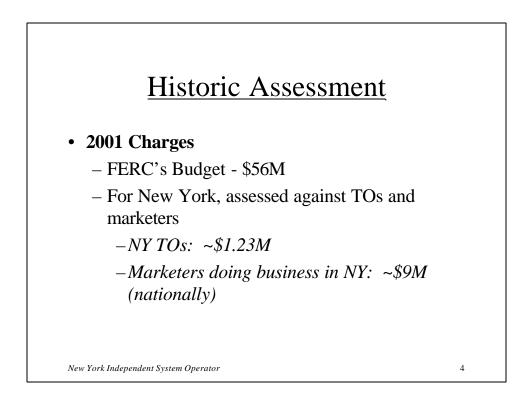
<u>Historical Method for</u> <u>Collection of Annual Charges</u>

- FERC collected annual electric program costs by determining a unit charge and then multiplying it by an entity's FERC-582 reported MWh of transactions
 - Assessed against public utilities and marketers
- Transactions include:
 - Long-term firm sales for resale and transmission

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- Short-term sales, transmission, and exchanges

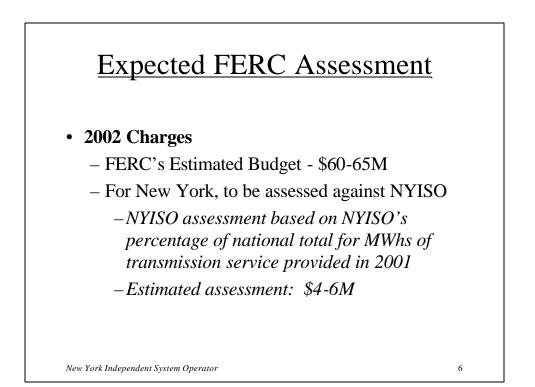
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New Method for Collection of Annual Charges

- FERC collects annual electric program costs by determining a unit charge and then multiplying it by an entity's FERC-582 reported MWh of transmission
 - Only assessed against public utilities providing transmission service, including ISOs
- Unit charge equals: (FERC electric regulatory costs - PMA costs - filing fees) (Total FERC-582 reported MWh of transmission)
- MWh of transmission includes unbundled wholesale and retail transmission service plus bundled wholesale power sales where transmission component is not reported separately 5

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Regulatory Fees

Motion to modify the NYISO Open Access Transmission Tariff, Schedule 1, section 3A, to specifically identify regulatory fees as an ISO cost recovered through the Rate Schedule 1 charge effective January 1, 2002

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