

# Regulatory Fees

## *Proposed Revision to the OATT*

**Management Committee**  
**November 9, 2001**

## Overview

- **FERC has changed how it charges for its electric industry costs**
  - FERC Order No. 641 (10/26/00)
  - FERC Order No. 641-A (3/15/01)
- **Previously TOs and marketers were assessed costs**
- **NYISO now subject to reporting and payment of annual charges**
  - Beginning with 2002 fees based on 2001 data
- **Modify OATT to explicitly provide for recovery of regulatory fees under Schedule 1**

## Historical Method for Collection of Annual Charges

- **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
  - Short-term sales, transmission, and exchanges

*New York Independent System Operator*

3

## Historic Assessment

- **2001 Charges**
  - FERC's Budget - \$56M
  - For New York, assessed against TOs and marketers
    - *NY TOs: ~\$1.23M*
    - *Marketers doing business in NY: ~\$9M (nationally)*

*New York Independent System Operator*

4

## 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**

*New York Independent System Operator*

5

## Expected FERC Assessment

- **2002 Charges**
  - FERC's Estimated Budget - \$60-65M
  - For New York, to be assessed against NYISO
    - *NYISO assessment based on NYISO's percentage of national total for MWhs of transmission service provided in 2001*
    - *Estimated assessment: \$4-6M*

*New York Independent System Operator*

6

## 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