1.2 Annual Transmission Costs: The total annual cost of the Transmission System for purposes of ~~Network Integration and~~ Point-to-Point Transmission Services shall be the amount specified in Attachment H until amended by the Transmission Owners or modified by the Commission.

1.2a Annual Transmission Revenue Requirement: The total annual cost for each Transmission Owner (other than LIPA) to provide transmission service subject to review and acceptance by FERC or other authority.

1.3 Application: A request by an Eligible Customer for Transmission Service pursuant to the provisions of this Tariff.

1.3a Automatic Generation Control ("AGC"): The automatic regulation of the power output of electric generating facilities within a prescribed range in response to a change in system frequency, or tie-line loading, to maintain system frequency or scheduled interchange with other areas within predetermined limits.

1.3a.1 Reserved for future use

1.3a.2 Reserved for future use.

1.3a.3 Reserved for future use.

1.3b Availability: A measure of time that a generating facility, transmission line or other facility is or was capable of providing service, whether or not it actually is in-service.

1.3c Available Generating Capacity: Generating Capacity that is on line to serve Load and/or provide Ancillary Services, or is capable of initiating start-up for the purpose of serving Transmission Customers or providing Ancillary Services, within thirty (30) minutes.

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.

1.19b NERC Transaction Priorities: The reservation and scheduling priority applied to a Transaction under the NERC Transmission Loading Relief Procedure.

1.19c NERC Transmission Loading Relief ("TLR") Procedure: "Standard IRO-006-3 – Reliability Coordination – Transmission Loading Relief" as approved in Docket No. ER06-1545, and any amendments thereto. See www.nerc.com for the current version of the NERC TLR Procedure.

1.19d Net Auction Revenue: The total amount, in dollars, as calculated pursuant to Section 3.1 of Attachment N, remaining after collection of all charges and allocation of all payments associated with a round of a Centralized TCC Auction or a Reconfiguration Auction. Net Auction Revenue takes into account: (i) revenues from and payments for the award of TCCs in a Centralized TCC Auction or Reconfiguration Auction, (ii) payments to Transmission Owners releasing ETCNL, (iii) payments or charges to Primary Holders selling TCCs, (iv) payments to Transmission Owners releasing Original Residual TCCs, (v) O/R-t-S Auction Revenue Surplus Payments and U/D Auction Revenue Surplus Payments, and (vi) O/R-t-S Auction Revenue Shortfall Charges and U/D Auction Revenue Shortfall Charges. Net Auction Revenue may be positive or negative.

1.19e Net Congestion Rent: The total amount, in dollars, as calculated pursuant to Section 2.1 of Attachment N, remaining after collection of all Congestion-related charges and allocation of all Congestion-related payments associated with the Day-Ahead Market. Net Congestion Rent takes into account: (i) charges and payments for Congestion Rents, (ii) settlements with TCC Primary Holders, (iii) O/R-t-S Congestion Rent Shortfall Charges and U/D Congestion Rent Shortfall Charges, and (iv) O/R-t-S Rent Congestion Surplus Payments and U/D Congestion Rent Surplus Payments. Net Congestion Rent may be positive or negative.

1.20 ~~**Network Customer:** An entity receiving Transmission Service pursuant to the terms of the ISO's Network Integration Transmission Service under Part III of the Tariff.~~[Reserved for Future Use]

1.21 ~~**Network Integration Transmission Service:** The Transmission Service provided under Part III of the Tariff.~~[Reserved for Future Use]

1.22 ~~**Network Load:** The Load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all Load served by the output of any Network Resources designated by the Network Customer. A Network Customer~~

~~may elect to designate less than its total Load as Network Load but may not designate only part of the Load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular Load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated Load.~~[Reserved for Future Use]

1.23 ~~**Network Operating Agreement:** An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff. For Eligible Customers that take service under the ISO Services Tariff, that Tariff shall function as their Network Operating Agreement.~~[Reserved for Future Use]

1.24 ~~**Network Operating Committee:** The ISO Operating Committee will serve this function.~~[Reserved for Future Use]

1.25 ~~**Network Resource:** Any generating resource that provides Installed Capacity to the NYCA designated under the Network Integration Transmission Service provisions of the Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.~~[Reserved for Future Use]

1.26 ~~**Network Upgrades:** Modifications or additions to transmission facilities that are integrated with and support the Transmission Owner's overall Transmission System for the general benefit of all users of such Transmission System.~~[Reserved for Future Use]

1.26a ~~**Network Upgrade Agreement:** An agreement entered into between a Transmission Customer and a Transmission Owner that identifies the rights and obligations of each party with respect to the Network Upgrade, as described in this Tariff.~~[Reserved for Future Use]

1.30 **Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31 ~~**Part III:** Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.~~[Reserved for Future Use]

1.31a **Part IV:** Tariff Sections 36 through 37 pertaining to Retail Access Service.

1.32 **Party or Parties:** The ISO and the Transmission Customer receiving service under the Tariff.

1.32a **Performance Tracking System:** A system designed to provide quantitative comparisons of actual values versus expected and forecasted values for Generators and Loads (See Rate Schedule 3 of the ISO Services Tariff). This system will be used by the ISO to measure compliance with criteria associated with the provision of Regulation and Frequency Response Service.

1.33 **Point(s) of Delivery:** Point(s) on the NYS Transmission System where Capacity and Energy transmitted by the ISO will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Firm Point-To-Point Transmission Service. (Same as Point of Withdrawal.)

1.42e Supplemental Resource Evaluation ("SRE"): A determination of the least cost selection of additional Generators, which are to be committed, to meet: (i) changed or local system conditions for the Dispatch Day that may cause the Day-Ahead schedules for the Dispatch Day to be inadequate to meet the reliability requirements of the Transmission Owner's local system or to meet Load or reliability requirements of the ISO; or (ii) forecast Load and reserve requirements over the six-day period that follows the Dispatch Day.

1.43 System Impact Study: An assessment by the ISO of (i) the adequacy of the NYS Transmission System to accommodate a request to build facilities in order to create incremental transfer capability, resulting in incremental TCCs, in connection with a request for ~~either~~ Firm Point-To-Point Transmission Service ~~or Network Integration Transmission Service~~; and (ii) the additional costs to be incurred in order to provide the incremental transfer capability.

1.43a Tangible Net Worth: The value, determined by the ISO, of all of a Customer's assets less both: (i) the amount of the Customer's liabilities and (ii) all of the Customer's intangible assets, including, but not limited to, patents, trademarks, franchises, intellectual property, and goodwill.

1.44 ~~Third Party Sale:~~ ~~Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.~~[Reserved for Future Use]

1.44a Third Party Transmission Wheeling Agreements ("Third Party TWAs"): A Transmission Wheeling Agreement, as amended, between Transmission Owners or between a Transmission Owner and an entity that is not a Transmission Owner associated with the purchase (or sale) of Energy, Capacity, and/or Ancillary Services for the benefit of an entity that is not a Transmission Owner. These agreements are listed in Attachment L, Table 1A and 1B.

1.44b Total Transfer Capability ("TTC"): The amount of electric power that can be transferred over the interconnected transmission network in a reliable manner.

1.44b.1 Trading Hub: A virtual location in a given Load Zone, modeled as a Generator bus and/or Load bus, for scheduling Bilateral Transactions in which both the POI and POW are located within the NYCA.

1.44b.2 Trading Hub Energy Owner: A Customer who buys energy in a Bilateral Transaction in which the POW is a Trading Hub, or who sells energy in a Bilateral Transaction in which the POI is a Trading Hub.

1.44c Transaction: The purchase and/or sale of Energy or Capacity, or the sale of Ancillary Services.

1.44d Transfer Capability: The measure of the ability of interconnected electrical systems to reliably move or transfer power from one area to another over all transmission facilities (or paths) between those areas under specified system conditions.

1.44d.1 Transmission Congestion Contract Component ("TCC Component"): As defined in the ISO Services Tariff.

1.44e Transmission Congestion Contracts ("TCCs"): The right to collect or obligation to pay Congestion Rents in the Day-Ahead Market for Energy associated with a single MW of transmission between a specified POI and POW. TCCs are financial instruments that enable Energy buyers and sellers to hedge fluctuations in the price of transmission.

1.45 Transmission Customer: Any Eligible Customer (or its designated agent) that (i) executes a Service Agreement, or (ii) requests in writing that the ISO file with the Commission a proposed unexecuted Service Agreement to receive Transmission Service under Part II~~, III~~ and/or IV of the Tariff.

Transmission Owners and others, that are found to meet all applicable criteria.

1.47b Transmission Reliability Margin ("TRM"): The amount of TTC reserved by the ISO to ensure the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions.

1.48 Transmission Service: Point-To-Point~~, Network Integration~~ or Retail Access Transmission Service provided under Parts II~~, III~~ and IV of th~~e~~is Tariff.

1.48a Transmission Service Charge ("TSC"): A charge designed to ensure recovery of the embedded cost of a Transmission Owner's transmission system.

1.48b Transmission Shortage Cost: The maximum reduction in system costs resulting from an incremental relaxation of a particular Constraint that will be used in calculating LBMP. The Transmission Shortage Cost is set at $4000/MWh.

1.49 Transmission System: The facilities operated by the ISO that are used to provide Transmission Services under Part II~~, Part III~~ or Part IV of this Tariff.

1.49a Transmission Usage Charge ("TUC"): Payments made by the Transmission Customer to cover the cost of Marginal Losses and, during periods of time when the transmission system is Constrained, the marginal cost of Congestion. The TUC is equal to the product of: (1) the LBMP at the POW minus the LBMP at the POI (in $/MWh); and (2) the scheduled or delivered Energy (in MWh).

1.49b Transmission Wheeling Agreement ("TWA"): The agreements listed in Tables 1A and 1B of Attachment L to the ISO OATT governing the use of specific or designated transmission facilities that are owned, controlled or operated by an entity for the transmission of Energy in interstate commerce.

1.49b.1 UCAP Component: As defined in the ISO Services Tariff.

1.49b.2 Unrated Customer: As defined in the ISO Services Tariff.

1.49b.3 Unsecured Credit: As defined in the ISO Services Tariff.

Grandfathered Agreements are described in Attachment K.

7B.1 Transmission Service Charge - General Applicability

The TSC charge is applied to all Actual Energy Withdrawals from the NYS Power System under Part II ~~or Part III~~ of this Tariff, except for withdrawals by a Transmission Owner to provide bundled retail service or scheduled withdrawals associated with grandfathered transactions as specified in Attachments K and L. The TSC charge also is applied to Transactions to destinations outside the NYCA (Export or Wheel-Through Transactions), except as provided for in Section 7B.1(iv) of this Tariff.

Subject to the foregoing, the TSC applies to all Actual Energy Withdrawals regardless of whether the withdrawals occur in conjunction with a Bilateral Transaction or through the purchase of Energy from an LBMP Market. The TSC is payable under this Section regardless of whether the withdrawal is scheduled under Part II ~~or Part III~~ of this Tariff. Customers buying Energy from a Transmission Owner as part of a bundled retail rate will pay a portion of the Transmission Owner's transmission revenue requirement as part of their retail rates. Sales to these customers will be included in the billing units used to calculate each Transmission Owner's TSC under this Tariff in accordance with Attachment H.

Transmission Customers who are parties to grandfathered agreements specified in Attachment L will pay the applicable contract rate in those agreements. Revenues from these agreements will be credited against the Transmission Owners' individual revenue requirements in calculating the TSC.

(i) **Payable to Transmission Owners:** The TSC will be payable to Transmission Owners, in the manner described below in the remainder of Section 7B.1.

(ii) **Payable by Retail Access Customers:** Retail access customers or LSEs scheduling on their behalf will pay a TSC to their respective Transmission Owners under the provisions described in Part IV of this Tariff. The TSC is payable under Part IV (Retail Access Service) regardless of whether the LSE takes service under Part II (Point-to-Point Service) ~~or Part III (Network Integration Service)~~ of this Tariff.

(iii) **Payable by LSEs Serving Non-Retail Access Load in NYCA:** LSEs serving NYCA Load that is not part of a retail access program, such as customers of municipal electric systems, will pay a TSC to the Transmission Owner in whose Transmission District the Load is located. The TSC shall apply to Actual Energy Withdrawals by the Load,

regardless of whether such withdrawals are associated with Transmission Service under Part II ~~or Part III~~ of this Tariff or purchases from an LBMP Market, whether the withdrawals are scheduled or unscheduled, and regardless of whether the withdrawals were made on the Load's behalf by the LSE or by another Transmission Customer.

(iv) **Payable by Eligible Customers Scheduling Export or Wheel-Through Transactions:** Eligible Customers scheduling Transactions to destinations outside the NYCA (Export or Wheel-Through Transactions) are subject to a TSC as calculated in Attachment H. The TSC charge shall be eliminated on all Exports and Wheel-Through Transactions scheduled with the ISO to destinations within the New England Control Area; provided that the following conditions shall continue to be met: (1) a Commission approved tariff provision is in effect that provides for unconditional reciprocal elimination of charges on Exports and Wheel-Through Transactions from the New England Control Area to the New York Control Area; (2) no change in the provisions in this Tariff related to Local Furnishing Bonds and Other Tax Exempt Financing shall be

(ii) **Payable by Eligible Customers Scheduling Transmission Service:** All Transmission Customers scheduling Transmission Service under Part II ~~or Part III~~ of this Tariff shall pay the applicable TUC charge as calculated in the Attachment J hereto. Eligible Customers scheduling non-firm transactions under Part II will be subject to the Losses Component of the TUC only except as noted in Section 14.7 of this Tariff.

(iii) **Payable by Transmission Owners Scheduling Bilateral Transactions on Behalf of Bundled Retail Customers:** Transmission Owners scheduling Transmission Service to supply bundled retail customers shall pay the applicable TUC charge.

(iv) **Payable by Eligible Customers or Transmission Owners Scheduling Direct LBMP Purchases from the LBMP Market:** Any Transmission Customer, or Transmission Owner purchasing from the LBMP Market to supply bundled retail customers, will pay the Congestion Rent and Marginal Losses charge applicable to its location. These Congestion Rent and Marginal Losses charges will be included in the calculation of the LBMP charged by the ISO for the purchase of Energy from the LBMP Market.

7B.3 Ancillary Services

(i) **Payable to the ISO:** All Ancillary Services charges are payable directly to the ISO.

(ii) **Payable by LSEs:** All LSEs scheduling Transmission Service under Part II ~~or Part III~~ or purchases from the LMBP Market to supply Load in the NYCA shall pay Ancillary Services charges as described in Schedules 1 through 6. The charges will be assessed on the basis of all Actual Energy Withdrawals by the Load, regardless of whether such withdrawals are scheduled or unscheduled, and regardless of whether they are scheduled on the Load's behalf by the LSE or by another Transmission Customer. As explained in Schedule 1, in certain circumstances the Schedule 1 charge may vary depending upon the Transmission District in which the Load is located.

(iii) **Payable by Customers Scheduling External Transactions:** Eligible Customers scheduling Export or Wheel-Through Transactions to destinations outside the NYCA, or purchases from the LBMP Market to serve Load outside the NYCA shall pay Ancillary Services charges under Schedules 1, 2, 4, and 5 of this Tariff. The charges will be assessed on the basis of all Scheduled Energy Withdrawals from the NYCA.

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, 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~~

~~Transmission Service will have the same priority as Network Service subject to Section 13.6~~. - All Firm Point-to-Point Transmission Service will have priority over Non-Firm Point-to-Point Transmission Service under the Tariff.

13.3 Use of Firm Transmission Service by the Transmission Owner(s): The Transmission Owner will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the effective date of ISO, or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Owners will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements: The ISO shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Firm Point-To-Point Transmission Service. Executed Service Agreements that contain the information required under this Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

transactions require Curtailment, to the extent practicable and consistent with right to Curtail, in whole or in part, any Firm Transmission Service provided under this Tariff when, in the ISO's sole discretion, an Emergency or other unforeseen condition impairs or degrades the reliability of the NYS Power System. The ISO will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. If the ISO declares a Major Emergency State, Transmission Customers shall comply with all directions issued by the ISO concerning the avoidance, management, and alleviation of the Major Emergency and shall comply with all procedures concerning a Major Emergency set forth in the ISO Procedures and the Reliability Rules. If the ISO is required to Curtail Transmission Service as a result of a Transmission Loading Relief ("TLR") event, the ISO will perform such Curtailment in accordance with the NERC TLR Procedure.

The NYISO will implement Load Shedding and Curtailment procedures when the ISO determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The ISO will notify all affected Transmission Owners in a timely manner of any scheduled Load Shedding.

13.7 Classification of Firm Transmission Service:

(i) The Transmission Customer taking Firm Point-To-Point Transmission Service, other than Transmission Customers taking Firm Point-to-Point Transmission Service associated with a Pre-Scheduled Transaction, may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis

available when there is no Congestion between the Point(s) of Receipt and the Point(s) of Delivery for the Transaction. In all instances, Non-Firm Point-to-Point Transmission Service shall have a lower priority than Firm Point-to-Point Transmission Service ~~and Network Service. Non-Firm Point-to-Point Transmission Service shall have an equal priority with Network Service from a secondary resource~~. A customer requesting non-firm Transmission Service that cannot be accommodated in the Day-Ahead Schedule because of Congestion may upgrade to Firm Point-to-Point Transmission Service up to ninety (90) minutes prior to a given hour by rescheduling the Transaction and agreeing to pay the real-time Congestion Rents associated with the Transaction.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Owner: The Transmission Owners will be subject to the rates, terms and conditions of Part II of this Tariff when making Third-Party Sales under (i) agreements executed on or after the date this Tariff is effective or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Owners will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.7 Curtailment or Interruption of Service: The ISO reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an Emergency or other unforeseen condition threatens to impair or degrade the reliability of the NYS Transmission System. The ISO reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under this Tariff for economic reasons if the NYS Transmission System experiences Congestion. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the Constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Point-to-Point Transmission Service ~~and Network Integration Transmission Service~~. The ISO will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. The process of Curtailment of Non-Firm Point-To-Point Transmission Service for Imports, Exports, and Wheels Through may cause these non-firm transactions to incur incidental real-time Congestion Rents due to inter-Control Area Curtailment procedures.

15.0 Service Availability

15.1 General Conditions: The ISO will provide Firm and Non-Firm Point-To-Point

Upon filing of a proposal to recover stranded costs under the FPA, the Transmission Owner shall immediately provide the ISO with a copy of the appropriate rate schedule which will be incorporated as a new SIRC rate schedule under this Tariff, subject to refund as may be required by the Commission. ~~The ISO shall collect such SIRC from Network Service Customers and remit the collected amounts to the applicable Transmission Owner(s).~~ Any SIRC rate schedule developed by LIPA under this Tariff will be effective upon receipt by the ISO, subject to any applicable laws and orders.

27.0 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the ISO in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy.

~~III. NETWORK INTEGRATION TRANSMISSION SERVICE~~

~~Preamble~~

~~The ISO will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in this Tariff and Service Agreement over the transmission facilities of the parties to the ISO/TO Agreement. Network Integration Transmission Service will be provided when the Network Customer agrees to pay the Congestion Rent associated with its requested service. The Network Customer may fix the price of its Network Integration Transmission Service by purchasing TCCs corresponding with designated Network Resources and its Network Load. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the individual Transmission Owner utilizes their respective transmission systems to serve their Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy Energy purchases to its Network Load from non-designated resources on an as-available basis (i.e. when there is no Congestion) without additional charge. Transmission Service for sales to non-designated Loads will be provided pursuant to the applicable terms and conditions of Part II of this Tariff.~~

[Reserved for Future Use]

~~**28.0 Nature of Network Integration Transmission Service**~~

~~**28.1Scope of Service:** Network Integration Transmission Service is a Transmission Service that allows Network Customers to efficiently and economically utilize Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the NYCA and any additional Load that may be designated pursuant to Section 31.3 of this Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.0.~~

~~**28.2Transmission Owner Responsibilities:** Each Transmission Owner will plan, construct, operate and maintain their respective transmission systems in accordance with Good Utility Practice and its planning obligations in Attachment Y, in order to provide the Network Customer with Network Integration Transmission Service over the NYS Transmission System. The Transmission Owner, on behalf of its Native Load Customers, shall be required to designate resources and Loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the ISO to calculate ATC. The Transmission Owners and the ISO shall include the Network Customer's Network Load in transmission system planning and shall, consistent with Good Utility Practice and Attachment Y, endeavor to~~

[Reserved for Future Use]

~~RM05-25-000, issued February 16, 2007, FERC Stats. & Regs. ¶ 31,241 (2007).~~

~~construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Owner's delivery of its own generating and purchased resources to its Native Load Customers.~~

~~**28.3 Network Integration Transmission Service:** The ISO will provide Firm Transmission Service over the NYS Transmission System to the Network Customer for the delivery of Energy from its designated Network Resources to serve its Network Loads on a basis that is comparable to the Transmission Owner's use of the NYS Transmission System to reliably serve its Native Load Customers.~~

~~**28.4 Secondary Service:** The Network Customer may use the NYS Transmission System to deliver Energy to its Network Loads from resources that have not been designated as Network Resources. Such Energy shall be transmitted, on an as-available basis (i.e., when there is no Congestion between the non-Network Resource and the Network Load), at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff.~~

~~**28.5 Real Power Losses:** Real Power Losses are associated with all Transmission Service. The Network Customer is responsible for losses associated with all~~

[Reserved for Future Use]

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

~~Transmission Service in accordance with Schedule 9 and as calculated in Attachment J.~~

~~**28.6Restrictions on Use of Service:** The Network Customer shall not use Network Integration Transmission Service for (i) sales of Capacity and Energy to non-designated Loads or (ii) direct or indirect provisions of this Transmission Service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of this Tariff for any Third-Party Sale which requires use of the NYS Transmission System. The ISO shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.~~

~~**29.0 Initiating Service**~~

~~**29.1 Condition Precedent for Receiving Service:** Subject to the terms and conditions of Part III of this Tariff, the ISO will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of this Tariff; (ii) the Eligible Customer, ISO and the Transmission Owner(s) complete the technical arrangements set forth in Sections 29.3 and 29.4; (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment D for service under Part III~~

[Reserved for Future Use]

Issued by: ~~Mark S. Lynch~~Stephen G. Whitley, President Effective: October 11, 2007
Issued on: October 11, 2007
~~Filed to comply with Order No. 890 of the Federal Energy Regulatory Commission, Docket No. RM05-17-000 and RM05-25-000, issued February 16, 2007, FERC Stats. & Regs. ¶ 31,241 (2007).~~

~~of this Tariff or requests in writing that the ISO file a proposed unexecuted Service Agreement with the Commission; (iv) the Eligible Customer executes a Network Operating Agreement with the ISO pursuant to Attachment G; and (v) if the Network Service involves the use of LIPA's, transmission facilities, approval of such transaction has occurred pursuant to Section 5.2D.~~

~~29.2 Application Procedures:~~ ~~An Eligible Customer requesting service under Part III of this Tariff must submit an Application to the ISO as far as possible in advance of the month in which service is to commence. Applications should be submitted by entering the information listed below on the ISO's OASIS. Prior to implementation of the ISO's OASIS, a Completed Application for Network Integration Transmission Service will be dated and time-stamped. Applications should be submitted by entering the information listed below on the ISO's OASIS. Prior to implementation of the ISO's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the ISO by telefax, or (ii) providing the information by telephone over the ISO's time recorded telephone line.~~

~~A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including, but not limited to, the following:~~

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~~Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RM99-12-000, issued March 31, 2000, 90 FERC ¶ 61,352 (2000).~~

~~(i) The identity, address, telephone number and facsimile number of the party requesting service;~~

~~(ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under this Tariff;~~

~~(iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total Loads to be served at each transmission voltage level, and the Loads to be served from each Transmission Owner substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter Load and resource requirements beginning with the first year after the service is scheduled to commence;~~

~~(iv) The amount and location of any interruptible Loads included in the Network Load. This shall include the summer and winter Capacity requirements for each interruptible Load (had such load not been interruptible), that portion of the Load subject to Interruption, the conditions under which an Interruption can be implemented and any limitations on the amount and frequency of Interruptions. An Eligible Customer should identify the amount of interruptible customer Load (if any) included in the 10-year Load forecast provided in response to (iii) above;~~

~~(v) A description of Network Resources (current and 10-year projection.)For each on-system Network Resource, such description shall include:~~

- ~~Unit size and amount of Capacity from unit to be designated as Network Resource~~
- ~~VAR capability (both leading and lagging) of all Generators~~
- ~~Operating restrictions~~
  - ~~Any periods of restricted operations throughout the year~~
  - ~~Maintenance schedules~~
  - ~~Minimum loading level of unit~~
  - ~~Normal operating level of unit~~
- ~~Minimum Generation and Start-Up Bid and variable Energy Bid information for redispatch computations~~
- ~~Arrangements governing sale and delivery of power to third parties from generating facilities located in the New York Control Area, where only a portion of unit output is designated as a Network~~

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

~~Resource~~

- ~~For each off-system Network Resource, such description shall include:~~
  - ~~Identification of the Network Resource as an off-system resource~~
  - ~~Amount of power to which the customer has rights~~
  - ~~Identification of the control area from which the power will originate~~
  - ~~Delivery point(s) to the New York State Transmission System~~
  - ~~Transmission arrangements on the external transmission system(s)~~
  - ~~Operating restrictions, if any~~
  - ~~Any periods of restricted operations throughout the year~~
  - ~~Maintenance schedules~~
  - ~~Minimum loading level of unit~~
  - ~~Normal operating level of unit~~
  - ~~Any must-run unit designations required for system reliability or contract reasons~~
  - ~~Approximate variable generating cost ($/MWH) for redispatch computations;~~

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~~Filed to comply with Order No. 890-A of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-001, 002 and RM05-25-001, 002, issued December 28, 2007, 121 FERC ¶ 61,297 (2007).~~

~~(vi) Description of Eligible Customer's transmission system:~~

- ~~Load flow and stability data, such as real and reactive parts of the Load, lines, transformers, reactive devices and Load type, including normal and emergency ratings of all transmission equipment in a Load flow format compatible with that used by the ISO and the Transmission Owners~~
- ~~Operating restrictions needed for reliability~~
- ~~Operating guides employed by system operators~~
- ~~Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources~~
- ~~Location of Network Resources described in subsection (v) above~~
- ~~Transmission system maps that include any proposed expansions or upgrades 10 year projection of system expansions or upgrades~~
- ~~Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and~~

~~(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one hour.~~

~~(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and~~

~~(ix) Any additional information required of the Transmission Customer as specified in the ISO's planning process established in Attachment Y.~~

~~Unless the parties agree to a different time frame, the ISO must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this Section, the~~

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~~Filed to comply with Order No. 890-B of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-003 and RM05-25-003, issued June 23, 2008, 123 FERC ¶ 61,299 (2008).~~

~~ISO shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the ISO will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the ISO shall return the Application, without prejudice, to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this Section. The Eligible Customer will be assigned a new time-stamp consistent with the date of the new or revised Application. The ISO shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations and the Code of Conduct in Attachment F.~~

~~**29.3 Technical Arrangements to be Completed Prior to Commencement of Service:** Network Integration Transmission Service shall not commence until the ISO, Transmission Owners and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the NYS Transmission System. The ISO shall exercise reasonable efforts, in coordination~~

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~~with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.~~

~~**29.4 Network Customer Facilities:** The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and Energy from the NYS Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or Interconnection. To the extent that a Network Customer is serving retail customers in a Transmission Owner's retail access program, the Network Customer shall procure retail distribution services in accordance with Part IV or this Tariff and the Transmission Owner's retail access tariff as filed with the PSC, or in the case of LIPA, as established under state law.~~

~~**29.5 Filing of Service Agreement:** The ISO will file Service Agreements with the Commission in compliance with applicable Commission regulations.~~

~~**30.0 Network Resources**~~

~~**30.1 Designation of Network Resources:** Network Resources shall include all~~

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~~resources designated as Installed Capacity suppliers in the NYCA. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party Load outside of the NYCA or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's Loads under firm agreements entered into on or before the Service Commencement Date shall also be designated as Network Resources until the Network Customer terminates the designation of such resources.~~

~~**30.2 Designation of New Network Resources:** The Network Customer may designate a new Network Resource by providing the ISO with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new Network Resource, or any portion thereof, is not committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and the ISO will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.~~

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~~Filed to comply with Order No. 890-B of the Federal Energy Regulatory Commission, Docket No. RM05-17-003 and RM05-25-003, issued June 23, 2008, 123 FERC ¶ 61,299 (2008).~~

~~**30.3 Termination of Network Resources:** The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the ISO as soon as reasonably practicable, but no later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:~~

~~(i)Effective date and time of temporary termination;~~

~~(ii)Effective date and time of redesignation, following period of temporary termination;~~

~~(iii)Identification and capacity of resource(s) or portions thereof to be temporarily terminated;~~

~~(iv)Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and~~

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~~(v)Identification of any related Transmission Service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related Transmission Service requests must be approved or denied as a single request. The evaluation of these related Transmission Service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing Transmission Service requests of higher priority.~~

~~As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the ISO will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.~~

~~30.4**Operation of Network Resources:** The Network Customer shall not operate its designated Network Resources located in the Network Customer's Control Area~~

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~~or NYCA such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus net sales of Energy through the LBMP Market established under the ISO Services Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the ISO to respond to an Emergency or other unforeseen condition which may impair or degrade the reliability of the NYS Transmission System. For all Network Resources not physically connected with the New York State Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the New York State Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4.~~

~~30.5 Network Customer Redispatch Obligation:~~ ~~As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to allow the ISO to redispatch its Network Resources. The redispatch of resources pursuant to this Section shall be on a least cost, non-discriminatory basis.~~

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~~Filed to comply with Order No. 890-B of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-003 and RM05-25-003, issued June 23, 2008, 123 FERC ¶ 61,299 (2008).~~

~~**30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The NYS Transmission System:** The Network Customer shall be responsible for any arrangements necessary to deliver Capacity and Energy from a Network Resource not physically interconnected with the NYS Transmission System. The ISO will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation,~~

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providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7Limitation on Designation of Network Resources: Network Resources must be directly interconnected with the NYCA or demonstrate that Firm Transmission Service has been obtained from the Network Resource to the NYCA boundary.

30.8Use of Interface Capacity by the Network Customer: There is no limitation upon a Network Customer's use of the NYS Transmission System at any particular Interface with another transmission system to integrate Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the total Interface capacity of the NYS Transmission System with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities: The Network Customer that owns existing transmission facilities that are integrated with the NYS Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated

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2000, 90 FERC ¶ 61,352 (2000).

~~into the plans or operations of the ISO to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the effective date of a Final Rule in RM05-25-000, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Owner's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Owner, would be eligible for inclusion in the Transmission Owner's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.~~

~~**31.0 Designation of Network Load**~~

~~**31.1 Network Load:** The Network Customer must designate the individual Network Loads on whose behalf the ISO will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.~~

31.2 ~~**New Network Loads Connected With the Transmission Owners:** The Network Customer shall provide the ISO and the Transmission Owners with as~~

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~~much advance notice as reasonably practicable of the designation of new Network Load that will be added to the NYS Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The ISO and the Transmission Owners will use due diligence to install any transmission facilities required to interconnect a new Network Load~~

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~~designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32 and shall be charged to the Network Customer in accordance with Commission policies.~~

~~**31.3 Network Load Not Physically Interconnected with the NYS Transmission System:** This Section applies to both initial designation pursuant to Section 31 and the subsequent addition of new Network Load not physically interconnected with the NYS Transmission System. To the extent that the Network Customer desires to obtain Transmission Service for a load outside the NYS Transmission System, the Network Customer shall exclude that entire Load from its Network Load and purchase Point-To-Point Transmission Service under Part II of this Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this Section the request must be made through a modification of service pursuant to a new Application.~~

~~**31.4 New Interconnection Points:** To the extent the Network Customer desires to add a new Delivery Point or Interconnection point between the NYS Transmission~~

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~~31, 2000, 90 FERC ¶ 61,352 (2000).~~

~~System and a Network Load, the Network Customer shall provide the ISO with as much advance notice as reasonably practicable.~~

~~**31.5 Changes in Service Requests:** Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g., the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by a Transmission Owner and charged to the Network Customer as reflected in the Service Agreement. However, the ISO must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.~~

~~**31.6 Annual Load and Resource Information Updates:** The Network Customer shall provide the ISO with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of this Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to the ISO's planning process under Attachment Y. The Network Customer also shall provide the ISO with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system~~

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~~RM05-25-000, issued February 16, 2007, FERC Stats. & Regs. ¶ 31,241 (2007).~~

~~or other aspects of its facilities or operations affecting the ISO's ability to provide reliable service.~~

~~**32.0 Additional Study Procedures For Network Integration Transmission Service Requests**~~

~~The FERC Order No. 888 provisions for initiating a Transmission System expansion are contained in this Section. Additional ISO responsibilities for Transmission System expansion are contained in Section 32A. Study procedures associated with new Interconnections to the NYS Power System are contained in Section 32B. Section 19C addresses prioritization of network and point-to-point transmission expansion and interconnection studies. Nothing in this Tariff shall preclude the Transmission Owners from proposing or constructing transmission facilities in the public interest in accordance with all applicable regulatory requirements.~~

~~**32.1 Notice of Request for System Impact Study:** Network Integration Transmission Service is available to an Eligible Customer, including a Transmission Owner, willing to pay Congestion Rent as described in this Tariff. A request for Network Integration Transmission Service would not normally require a System Impact Study unless the Eligible Customer specifically requests that the ISO conduct such a study of facilities that could be constructed (for example, if the Eligible~~

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~~31, 2000, 90 FERC ¶ 61,352 (2000).~~

~~Customer requesting Network Integration Transmission Service determines that Congestion Rent or the cost of TCCs is too high and that customer is considering constructing new facilities to create incremental transfer capability resulting in incremental TCCs, or, if an Eligible Customer requests that transmission facilities be constructed to address reliability or other operational concerns) (a "Study Request"). When an Eligible Customer submits a Study Request it must give the ISO written notice of whether it intends to conduct all or part of the System Impact Study itself. After receiving a complete Study Request , the ISO shall, within thirty (30) days of the date that the Operating Committee approves the scope of the System Impact Study, or such other time as is agreed upon by the ISO and the Eligible Customer, tender a System Impact Study agreement pursuant to which the Eligible Customer shall agree to reimburse the ISO for performing the required System Impact Study. The ISO shall coordinate with the affected Transmission Owners in performing the System Impact Study. A description of the ISO's methodology for completing a System Impact Study is provided in Attachment D. Before a Study Request is evaluated, the Eligible Customer shall execute the System Impact Study agreement and return it to the ISO within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study agreement, its Study Request shall be deemed withdrawn.~~

~~32.2 System Impact Study Agreement and Cost Reimbursement:~~

~~The System Impact Study agreement will clearly specify the ISO's estimate of the actual cost, and time for completion of the System Impact Study.~~

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Issued by:	Stephen G. Whitley, President	Effective:	September 13, 2008
Issued on:	September 12, 2008		

~~The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the ISO shall rely, to the extent reasonably practicable, on existing transmission planning studies including applicable studies submitted by the Eligible Customer. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's Study Request.~~

~~For System Impact Studies that a Transmission Owner or the ISO conducts on its own behalf, the Transmission Owner or ISO shall record the cost of the System Impact Studies pursuant to Section 8.~~

~~If a Transmission Owner, on behalf of the ISO, performs all or part of a System Impact Study, the ISO shall reimburse the Transmission Owner for any costs that the Transmission Owner incurred.~~

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~~**32.3 System Impact Study Procedures:**~~

~~The ISO shall coordinate with all affected Transmission Owners in performing the System Impact Study.~~

~~Upon receipt of an executed System Impact Study agreement, the ISO will complete the required System Impact Study as follows:~~

~~(i) if the Study Request specified that the Eligible Customer would not perform any part of the study then the ISO shall use due diligence to complete the study, and to obtain all necessary stakeholder approvals, within a one hundred and twenty (120) day period, or a different period agreed to by the Eligible Customer and the ISO, starting on the date that the ISO receives the executed System Impact Study Agreement, or an alternative starting date agreed to by the Eligible Customer and the ISO; or~~

~~(ii) if the Study Request specified that the Eligible Customer would perform all or part of the System Impact Study itself, then:~~

~~(A) the ISO shall use due diligence to complete those portion(s) of the study that the Eligible Customer is not performing, and to obtain all necessary stakeholder approvals of those portions, within a one hundred and twenty (120) day period, or a different period agreed to by the Eligible Customer and the ISO, starting on the date that the ISO receives the executed System Impact Study Agreement, or an alternative starting date agreed to by the Eligible Customer and the ISO; and~~

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~~(B) the ISO shall use due diligence to review any portion(s) of a study performed by an Eligible Customer within a thirty (30) day period or a different period agreed to by the Eligible Customer and the ISO, starting on the date that the ISO receives a complete draft from the Eligible Customer of its portion(s) of the study, or an alternative starting date agreed to by the Eligible Customer and the ISO. If the ISO determines that the portion(s) of the study performed by the Eligible Customer are incomplete or that changes are required, the Eligible Customer shall make any necessary changes. The ISO shall then use due diligence to review a revised complete draft of the Eligible Customer's portion(s) of the study within thirty days, or a different period agreed to by the Eligible Customer and the ISO, starting on the date that the ISO receives a revised complete draft, or an alternative starting date agreed to by the Eligible Customer and the ISO.~~

~~The ISO will normally submit System Impact Studies to the Operating Committee before finalizing them. If the Operating Committee directs the ISO to modify a System Impact Study or to perform other study-related work before granting its approval, then the deadline for completing the study will be extended for an additional time agreed upon by the ISO and the Eligible Customer. If the ISO and the Eligible Customer are unable to agree on an additional time the deadline for completing the study will be extended for another sixty (60) days.~~

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~~The System Impact Study shall identify any additional Direct Assignment Facilities or Network Upgrades required to comply with an Eligible Customer's or Transmission Owner's request. In the event that the ISO is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The ISO will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself or a Transmission Owner. The ISO shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Study Request can be completed at no additional cost (e.g., if the ISO is currently studying requests to construct similar facilities).~~

~~32.4 Facilities Study Procedures:~~ ~~After a System Impact Study indicates that additions or upgrades to the Transmission System could be constructed in~~

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~~response to the Eligible Customer's Study Request, the Transmission Owner(s) whose facilities may be modified in performing the upgrade or addition (the "affected" Transmission Owner(s)), shall, within thirty (30) days of the later of: (i) the completion of the System Impact Study; (ii), the date on which the Eligible Customer provides the affected Transmission Owner(s) with written notice of whether it intends to perform all or part of the Facilities Study itself, or (iii) such other time as is agreed upon by the Transmission Owner(s) and the Eligible Customer, tender to the Eligible Customer a Facilities Study agreement. The ISO shall cooperate with the affected Transmission Owners in performing any subsequent Facilities Studies. In the Facilities Study agreement, the Eligible Customer shall agree to reimburse the Transmission Owner(s) for performing the required Facilities Study and the ISO for its associated costs. If the Eligible Customer wants the affected Transmission Owner(s) to undertake the Facilities Study, the Eligible Customer shall execute the Facilities Study agreement and return it to the affected Transmission Owner(s) within fifteen (15) days.~~

~~Upon receipt of an executed Facilities Study agreement, the affected Transmission Owner(s) will complete the required Facilities Study as follows:~~

~~(i) if the Eligible Customer gave written notice that it would not perform any part of the study then the affected Transmission Owners(s) shall use due~~

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~~diligence to complete the study within a one hundred and twenty (120) day period, or a different period agreed to by the Eligible Customer and the affected Transmission Owner(s), starting on the date that the affected Transmission Owner(s) receive the executed Facilities Study Agreement, or an alternative starting date agreed to by the Eligible Customer and the affected Transmission Owner(s); or~~

~~(ii) if the Eligible Customer gave written notice that it would perform all or part of the Facilities Study itself, then:~~

~~(A) the affected Transmission Owner(s) shall use due diligence to complete those portion(s) of the study that the Eligible Customer is not performing within a one hundred and twenty (120) day period, or a different period agreed to by the Eligible Customer and the affected Transmission Owner(s), starting on the date that the affected Transmission Owner(s) receive the executed Facilities Study Agreement, or an alternative starting date agreed to by the Eligible Customer and the affected Transmission Owner(s); and~~

~~(B) the affected Transmission Owner(s) shall use due diligence to review any portion(s) of a study performed by an Eligible Customer within a thirty (30) day period or a different period agreed to by the Eligible Customer and the affected Transmission Owner(s), starting on the date that the~~

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~~affected Transmission Owner(s) receive a complete draft from the Eligible Customer of its portion(s) of the study, or an alternative starting date agreed to by the Eligible Customer and the affected Transmission Owner(s). If the affected Transmission Owner(s) determine that the portion(s) of the study performed by the Eligible Customer are incomplete or that changes are required, the Eligible Customer shall make any necessary changes. The affected Transmission Owner(s) shall then use due diligence to review a revised complete draft of the Eligible Customer's portion(s) of the study within thirty days, or a different period agreed to by the Eligible Customer and the affected Transmission Owner(s), starting on the date that the affected Transmission Owner(s) receive a revised complete draft, or an alternative starting date agreed to by the Eligible Customer and the affected Transmission Owner(s).~~

~~If the Transmission Owner(s) are unable to complete the Facilities Study in the allotted time period, the Transmission Owner(s) shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study.~~

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~~When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, as determined pursuant to the provisions of Part III of this Tariff, and (iii) the time required to complete such construction. The Facilities Study shall contain a non-binding estimate as to the feasible TCCs resulting from the construction of the new facilities. If the Eligible Customer decides to proceed with the construction of the facilities described in the Facilities Study, the Eligible Customer shall (1) enter into a construction contract with the Transmission Owner(s) whose system(s) will be directly modified, and with the entity that will construct the facilities under the supervision of the Transmission Owner (if other~~

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~~than the Transmission Owner(s)), and guarantee to compensate the Transmission Owner(s) and constructing entity (if other than the Transmission Owner(s)) for all costs incurred associated with the construction, and (2) provide each Transmission Owner with a letter of credit or other reasonable form of security acceptable to the Transmission Owner equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The construction contract shall contain terms and obligations of the Transmission Customer to pay for the facilities modifications or addition pursuant to the contract.~~

~~**32.5 Penalties for Failure to Meet Study Deadlines**: Section 19.9 defines penalties that apply for failure to meet the due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.~~

~~**32.6 Clustering of Network Integration Transmission Service Studies:** Section 19.10 specifies the procedures that shall govern the clustering of both System Impact Studies conducted by the ISO and Facilities Studies conducted by affected Transmission Owners.~~

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~~**32A Development of Transmission Reinforcement Options**~~

~~**32A.1** At the request of the PSC, the ISO shall develop a limited number of illustrative transmission reinforcement options, and associated cost estimates, to increase transfer capability limits on Interfaces identified by the PSC as having significant Congestion. Such reinforcement option results shall be made available to all Customers or potential Customers for the purpose of evaluating the economic costs and benefits of new facilities. Eligible Customers, including Transmission Owners, may then request a System Impact Study for a specific expansion project in accordance with Sections 32.1 through 32.3. Development of the transmission~~

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~~reinforcement options will not reflect the impacts of alternatives that may be proposed by other Eligible Customers, including generation projects, which could increase or decrease transmission Interface Transfer Capability or Congestion Rents or both. Cost estimates provided will be based on readily available data and shall in no way be binding on the ISO. The ISO will not charge the PSC for this service.~~

~~**32A.2** Subject to the Eligible Customer's obligation to compensate the ISO, at the request of an Eligible Customer, the ISO will develop illustrative transmission reinforcement options as described in Section 32A.1 above. The Eligible Customer shall comply with the provisions of Sections 32.1 through 32.3 that require the customer to enter into a System Impact Study agreement and agree to compensate the ISO for all costs incurred to conduct the study.~~

~~**32A.3** Requests to proceed with a system expansion shall be subject to the provisions of Section 32.~~

~~**32B Study Procedures For New Interconnections To The NYS Power System**~~

~~**32B.1 Request for Interconnection Study:** Any Eligible Customer proposing to interconnect its Load or Large Facility with the NYS Power System shall submit its interconnection proposal to the ISO. The ISO, in cooperation with the~~

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~~Filed to comply with order of the Federal Energy Regulatory Commission Docket No. ER04-449-000, 001 and 002, issued August 6, 2004, 108 FERC ¶ 61,159 (2004).~~

~~Transmission Owner with whose system the Eligible Customer proposes to interconnect, shall perform technical studies to determine whether the proposed interconnection may degrade system reliability or adversely affect the operation of the NYS Power System. The technical studies shall be conducted in accordance with the procedures specified in Section 32B.2. The proposed interconnection shall not proceed if the ISO concludes in the study that the proposed interconnection may degrade system reliability or adversely affect the operation of the NYS Power System. If the proposal is rejected, the ISO shall provide in writing the reasons why the proposal was rejected.~~

~~32B.2 Study Procedures:~~ ~~Upon receipt of the interconnection proposal and a written guarantee by the Eligible Customer to pay all costs incurred by the ISO and Transmission Owner(s) conducting the technical studies, the ISO, in cooperation with the Transmission Owner with whose system the Eligible Customer proposes to interconnect, shall perform the technical studies of the proposed interconnection. The ISO shall evaluate each Large Facility using the Interconnection Studies specified in the Large Facility Interconnection Procedures in Attachment X. The technical studies shall address the following:~~

~~(i) An evaluation of the potential significant impacts of the proposed interconnection on NYS Power System reliability, at a level of detail that reflects the magnitude of the impacts and the reasonable likelihood of their occurrence;~~

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~~Filed to comply with order of the Federal Energy Regulatory Commission Docket No. ER04-449-000, -001 and 002, issued August 6, 2004, 108 FERC ¶ 61,159 (2004).~~

~~(ii) An evaluation of impacts of the proposed interconnection on system voltage, stability and thermal limitations, as prescribed in the Reliability Rules;~~

~~(iii) An evaluation as to whether modifications to the NYS Power System would be required to maintain Interface transfer capability or comply with the voltage, stability and thermal limitations, as prescribed in the Reliability Rules. The ISO will apply the criteria established by NERC, NPCC and the NYSRC;~~

~~(iv) An evaluation of alternatives that would eliminate adverse reliability impacts, if any, resulting from the proposed interconnection; and~~

~~(v) An estimate of the increase or decrease in the Total Transfer Capability across each affected Interface.~~

~~**32B.3 Interconnection Agreements:** After receiving the approval of the proposed interconnection, and after the Eligible Customer makes payment to the ISO and Transmission Owner for the cost of the technical studies, the Eligible Customer may elect to continue with the proposed interconnection by entering into an interconnection agreement with the Transmission Owner with whose system the Eligible Customer proposes to interconnect. After completion of the~~

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~~Interconnection Facilities Study and Attachment S cost allocation process, the Developer of a Large Generating Facility may elect, in accordance with the Large Facility Interconnection Procedures in Attachment X, to continue with its proposed interconnection by entering into a Standard Large Generator Interconnection Agreement with the ISO and the Transmission Owner with whose system the Developer proposes to interconnect.~~

~~**32B.4 Interconnection Facilities Cost:** The Developer of the proposed Large Facility shall be responsible for the cost of the facilities needed for its project to reliably interconnect to the New York State Power System, in accordance with the interconnection facilities cost allocation rules set out in Attachment S.~~

~~**32C Small Generator Interconnections:** The interconnection procedures, and standard interconnection agreement, to be used for the interconnection of generating facilities no larger than 20MWs, are set forth in Attachment Z to this ISO OATT.~~

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~~Filed to comply with orders of the Federal Energy Regulatory Commission, Docket No. RM02-12-000, issued May 12, 2005, 111 FERC ¶ 61,220 (2005) and Docket No. RM02-12-001, issued November 22, 2005, 113 FERC ¶ 61,195 (2005).~~

~~**33.0 Load Shedding and Curtailments**~~

~~**33.1 Procedures:** Prior to the Service Commencement Date, the ISO and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the NYS Transmission System. The parties will implement such programs during any period when the ISO determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The ISO will notify all affected Network Customers in a timely manner of any scheduled Curtailment.~~

~~**33.2 Transmission Constraints:** During any period when the ISO determines that a transmission Constraint exists on the NYS Transmission System, and such Constraint may impair the reliability of the NYS Transmission System, the ISO generation resources on a least-cost basis in accordance with the provisions of Attachment J. When applicable, the ISO will follow the LEER Procedure, referenced in Section 13.6, which is incorporated by reference herein. The LEER Procedure is intended to prevent the necessity of implementing the curtailment procedures contained in the FERC and NERC tariffs and policies. If the ISO is required to Curtail Transmission Service as a result of a TLR event, the ISO will~~

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~~perform such Curtailment in accordance with the NERC TLR Procedure. Any redispatch under this Section may not unduly discriminate between the Transmission Owner's use of the NYS Transmission System on behalf of its Native Load Customers and any Network Customer's use of the NYS Transmission System to serve its designated Network Load.~~

~~**33.3 Cost Responsibility for Relieving Transmission Constraints:** Whenever the ISO implements least-cost redispatch procedures in response to a transmission Constraint, all Transmission Customers and Network Customers will bear the costs of such redispatch in accordance with Attachment J.~~

~~**33.4 Curtailments of Scheduled Deliveries:** If a transmission Constraint on the NYS Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the ISO determines that it is necessary to Curtail scheduled deliveries, the parties shall Curtail such schedules in accordance with the Network Operating Agreement.~~

~~**33.5 Allocation of Curtailments:** The ISO shall, on a non-discriminatory basis, Curtail the Transaction(s) that effectively relieve the Constraint. However, to the~~

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~~extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Owners and Network Customers in proportion to their respective Load Ratio Shares. The ISO shall not direct Network Customers to Curtail schedules to an extent greater than the ISO would Curtail the Transmission Owners' schedules under similar circumstances.~~

~~**33.6 Load Shedding:** To the extent that a system contingency exists on the NYS Transmission System and the ISO determines that it is necessary to shed load, the parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.~~

~~**33.7 System Reliability:** Notwithstanding any other provisions of this Tariff, the ISO reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the ISO's and/or Transmission Owner's part for the purpose of the Transmission Owners making necessary adjustments to, changes in, or repairs on their lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the NYS~~

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~~Transmission System or on any other system(s) directly or indirectly interconnected with the NYS Transmission System, the ISO, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The ISO will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Owners' use of the NYS Transmission System on behalf of its Native Load Customers. The ISO shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.~~

~~34.0 Rates and Charges~~

~~Rates for Network Transmission Integration Service are provided for in Schedule 9 of this ISO OATT. The billing of these charges will be performed pursuant to Article 7.0 of this ISO OATT.~~

~~34.1 Monthly Demand Charge:~~

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~~**34.2 [Reserved].**~~

~~**34.3 [Reserved].**~~

~~**34.4 Redispatch Charge:** The Network Customer shall pay redispatch costs in accordance with the provisions of Attachment J.~~

~~**34.5Stranded Cost Recovery:** The Transmission Owners other than NYPA may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Owners must separately file any proposal to recover stranded costs under Section 205 of the FPA. This provision shall not supersede or otherwise affect a Transmission Owner's right to recover stranded costs under other authority. To the extent that LIPA's rates for service are established by Long Island Power Authority's Board of Trustees pursuant to Article 5, Title 1-A of the New York Public Authorities Law, Sections 1020-f(u) and 1020-s and are not subject to FERC and/or PSC jurisdiction, LIPA's recovery of stranded costs will not be subject to the foregoing requirements.~~

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~~Upon filing of a proposal to recover stranded costs under the FPA, the Transmission Owner shall immediately provide the ISO with a copy of the appropriate rate schedule which will be incorporated as a new SIRC rate schedule under this ISO OATT, subject to refund as may be required by the Commission. The ISO shall collect such SIRC from Network Service Customers and remit the collected amounts to the applicable Transmission Owner(s). Any SIRC rate schedule developed by LIPA under this ISO OATT will be effective upon receipt by the ISO, subject to any applicable laws and orders.~~

~~**35.0 Operating Arrangements**~~

~~**35.1 Operation Under The Network Operating Agreement:** The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.~~

~~**35.2 Network Operating Agreement:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the parties to (i) operate and maintain equipment~~

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~~necessary for integrating the Network Customer within the NYS Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the ISO, Transmission Owners and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the NYS Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted Loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of this Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1 and the Northeast Power Coordinating Council (NPCC), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the ISO, or (iii) satisfy its Control Area~~

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~~requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO and the NPCC requirements. The ISO shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services to the extent that such arrangements comply with the provisions for Self-Supply of Ancillary Services as described in Schedules 3 and 5. For Network Customers that are also taking service under the ISO Services Tariff, the Service Agreement under that Tariff will function as the Network Operating Agreement. All other Network Customers will negotiate a Network Operating Agreement with the ISO. A list of requirements for such Network Operating Agreement is included in Attachment G.~~

~~**35.3 Network Operating Committee:** The ISO Operating Committee will serve as the Network Operating Committee and will coordinate operating criteria for the parties' respective responsibilities under the Network Operating Agreement. The Committee shall meet from time to time as need requires, but no less than once each calendar year.~~

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

Customers under this Tariff. Retail access customers will take service under Part IV of this Tariff. All Sections of this Tariff apply to LSEs serving such customers. Eligible Customers, such as electric utilities, are not required to offer retail access to their customers as a condition of service under this Tariff. All retail access customers serving as their own LSE must take Transmission Service under either Part II ~~or III~~ of this Tariff in addition to taking service under Part IV. The common service provisions of Part I apply to retail access customers including LSEs.

36.0 Rights and Responsibilities of Eligible Customers and LSEs

36.1 Eligible Customers: Subject to Section 36.2, each Eligible Customer taking service under a retail access tariff of a Transmission Owner may, but need not, select an LSE to serve its needs for Energy and related services, according to the provisions of the applicable retail access tariff or retail access operating procedures. Such Eligible Customer must become a Transmission Customer under this Tariff. Each retail access customer shall be responsible for paying the retail Transmission Service Charge to the affected Transmission Owner, as provided for in the individual Transmission Owner's retail access tariffs. If an Eligible Customer selects an LSE to serve as its agent in procuring Transmission Service