

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.

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

required for the reciprocal elimination of charges on Export and Wheel-Through Transactions to the New York Control Area; and (3) the New York Transmission Owners have the ability to fully recover the revenues related to the charges on Export and Wheel-Through Transactions that are eliminated. The ISO and the New York Transmission Owners, jointly or separately, shall have the right to make a Section 205 filing with the Commission to reimpose the charge on Exports and Wheel-Through Transactions if at any time any of the foregoing conditions is no longer satisfied. The ISO will perform the requisite calculation and inform the Transmission Customer of the applicable Transmission Owner(s) of the TSC charge. The TSC will be payable by the Transmission Customer directly to the Transmission Owner(s).

7B.2 Transmission Usage Charge (TUC)

- (i) **Payable to the ISO:** Transmission Usage Charges include Congestion Rents and charges for Marginal Losses. They are payable directly to the ISO.

Attachment J explains the calculation of the TUC.

(iv) **Payable by Transmission Owners Serving Bundled Retail Customers:**

Transmission Owners scheduling Transmission Service or purchases from the LBMP Market to serve of bundled retail customers shall pay the ISO Ancillary Services charges as described in Schedules 1 to 6 based on Actual Energy Withdrawals.

7B.4 NYPA Transmission Adjustment Charge (NTAC)

(i) **Payable to the ISO:** NTAC charges are calculated in Attachment H. All NTAC charges are payable to the ISO.

(ii) **Payable by LSEs Serving Non-Retail Access Load in NYCA:** LSEs serving Load in the NYCA that is not part of a retail access program, such as municipal electric systems, shall pay an NTAC to the ISO. The NTAC will be based on all Actual Energy Withdrawals of Energy by the Load on whose behalf the LSE acts as scheduling agent, regardless of whether the transmission service was rendered on the Load's behalf by the LSE or by another Transmission Customer.

(iii) **Payable by Eligible Customers Scheduling Export or Wheel-Through Transactions:** Eligible Customers scheduling Export or Wheel-Through Transactions shall pay an NTAC based on their Transaction schedules. The NTAC charge shall not apply to Exports and Wheel-Through

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Transactions scheduled with the ISO to destinations within the New England
Control Area provided that the conditions listed in Section 7B.1(iv) of this Tariff
are satisfied.

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Effective: