

# **Elimination of Pancaking Charges on Exports from the NYCA to New England Proposed NYISO Tariff Filing**

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**NYISO Management Committee Meeting  
June 4, 2004  
New York City**

# Overview

- **Elimination of export charges on transactions from NYCA to New England**
  - *Eliminate TSC and NTAC on Exports and Wheels-Through*
- **Joint Filing: NYISO & NYTOs**
  - *Filing affects TOs' transmission revenue requirements*
- **Limited, at this time, to exports to New England**
  - *Consistent with FERC's RTO-NE Order*
  - *Consistent with Pat Wood letter to NYISO (January 2004)*
- **Filing letter expresses New York's willingness to eliminate export charges to other regions that will agree to reciprocal arrangements**

# Status in New England

- **Agreement in principle achieved on April 22<sup>nd</sup> between NYISO, ISO-NE, NY and NE state regulators to an elimination of export fees between the regions**
- **ISO-NE is working with NECPUC and NETOs**
- **NECPUC has held several meetings with NETOs**
  - *Need to resolve retail rate recovery issue*
  - *Need to resolve NUSCO reciprocity “concerns”*
- **NYISO coordinating with ISO-NE on RTO-NE Compliance Filing**
- **Proposed filing letter drafted assuming that NE issues will not be resolved when NY files**
  - *Language can be modified if an agreement is achieved*

# NYISO Proposed Tariff Filing

- **Effective date will be the same date that NE eliminates export fees to NY on a “reciprocal and unconditional basis”**
  - *Expected to be on or before December 22, 2004*
  - *Request waiver of FERC’s 120-day filing requirement*
- **Conditioned Upon:**
  - *Unconditional reciprocal elimination on charges from NE to NY*
  - *No change in NYISO OATT tax-exempt provisions*
  - *NYTOs ability to recover their revenues*
- **Reservation of Rights if Conditions are not met:**
  - *NYISO and TOs have right, jointly or separately, to make a 205 filing to reinstate the export charges to New England*

# Proposed Tariff Filing (Cont'd)

- **Applicable sections of NYISO OATT:**
  - *Section 7.B.1: TSC*
  - *Section 7.B.4: NTAC*
  - *Attachment H: Section I.1.0 TSC; I.7.0 NYPA TSC; II.1.0 NTAC*
- **Consistent with NYISO/NYTO Principles issued in June 2003, the tariff will NOT contain:**
  - *Phase-out period*
  - *Transition charge*
  - *Benefit sharing*
- **Other export charges will continue to apply**
  - *e.g. – Scheduling, Operating Reserves, Reactive Supply*

# Billing & Accounting Implications

## ➤ TSC elimination on NE border

- *NYISO still needs to track transactions to New England for billing ancillary services*
- *NYISO reports transaction data to TOs*
- *TOs will not bill TSC for exports to New England*
- *No NYISO BAS modifications needed*

## ➤ NTAC

- *NYISO tracks transactions to New England*
- *NYISO will zero out NTAC charge for transactions to New England but retain NTAC for other exports*
- *BAS Code modifications will be required*
  - ▶ *Initial implementation (December 2004 or sooner) likely to be manual*
  - ▶ *End-state project under development: target date August 2005*

# Proposed Schedule for NYISO Tariff Filing

- **May 29<sup>th</sup>** Proposed Tariff Language posted
- **June 2<sup>nd</sup>** MC Informational conference call
- **June 4<sup>th</sup>** MC approval
- **June 15<sup>th</sup>** Board approval
- **Coordinate with ISO-NE Compliance Filing**
  - *Due June 22<sup>nd</sup>*
- **File by end of June**

# Motion

- **Agenda Item #5**
- **Motion Re: Elimination of TSCs and NTACs for Exports and Wheels-Through to New England**

The Management Committee approves amending the NYISO tariff to eliminate export charges (TSC and NTAC) for exports to New England in a manner consistent with the Management Committee presentation of June 4, 2004 and requests that the Board authorize a filing to the FERC pursuant to Section 205 of the Federal Power Act.