

Revised OATT & MST Schedule 1 Rates For September & October 2000

The intent of this posting is to describe the revision of the September 2000 & October 2000 monthly Schedule 1 rates charged transmission customers under the Open Access Transmission Tariff [OATT] and Market Administration & Control Area Services Tariff [MST]. On September 18, 2000, the NYISO filed revisions to Schedule 1 of its Open Access Transmission Tariff [OATT] and Schedule 1 of its Market Administration & Control Area Services Tariff [MST], to comply with the Stipulation and Agreement approved by the order of the Commission in Docket No. ER99-4235-0000 et al., issued on August 30, 2000, 92 FERC ¶ 61,180. The FERC ordered an effective date of September 1, 2000 and waiver of the Commission's notice requirements. The filing reflects the method of the recovery of NYISO start-up costs incurred by the Member Systems from January 1997 through November 1999. The NYISO start-up costs will be amortized over a period of five years and recovered equally from each tariff. The remaining monthly amortization of the start-up costs for 2000 is \$942,000. Customers receiving transmission services under the OATT will be charged 50% of the monthly amortized cost, or \$471,000, through the OATT Schedule 1 monthly per megawatthour rate. Likewise, customers receiving LBMP market services under the MST will be charged 50% of the monthly amortized cost, or \$471,000, through the MST Schedule 1 monthly per megawatthour rate.

Based on current settlement information, the tentative adjusted rates are computed below:

September 2000

A. LBMP Market Energy	6,622,971 MWh
B. Internal Bilateral Transmission Service	6,015,221 MWh
C. Import Bilateral Transmission Service	230,124 MWh
D. Export Bilateral Transmission Service	137,676 MWh
E. Wheel-Through Bilateral Transmission Service	315,124 MWh
F. NYISO Cost of Operations	\$5,268,000
G. NYISO Variable Settlement Cost	\$19,864,000
H. NYISO Start-Up Cost	\$942,000

OATT NYISO Cost of Operations Allocation to Schedule 1 Rate Calculation:

$$\{F \div (A + B + C + D + E)\}; \text{ or } \$0.39 \text{ per megawatthour}$$

OATT NYISO Variable Settlement Cost Allocation to Schedule 1 Rate Calculation:

$$\{G \div (A + B + C + D + E)\}; \text{ or } \$1.48 \text{ per megawatthour}$$

OATT Start-Cost Allocation to Schedule 1 Rate Calculation:

$$\{(H \div 2) \div (A + B + C + D + E)\}; \text{ or } \$0.04 \text{ per megawatthour}$$

MST Start-Cost Allocation to Schedule 1 Rate Calculation:

$$\{(H \div 2) \div (A + B + C)\}; \text{ or } \$0.03 \text{ Per megawatthour}$$

NYISO OATT Cost component of rate:	\$0.39 per MWh
NYISO variable cost component of rate:	\$1.48 per MWh
Start-up Cost component of rate:	<u>\$0.03 per MWh</u>
Adjusted OATT Schedule 1 Rate:	\$1.90 per MWh

MST Schedule 1 Rate: \$0.04 per MWh

October 2000

A. Projected LBMP Market Energy:	6,468,867 MWh
B. Projected Internal Bilateral Transmission Service:	6,928,460 MWh
C. Projected Import Bilateral Transmission Service:	185,255 MWh
D. Projected Export Bilateral Transmission Service:	187,960 MWh
E. Projected Wheel-Through Bilateral Transmission Service:	343,458 MWh
F. NYISO Cost of Operations	\$5,268,000
G. NYISO Start-Up Cost	\$942,000

OATT NYISO Cost Allocation to Schedule 1 Rate Calculation:

$$\{F \div (A + B + C + D + E)\}; \text{ or } \$0.38 \text{ per megawatthour}$$

OATT Start-Cost Allocation to Schedule 1 Rate Calculation:

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$$\{(G \div 2) \div (A + B + C + D + E)\}; \text{ or } \$0.03 \text{ per megawatthour}$$

MST Start-Cost Allocation to Schedule 1 Rate Calculation:

$$\{(G \div 2) \div (A + B + C)\}; \text{ or } \$0.03 \text{ Per megawatthour}$$

NYISO OATT Cost component of rate: \$0.38 per MWh

Start-up Cost component of rate: \$0.03 per MWh

Adjusted OATT Schedule 1 Rate: \$0.41 per MWh

MST Schedule 1 Rate: \$0.03 per MWh

The initial projection of annual costs to operate the NYISO plus amortization of start-up costs would result in a total monthly schedule 1 rate of approximately \$0.44 per megawatthour. The computation of each tariff's Schedule 1 rate includes the forecasted monthly energy to be transacted as the denominator of the equation. This value fluctuates each month, which is driven by seasonal and market forces. As a result, these fluctuations will be reflected in the monthly rates. Customers should, however, anticipate the combined total of the OATT & MST Schedule 1 rates to average \$0.44 per megawatthour per month, on an annual basis, assuming accurate projection of the energy transacted through the NYISO for the year 2000. The combined \$0.44 per megawatthour rate will be revised in January 2001 to reflect the NYISO 2001 budget.

The NYISO is currently performing the necessary billing code modifications to accommodate the implementation of this tariff revision. The tariff revision became effective with the September 1, 2000. Due to the timeframe to modify and implement the required billing code, the allocation of start-up costs between September 2000 OATT & MST customers will be reflected in an adjusted OATT & MST Schedule 1 rates in a subsequent re-billing of the month, scheduled to take place in January 2001. The NYISO hopes to complete billing code modifications in time to implement them for the billing of October 2000.