

# OPEN ACCESS TRANSMISSION & MARKET ADMINISTRATION AND CONTROL AREA SERVICES TARIFFS

## SCHEDULE 1 RATES FOR APRIL 2004

The intent of this posting is to describe the April 2004 monthly Schedule 1 rates that will be charged under the Open Access Transmission [OATT] and Market Administration and Control Area Services Tariffs [MST].

Effective June 1, 2002, 15% of the NYISO costs of operations and FERC fees are allocated to injections. To date, software has not been deployed to programmatically apply this allocation. The allocation will be applied through manual invoice adjustments until the software modifications are made. The following table details the rates as they will be applied through the current software until the 85/15 allocation software is deployed. The rates entered into the settlement system will only charge withdrawals programmatically. Invoice adjustments to each settlement month after May 2002 will charge injections for 15% of the Schedule 1 revenues recovered from withdrawals through the rates entered into the settlement system and additional invoice adjustments will be applied to refund those funds recovered from injections to withdrawals, per the appropriate customer ratio shares.

The forecasted volumes used to compute the 2004 rates are based upon 2003 actuals, except for December which is based upon 2002 data, and are adjusted to the forecasted 2004 annual withdrawal of 161,000,000 megawatthours. The 85/15 rates will be adjusted to actual volumes prior to the manual adjustment of these allocations through the invoicing process. It should be duly noted that the NYISO Market has required NYISO to administer the monthly schedule 1 rates for both tariffs to provide for a flat annual rate of \$0.769 per megawatthour; however, the rate design provides for monthly variances to address seasonal volume variations. As a result of the fixed annual rate mandate, there is the potential to over-/under-collect for these costs. NYISO will monitor the cost recovery of Schedule 1 and may request the rate be allowed to vary should NYISO observe significant over-/under-collection.

A. Forecasted Monthly NYCA & Non-NYCA LSE withdrawals	11,678,255 MWh
B. Forecasted Monthly Export Bilateral Transmission Service	130,682 MWh
C. Forecasted Monthly Wheel-Through Bilateral Transmission Service	<u>137,620 MWh</u>
Total Forecasted Monthly Transmission Service	11,946,557 MWh
D. NYISO Cost of Operations	\$8,643,257
E. NYISO Start-Up Cost	\$1,005,000
F. FERC Fees	\$666,667
G. Rate stabilization	<span style="color: red;">\$(1,139,565)</span>

OATT NYISO Cost of Operations Allocation to Schedule 1 Rate Calculation:  
 $\{D \div (A + B + C)\}$ ; or \$0.719094 per megawatthour

OATT Start-up Cost Allocation to Schedule 1 Rate Calculation:  
 $\{(E \div 2) \div (A + B + C)\}$ ; or \$0.042062 per megawatthour

FERC Fees recovered through OATT Schedule 1 Rate Calculation:  
 $\{F \div (A + B + C)\}$ ; or \$0.055465 per megawatthour

Rate stabilization adjustment to maintain \$0.769/MWh Schedule 1 rate:  
 $\{G \div (A + B + C)\}$ ; or \$(0.090650) per megawatthour

NYISO OATT Cost component of rate:	\$0.719094 per MWh
Start-up Cost component of rate:	\$0.042062 per MWh
FERC Fee Cost component of rate:	\$0.055465 per MWh
Rate stabilization component of rate:	<span style="color: red;"><u>\$(0.090650)</u></span> per MWh
OATT Schedule 1 Rate:	\$0.725971 per MWh

MST Start-up Cost Allocation to Schedule 1 Rate Calculation:  
 $\{(E \div 2) \div A\}$ ; or \$0.043029 per megawatthour

OATT Schedule 1 Rate:	\$0.725971 per MWh
MST Schedule 1 Rate:	<u>\$0.043029 per MWh</u>
Combined Schedule 1 Rate:	\$0.769000 per MWh