

OPEN ACCESS TRANSMISSION & MARKET ADMINISTRATION AND CONTROL AREA SERVICES TARIFFS

SCHEDULE 1 RATES FOR DECEMBER 2006

The intent of this posting is to describe the December 2006 monthly Schedule 1 rates that will be charged under the Open Access Transmission [OATT] and Market Administration and Control Area Services Tariffs [MST].

The forecasted volumes used to compute the December 2006 rates are based upon monthly forecasts for December 2006 withdrawals and injections. It should be duly noted that the NYISO Market Participants have requested NYISO to administer the Schedule 1 rates for both tariffs to provide for a fixed monthly rate of \$0.802 per megawatt-hour for 2006; however, the rate design provides for monthly variances to address seasonal volume variations. As a result of the fixed rate mandate, there is the potential to over-/under-collect for these costs. NYISO will monitor the cost recovery of Schedule 1 and will report such trends to market participants periodically throughout a given year.

Total NYISO Costs to be Recovered (80% allocated to withdrawals; 20% to injections)

NYISO Cost of Operations	\$10,269,719
NYISO Start-Up Cost	\$0
FERC Fees	\$821,483
Rate stabilization	\$(368,711)

Rate Schedule 1 for Withdrawals

A. Forecasted Monthly NYCA & Non-NYCA LSE withdrawals	13,113,570 MWh
B. Forecasted Monthly Export Bilateral Transmission Service	170,365 MWh
C. Forecasted Monthly Wheel-Through Bilateral Transmission Service	<u>44,210 MWh</u>
Total Forecasted Monthly Transmission Service	13,328,146 MWh

D. NYISO Cost of Operations	\$8,215,775
E. NYISO Start-Up Cost	\$0
F. FERC Fees	\$657,187
G. Rate stabilization	\$(294,969)

OATT NYISO Cost of Operations Allocation to Schedule 1 Rate Calculation:
 $\{D \div (A + B + C)\}$; or \$0.616423 megawatt-hour

OATT Start-up Cost Allocation to Schedule 1 Rate Calculation:
 $\{(E \div 2) \div (A + B + C)\}$; or \$0.000000 megawatt-hour

FERC Fees recovered through OATT Schedule 1 Rate Calculation:
 $\{F \div (A + B + C)\}$; or \$0.049308 per megawatt-hour

Rate stabilization adjustment to maintain \$0.802/MWh Schedule 1 rate:
 $\{G \div (A + B + C)\}$; or \$(0.022131) per megawatt-hour

NYISO OATT Cost component of rate:	\$0.616423 per MWh
Start-up Cost component of rate:	\$0.000000 per MWh
FERC Fee Cost component of rate:	\$0.049308 per MWh
Rate stabilization component of rate:	<u>\$(0.022131) per MWh</u>
OATT Schedule 1 Rate:	\$0.643600 per MWh

MST Start-up Cost Allocation to Schedule 1 Rate Calculation:
 $\{(E \div 2) \div A\}$; or \$0.000000 per megawatt-hour

OATT Schedule 1 Rate for Withdrawals:	\$0.643600 per MWh
MST Schedule 1 Rate for Withdrawals:	<u>\$0.000000 per MWh</u>
Combined Schedule 1 Rate for Withdrawals:	\$0.643600 per MWh

FERC Accounting (Withdrawals)

575.7	Market Administration, Monitoring & Compliance Services:	\$0.314720 per MWh	48.9%
561.4	Scheduling, System Control & Dispatching Services:	\$0.288976 per MWh	44.9%
561.8	Reliability Planning and Standards Development Services:	<u>\$0.039904 per MWh</u>	<u>6.2%</u>
	Combined Schedule 1 Rate for Withdrawals:	\$0.643600 per MWh	100.0%

Rate Schedule 1 for Injections

A. Forecasted Monthly DAM NYCA & Non-NYCA Injections	13,285,788 MWh
B. Forecasted Monthly Import Bilateral Transmission Service	208,535 MWh
C. Forecasted Monthly Wheel-Through Bilateral Transmission Service	<u>44,167 MWh</u>
Total Forecasted Monthly Transmission Service	13,538,490 MWh

D. NYISO Cost of Operations	\$2,053,944
E. NYISO Start-Up Cost	\$0
F. FERC Fees	\$164,297
G. Rate stabilization	\$(73,742)

OATT NYISO Cost of Operations Allocation to Schedule 1 Rate Calculation:
 $\{D \div (A + B + C)\}$; or \$0.151711 megawatt-hour

OATT Start-up Cost Allocation to Schedule 1 Rate Calculation:
 $\{(E \div 2) \div (A + B + C)\}$; or \$0.000000 megawatt-hour

FERC Fees recovered through OATT Schedule 1 Rate Calculation:
 $\{F \div (A + B + C)\}$; or \$0.012136 per megawatt-hour

Rate stabilization adjustment to maintain \$0.802/MWh Schedule 1 rate:
 $\{G \div (A + B + C)\}$; or \$(0.005447) per megawatt-hour

NYISO OATT Cost component of rate:	\$0.151711 per MWh
Start-up Cost component of rate:	\$0.000000 per MWh
FERC Fee Cost component of rate:	\$0.012136 per MWh
Rate stabilization component of rate:	<u>\$(0.005447) per MWh</u>
OATT Schedule 1 Rate for Injections:	\$0.158400 per MWh

FERC Accounting (Injections)

575.7	Market Administration, Monitoring & Compliance Services:	\$0.077458 per MWh	48.9%
561.4	Scheduling, System Control & Dispatching Services:	\$0.071122 per MWh	44.9%
561.8	Reliability Planning and Standards Development Services:	<u>\$0.009820 per MWh</u>	<u>6.2%</u>
	Combined Schedule 1 Rate for Injections:	\$0.158400 per MWh	100.0%

Combined Withdrawal and Injection Rate

Combined Schedule 1 Rate for Withdrawals:	\$0.643600 per MWh
OATT Schedule 1 Rate for Injections:	<u>\$0.158400 per MWh</u>
Tariff Rate:	\$0.802000 per MWh