

OPEN ACCESS TRANSMISSION & MARKET ADMINISTRATION AND CONTROL AREA SERVICES TARIFFS

SCHEDULE 1 RATE'S FOR SEPTEMBER 2006

The intent of this posting is to describe the September 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 September 2006 rates are based upon monthly forecasts for September 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	\$654,071

Rate Schedule 1 for Withdrawals

A. Forecasted Monthly NYCA & Non-NYCA LSE withdrawals	14,446,208 MWh
B. Forecasted Monthly Export Bilateral Transmission Service	117,592 MWh
C. Forecasted Monthly Wheel-Through Bilateral Transmission Service	<u>27,533 MWh</u>
Total Forecasted Monthly Transmission Service	14,591,333 MWh

D. NYISO Cost of Operations	\$8,215,775
E. NYISO Start-Up Cost	\$0
F. FERC Fees	\$657,187
G. Rate stabilization	\$523,257

OATT NYISO Cost of Operations Allocation to Schedule 1 Rate Calculation:
 $\{D \div (A + B + C)\}$; or \$0.563059 megawatthour

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

FERC Fees recovered through OATT Schedule 1 Rate Calculation:
 $\{F \div (A + B + C)\}$; or \$0.045040 per megawatthour

Rate stabilization adjustment to maintain \$0.802/MWh Schedule 1 rate:
 $\{G \div (A + B + C)\}$; or \$0.035861 per megawatthour

NYISO OATT Cost component of rate:	\$0.563059 per MWh
Start-up Cost component of rate:	\$0.000000 per MWh
FERC Fee Cost component of rate:	\$0.045040 per MWh
Rate stabilization component of rate:	<u>\$0.035861 per MWh</u>
OATT Schedule 1 Rate:	\$0.643959 per MWh

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

OATT Schedule 1 Rate for Withdrawals:	\$0.643959 per MWh
MST Schedule 1 Rate for Withdrawals:	<u>\$0.000000 per MWh</u>
Combined Schedule 1 Rate for Withdrawals:	\$0.643959 per MWh

FERC Accounting (Withdrawals)

575.7	Market Administration, Monitoring & Compliance Services:	\$0.314896 per MWh	48.9%
561.4	Scheduling, System Control & Dispatching Services:	\$0.289138 per MWh	44.9%
561.8	Reliability Planning and Standards Development Services:	<u>\$0.039925 per MWh</u>	<u>6.2%</u>
	Combined Schedule 1 Rate for Withdrawals:	\$0.643959 per MWh	100.0%

Rate Schedule 1 for Injections

A. Forecasted Monthly DAM NYCA & Non-NYCA Injections	14,623,945 MWh
B. Forecasted Monthly Import Bilateral Transmission Service	212,119 MWh
C. Forecasted Monthly Wheel-Through Bilateral Transmission Service	<u>27,506 MWh</u>
Total Forecasted Monthly Transmission Service	14,863,570 MWh

D. NYISO Cost of Operations	\$2,053,944
E. NYISO Start-Up Cost	\$0
F. FERC Fees	\$164,297
G. Rate stabilization	\$130,814

OATT NYISO Cost of Operations Allocation to Schedule 1 Rate Calculation:
 $\{D \div (A + B + C)\}$; or \$0.138186 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 \$0.011054 per megawatt-hour

Rate stabilization adjustment to maintain \$0.802/MWh Schedule 1 rate:
 $\{G \div (A + B + C)\}$; or \$0.008801 per megawatt-hour

NYISO OATT Cost component of rate:	\$0.138186 per MWh
Start-up Cost component of rate:	\$0.000000 per MWh
FERC Fee Cost component of rate:	\$0.011054 per MWh
Rate stabilization component of rate:	<u>\$0.008801 per MWh</u>
OATT Schedule 1 Rate for Injections:	\$0.158041 per MWh

FERC Accounting (Injections)

575.7	Market Administration, Monitoring & Compliance Services:	\$0.077282 per MWh	48.9%
561.4	Scheduling, System Control & Dispatching Services:	\$0.070960 per MWh	44.9%
561.8	Reliability Planning and Standards Development Services:	<u>\$0.009799 per MWh</u>	<u>6.2%</u>
	Combined Schedule 1 Rate for Injections:	\$0.158041 per MWh	100.0%

Combined Withdrawal and Injection Rate

Combined Schedule 1 Rate for Withdrawals:	\$0.643959 per MWh
OATT Schedule 1 Rate for Injections:	<u>\$0.158041 per MWh</u>
Tariff Rate:	\$0.802000 per MWh