

1.14 Definitions - N

Native Load Customers: The wholesale and retail power customers of the Transmission Owners on whose behalf the Transmission Owners, by statute, franchise, regulatory requirement, or contract, have undertaken an obligation to construct and operate the Transmission Owners' systems to meet the reliable electric needs of such customers.

Neptune Scheduled Line: A transmission facility that interconnects the NYCA to the PJM Interconnection LLC Control Area at Levittown, Town of Hempstead, New York and terminates in Sayerville, New Jersey.

NERC: The North American Electric Reliability Council or, as applicable, the North American Electric Reliability Corporation.

NERC Transaction Priorities: The reservation and scheduling priority applied to a Transaction under the NERC Transmission Loading Relief Procedure.

NERC Transmission Loading Relief ("TLR") Procedure: "Standard IRO-006-3 – Reliability Coordination – Transmission Loading Relief" as approved in Docket No. ER06-1545, and any amendments thereto. See www.nerc.com for the current version of the NERC TLR Procedure.

Net Auction Revenue: The total amount, in dollars, as calculated pursuant to Section 20.3.1 of Attachment N, remaining after collection of all charges and allocation of all payments associated with a round of a Centralized TCC Auction or a Reconfiguration Auction. Net Auction Revenue takes into account: (i) revenues from and payments for the award of TCCs in a Centralized TCC Auction or Reconfiguration Auction, (ii) payments to Transmission Owners releasing ETCNL, (iii) payments or charges to Primary Holders selling TCCs, (iv) payments to Transmission Owners releasing Original Residual TCCs, (v) O/R-t-S Auction Revenue Surplus Payments and U/D Auction Revenue Surplus Payments, and (vi) O/R-t-S Auction Revenue Shortfall Charges and U/D Auction Revenue Shortfall Charges. Net Auction Revenue may be positive or negative.

Net Congestion Rent: The total amount, in dollars, as calculated pursuant to Section 20.2.1 of Attachment N, remaining after collection of all Congestion-related charges and allocation of all Congestion-related payments associated with the Day-Ahead Market. Net Congestion Rent takes into account: (i) charges and payments for Congestion Rents, (ii) settlements with TCC Primary Holders, (iii) O/R-t-S Congestion Rent Shortfall Charges and U/D Congestion Rent Shortfall Charges, and (iv) O/R-t-S Rent Congestion Surplus Payments and U/D Congestion Rent Surplus Payments. Net Congestion Rent may be positive or negative.

Net Installed Capacity ("Net-ICAP"): As defined in the ISO Services Tariff.

Net Unforced Capacity ("Net-UCAP"): As defined in the ISO Services Tariff.

Network Customer: An entity receiving Transmission Service pursuant to the terms of the ISO's Network Integration Transmission Service under Part 4 of the Tariff.

Network Integration Transmission Service: The Transmission Service provided under Part 4 of the Tariff.

Network Load: The Load that a Network Customer designates for Network Integration Transmission Service under Part 4 of the Tariff. The Network Customer's Network Load shall include all Load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total Load as Network Load but may not designate only part of the Load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular Load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part 3 of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated Load.

Network Operating Agreement: An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part 4 of the Tariff. For Eligible Customers that take service under the ISO Services Tariff, that Tariff shall function as their Network Operating Agreement.

Network Operating Committee: The ISO Operating Committee will serve this function.

Network Resource: Any generating resource that provides Installed Capacity to the NYCA designated under the Network Integration Transmission Service provisions of the Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

Network Upgrades: Modifications or additions to transmission facilities that are integrated with and support the Transmission Owner's overall Transmission System for the general benefit of all users of such Transmission System.

Network Upgrade Agreement: An agreement entered into between a Transmission Customer and a Transmission Owner that identifies the rights and obligations of each party with respect to the Network Upgrade, as described in this Tariff.

New York City: The electrical area comprised of Load Zone J, as identified in the ISO Procedures.

New York Control Area ("NYCA"): The Control Area that is under the control of the ISO which includes transmission facilities listed in the ISO/TO Agreement Appendices A-1 and A-2, as amended from time-to-time, and Generation located outside the NYS Power System that is subject to protocols (e.g., telemetry signal biasing) which allow the ISO and other Control Area operator(s) to treat some or all of that Generation as though it were part of the NYS Power System.

New York Power Pool ("NYPP"): An organization established by agreement (the "New York Power Pool Agreement") made as of July 21, 1966, and amended as of July 16, 1991, by and

among Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Lighting Company, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., Rochester Gas and Electric Corporation, and the Power Authority of the State of New York. LIPA became a Member of the NYPP on May 28, 1998 as a result of the acquisition of the Long Island Lighting Company by the Long Island Power Authority.

New York State Bulk Power Transmission Facility: This term shall have the meaning given in Attachment Y to the OATT.

New York State Power System (“NYS Power System”): All facilities of the NYS Transmission System, and all those Generators located within the NYCA or outside the NYCA, some of which may from time-to-time be subject to operational control by the ISO.

New York State Reliability Council (“NYSRC”): An organization established by agreement among the Member Systems of the New York Power Pool (the “NYSRC Agreement”).

New York State Transmission System (“NYS Transmission System”): The entire New York State electric transmission system, which includes: (1) the Transmission Facilities Under ISO Operational Control; (2) the Transmission Facilities Requiring ISO Notification; and (3) all remaining transmission facilities within the NYCA.

Non-Competitive Proxy Generator Bus: A Proxy Generator Bus for an area outside of the New York Control Area that has been identified by the ISO as characterized by non-competitive Import or Export prices, and that has been approved by the Commission for designation as a Non-Competitive Proxy Generator Bus. Non-Competitive Proxy Generator Buses are identified in Section 4.4.4 of the Services Tariff.

Non-Firm Point-To-Point Transmission Service: Point-To-Point Transmission Service for which a Transmission Customer is not willing to pay Congestion. Such service is not available in the markets that the NYISO administers.

Non-Investment Grade Customer: As defined in the ISO Services Tariff.

Non-Utility Generator (“NUG,” “Independent Power Producer” or “IPP”): Any entity that owns or operates an electric generating facility that is not included in an electric utility’s rate base. This term includes, but is not limited to, cogenerators and small power producers and all other non-utility electricity producers, such as exempt wholesale generators that sell electricity.

Normal State: The condition that the NYS Power System is in when the Transmission Facilities Under ISO Operational Control are operated within the parameters listed for Normal State in the Reliability Rules. These parameters include, but are not limited to, thermal, voltage, stability, frequency, operating reserve and Pool Control Error limitations.

Northport-Norwalk Scheduled Line: A transmission facility that originates at the Northport substation in New York and interconnects the NYCA to the ISO New England Control Area at the Norwalk Harbor substation in Connecticut.

Notice of Intent to Return: As defined in the ISO Services Tariff.

Notification: Informing the ISO of all changes in status of the Transmission Facilities Requiring ISO Notification. Notification includes the Transmission Owners informing the ISO of all changes in the status of the designated transmission facilities.

Nuclear Regulatory Commission (“NRC”): Nuclear Regulatory Commission, or any successor thereto.

NYPA: The Power Authority of the State of New York.

NYPA Transmission Adjustment Charge (“NTAC”): A surcharge on all Energy Transactions designed to recover the Annual Transmission Revenue Requirement of NYPA which cannot be recovered through its TSC, TCCs, or other transmission revenues, including, but not limited to, its ETA revenues. This charge will be assessed to all Load statewide, as well as Transmission Customers in Wheels Through and Exports.