

3.2 Nature of Non-Firm Point-To-Point Transmission Service:

3.2.1 Term:

The minimum term of Non-Firm Point-To-Point Transmission Service shall be one (1) hour and the maximum term shall not exceed the maximum permissible term as specified by the Transmission Customer.

3.2.2 Reservation Priority:

Non-Firm Point-to-Point Transmission Service shall be available for an Export Bilateral Transaction, an Import Bilateral Transaction, or a Wheel-Through Transaction when there is no Congestion between the Point(s) of Receipt and the Point(s) of Delivery for the Transaction. In all instances, Non-Firm Point-to-Point Transmission Service shall have a lower priority than Firm Point-to-Point Transmission Service and Network Service. Non-Firm Point-to-Point Transmission Service shall have an equal priority with Network Service from a secondary resource. A customer requesting non-firm Transmission Service that cannot be accommodated in the Day-Ahead Schedule because of Congestion may upgrade to Firm Point-to-Point Transmission Service up to the close of the Real-Time Scheduling Window, by rescheduling the Transaction and agreeing to pay the real-time Congestion Rents associated with the Transaction.

3.2.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Owner:

The Transmission Owners will be subject to the rates, terms and conditions of Part 3 of this Tariff when making Third-Party Sales under (i) agreements executed on or after the date this Tariff is effective or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Owners will maintain separate accounting, pursuant to Section 8, for any use of

Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

3.2.4 Service Agreements:

The ISO shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application pursuant to this Tariff. Executed Service Agreements that contain the information required under this Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

3.2.5 Classifications of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part 3 of this Tariff. The ISO undertakes no obligation under this Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of this Tariff. Non-Firm Point-To-Point Transmission Service shall include transmission of Energy on an hourly and daily basis under Schedule 8.

3.2.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

3.2.6.1 In the Day-Ahead Market: Schedules for the Transmission Customer's Non-Firm Point-to-Point Transmission Service in the Day-Ahead must be submitted to the ISO no later than 5:00 a.m. of the day prior to commencement of service or 4:50 a.m. for Transmission Service over the Cross-Sound Scheduled Line, the Neptune Scheduled Line, ~~or~~ the Linden VFT Scheduled Line, or the

HTP Scheduled Line. Schedules involving the use of LIPA's facilities shall be treated in accordance with Section 2.5.7. Schedules submitted after 5:00 a.m., or 4:50 a.m. as appropriate, will not be accepted in the Day-Ahead Schedule. Schedules of any Capacity and Energy that is to be delivered must be stated in increments of 1,000 kWh per hour between each Point of Receipt and corresponding Point of Delivery. Non-firm Transmission Service is not available between a Point of Receipt and Point of Delivery internal to the NYCA. For non-firm Transmission Service requests between a Point of Receipt at the Proxy Generator Bus designated for Imports and a Point of Delivery that is a Load Bus internal to the NYCA, the ISO will furnish to the Transmission Customer hour-to-hour advisory schedules equal to those requested by the Transmission Customer provided that there is no congestion between the Point of Receipt and the Point of Delivery. Should the Transmission Customer revise or terminate any schedule, such party shall notify the ISO prior to the close of the Real-Time Scheduling Window, and the ISO shall have the right to adjust accordingly the schedule for Energy to be received and to be delivered.

3.2.6.2 In the Real-Time Market: Schedules for the Transmission Customer's Non-Firm Point-to-Point Transmission Service in real-time must be submitted to the ISO before the close of the Real-Time Scheduling Window. Schedules involving the use of LIPA's facilities shall be treated in accordance with Section 2.5.7. Schedules submitted later than the close of the Real-Time Scheduling Window shall not be accepted in the real-time schedule. Schedules of any Energy that is to be delivered must be stated in increments of 1,000 kWh per hour

between each Point of Receipt and corresponding Point of Delivery. Non-firm Transmission Service is not available between a Point of Receipt and Point of Delivery internal to the NYCA. For non-firm Transmission Service requests between a Point of Receipt at the Proxy Generator Bus designated for Imports and a Point of Delivery that is a Load Bus internal to the NYCA, the ISO will furnish to the Transmission Customer advisory hour-to-hour schedules equal to those requested by the Transmission Customer and shall deliver the Energy provided by such schedules provided that there is no congestion between the Point of Receipt and Point of Delivery. Should the Transmission Customer revise or terminate any schedule, the Transmission Customer shall notify the ISO prior to the close of the Real-Time Scheduling Window.

3.2.7 Curtailment or Interruption of Service:

The ISO reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an Emergency or other unforeseen condition threatens to impair or degrade the reliability of the NYS Transmission System. The ISO reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under this Tariff for economic reasons if the NYS Transmission System experiences Congestion. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the Constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Point-to-Point Transmission Service-and Network Integration Transmission Service. The ISO will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. The process of Curtailment of Non-Firm Point-

To-Point Transmission Service for Imports, Exports, and Wheels Through may cause these non-firm transactions to incur incidental real-time Congestion Rents due to inter-Control Area Curtailment procedures.