

28 Attachment M-1 – Operating Protocol For The Implementation Of Commission Opinion No. 476 - (DOCKET NO. EL02-23-000 (Phase II))

28.1.1 This “Operating Protocol” establishes procedures for the planning, operation, control, and scheduling of energy by the New York Independent System Operator, Inc. (NYISO), PJM Interconnection, LLC (PJM), Consolidated Edison Company of New York (ConEd) and Public Service Electric and Gas Company (PSE&G) (collectively, the “parties”), pursuant to contracts dated May 22, 1975 (as amended May 9, 1978) and May 8, 1978 between ConEd and PSE&G. The 1975 contract is referred to herein as the 400 MW contract and the 1978 contract is referred to as the 600 MW contract. The two contracts are referred to collectively as the “600/400 MW contracts.”

28.1.2 This Operating Protocol shall be used by the NYISO and PJM in preparing to operate, and operating in real-time, to the hourly flow of energy between them pursuant to the 600/400 MW contracts as established by this Operating Protocol.

28.1.3 During system emergencies, the appropriate emergency procedures of the NYISO and PJM, if necessary, shall take priority over the provisions of this Operating Protocol. The NYISO and PJM dispatchers shall have the authority to implement their respective emergency procedures in whatever order is required to ensure overall system reliability. Without limiting the foregoing, the order of load relief measures and contract reductions when there is an emergency on the PJM system will be:

- Reduction of the 400 MW contract¹

¹ If ConEd converts the 400 MW contract to firm transmission service (by purchasing PJM firm transmission service, with a credit for payments ConEd has made to PSE&G for non-firm transmission service), then the 400 MW contract will be treated in the same manner as the 600 MW contract.

- Calling of ~~Active Load Management~~Emergency Load Response
- Voltage reduction
- Reduction of the 600 MW contract²
- Load shedding

In addition, if PJM declares an emergency condition that arises from outages on the PSE&G system the NYISO and PJM may agree to deliver up to 400 MW to Goethals for re-delivery to Hudson via the NYISO's system. Such emergency re-deliveries shall not be considered in the calculation of the Real-Time Market Desired Flow under Appendices 1 and 3 of this Operating Protocol.

28.1.4 All aspects of this Operating Protocol are subject to the dispute resolution procedures of PJM and the NYISO.

28.1.5 Because the procedures in this Operating Protocol are new, the parties will review all aspects of this Operating Protocol on a periodic basis, initially monthly and, after a six month period, annually, to determine if modifications are required to effectuate the Commission's Opinion No. 476 in Docket No. EL02-23-000 (Phase II).

28.1.6 All aspects of this Operating Protocol are subject to, and this Operating Protocol may need to be revised or extinguished in order to accommodate, the outcome of ongoing Commission and Federal court proceedings addressing FERC Docket No. EL02-23, including all sub-dockets thereof. This Operating Protocol implements the directives

² The 600 MW contract shall be reduced in the same manner as all other firm transactions in PJM.

set forth in the Commission Opinion No. 476 without resolving issues that are still pending before the Commission or that have been appealed to the Federal courts.

28.1.7 Attached and included as part of this Operating Protocol are the following appendices:

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| Appendix 1 | Process Flow |
| Appendix 2 | Transmission Constraints and Outages Associated with the Contracts |
| Appendix 3 | The Day-Ahead Market and Real-Time Market Desired Flow Calculation |
| Appendix 4 | Market Monitoring Procedures and Information Sharing Procedures |
| Appendix 5 | Impairments Impacting Delivery |
| Appendix 6 | Operation of the PARs |
| Appendix 7 | Distribution of Flows Associated with Implementation of Day-Ahead and Real-Time Market Desired Flows |
| Appendix 8 | References |
| Appendix 9 | Comparison of Contracts |
| Appendix 10 | Definitions |