6.1 Schedule 1 - ISO Annual Budget Charge and Other Non-Budget Charges and Payments

6.1.1 Introduction

The ISO shall bill each Transmission Customer on a monthly basis to recover the ISO's annual budgeted costs as set forth in Article 6.1.2 of this Rate Schedule 1.

The ISO shall separately bill each Transmission Customer under this Rate Schedule 1 for certain other charges and payments not related to the ISO annual budget charge. Specifically, the ISO shall bill each Transmission Customer on a quarterly basis to recover NERC and NPCC charges as set forth in Article 6.1.3 of this Rate Schedule 1. The ISO shall also bill each Transmission Customer on a monthly basis to recover the following costs or allocate the following received payments under this Rate Schedule 1:

(i) bad debt loss charges as set forth in Article 6.1.4;

(ii) Working Capital Fund charges as set forth in Article 6.1.5;

(iii) non-ISO facilities payment charges as set forth in Article 6.1.6;

(iv) charges to recover costs for payments made to Suppliers pursuant to incremental cost recovery for units that responded to Local Reliability Rules I-R3 and I-R5 as set forth in Article 6.1.7;

(v) charges to recover and payments to allocate residual costs as set forth in Article 6.1.8;

(vi) charges for Special Case Resources and Curtailment Service Providers called to meet reliability needs as set forth in Article 6.1.9;

(vii) charges to recover DAMAP costs as set forth in Article 6.1.10;

(viii) charges to recover Import Curtailment Guarantee Payment costs as set forth in Article 6.1.11;

(ix) charges to recover Bid Production Cost guarantee payment costs as set forth in Article 6.1.12;

(x) charges to recover and payments to allocate settlements of disputes as set forth in Article 6.1.13; and

(xi) payments to allocate financial penalties collected by the ISO as set forth in Article 6.1.14.

Transmission Customers who are retail access customers being served by an LSE shall not pay these charges to the ISO; the LSE shall pay these charges.

6.1.2 ISO Annual Budget Charge

The ISO shall charge, and each Transmission Customer shall pay, a charge for the ISO's recovery of its annual budgeted costs. The ISO annual budgeted costs that are recoverable through this Rate Schedule 1 are set forth in Section 6.1.2.1 of this Rate Schedule 1. The ISO shall calculate the charge for the recovery of these ISO annual budgeted costs from each Transmission Customer on the basis of its participation in physical market activity as indicated in Section 6.1.2.2 of this Rate Schedule 1. The ISO shall calculate this charge for each Transmission Customer on the basis of its participation in non-physical market activity, the Special Case Resource program, and the Emergency Demand Response program as indicated in Section 6.1.2.4 of this Rate Schedule 1. The ISO shall credit the revenue collected through Section 6.1.2.4 of this Rate Schedule 1 to each Transmission Customer on the basis of its physical market activity as indicated in Section 6.1.2.5 of this Rate Schedule 1.

6.1.2.1 ISO Annual Budgeted Costs

The ISO annual budgeted costs to be recovered through Article 6.1.2 of this Rate Schedule 1 include, but are not limited to, the following costs associated with the operation of the NYS Transmission System by the ISO and the administration of the ISO Tariffs and ISO Related Agreements by the ISO:

- Processing and implementing requests for Transmission Service including support of the ISO OASIS node;

- Coordination of Transmission System operation and implementation of necessary control actions by the ISO and support for these functions;

- Performing centralized security constrained dispatch to optimally re-dispatch the NYS Power System to mitigate transmission Interface overloads and provide balancing services;

- Costs related to the ISO's administration and operation of the LBMP market and all other markets administered by the ISO;

- Costs related to the ISO's administration of Control Area Services;

- Costs related to the ISO's administration of the ISO's Market Power Mitigation Measures and the ISO's Market Monitoring Plan;

- Costs related to the maintenance of reliability in the NYCA;

- Costs related to the provision of Transmission Service;

- Preparation of settlement statements;

- NYS Transmission System studies, when the costs of the studies are not recoverable from a Transmission Customer;

- Engineering services and operations planning;

- Data and voice communications network service coordination;

- Metering maintenance and calibration scheduling;

- Record keeping and auditing;

- Training of ISO personnel;

- Development and maintenance of information, communication and control systems;

- Professional services;

- Carrying costs on ISO assets, capital requirements and debts;

- Tax expenses, if any;

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- Administrative and general expenses;
- Insurance premiums and deductibles related to ISO operations;
- Any indemnification of or by the ISO pursuant to Section 2.11.2 of this ISO OATT or Section 12.4 of the Services Tariff;
- Regulatory fees; and
- The ISO's share of the expenses of Northeast Power Coordinating Council, Inc. or its successor.

6.1.2.2 Calculation of the ISO Annual Budget Charge for Transmission Customers Participating in Physical Market Activity

The ISO shall charge, and each Transmission Customer that participates in physical market activity shall pay, an ISO annual budget charge on a monthly basis as calculated according to the following formula.

$$\text{ISO Annual Budget Charge}_{c,M} = \frac{\left(\text{InjectionUnits}_{c,M} \times \left(.2 \times \frac{\text{ISOCosts}_{\text{Annual}}}{\text{TotalEstWithdrawalUnits}_{\text{Annual}}}\right)\right) + \left(\text{WithdrawalUnits}_{c,M} \times \left(.8 \times \frac{\text{ISOCosts}_{\text{Annual}}}{\text{TotalEstWithdrawalUnits}_{\text{Annual}}}\right)\right)}{}$$

Where:

c = Transmission Customer.

M = The relevant month.

$\text{ISO Annual Budget Charge}_{c,M}$ = The amount, in $, of the ISO annual budgeted costs for which Transmission Customer c is responsible for month M.

$\text{ISOCosts}_{\text{Annual}}$ = The sum, in $, of the ISO's annual budgeted costs for the current calendar year.

$\text{InjectionUnits}_{c,M}$ = The Injection Billing Units, in MWh, for Transmission Customer c in month M.

$\text{WithdrawalUnits}_{c,M}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in month M.

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TotalEstWithdrawalUnits$_{Annual}$ = The sum, in MWh, of estimated Withdrawal Billing Units for all Transmission Customers in the current calendar year as determined by the ISO in the summer prior to the current calendar year.

~~**Scheduling, System Control and Dispatch Service**~~

~~This service is required to schedule the purchase, sale and movement of power through, out of, within, or into the NYCA. This service can be provided only by the ISO. The Transmission Customer must purchase this service from the ISO. The ISO Services Charge for Scheduling, System Control and Dispatch Service and any rebillings associated therewith are set forth below.~~

~~**6.1.1 Parties to Which Charges Apply**~~

~~The ISO shall charge, and Transmission Customers taking service under the ISO OATT, only, including Special Case Resources, Emergency Demand Response Program participants, Transmission Customers that have their virtual bids accepted and thereby engage in Virtual Transactions, and Transmission Customers that purchase Transmission Congestion Contracts, excluding Transmission Congestion Contracts that are created prior to [the date that the Commission issues an Order approving these revisions], shall pay an "ISO Services Charge" as calculated in Section 6.1.2.2 of this Rate Schedule on all Transmission Services provided pursuant to Parts 3, 4 and 5 to this Tariff, provided that Transmission Customers who are retail access customers who are being served by an LSE shall not pay this charge to the ISO; the LSE shall pay these charges. Transmission Customers taking service under both the ISO OATT and the ISO Services Tariff shall pay the applicable ISO Services Charge as calculated (i) in Sections 15.1.3.1 through 15.1.3.3 of Rate Schedule 1 of the ISO Services Tariff, and (ii) in Sections 6.1.2.2.3 and 6.1.2.2.4 of this Rate Schedule.~~

6.1.2 Billing Units and Calculation of Rates

The ISO shall charge each Transmission Customer based on the product of: (i) the ISO Services Charge rate for Scheduling, System Control and Dispatch Service; and (ii) the Transmission Customer's applicable injection billing units and/or withdrawal billing units for the month as described in Section 6.1.2.1.

6.1.2.1 Billing Units

For the ISO Services Charge calculated under Section 6.1.2.2.1 of this Rate Schedule, the Transmission Customer's injection billing units shall be based on Actual Energy Injections (for all internal injections) or Scheduled Energy Injections (for all Import Energy injections) in the New York Control Area, including injections for wheelthroughs. The Transmission Customer's withdrawal billing units shall be based on its Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA, and hourly Energy schedules for all Wheels Through and Exports. For the ISO Services Charge calculated pursuant to Sections 6.1.2.2.2 and 6.1.2.2.3 of this Rate Schedule, the Transmission Customer's billing units shall be based on the Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA, and hourly Energy schedules for all Wheels Through and Exports. For the ISO Services Charge calculated pursuant to Sections 6.1.2.2.4, 6.1.2.2.5, 6.1.2.2.6 and 6.1.2.2.7 of this Rate Schedule, the Transmission Customer's billing units shall be as described in the body of those Sections of this Rate Schedule. To the extent Schedule 1 charges are associated with meeting the reliability needs of a local system, the billing units for such charges will be based on the Actual Energy Withdrawals in the Subzone(s) where the Resource needed to meet the reliability need is located.

For Transmission Customers participating in the ISO's Special Case Resource program or in its Emergency Demand Response Program ISO Services Charge calculated under Section

6.1.2.2.1 of this Rate Schedule, shall be the product of: (i) the applicable ISO Services Charge rate; and (ii) the Transmission Customer's applicable billing units for the month. The Transmission Customer's billing units shall be based on the total compensable injection MWh.

For Transmission Customers purchasing Transmission Congestion Contracts or engaged in Virtual Transactions, the ISO Services Charge calculated under Section 6.1.2.2.1 of this Rate schedule shall be the product of: (i) the applicable ISO Services Charge rate; and (ii) the Transmission Customer's applicable billing units for the month.

For Transmission Customers purchasing Transmission Congestion Contracts, the Transmission Customer's billing units shall be based on the settled Transmission Congestion Contract MWh. For Transmission Customers engaging in Virtual Transactions, the Transmission Customer's billing units shall be based on total cleared virtual bid MWh.

6.1.2.2 Computation of Rates

The ISO Services Charge for Scheduling, System Control and Dispatch Service shall consist of seven components and shall be recovered on a monthly basis (except for Section 6.1.2.2.6 which shall be billed quarterly) in accordance with the following processes:

6.1.2.2.1 ISO Annual Budget and FERC Regulatory Fees Component

6.1.2.2.1.1 The responsibility for the sum of (a) those costs listed in Section 6.1.3.1 of this Rate Schedule that are included in the ISO's annual budget and (b) the ISO's FERC regulatory fees, shall be allocated 20% to all injection billing units and 80% to all withdrawal billing units.

6.1.2.3 Review and Modification of the ISO Annual Budget Charge Allocation Methodology

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The current 80%/20% cost allocation methodology between Withdrawal Billing Units and Injection Billing Units for the ISO annual budget charge shall remain unchanged through at least December 31, 2011 and shall continue to remain unchanged until such point in time that a study is conducted and the results of the study warrant changing the 80%/20% cost allocation. The following provisions prescribe the process and timeline for the review and, if warranted by the results of a future study, modification of the 80%/20% cost allocation on a going forward basis:

~~6.1.2.2.1.1.1~~(i) A vote of the Management Committee will be taken in the third calendar quarter of 2010 on whether a new study should be conducted during late-2010 and 2011 to allow modification of the 80%/20% cost allocation, if warranted by the results of the study, to be implemented by January 1, 2012. A positive vote by 58% of the Management Committee will be required to go forward with the study, but there will no longer be a "material change" standard as was historically applied to the determination of whether a study should be conducted.

~~6.1.2.2.1.1.2~~(ii) If the Management Committee vote discussed in (i) above determines that a study should not be conducted, the 80%/20% cost allocation between ~~w~~Withdrawal ~~b~~Billing ~~u~~Units and ~~i~~Injection ~~b~~Billing ~~u~~Units shall be extended through at least December 31, 2012. In the third calendar quarter of 2011, a vote will be taken on whether a new study should be conducted during late-2011 and 2012 to allow modification of the percentage allocation, if warranted by the results of the study, to be implemented by January 1, 2013. Unless a 58% vote of the Management Committee is registered in favor of declining to go forward with the study, the study will be conducted.

~~6.1.2.2.1.1.3~~(iii) If the Management Committee vote in the third calendar quarter of 2011 discussed in (ii) above determines that a study should not be conducted, the current 80%/20% cost allocation shall remain unchanged until such point in time as the Management Committee determines that a study shall be conducted and the results of that study warrant changing the percentage allocation between ~~w~~Withdrawal ~~b~~Billing ~~u~~Units and ~~i~~Injection ~~b~~Billing ~~u~~Units. If the Management Committee vote in the third calendar quarter of 2011 discussed in (ii) above determines that a study should not be conducted, the Management Committee will revisit the issue of conducting a study annually in the third calendar quarter of each year using the same voting standard (*i.e.* the study ~~gets~~ shall be performed unless 58% of the Management Committee votes not to commission the study) that was applied to the Management Committee vote in the third calendar quarter of 2011 discussed in (ii) above.

~~6.1.2.2.1.1.4~~(iv) If, and when, the Management Committee determines a study shall be conducted:

(a) Such study shall be completed, and the results thereof shared with Market Participants, before the end of the second calendar quarter of the year prior to the date on which a possible change to the then current allocation may become effective; and

(b) The ISO will present a draft study scope to Market Participants for consideration and comment before the ISO issues the study scope as part of its Request For Proposal process to retain a consultant to perform the study. A meeting shall be held with Market Participants to discuss the components (*e.g.*, categories of costs

considered, allocation of benefits, unbundling, etc.) that should be included in the draft study scope before the draft is issued by the ISO.

6.1.2.4 Calculation of the ISO Annual Budget Charge for Transmission Customers Participating in Non-Physical Market Activity, the Special Case Resource Program, or the Emergency Demand Response Program

6.1.2.4.1 Charge for Transmission Customers Engaging in Virtual Transactions

The ISO shall charge, and each Transmission Customer that has its virtual bids accepted and thereby engages in Virtual Transactions shall pay, a charge for such activity on a monthly basis as calculated according to the following formula.

$$VTCharge_{c,M} = VTRate \times VTCleared_{c,M}$$

Where:

c = Transmission Customer.

M = The relevant month.

$VTCharge_{c,M}$ = The amount, in $, for which Transmission Customer c is responsible for month M.

VTRate = For calendar year 2010, the applicable rate shall be $0.065 per cleared MWh of Virtual Transactions, based on a $2.0 million projected 2010 annual revenue requirement. For calendar years following 2010, the applicable rate shall be calculated in accordance with the formula set forth in Section 6.1.2.4.4 of this Rate Schedule 1.

$VTCleared_{c,M}$ = The total cleared Virtual Transactions, in MWh, for Transmission Customer c in month M.

6.1.2.4.2 Charge for Transmission Customers Purchasing Transmission Congestion Contracts

The ISO shall charge, and each Transmission Customer that purchases Transmission Congestion Contracts - excluding Transmission Congestion Contracts that

are created prior to January 1, 2010 - shall pay, a charge for such activity on a monthly basis as calculated according to the following formula.

$$TCCCharge_{c,M} = TCCRate \times TCCSettled_{c,M}$$

Where:

c = Transmission Customer.

M = The relevant month.

$TCCCharge_{c,M}$ = The amount, in $, for which Transmission Customer c is responsible for month M.

TCCRate = For calendar year 2010, the applicable rate shall be $0.020 per settled MWh of Transmission Congestion Contracts, based on a $6.7 million projected 2010 annual revenue requirement. For calendar years following 2010, the applicable rate shall be calculated in accordance with the formula set forth in Section 6.1.2.4.4 of this Rate Schedule 1.

$TCCSettled_{c,M}$ = The total settled Transmission Congestion Contracts, excluding Transmission Congestion Contracts created prior to January 1, 2010, in MWh, for Transmission Customer c in month M.

6.1.2.4.3 Charge for Transmission Customers Participating in the Special Case Resource Program or Emergency Demand Response Program

The ISO shall charge, and each Transmission Customer that participates in the ISO's Special Case Resources program or its Emergency Demand Response program shall pay, a charge for such activity on a monthly basis as calculated according to the following formula.

$$\text{SCR and EDR Charge}_{c,M} = DRInjections_{c,M} \times \left(.2 \times \frac{ISOCosts_{Annual}}{TotalEstWithdrawalUnits_{Annual}} \right)$$

Where:

c = Transmission Customer.

M = The relevant month.

SCR and EDR $Charge_{c,M}$ = The amount, in $, for which Transmission Customer c is responsible for month M.

$DRInjections_{c,M}$ = The total Load reduction, in MWh, measured and compensated during testing or an actual event for Transmission Customer c in month M.

$ISOCosts_{Annual}$ = The sum, in $, of the ISO's annual budgeted costs in the current calendar year.

$TotalEstWithdrawalUnits_{Annual}$ = The sum, in MWh, of estimated Withdrawal Billing Units for all Transmission Customers in the current calendar year as determined by the ISO in the summer prior to the current calendar year.

6.1.2.4.4 Re-setting of Rate for Virtual Transaction and Transmission Congestion Contracts Related Charges

For each calendar year after calendar year 2010, the ISO shall use the following formula to calculate (i) the rate for the charge to Transmission Customers engaging in Virtual Transactions as determined in Section 6.1.2.4.1 of this Rate Schedule 1, and (ii) the rate for the charge to Transmission Customers purchasing Transmission Congestion Contracts as determined in Section 6.1.2.4.2 of this Rate Schedule 1.

$$ResetRate = \frac{AnnRevRequirement - Over/UnderCollection}{3YearRollingAvgBillUnits}$$

Where:

ResetRate = For each calendar year after calendar year 2010, this rate will be used for either (i) the VTRate in the formula in Section 6.1.2.4.1 of this Rate Schedule 1, or (ii) the TCCRate in the formula in Section 6.1.2.4.2 of this Rate Schedule 1.

AnnRevRequirement = The product, in $, of (i) the prior year's annual revenue requirement for either (A) Virtual Transaction market activity or (B) Transmission Congestion Contract market activity, and (ii) an escalation factor. The ISO shall calculate the escalation factor as the percentage change in the ISO budget between (i) the ISO budget for the calendar year two years prior to the current calendar year ("Calendar Year Minus 2") and (ii) the ISO budget for the calendar year one year prior to the current calendar year ("Calendar Year Minus 1").

Over/Under Collection = The ISO shall calculate the amount, in $, that it has over or under collected for the prior year's annual revenue requirement for either (A) Virtual

Transaction market activity or (B) Transmission Congestion Contract market activity, as the case may be, as follows. (i) The ISO shall divide the annual revenue requirements for the applicable market activity for Calendar Year Minus 2 and for Calendar Year Minus 1 into twelve equal monthly revenue requirements for each of these calendar years. (ii) The ISO shall then calculate the amount of revenue, in $, that it over or under collected for each of the months from July of Calendar Year Minus 2 through June of Calendar Year Minus 1, which shall be calculated as (a) the revenue amount, in $, that the ISO collected for each month for the applicable market activity, minus (b) the monthly revenue requirement, in $, for that month as determined above. If the result of this calculation is positive, then the ISO overcollected for that month. If the result of this calculation is negative, then the ISO undercollected for that month. (iii) The ISO shall then calculate the total over or under collection amount, in $, for the period of July of Calendar Year Minus 2 through June of Calendar Year Minus 1, which shall be equal to (a) the sum, in $, of the revenue that the ISO overcollected for each month during this period (i.e., the sum of the positive monthly results determined above), minus (b) the sum, in $, of the absolute value of the revenue that the ISO undercollected for each month during this period (i.e., the sum of the absolute value of the negative monthly results determined above).

3YearRollingAvgBillUnits = The ISO shall calculate the three year rolling average of billing units, in MWh, using twelve-month averages of the appropriate billing units for the period between July of the calendar year four years prior to the current calendar year ("Calendar Year Minus 4") and June of Calendar Year Minus 1.

The annual rate computed through the formula in this Section 6.1.2.4.4 shall be subject to a 25% maximum increase or decrease for each year.

6.1.2.5 Credit for Transmission Customers Participating in Physical Market Activity

The ISO shall distribute on a monthly basis the revenue collected pursuant to Section 6.1.2.4 of this Rate Schedule 1 to each Transmission Customer that participates in physical market activity as calculated according to the following formula.

$$\text{ISO Annual Budget Credit}_{c,M} = \frac{\left(\text{NonPhysicalActivityRevenue}_{M} \times \left(.2 \times \frac{\text{InjectionUnits}_{c,M}}{\text{TotalInjectionUnits}_{M}}\right)\right) + \left(\text{NonPhysicalActivityRevenue}_{M} \times \left(.8 \times \frac{\text{WithdrawalUnits}_{c,M}}{\text{TotalWithdrawalUnits}_{M}}\right)\right)}{}$$

Where:

c = Transmission Customer.

M = The relevant month.

ISO Annual Budget Credit$_{c,M}$ = The amount, in $, that Transmission Customer c will receive for month M.

NonPhysicalActivityRevenue$_{M}$ = The sum, in $, of the revenue collected by the ISO for month M through the charges to Transmission Customers for non-physical market activity, the Special Cases Resource program, and the Emergency Demand Response program as calculated in Section 6.1.2.4 of this Rate Schedule 1.

InjectionUnits$_{c,M}$ = The Injection Billing Units, in MWh, for Transmission Customer c in month M.

WithdrawalUnits$_{c,M}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in month M.

TotalInjectionUnits$_{M}$ = The sum, in MWh, of Injection Billing Units for all Transmission Customers in month M.

TotalWithdrawalUnits$_{M}$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in month M.

6.1.3 NERC and NPCC Charges

The ISO receives an invoice from NERC and NPCC (as defined below) on a quarterly basis for the recovery of the upcoming calendar quarter's costs related to the dues, fees, and related charges of:

(i) the NERC for its service as the Electric Reliability Organization for the United States ("ERO"), recovered pursuant to FERC Docket Nos. RM05-30-000, RR06-1-000 and RR06-3-000 and related dockets, and

(ii) the Northeast Power Coordinating Council: Cross-Border Regional Entity, Inc. ("NPCC"), or its successors, incurred to carry out functions that are delegated by the NERC and that are related to ERO matters pursuant to Section 215 of the FPA.

The ISO shall charge on a quarterly basis, and each Transmission Customer taking service under the ISO Tariffs shall pay, a charge for the recovery of the NERC and NPCC costs in accordance with Section 6.1.3.1 of this Rate Schedule 1.

Notwithstanding any applicable provisions of this ISO OATT or of the ISO Services Tariff, the ISO may supply to NERC the name of any LSE failing to pay any amounts due to NERC and the amounts not paid.

6.1.3.1 Calculation of NERC and NPCC Charges

The ISO shall charge, and each Transmission Customer shall pay, a charge on a quarterly basis to recover the NERC and NPCC costs invoiced to the NYISO by NERC and NPCC for the upcoming calendar quarter. This charge shall be calculated according to the following formula.

$$\text{NERC\&NPCC Charge}_{c,Q} = \text{NERC\&NPCCCosts}_{Q} \times \frac{\text{TUWithdrawalUnits}_{c,M}}{\text{TUTotalWithdrawalUnits}_{M}}$$

Where:

c = Transmission Customer.

Q = The relevant calendar quarter, for which the NERC and NPCC costs apply.

$\text{NERC\&NPCC Charge}_{c,Q}$ = The amount of the NERC and NPCC costs invoiced to the ISO, in $, for which Transmission Customer c is responsible for calendar quarter Q.

$\text{NERC\&NPCCCosts}_{Q}$ = The NERC and NPCC costs, in $, invoiced to the ISO for calendar quarter Q.

M = The month in which the ISO charges Transmission Customers to recover NERC and NPCC costs for calendar quarter Q.

$\text{TUWithdrawalUnits}_{c,M}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in its four-month true-up invoice that is issued with its regular monthly invoice in month M, except for Withdrawal Billing Units for Wheels Through and Exports.

$TUTotalWithdrawalUnits_M$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in their four-month true-up invoices that are issued with their regular monthly invoices in month M, except for Withdrawal Billing Units for Wheels Through and Exports.

In calculating the Withdrawal Billing Units for this NERC and NPCC charge, the ISO shall use the LSE bus meter data that have been submitted by the meter authorities for use in the calculation of the four-month true-up of the Transmission Customer's monthly invoice pursuant to Sections 7.4.2.1.2 and 7.4.2.1.3 of the ISO Services Tariff and Sections 2.7.4.3.1(ii) and 2.7.4.3.1(iii) of this ISO OATT. This calculation of the NERC and NPCC charge shall not be subject to correction or adjustment.

6.1.4 Bad Debt Loss Charge

The ISO shall charge, and each Transmission Customer shall pay, a charge for the collection of costs related to bad debt losses in accordance with the methodology established in Attachment U of this ISO OATT.

6.1.5 Working Capital Fund Charge

The ISO shall charge, and each Transmission Customer shall pay, a charge for the collection and maintenance of the Working Capital Fund in accordance with the methodology established in Attachment V of this ISO OATT.

6.1.6 Non-ISO Facilities Payment Charge

The ISO shall charge, and each Transmission Customer shall pay, a charge in accordance with Section 6.1.6.1 of this Rate Schedule 1 for the recovery of the costs of the ISO's monthly payments to the owners of facilities that are needed for the economic and reliable operation of the NYS Transmission System. At present, the ISO makes such payments to:

(i) Consolidated Edison Co. of New York, Inc. for the purchase, installation, operation, and maintenance of phase angle regulators at the Branchburg-Ramapo Interconnection between the ISO and PJM Interconnection, LLC, and

(ii) Rochester Gas & Electric Corporation for the installation of a 135 MVAR Capacitor Bank at Rochester Station 80 on the cross-state 345 kV system.

6.1.6.1 Calculation of Non-ISO Facilities Payment Charge

6.1.6.1.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a non-ISO facilities payment charge for each month. This charge shall be equal to the sum of the hourly non-ISO facilities payment charges for the Transmission Customer, as calculated according to the following formula, for each hour in the relevant month.

$$\text{Non-ISO Facilities Payment Charge}_{c,h} = \frac{\text{NonISOFacilitiesCosts}_{M}}{N} \times \frac{\text{WithdrawalUnits}_{c,h}}{\text{TotalWithdrawalUnits}_{h}}$$

Where:

c = Transmission Customer.

M = The relevant month.

h = A given hour in month M.

N = Total number of hours h in month M.

$\text{Non-ISO Facilities Payment Charge}_{c,h}$ = The amount, in $, for which Transmission Customer c is responsible for hour h.

$NonISOFacilitiesCosts_M$ = The sum, in $, of the ISO's bills for month M for the non-ISO facilities from (i) Consolidated Edison Co. of New York (less the one-half of such bill paid by PJM Interconnection, LLC) and (ii) Rochester Gas and Electric Corporation.

$WithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h, except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

$TotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h, except for the Withdrawal Billing Units to supply Station Power as third-party providers.

6.1.6.1.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Part 5 of this ISO OATT.

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a non-ISO facilities payment charge for each month. This charge shall be equal to the sum of the daily non-ISO facilities payment charges for the Transmission Customer, as calculated according to the following formula, for each day in the relevant month.

$Non\text{-}ISO\ Facilities\ Payment\ Charge_{c,d}$ =

$$\frac{NonISOFacilitiesCosts_M}{N} \times \frac{StationPower_{c,d}}{TotalWithdrawalUnits_d}$$

Where:

d = A given day in month M.

N = Number of days d in month M.

$StationPower_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.6.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.6.1.2 shall be determined for day d.

6.1.6.1.3 Non-ISO Facilities Payment Credit

The ISO shall credit each Transmission Customer based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the non-ISO facilities payment charge under Section 6.1.6.1.2 of this Rate Schedule 1 for each month. This credit shall be equal to the sum of daily payments for the Transmission Customer, as calculated according to the following formula, for each day in the relevant month.

Non-ISO Facilities Payment $Credit_{c,d}$ =

$$NonISOFacPayCharge_d \times \frac{WithdrawalUnits_{c,d}}{TotalWithdrawalUnits_d}$$

Where:

d = A given day in the relevant month.

Non-ISO Facilities Payment $Credit_{c,d}$ = The amount, in $, that Transmission Customer c will receive for day d.

$NonISOFacPayCharge_d$ = The sum of non-ISO facilities payment charges, in $, for all Transmission Customers as calculated in Section 6.1.6.1.2 of this Rate Schedule 1 for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.6.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.6.1.3 shall be determined for day d.

6.1.7 Charge to Recover Payments Made to Suppliers Pursuant to Incremental Cost Recovery for Units Responding to Local Reliability Rules I-R3 and I-R5

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a charge for the recovery of the costs of payments to Suppliers pursuant to the incremental cost

recovery for units that responded to either (i) Local Reliability Rule I-R3 or (ii) Local Reliability Rule I-R5, as applicable, for each month. This charge shall be equal to the sum of the daily charges for the Transmission Customer, as calculated according to the following formula, for each day in the relevant month. The ISO shall perform this calculation separately to recover as applicable either (i) the payment costs related to Local Reliability I-R3, or (ii) the payment costs related to Local Reliability Rule I-R5.

Local Reliability Rules Payment Recovery Charge$_{c,d}$ =

$$\text{LRRPayment}_d \times \frac{\text{TDWithdrawalUnits}_{c,d}}{\text{TDTotalWithdrawalUnits}_d}$$

Where:

c = Transmission Customer.

d = A given day in the relevant month.

Local Reliability Rules Payment Recovery Charge$_{c,d}$ = The amount, in $, for which Transmission Customer c is responsible for day d.

LRRPayment$_d$ - The amount, in $, paid in day d to Suppliers pursuant to the incremental cost recovery for units that responded, as applicable, to either (i) Local Reliability Rule I-R3 in the Consolidated Edison Transmission District or (ii) Local Reliability Rule I-R5 in the LIPA Transmission District.

TDWithdrawalUnits$_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d in either (i) the Consolidated Edison Transmission District (in the case of Local Reliability Rule I-R3) or (ii) the LIPA Transmission District (in the case of Local Reliability Rule I-R5), except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

TDTotalWithdrawalUnits$_d$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d in either (i) the Consolidated Edison Transmission District (in the case of Local Reliability Rule I-R3) or (ii) the LIPA Transmission District (in the case of Local Reliability Rule I-R5), except for the Withdrawal Billing Units to supply Station Power as third-party providers.

6.1.8 Residual Costs Payment/Charge

The ISO's payments for market transactions by Transmission Customers will not equal the ISO's payments to Suppliers for market transactions. Part of the difference consists of Day-Ahead Congestion Rent. The remainder comprises a residual adjustment, which the ISO shall calculate and each Transmission Customer shall receive or pay on the basis of its Withdrawal Billing Units. The most significant component of the residual adjustment is the residual costs payment or charge calculated in accordance with Section 6.1.8.1 of this Rate Schedule 1.

6.1.8.1 Calculation of Residual Costs Payment/Charge

6.1.8.1.1 Transmission Customers Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall calculate, and each Transmission Customer shall receive or pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a residual costs payment or a residual costs charge for each month. The monthly payment or charge shall be equal to (i) the sum of the hourly residual costs payments for the Transmission Customer as calculated according to the following formula for each hour in the relevant month, minus (ii) the sum of the hourly residual costs charges for the Transmission Customer as calculated in the following formula for each hour in the relevant month. If the result of this determination is positive, the ISO shall pay the Transmission Customer a residual costs payment for the relevant month. If the result of this determination is negative, the ISO shall charge the Transmission Customer a residual costs charge for the relevant month.

Residual Costs Payment/Charge$_{c,h}$ =

$$\left(\text{CustomerPayments}_{h} - \text{ISOPayments}_{h}\right) \times \frac{\text{WithdrawalUnits}_{c,h}}{\text{TotalWithdrawalUnits}_{h}}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant month.

Residual Costs Payment/Charge $_{c,h}$ = The amount, in $, for hour h that Transmission Customer c will receive (if positive) or for which Transmission Customer c is responsible (if negative).

$\text{WithdrawalUnits}_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h, except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

$\text{TotalWithdrawalUnits}_{h}$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h, except for the Withdrawal Billing Units to supply Station Power as third-party providers.

$\text{CustomerPayments}_{h}$ = The ISO's receipts, in $, for each hour h from Transmission Customers that equal the sum of the following components, which could be either positive or negative amounts:

(i) payments of the Energy component and Marginal Losses Component of LBMP for Energy scheduled in the LBMP Market in hour h in the Day-Ahead Market;

(ii) payments of the Energy component, Marginal Losses Component, and Congestion Component of LBMP for Energy purchased in the Real-Time LBMP Market for hour h that was not scheduled Day-Ahead;

(iii) payments of the Energy component, Marginal Losses Component, and Congestion Component of LBMP for Energy by Suppliers that provided less Energy in the real-time dispatch for hour h than they were scheduled Day-Ahead to provide in hour h for the LBMP Market;

(iv) the Marginal Losses Component of the TUC payments made in accordance with this ISO OATT for Bilateral Transactions that were scheduled in hour h in the Day-Ahead Market; and

(v) the Marginal Losses Component and Congestion Component of the real-time TUC payments made in accordance with this ISO OATT for Bilateral Transactions that were not scheduled in hour h in the Day-Ahead Market.

$ISOPayments_h$ = The ISO's payments, in $, in each hour h to Suppliers that equal the sum of the following components, which could be either positive or negative amounts:

(i) payments of the Energy component and Marginal Losses Components of LBMP for Energy to Suppliers that were scheduled to provide in the LBMP Market in hour h in the Day-Ahead Market;

(ii) payments to Suppliers of the Energy component, Marginal Losses Component, and Congestion Component of LBMP for Energy provided to the ISO in the Real-Time Dispatch for hour h that those Suppliers were not scheduled to provide Energy in hour h in the Day-Ahead Market;

(iii) payments of the Energy component and Marginal Losses Component of LBMP for Energy to LSEs that consumed less Energy in the real-time dispatch than those LSEs were scheduled Day-Ahead to consume in hour h; and

(iv) payments of the Marginal Losses Component and Congestion Component of the real-time TUC to Transmission Customers that reduced their Bilateral Transaction schedules for hour h after the Day-Ahead Market.

6.1.8.1.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Part 5 of this ISO OATT.

The ISO shall calculate, and each Transmission Customer shall receive or pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a residual costs payment or a residual costs charge for each month. The monthly payment or charge shall be equal to (i) the sum of the daily residual costs payments for the Transmission Customer as calculated according to the following formula for each day in the relevant month, minus (ii) the sum of the daily residual costs charges for the Transmission Customer as calculated in the following formula for each day in the relevant month. If the result of this determination is positive, the ISO shall pay the Transmission Customer a residual costs payment for the relevant month. If the result

of this determination is negative, the ISO shall charge the Transmission Customer a residual costs charge for the relevant month.

Residual Costs Payment/Charge$_{c,d}$ =

$$\frac{\left(\text{CustomerPayments}_d - \text{ISOPayments}_d\right)}{\text{TotalWithdrawalUnits}_d} \times \text{StationPower}_{c,d}$$

Where:

d = A given day in the relevant month.

StationPower$_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c that it used to supply Station Power as a third-party provider for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.8.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.8.1.2 shall be determined for day d.

6.1.8.1.3 Residual Costs Adjustment

The ISO shall calculate, and each Transmission Customer shall receive or pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a residual costs adjustment for each month. This adjustment shall be equal to the sum of the daily adjustments (positive and negative) for the Transmission Customer, as calculated according to the following formula, for each day in the relevant month. If the summed amount is positive for the month, the ISO shall pay the Transmission Customer the adjustment amount. If the summed amount is negative for the month, the ISO shall charge the Transmission Customer the adjustment amount.

Residual Costs Adjustment$_{c,d}$ =

$$\text{ResidCharge/PaymentCosts}_d \times \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_d}$$

Where:

d = A given day in the relevant month.

Residual Costs Adjustment$_{c,d}$ = The amount, in $, for day d that Transmission Customer c will receive (if positive) or for which Transmission Customer c is responsible (if negative).

ResidCharge/PaymentCosts$_{d}$ = (i) If Transmission Customers were responsible for a residual costs charge for day d pursuant to Section 6.1.8.1.2 of this Rate Schedule 1, the (positive) amount, in $, of the costs that the ISO has collected through the residual costs charges for all Transmission Customers for day d. (ii) If Transmission Customers received a residual costs payment for day d pursuant to Section 6.1.8.1.2 of this Rate Schedule 1, the (negative) amount, in $, of the revenue that the ISO has paid through the residual costs payments to all Transmission Customers for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.8.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.8.1.3 shall be determined for day d.

6.1.9 Recovery of Special Case Resources and Curtailment Services Providers Costs

The ISO shall charge, and each Transmission Customer shall pay, a charge for the recovery of Special Case Resources and Curtailment Service Providers costs for each month. This charge shall be equal to the sum of the hourly charges for the Transmission Customer, as calculated in Sections 6.1.9.1 and 6.1.9.2 of this Rate Schedule 1, for each hour in the relevant month and, where applicable, for each Subzone.

6.1.9.1 Recovery of Costs for Payments for Special Case Resources and Curtailment Service Providers Called to Meet the Reliability Needs of a Local System

Pursuant to this Section 6.1.9.1, the ISO shall recover the costs of payments to Special Case Resources and Curtailment Service Providers that were called to meet the reliability needs of a local system. To do so, the ISO shall charge, and each Transmission Customer

that serves Load in the Subzone for which the reliability services of the Special Case Resources and Curtailment Service Providers were called shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula for each Subzone.

Local Reliability SCR and CSP $Charge_{c,h}$ =

$$LocalReliabilityCosts_h \times \frac{SZWithdrawalUnits_{c,h}}{SZTotalWithdrawalUnits_h}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant month.

Local Reliability SCR and CSP $Charge_{c,h}$ = The amount, in $, for which Transmission Customer c is responsible for hour h for the relevant Subzone.

$LocalReliabilityCosts_h$ = The payments, in $, for hour h in the relevant Subzone made to Suppliers for Special Case Resources and Curtailment Service Providers called to meet the reliability needs of that Subzone.

$SZWithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

$SZTotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.9.2 Recovery of Costs for Payments for Special Case Resources and Curtailment Service Providers Called to Meet the Reliability Needs of the NYCA

Pursuant to this Section 6.1.9.2, the ISO shall recover the costs of payments to Special Case Resources and Curtailment Service Providers called to meet the reliability needs of the NYCA. To do so, the ISO shall charge, and each Transmission Customer that serves Load in

the NYCA shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula.

NYCA Reliability SCR and CSP $Charge_{c,h}$ =

$$NYCAReliabilityCosts_h \times \frac{WithdrawalUnits_{c,h}}{TotalWithdrawalUnits_h}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant month.

NYCA Reliability SCR and CSP $Charge_{c,h}$ = The amount, in $, for which Transmission Customer c is responsible for hour h.

$NYCAReliabilityCosts_h$ = The payments, in $, for hour h made to Suppliers for Special Case Resources and Curtailment Service Providers called to meet the reliability needs of the NYCA.

$WithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h, except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

$TotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h, except for the Withdrawal Billing Units to supply Station Power as third-party providers.

6.1.10. Recovery of Day-Ahead Margin Assurance Payment Costs

The ISO shall charge, and each Transmission Customer shall pay, a charge for the recovery of DAMAP costs for each month. This monthly charge shall be equal to the sum of the charges and credits for the Transmission Customer, as calculated in Sections 6.1.10.1 and 6.1.10.2 of this Rate Schedule 1, for each hour or each day, as applicable, in the relevant month and for each Subzone, where applicable.

6.1.10.1 Recovery of Costs of DAMAPs Resulting from Meeting the Reliability Needs of a Local System

Pursuant to this Section 6.1.10.1, the ISO shall recover the costs for DAMAPs incurred to compensate Resources for meeting the reliability needs of a local system.

6.1.10.1.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability DAMAP Charge}_{c,h} = \text{DAMAPCosts}_h \times \frac{\text{SZWithdrawalUnits}_{c,h}}{\text{SZTotalWithdrawalUnits}_h}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant month.

$\text{Local Reliability DAMAP Charge}_{c,h}$ = The amount, in $, for which Transmission Customer c is responsible for hour h for the relevant Subzone.

DAMAPCosts_h = The DAMAP costs, in $, for hour h in the relevant Subzone incurred to compensate Resources meeting the reliability needs of that Subzone.

$\text{SZWithdrawalUnits}_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

$\text{SZTotalWithdrawalUnits}_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.10.1.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability DAMAP Charge}_{c,d} = \frac{\text{DAMAPCosts}_d}{\text{SZTotalWithdrawalUnits}_d} \times \text{SZStationPower}_{c,d}$$

Where:

d = A given day in the relevant month.

$\text{SZStationPower}_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c in day d in the relevant Subzone that are used to supply Station Power as a third-party provider, except for Withdrawal Billing Units for Wheels Through and Exports.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.1.2 shall be determined for day d.

6.1.10.1.3 Local Reliability DAMAP Credit

The ISO shall calculate, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall receive based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.10.1.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant month.

$$\text{Local Reliability DAMAP Credit}_{c,d} = \text{LocRelDAMAPCharge}_d \times \frac{\text{SZWithdrawalUnits}_{c,d}}{\text{SZTotalWithdrawalUnits}_d}$$

Where:

d = A given day in the relevant month.

Local Reliability DAMAP Credit$_{c,d}$ = The amount, in $, that Transmission Customer c will receive for day d for the relevant Subzone.

LocRelDAMAPCharge$_{d}$ = The sum of charges, in $, for all Transmission Customers in the relevant Subzone as calculated in Section 6.1.10.1.2 of this Rate Schedule 1 for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.1.3 shall be determined for day d.

6.1.10.2 Recovery of Costs of All Remaining DAMAPs

Pursuant to this Section 6.1.10.2, the ISO shall recover the costs of all DAMAPs not recovered through Section 6.1.10.1 of this Rate Schedule 1 from all Transmission Customers.

6.1.10.2.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula.

$$\text{Remaining DAMAP Charge}_{c,h} = \text{RemainingDAMAPCosts}_{h} \times \frac{\text{WithdrawalUnits}_{c,h}}{\text{TotalWithdrawalUnits}_{h}}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant month.

Remaining DAMAP Charge$_{c,h}$ = The amount, in $, for which Transmission Customer c is responsible for hour h.

$RemainingDAMAPCosts_h$ = The DAMAP costs, in $, for hour h not recovered by the ISO through Section 6.1.10.1 of this Rate Schedule 1.

$WithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h, except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

$TotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h, except for the Withdrawal Billing Units to supply Station Power as third-party providers.

6.1.10.2.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{Remaining DAMAP Charge}_{c,d} = \frac{\text{RemainingDAMAPCosts}_d}{\text{TotalWithdrawalUnits}_d} \times \text{StationPower}_{c,d}$$

Where:

d = A given day in the relevant month.

$StationPower_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.2.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.2.2 shall be determined for day d.

6.1.10.2.3 Remaining DAMAP Credit

The ISO shall calculate, and each Transmission Customer shall receive based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.10.2.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant month.

$$\text{Remaining DAMAP Credit}_{c,d} = \text{RemainingDAMAPCharge}_{d} \times \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_{d}}$$

Where:

d = A given day in the relevant month.

Remaining DAMAP Credit$_{c,d}$ = The amount, in $, that Transmission Customer c will receive for day d.

RemainingDAMAPCharge$_{d}$ = The sum of charges, in $, for all Transmission Customers as calculated in Section 6.1.10.2.2 of this Rate Schedule 1 for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.2.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.2.3 shall be determined for day d.

6.1.11 Recovery of Import Curtailment Guarantee Payment Costs

6.1.11.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a monthly charge to recover the costs of all Import Curtailment Guarantee Payments paid to Import Suppliers for each month. This monthly charge shall be equal to the sum of the hourly charges for the Transmission Customer, as calculated in accordance with the following formula, for each hour in the relevant month.

$$\text{Import Curtailment Guarantee Charge}_{c,h} = \text{ImportCurtGuarCosts}_{h} \times \frac{\text{WithdrawalUnits}_{c,h}}{\text{TotalWithdrawalUnits}_{h}}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant month.

Import Curtailment Guarantee Charge$_{c,h}$ = The amount, in $, for which Transmission Customer c is responsible for hour h.

ImportCurtGuarCosts$_{h}$ = The costs, in $, for the Import Curtailment Guarantee Payments to Import Suppliers for hour h.

WithdrawalUnits$_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h, except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

TotalWithdrawalUnits$_{h}$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h, except for the Withdrawal Billing Units to supply Station Power as third-party providers.

6.1.11.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a monthly charge to recover the costs of all Import Curtailment Guarantee Payments paid to Import Suppliers for each month. This charge shall be equal to the sum of the daily charges for the Transmission Customer, as calculated in accordance with the following formula, for each day in the relevant month.

$$\text{Import Curtailment Guarantee Charge}_{c,d} = \frac{\text{ImportCurtGuarCosts}_{d}}{\text{TotalWithdrawalUnits}_{d}} \times \text{StationPower}_{c,d}$$

Where:

d = A given day in the relevant month.

StationPower$_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.11.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.11.2 shall be determined for day d.

6.1.11.3 Import Curtailment Guarantee Credit

The ISO shall credit each Transmission Customer based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.11.2 of this Rate Schedule 1 above for each month. This credit shall be equal to the sum of daily payments for the Transmission Customer, as calculated according to the following formula, for each day in the relevant month.

$$\text{Import Curtailment Guarantee Credit}_{c,d} = \text{ImpCurtGuarCharge}_{d} \times \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_{d}}$$

Where:

d = A given day in the relevant month.

$\text{Import Curtailment Guarantee Credit}_{c,d}$ = The amount, in $, that Transmission Customer c will receive for day d.

$\text{ImpCurtGuarCharge}_{d}$ = The sum of charges, in $, for all Transmission Customers as calculated in Section 6.1.11.2 of this Rate Schedule 1 for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.11.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.11.3 shall be determined for day d.

6.1.12 Recovery of Bid Production Cost Guarantee Payment and Demand Reduction Incentive Payment Costs

The ISO shall charge, and each Transmission Customer shall pay, a charge for the recovery of BPCG and Demand Reduction Incentive Payment costs for each month. This monthly charge shall be equal to the sum of the charges and credits for the Transmission Customer, as calculated in Sections 6.1.12.1 through 6.1.12.6 of this Rate Schedule 1, for each day and for each Subzone, where applicable.

6.1.12.1 Costs of Demand Reduction BPCGs and Demand Reduction Incentive Payments

After accounting for imbalance charges paid by Demand Reduction Providers, the ISO shall recover the costs associated with Demand Reduction Bid Production Cost guarantee payments and Demand Reduction Incentive Payments from Transmission Customers pursuant to the methodology established in Attachment R of this ISO OATT.

6.1.12.2 Costs of BPCGs for Additional Generating Units Committed to Meet Forecast Load

If the sum of all Bilateral Transaction schedules, excluding schedules of Bilateral Transactions with Trading Hubs as their POWs, and all Day-Ahead Market purchases to serve Load in the Day-Ahead schedule is less than the ISO's Day-Ahead forecast of Load, the ISO may commit Resources in addition to the reserves that it normally maintains to enable it to respond to contingencies to meet the ISO's Day-Ahead forecast of Load. The ISO shall recover a portion of the costs associated with Bid Production Cost guarantee payments for the additional Resources committed Day-Ahead to meet the Day-Ahead forecast of Load from Transmission Customers pursuant to the methodology established in Attachment T of this ISO OATT. The ISO shall recover the residual costs of such Bid Production Cost guarantee payments not recovered through the methodology in Attachment T of the ISO OATT pursuant to Section 6.1.12.6 of this Rate Schedule 1.

6.1.12.3 Costs of BPCGs Resulting from Meeting the Reliability Needs of a Local System

Pursuant to this Section 6.1.12.3, the ISO shall recover the costs for Bid Production Cost guarantee payments incurred to compensate Suppliers for their Resources, other than Special

Case Resources, that are committed or dispatched to meet the reliability needs of a local system.

6.1.12.3.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability BPCG Charge}_{c,d} = \text{BPCGCosts}_{d} \times \frac{\text{SZWithdrawalUnits}_{c,d}}{\text{SZTotalWithdrawalUnits}_{d}}$$

Where:

c = Transmission Customer.

d = A given day in the relevant month.

$\text{Local Reliability BPCG Charge}_{c,d}$ = The amount, in $, for which Transmission Customer c is responsible for day d for the relevant Subzone.

BPCGCosts_{d} = The Bid Production Cost guarantee payments, in $, made to Suppliers for Resources for day d in the relevant Subzone arising as a result of meeting the reliability needs of that Subzone, except for the Bid Production Cost guarantee payments made to Suppliers for Special Case Resources.

$\text{SZWithdrawalUnits}_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

$\text{SZTotalWithdrawalUnits}_{d}$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.12.3.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability BPCG Charge}_{c,d} = \frac{\text{BPCGCosts}_d}{\text{SZTotalWithdrawalUnits}_d} \times \text{SZStationPower}_{c,d}$$

Where:

$\text{SZStationPower}_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c in day d in the relevant Subzone that are used to supply Station Power as a third-party provider, except for Withdrawal Billing Units for Wheels Through and Exports.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.3.1 above,

6.1.12.3.3 Local Reliability BPCG Credit

The ISO shall calculate, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall receive based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.12.3.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant month.

$$\text{Local Reliability BPCG Credit}_{c,d} = \text{LocRelBPCGCharge}_d \times \frac{\text{SZWithdrawalUnits}_{c,d}}{\text{SZTotalWithdrawalUnits}_d}$$

Where:

$\text{Local Reliability BPCG Credit}_{c,d}$ = The amount, in $, that Transmission Customer c will receive for day d for the relevant Subzone.

$LocRelBPCGCharge_d$ = The sum of charges, in $, for all Transmission Customers in the relevant Subzone as calculated in Section 6.1.12.3.2 of this Rate Schedule 1 for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.3.1 above.

6.1.12.4 Cost of BPCGs for Special Case Resources Called to Meet the Reliability Needs of a Local System

Pursuant to this Section 6.1.12.4, the ISO shall recover the costs of Bid Production Cost guarantee payments incurred to compensate Special Case Resources called to meet the reliability needs of a local system. To do so, the ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Special Case Resource is located shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability SCR BPCG Charge}_{c,d} = \text{BPCGCosts}_d \times \frac{\text{SZWithdrawalUnits}_{c,d}}{\text{SZTotalWithdrawalUnits}_d}$$

Where:

c = Transmission Customer.

d = A given day in the relevant month.

$\text{Local Reliability SCR BPCG Charge}_{c,d}$ = The amount, in $, for which Transmission Customer c is responsible for day d for the relevant Subzone.

BPCGCosts_d = The Bid Production Cost guarantee payments, in $, made to Suppliers for Special Case Resources for day d in the relevant Subzone arising as a result of meeting the reliability needs of that Subzone.

$\text{SZWithdrawalUnits}_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

$\text{SZTotalWithdrawalUnits}_d$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.12.5 Cost of BPCG for Special Case Resources Called to Meet the Reliability Needs of the NYCA

Pursuant to this Section 6.1.12.5, the ISO shall recover the costs for Bid Production Cost guarantee payments to compensate Special Case Resources called to meet the reliability needs of the NYCA. To do so, the ISO shall charge, and each Transmission Customer that serves Load in the NYCA shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{NYCA Reliability SCR BPCG Charge}_{c,d} = \text{BPCGCosts}_d \times \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_d}$$

Where:

c = Transmission Customer.

d = A given day in the relevant month.

$\text{NYCA Reliability SCR BPCG Charge}_{c,d}$ = The amount, in $, for which Transmission Customer c is responsible for day d.

BPCGCosts_d = The Bid Production Cost guarantee payments, in $, made to Suppliers for Special Case Resources called to meet the reliability needs of the NYCA for day d.

$\text{WithdrawalUnits}_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d, except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

$\text{TotalWithdrawalUnits}_d$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d, except for the Withdrawal Billing Units to supply Station Power as third-party providers.

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6.1.12.6 Costs of All Remaining BPCGs

Pursuant to this Section 6.1.12.6, the ISO shall recover the costs of all Bid Production Cost guarantee payments not recovered through Sections 6.1.12.1, 6.1.12.2, 6.1.12.3, 6.1.12.4, and 6.1.12.5 of this Rate Schedule 1, including the residual costs of Bid Production

Cost guarantee payments for additional Resources not recovered through the methodology in Attachment T of this ISO OATT, from all Transmission Customers.

6.1.12.6.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{Remaining BPCG Charge}_{c,d} = \text{RemainingBPCGCosts}_{d} \times \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_{d}}$$

Where:

c = Transmission Customer.

d = A given day in the relevant month.

$\text{Remaining BPCG Charge}_{c,d}$ = The amount, in $, for which Transmission Customer c is responsible for day d.

$\text{RemainingBPCGCosts}_{d}$ = The BPCG costs, in $, for day d not recovered by the ISO through Sections 6.1.12.1, 6.1.12.2, 6.1.12.3, 6.1.12.4, and 6.1.12.5 of this Rate Schedule 1.

$\text{WithdrawalUnits}_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d, except for the Withdrawal Billing Units to supply Station Power as a third-party provider.

$\text{TotalWithdrawalUnits}_{d}$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d, except for the Withdrawal Billing Units to supply Station Power as third-party providers.

6.1.12.6.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Part 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{Remaining BPCG Charge}_{c,d} = \frac{\text{RemainingBPCGCosts}_d}{\text{TotalWithdrawalUnits}_d} \times \text{StationPower}_{c,d}$$

Where:

$\text{StationPower}_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.6.1 of this Rate Schedule 1 above.

6.1.12.6.3 Remaining BPCG Credit

The ISO shall calculate, and each Transmission Customer shall receive based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.12.6.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant month.

$$\text{Remaining BPCG Credit}_{c,d} = \text{RemainingBPCGCharge}_d \times \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_d}$$

Where:

$\text{Remaining BPCG Credit}_{c,d}$ = The amount, in $, that Transmission Customer c will receive for day d.

$\text{RemainingBPCGCharge}_d$ = The sum of charges, in $, for all Transmission Customers as calculated in Section 6.1.12.6.2 of this Rate Schedule 1 for day d.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.6.1 of this Rate Schedule 1 above.

6.1.13 Dispute Resolution Payment/Charge

The ISO shall calculate, and each Transmission Customer shall receive or pay, a dispute resolution payment or charge in accordance with Section 6.1.13.1 of this Rate Schedule 1 for the distribution of funds received by the ISO or the recovery of funds incurred by the ISO in the settlement of a dispute.

6.1.13.1 Calculation of the Dispute Resolution Payment/Charge

The ISO shall calculate, and each Transmission Customer shall receive or pay, a dispute resolution payment or a dispute resolution charge for each month as calculated according to the following formula.

Dispute Resolution Payment/ $Charge_{c,M}$ =

$$\text{DisputeResolutionCosts}_{M} \times \frac{\text{WithdrawalUnits}_{c,M}}{\text{TotalWithdrawalUnits}_{M}}$$

Where:

c = Transmission Customer.

M = The relevant month.

Dispute Resolution Payment/$Charge_{c,M}$ = The amount, in $, for month M that (i) Transmission Customer c will receive if the ISO is distributing funds that it has collected in the settlement of a dispute, or (ii) Transmission Customer c will be responsible for if the ISO is recovering funds that it has incurred in the settlement of a dispute.

$DisputeResolutionCosts_{M}$ = The amount, in $, for month M that (i) the ISO has collected in the settlement of a dispute or (ii) the ISO has incurred in the settlement of a dispute.

$WithdrawalUnits_{c,M}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in month M.

$TotalWithdrawalUnits_{M}$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in month M.

6.1.14 Credit for Financial Penalties

The ISO shall distribute to each Transmission Customer on a monthly basis in accordance with the following formula any payments that it has collected from Transmission Customers to satisfy: (i) Financial Impact Charges issued pursuant to Sections 4.5.3.2 and 4.5.4.2 of the ISO Services Tariff; (ii) ICAP sanctions issued pursuant to Section 5.12.12 of the ISO Services Tariff; (iii) ICAP deficiency charges pursuant to Section 5.14.3.1 of the ISO Services

Tariff, except as provided in Section 5.14.3.2 of the ISO Services Tariff; (iv) market power mitigation financial penalties pursuant to Section 23.4.3.6 of Attachment H of the ISO Services Tariff, except as provided in Section 23.4.4.3.2 of Attachment H of the ISO Services Tariff; and (v) any other financial penalties set forth in the ISO Services Tariff or this ISO OATT. The ISO will perform this calculation separately for the allocation of the revenue from each financial penalty.

$$\text{Financial Penalties Credit}_{c,M} = \text{PenaltyRevenue}_{M} \times \frac{\text{WithdrawalUnits}_{c,M}}{\text{TotalWithdrawalUnits}_{M}}$$

Where:

c = Transmission Customer.

M = A given day in the relevant month.

$\text{Financial Penalties Credit}_{c,M}$ = The amount, in $, that Transmission Customer c will receive for month M.

$\text{PenaltyRevenue}_{M}$ = The sum, in $, of revenue that the ISO has collected for month M from a Transmission Customer for one of the financial penalties indicated in this Article 6.1.14 of this Rate Schedule 1.

$\text{WithdrawalUnits}_{c,M}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c for month M.

$\text{TotalWithdrawalUnits}_{M}$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers for month M.

~~6.1.2.2.1.2 The rate to be applied to injection billing units shall be the quotient of 20% of the sum of the ISO's annual budget and FERC regulatory fees divided by the total annual estimated injection billing units as described in Section 6.1.2.1 of this Rate Schedule. The rate to be applied to withdrawal billing units shall be the quotient of 80% of the sum of the ISO's annual budget and FERC regulatory fees~~

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~~divided by the total annual estimated withdrawal billing units as described in Section 6.1.2.1 of this Rate Schedule.~~

~~6.1.2.2.1.3 The rates derived in Section 6.1.2.2.1 of this Rate Schedule shall then be multiplied by each Transmission Customer's injection billing units and withdrawal billing units, as appropriate, for the month.~~

~~6.1.2.2.1.4 For Transmission Customers that purchase Transmission Congestion Contracts and/or engage in Virtual Transactions their portion of the sum of (a) those costs listed in Section 6.1.3.1 of this Rate Schedule that are included in the ISO's annual budget and (b) the ISO's FERC regulatory fees, attributable to Transmission Congestion Contracts or Virtual Transactions, shall be calculated and billed as follows:~~

~~6.1.2.2.1.4.1 For Calendar Year 2010:~~

~~(a) $0.020 per MWh for Transmission Congestion Contracts for calendar year 2010, based on a $6.7 million projected 2010 annual revenue requirement.~~

~~(b) $0.065 per cleared MWh for Virtual Trading transactions for calendar year 2010 based on a $2.0 million projected 2010 annual revenue requirement.~~

~~6.1.2.2.1.4.2 For Subsequent Calendar Years~~

~~Each Transmission Customer shall be charged a rate computed annually based on the product of the annual revenue requirement adjusted for the over or under collection of the prior year's annual revenue requirement, divided by the three year rolling average of the billing units, where:~~

~~(a) the annual revenue requirement is determined using an escalation factor calculated as the percentage change in the originally approved ISO budget~~

between the calendar year two years prior to the current calendar year ("Calendar Year Minus 2") and the calendar year one year prior the current calendar year ("Calendar Year Minus 1");

(b) the over/under collection of the prior year's annual revenue requirement is calculated for the period between July of Calendar Year Minus 2 and June of Calendar Year Minus 1. For the purpose of this calculation the annual revenue requirement will be converted to a monthly requirement and then aggregated across the 12 months;

(c) the three year rolling average of billing units is calculated using an annual average of the billing units for the period between July of the calendar year four years prior to the current calendar year ("Calendar Year Minus 4") and June of Calendar Year Minus 1.

However, the annual rate computed will be subject to a 25% maximum increase or decrease for each year. Revenue collected pursuant to this Section 6.1.2.2.1.4 will be disbursed monthly to all injection billing units as described in Section 6.1.2.1 of this Rate Schedule and to all withdrawal billing units as described in Section 6.1.2.1 of this Rate Schedule on the same basis described in Section 6.1.2.2.1.1 of this Rate Schedule.

6.1.2.2.1.5 For Customers that participate in the ISO's Special Case Resources program or its Emergency Demand Response Program their portion of the sum of (i) the ISO's annual budget including the costs listed in Section 6.1.3.1 of this Rate Schedule; and (ii) the ISO's FERC Regulatory fees, shall be billed at the same rate charged to injection billing units as described in Section 6.1.2.1 of this

Rate Schedule. The rate will be reset annually to match the current calendar year's rate for injections. Revenue collected pursuant to this Section 6.1.2.2.1.5 will be disbursed monthly to all injection billing units as described in Section 6.1.2.1 of this Rate Schedule and to all withdrawal billing units as described in Section 6.1.2.1 of this Rate Schedule on the same basis described in Section 6.1.2.2.1.1 of this Rate Schedule.

6.1.2.2.2 ISO Unbudgeted Cost Component

Except with respect to bad debt loss and working capital contribution costs, the responsibility for those costs listed in Section 6.1.3.1 of this Rate Schedule that are neither (i) included in the ISO's annual budget, nor (ii) FERC assessed regulatory fees, shall be allocated 100% to all withdrawal billing units. The rate to be applied to withdrawal billing units in each month shall be the quotient of the amount of these costs to be included in the month, as determined by the ISO, divided by the total estimated withdrawal billing units for the month, as described in Section 6.1.2.1 of this Rate Schedule. This rate shall then be multiplied by each Transmission Customer's withdrawal billing units for the month. The responsibility for costs associated with bad debt losses and working capital contributions shall be allocated pursuant to Attachments U and V to this Tariff, respectively.

6.1.2.2.3 Non-ISO Facilities Payments Component

6.1.2.2.3.1 The monthly payments the ISO makes to owners of facilities that are needed for the economic and reliable operation of the NYS Transmission System shall be recovered based on withdrawal billing units. Currently, the ISO makes payments to Consolidated Edison Co. of New York, Inc. for the purchase,

~~installation, operation and maintenance of phase angle regulators at the Branchburg-Ramapo Interconnection between the ISO and PJM Interconnection, LLC and to Rochester Gas & Electric Corporation for the installation of a 135 MVAR Capacitor Bank at Rochester Station 80 on the cross-state 345 kV system. The charges to be applied to withdrawal billing units for Transmission Customers, other than those taking service under Section 5 of the OATT to supply Station Power as third party providers, shall be the product of (A) the sum of the monthly bills for such facilities from: (i) Consolidated Edison Co. of New York (less the one-half of such bill paid by PJM Interconnection, LLC) and (ii) Rochester Gas and Electric Corporation, divided by the total number of hours in the month, and (B) the ratio of (i) the Transmission Customer's withdrawal billing units for that hour as described in Section 6.1.2.1 of this Rate Schedule to (ii) the sum of all ISO Transmission Customers' withdrawal billing units for that hour (other than withdrawal billing units for those taking services under Part 5 of the OATT) as described in Section 6.1.2.1 of this Rate Schedule. Charges to be paid by Transmission Customers for this service shall be aggregated to render a monthly charge.~~

~~6.1.2.2.3.2 Transmission Customers taking service under Section 5 of the OATT to supply Station Power as third-party providers shall pay to the ISO a daily charge for this service equal to the product of (A) the sum of the daily bills for such facilities as described in subparagraph (a) above and (B) the ratio of the Transmission Customer's Station Power supplied under Section 5 of the OATT for the day to the sum of all withdrawal billing units for the day.~~

6.1.2.2.3.3 The ISO shall credit charges paid for this service by Transmission Customers and LSEs taking service under Section 5 of the OATT to supply Station Power as third-party providers for the day on a Load Ratio Share basis to Transmission Customers serving Load in the NYCA for the day.

6.1.2.2.4 Residual Adjustment

The residual Adjustment shall consist of four costs: Residual Costs pursuant to 6.1.2.2.4.1.1 and 6.1.2.2.4.1.2 of this Rate Schedule, Special Case Resource and Curtailment Service Provider costs pursuant to 6.1.2.2.4.2 of this Rate Schedule, Day-Ahead Margin Assurance payments pursuant 6.1.2.2.4.3 of this Rate Schedule and Import Supplier Guarantee costs pursuant to 6.1.2.2.4.4 of this Rate Schedule.

6.1.2.2.4.1 Residual Costs

6.1.2.2.4.1.1 The ISO shall calculate, and Transmission Customers, other than Transmission Customers taking service under Section 5 of the OATT to supply Station Power as third party providers, shall pay an hourly charge equal to the product of (A) the residual costs listed in Section 6.1.4.1 of this Rate Schedule for each hour and (B) the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the hour, and hourly Energy schedules for all Wheels Through and Exports, to (ii) the sum of all ISO Transmission Customers' Actual Energy withdrawals for all Transmission Service to supply Load in the NYCA for the hour and hourly Energy schedules for all Wheels Through and Exports.

6.1.2.2.4.1.2 The ISO shall calculate, and each Transmission Customer taking service under Part 5 of the OATT to supply Station Power as a third party provider shall

pay a daily charge equal to the product of (A) the residual costs listed in Section 6.1.4.1 of this Rate Schedule for each day and (B) the ratio of (i) the withdrawal units of the Transmission Customer taking service under Part 5 of the OATT to supply Station Power as a third party provider for that day to (ii) the sum of all ISO Transmission Customers' Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the day, and Energy schedules for the day for all Wheels Through and Exports. The ISO shall credit revenue collected by application of this charge, on a Load ratio share basis, to all ISO Transmission Customers' Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the day, and Energy schedules for all Wheels Through and Exports summed for the day.

6.1.2.2.4.2 Special Case Resource and Curtailment Service Provider costs

The ISO shall calculate, and Transmission Customers, other than Transmission Customers taking service under Part 5 of the OATT to supply Station Power as third party providers, shall pay an hourly charge for the costs of payments made for Special Case Resources and Curtailment Service Providers to meet the reliability needs of local systems and of the NYCA pursuant to Section 6.1.4.2 of this Rate Schedule.

6.1.2.2.4.3 Day-Ahead Margin Assurance payments

The ISO shall calculate, and Transmission Customers shall pay an hourly charge for the costs of payments made for Day-Ahead Margin Assurance calculated pursuant to Section 6.1.5 of this Rate Schedule.

6.1.2.2.4.4 Import Supplier Guarantee costs

The ISO shall calculate, and Transmission Customers shall pay an hourly charge for the costs of payments made for Import Supplier Guarantees calculated pursuant to Section 6.1.6 of this Rate Schedule.

6.1.2.2.5 Bid Production Cost guarantee payments

The ISO shall calculate, and each Transmission Customer shall pay, a daily charge for Bid Production Cost guarantees including the costs of supplemental payments and Demand Reduction Incentive Payments made to Demand Reduction Providers calculated pursuant to Section 6.1.7 of this Rate Schedule.

6.1.2.2.6 NERC and Related Dues, Fees and Other Charges Component

Dues, fees, and other charges: (i) of NERC for its service as the Electric Reliability Organization for the United States ("ERO") recovered pursuant to FERC Docket Nos. RM05-30-000, RR06-1-000 and RR06-3-000 and related dockets, and (ii) of Northeast Power Coordinating Council: Cross-Border Regional Entity, Inc., or its successors, incurred to carry out functions that are delegated by the NERC and that are related to ERO matters pursuant to Section 215 of the FPA, all of which dues, fees, and other charges shall be recovered quarterly. Such recovery shall be based on Actual Energy Withdrawals to supply Load in the NYCA, utilizing the load metering information for the most recent month for which actual load meter data are available for invoices issued through August 31, 2007 and utilizing finalized actual load metering data no longer subject to challenge for invoices issued on or after September 1, 2007. The metering information shall not be subject to correction or adjustment. Notwithstanding any applicable provisions of this Tariff or of the ISO Services Tariff, the ISO may supply

to NERC the name of any LSE failing to pay any amounts due to NERC and the amounts not paid.

6.1.2.2.7 Payments Made To Generators Pursuant to Incremental Cost Recovery for Units Responding to Local Reliability Rule I-R3 and I-R5.

Amounts paid to Suppliers, pursuant to the Incremental Cost Recovery for Units Responding to Local Reliability Rules I-R3 and I-R5, shall be recovered from Load in the Transmission District of the Supplier being paid, other than Load scheduled by a Transmission Customer taking service under Part 5 of the OATT to supply Station Power as a third party provider, on the basis of each LSE's contribution to the Load in the day the payment obligation is incurred.

6.1.3 ISO Costs

ISO costs to be recovered through the Rate Schedule 1 charge include:

6.1.3.1 Costs associated with the operation of the NYS Transmission System by the ISO and administration of this Tariff by the ISO, including without limitation, the following:

- Processing and implementing requests for transmission service including support of the ISO OASIS node;
- Coordination of transmission system operation and implementation of necessary control actions by the ISO and support for these functions;
- Performing centralized security constrained dispatch to optimally re-dispatch the NYS Power System to mitigate transmission Interface overloads and provide balancing services;
- Billing associated with Transmission Service provided under this Tariff;
- Preparation of settlement statements;
- Rebilling which supports this service;

- ~~NYS Transmission System studies, when the costs of the studies are not recoverable from a Transmission Customer;~~
- ~~Engineering services and operations planning;~~
- ~~Data and voice communications network service coordination;~~
- ~~Metering maintenance and calibration scheduling;~~
- ~~Dispute resolution;~~
- ~~Record keeping and auditing;~~
- ~~Training of ISO personnel;~~
- ~~Development of new information, communication and control systems;~~
- ~~Professional services;~~
- ~~Working capital and carrying costs on ISO assets, capital requirements and debts;~~
- ~~Tax expenses, if any;~~
- ~~Administrative and general expenses;~~
- ~~Insurance expenses, including costs incurred by the Board to procure credit insurance to protect against losses attributable to nonpayment by Customers;~~
- ~~Any indemnification of or by the ISO pursuant to Section 2.11.2 of this Tariff;~~
- ~~Costs that the ISO incurs as a result of bad debt, including finance charges;~~
- ~~Refunds, if any, ordered by the Commission to be paid by the ISO, at the conclusion of Central Hudson Gas & Electric Corp., Docket Nos. ER97-1523-011, OA97-470-010 and ER97-4234-008; and~~
- ~~Regulatory fees.~~
- ~~The ISO's share of the expenses of Northeast Power Coordinating Council, Inc. or its successor.~~

~~**6.1.4 Residual Adjustment**~~

~~**6.1.4.1 Residual Costs**~~

~~The ISO's payments from Transmission Customers will not equal the ISO's payments to Suppliers. That part of the difference not otherwise allocated pursuant to provisions of this Rate Schedule, including Day-Ahead Congestion Rent, shall comprise the Residual Cost component of the Residual Adjustment. Significant components of the Residual Cost component, which is calculated below, include:~~

- ~~The greater revenue the ISO collects for Marginal Losses from Transmission Customers, in contrast to payments for losses remitted to generation facilities;~~
- ~~Costs or savings associated with the ISO redispatch of Generators resulting from a change in Transfer Capability between the Day-Ahead schedule and the real-time dispatch;~~
- ~~The cost resulting from inadvertent interchange (if unscheduled Energy flows out of the NYCA to other Control Areas), or the decrease in cost resulting from inadvertent interchange (if unscheduled Energy flows into the NYCA from other Control Areas) and associated payments in kind;~~
- ~~Costs or revenues from Emergency Transactions with other Control Area operators;~~
- ~~Cost or revenues from Special Test Transactions with other Control Area operators;~~
- ~~Metering errors resulting in payments to or from Transmission Customers to be either higher or lower than they would have been in the absence of metering errors;~~
- ~~Deviations between actual system Load and the five-minute-ahead Load forecast used by SCD, resulting in either more or less Energy than is needed to meet Load;~~
- ~~Energy provided by generation facilities in excess of the amounts requested by the ISO (through SCD Base Point Signals or AGC Base Point Signals);~~
- ~~If generation facilities providing Regulation Service have actual output in excess of their AGC Base Point Signals, but the SCD Base Point Signals is higher than either, the real-time payments they receive for Energy produced will be based on the SCD Base Point Signals; and~~

- Transmission Customers serving Load in the NYCA will be billed based upon an estimated distribution of Loads to buses within each Load Zone. If the actual distribution of Load differs from this assumed distribution, the total amount collected from Transmission Customers could be either higher or lower than the amount that would have been collected if the actual distribution of Loads had been known.

- Settlements for losses revenue variances, as described in Attachment K of this Tariff, with Transmission Owners that pay marginal losses to the ISO for losses associated with modified TWAs (not converted to TCCs) while receiving losses payments from the participants in those TWAs other than marginal losses.

- Payments made to Generators that are redispatched pursuant to the Interregional Transmission Congestion Management Pilot Program, set forth in Sections 5.1.2-5.1.2.4 of the Services Tariff, to the extent such payments are not recovered by the ISO an Emergency Transaction with another Control Area.

The Residual Cost component for each month shall be the sum of the hourly Residual costs calculated as follows: (A) the ISO's receipts from Transmission Customers and Primary Holders of TCCs for services which equal the sum of: (i) payments for Energy scheduled in the LBMP Market in that hour in the Day-Ahead commitment; (ii) payments for Energy purchased in the Real-Time LBMP Market for that hour that was not scheduled Day-Ahead; (iii) payments for Energy by generating facilities that generated less Energy in the real-time dispatch for that hour than they were scheduled Day-Ahead to generate in that hour for the LBMP Market; (iv) TUC payments made in accordance with Sections 3, 4 and 5 of this Tariff that were scheduled in that hour in the Day-Ahead commitment; and (v) real-time TUC payments in accordance with Parts 3, 4 and 5 of this Tariff that were not scheduled in that hour in the Day-Ahead commitment; (B) less the ISO's payments to generation facilities, Transmission Owners and Primary Holders of TCCs equal to the sum of the following: (i) payments for Energy to generation facilities that were scheduled to operate in the LBMP Market in that hour in the Day-Ahead commitment; (ii) payments to generation facilities for Energy provided to the ISO in the real-time dispatch for that hour that those generation facilities were not scheduled to

generate in that hour in the Day-Ahead commitment; (iii) payments for Energy to LSEs that consumed less Energy in the real-time dispatch than those LSEs were scheduled Day-Ahead to consume in that hour; (iv) payments of the real-time TUC to Transmission Customers that reduced their schedules for that hour after the Day-Ahead commitment; (v) payments of Congestion Rents collected for that hour in the Day-Ahead schedule to Primary Holders of TCCs; (vi) settlements with Transmission Owners for losses revenue variances; and (vii) positive Net Congestion Rents collected in that hour.

6.1.4.2 Allocation of Payments for Special Case Resources and Curtailment Service Providers

6.1.4.2.1 Payments for Special Case Resources and Curtailment Service Providers Called to Meet the Reliability Needs of a Local System

The ISO shall allocate payments for Special Case Resources and Curtailment Service Providers called to meet the reliability needs of a local system only to Transmission Customers, other than those taking service under Part 5 of this OATT to supply station power as a third party provider, serving Load in the Subzone for which the reliability services of the Special Case Resources and Curtailment Service Providers were called. To do so, the ISO shall assess to each Transmission Customer an hourly charge for each Subzone equal to the product of:

6.1.4.2.1.1 the payments made for that hour to Suppliers for Special Case Resources and Curtailment Service Providers called to meet the reliability needs of a local system; and

6.1.4.2.1.2 the ratio of (i) Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load for that hour in that Subzone, excluding Wheels Through and Exports, to (ii) the sum of all Transmission Customers'

Actual Energy Withdrawals for all transmission Service to supply Load for that hour in that Subzone excluding Wheels Through and Exports.

6.1.4.2.2 Payments for Special Case Resources and Curtailment Service Providers Called to Meet the Reliability Needs of the NYCA

The ISO shall allocate payments to Special Case Resources and Curtailment Service Providers called to meet the reliability needs of the NYCA to Transmission Customers, other than those taking service under Part 5 of this OATT to supply station power as a third party provider, serving Load in the NYCA. To do so, the ISO shall assess to each Transmission Customer an hourly charge equal to the product of:

6.1.4.2.2.1 the payments made for that hour to Suppliers for Special Case Resources and Curtailment Service Providers; and

6.1.4.2.2.2 the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the hour, and hourly Energy schedules for all Wheels Through and Exports, to (ii) the sum of all Transmission Customers' Actual energy Withdrawals for all Transmission Service to supply Load in the NYCA for the hour, and hourly Energy schedules for all Wheels Through and Exports.

6.1.5 Day-Ahead Margin Assurance Payments

The ISO shall allocate, on an hourly basis, the costs related to Day-Ahead Margin Assurance Payments in the following manner:

6.1.5.1 Costs of DAMAPs Resulting from Meeting the Reliability Needs of a Local System

The ISO shall allocate the costs for DAMAPs incurred to compensate Resources for meeting the reliability needs of a local system only to Transmission Customers serving Load in the Subzone where the Resource is located. To do so, the ISO shall assess to each Transmission Customer an hourly charge for each Subzone equal to the product of:

6.1.5.1.1 the DAMAP costs for that hour in that Subzone arising as a result of meeting the reliability needs of the local system; and

6.1.5.1.2 the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load for that hour in that Subzone, excluding Wheels Through and Exports, to (ii) the sum of all Transmission Customers' Actual Energy Withdrawals for all Transmission Service to supply Load for that hour in that Subzone excluding Wheels Through and Exports.

6.1.5.2 Costs of All Remaining DAMAPs

The ISO shall allocate the costs of all DAMAPs not recovered through Section 6.1.5.1 of this Schedule 1 among all Transmission Customers. To do so, the ISO shall assess to each Transmission Customer an hourly charge equal to the product of:

6.1.5.2.1 the remaining DAMAP costs for that hour not recovered by the ISO through Section 6.1.5.1; and

6.1.5.2.2 the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the hour, and hourly Energy schedules for all Wheels Through and Exports to (ii) the sum of all Transmission Customers' Actual Energy Withdrawals for all Transmission

Service to supply Load for that hour in that Subzone and hourly Energy schedules for all Wheels Through and Exports.

6.1.6 Import Curtailment Guarantee Payments

The ISO shall allocate, on an hourly basis, the costs of all Import Curtailment Guarantee Payments paid to Import Suppliers among all Transmission Customers. To do so, the ISO shall assess to each Transmission Customer an hourly charge equal to the product of:

6.1.6.1 the costs for the Import Curtailment Guarantee Payments for that hour; and

6.1.6.2 the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the hour, and hourly Energy schedules for all Wheels Through and Exports to (ii) the sum of all Transmission Customers' Actual energy Withdrawals for all Transmission Service to supply Load in the NYCA for the hour, and hourly Energy schedules for all Wheels Through and Exports.

6.1.7 Bid Production Cost Guarantee Payments and Demand Reduction Incentive Payments

The ISO shall allocate on a daily basis the costs related to Bid Production Cost guarantee payments in the following manner:

6.1.7.1 Costs of Demand Reduction BPCG and Demand Reduction Incentive Payments

After accounting for imbalance charges paid by Demand Reduction Providers, the ISO shall allocate the costs associated with Demand Reduction Bid Production Cost guarantee

payments and Demand Reduction Incentive Payments to Transmission Customers pursuant to the methodology established in Attachment R of this ISO OATT.

6.1.7.2 Costs of BPCG for Additional Generating Units Committed to Meet Forecast Load

If the sum of all Bilateral Transaction schedules and all Day-Ahead Market purchases to serve Load in the Day-Ahead schedule is less than the ISO's Day-Ahead forecast of Load the ISO may commit Resources in addition to the reserves that it normally maintains to enable it to respond to contingencies to meet the ISO's Day-Ahead forecast of Load. The ISO shall allocate a portion of the costs associated with Bid Production Cost guarantee payments for the additional Resources committed Day-Ahead to meet the Day-Ahead forecast of Load to Transmission Customers pursuant to the methodology established in Attachment T of this ISO OATT. The ISO shall allocate the residual costs of such Bid Production Cost guarantee payments not recovered through the methodology in Attachment T of the ISO OATT pursuant to Section 6.1.7.6 of this Schedule 1.

6.1.7.3 Costs of BPCGs Resulting from Meeting the Reliability Needs of a Local System

The ISO shall allocate the costs for Bid Production Cost guarantee payments incurred to compensate Suppliers for their Resources, other than Special Case Resources, that are committed or dispatched to meet the reliability needs of a local system only to Transmission Customers serving Load in the Subzone where the Resource is located. To do so, the ISO shall assess to each Transmission Customer a daily charge for each Subzone equal to the product of:

6.1.7.3.1 the Bid Production Cost guarantee payments made for that day to Suppliers for Resources in the Subzone arising as a result of meeting the reliability needs of the local system; and

6.1.7.3.2 the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load for that day in that Subzone, excluding Wheels Through and Exports, to (ii) the sum of all Transmission Customers' Actual Energy Withdrawals for all Transmission Service to supply Load for that day in that Subzone excluding Wheels Through and Exports.

6.1.7.4 Cost of BPCGs for Special Case Resources Called to Meet the Reliability Needs of a Local System

The ISO shall allocate the costs for Bid Production Cost guarantee payments incurred to compensate Special Case Resources called to meet the reliability needs of a local system only to Transmission Customers, other than those taking service under Part 5 of this OATT to supply station power as a third party provider, serving Load in the Subzone where the Special Case Resource is located. To do so, the ISO shall assess to each Transmission Customer a daily charge for each Subzone equal to the product of:

6.1.7.4.1 the BPCG payments made for that day to Suppliers for Special Case Resources called in that Subzone to meet the reliability needs of the local system; and

6.1.7.4.2 the ratio of (i) the Transmission Customer's Actual energy Withdrawals for all Transmission Service to supply Load for that day in that Subzone, excluding Wheels Through and Exports, to (ii) the sum of all Transmission Customers' Actual Energy Withdrawals for all Transmission Service to supply Load for that day in that Subzone excluding Wheels Through and Exports.

6.1.7.5 Cost of BPCG for Special Case Resources Called to Meet the Reliability Needs of the NYCA

The ISO shall allocate the costs for Bid Production Cost guarantee payments to compensate Special Case Resources called to meet the reliability needs of the NYCA to Transmission Customers, other than those taking service under Part 5 of this OATT to supply station power as a third party provider, serving Load in the NYCA. To do so, the ISO shall assess to each Transmission Customer a daily charge for each Subzone equal to the product of:

6.1.7.5.1 the BPCG payments made for that day to Suppliers for Special Case Resources called to meet the reliability needs for the NYCA; and

6.1.7.5.2 the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the day, and Energy schedules for the day for all Wheels Through and Exports to (ii) the sum of all Transmission Customers' Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the day, and Energy schedules for the day for all Wheels Through and Exports.

6.1.7.6 Costs of All Remaining BPCGs

The ISO shall allocate the costs of all Bid Production Cost guarantee payments not recovered through Sections 6.1.7.1, 6.1.7.2, 6.1.7.3, 6.1.7.4, and 6.1.7.5 of this Schedule 1, including the residual costs of Bid Production Cost guarantee payments for additional Resources not recovered through the methodology in Attachment T of this ISO OATT, among all Transmission Customers. To do so, the ISO shall assess to each Transmission Customer a daily charge equal to the product of:

6.1.7.6.1 the remaining BPCG costs for that day not recovered by the ISO through 6.1.7.1, 6.1.7.2, 6.1.7.3, 6.1.7.4, and 6.1.7.5 of this Schedule; and

~~6.1.7.6.2 the ratio of (i) the Transmission Customer's Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the day, and Energy schedules for the day for all Wheels Through and Exports to (ii) the sum of all Transmission Customers' Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA for the day, and energy schedules for the day for all Wheels Through and Exports.~~