

## **5.1 Rights and Responsibilities of Eligible Customers and LSEs**

### **5.1.1 Eligible Customers:**

Subject to Section 5.1.2, each Eligible Customer taking service under a retail access tariff of a Transmission Owner may, but need not, select an LSE to serve its needs for Energy and related services, according to the provisions of the applicable retail access tariff or retail access operating procedures. Such Eligible Customer must become a Transmission Customer under this Tariff. Each retail access customer shall be responsible for paying the retail Transmission Service Charge to the affected Transmission Owner, as provided for in the individual Transmission Owner's retail access tariffs. If an Eligible Customer selects an LSE to serve as its agent in procuring Transmission Service from the ISO, that LSE shall be responsible for all Transmission Usage Charges and other charges associated with the Transmission Service received, and billed in accordance with Section 2.7 of this Tariff. If accommodated by the applicable retail access program, an Eligible Customer may become the customer of an LSE, with that LSE serving not as an agent, but as a Transmission Customer of the ISO who procures and resells Transmission Service to the Eligible Customer. Eligible Customers using the services of an LSE, either as an agent or a reseller of Transmission Service, need not individually enter into a Service Agreement with the ISO.

### **5.1.2 Load Serving Entities**

#### **5.1.2.1 General Requirements:**

LSEs (including Eligible Customers serving as their own LSE) shall be responsible for scheduling Transmission Service and providing forecasts and other information applicable to the Eligible Customers they serve or for whom they act as agents, as required by ISO Procedures.

All LSEs must satisfy the ISO's requirements, including a requirement that LSEs schedule transactions in whole increments of 1 MW or greater in each hour at each Point of Receipt and each Point of Delivery. LSEs may provide this information aggregated to reflect the combined requirements of the Eligible Customers they serve or for whom they act as agents, to the extent permitted by ISO Procedures. All LSEs must execute a Service Agreement with the ISO pursuant to this Tariff.

**5.1.2.2 RG&E's Retail Access Plan:**

LSEs participating in RG&E's retail access program are considered Eligible Customers for purposes of service under this Tariff. Such LSEs will take service under all Parts of this Tariff and will pay a wholesale TSC to RG&E.

**5.1.2.3 Retail Access Programs:**

Each LSE participating in one or more of the retail access programs of Central Hudson, Consolidated Edison, LIPA, NYSEG, Niagara Mohawk and Orange and Rockland will sign Service Agreements under this Tariff as both a Transmission Customer and as an agent for retail access customers. Each LSE participating in such programs will certify to the ISO that they are the duly authorized agent of the retail access customers they are representing and have met all relevant PSC and individual Transmission Owner criteria. Each LSE will be responsible for paying the Transmission Usage Charges, and all other charges due here under, except the retail access customer, not the LSE, will be responsible for paying the TSC to the affected Transmission Owner.

**5.1.3 Transmission Service Charges:**

The TSC calculated under the terms of this Tariff may be collected by the Transmission

Owners in one of the following ways: (a) for retail access customers participating in Central Hudson's, Consolidated Edison's, LIPA's, New York State Electric & Gas's, Niagara Mohawk Power Corporation's, or Orange and Rockland's retail access programs, the Transmission Owner may collect its TSC directly from each Customer in its service territory that takes service under its retail access tariffs, or (b) for retail access customers participating in the RG&E's retail access program, the Transmission Owner may collect its TSC directly from the LSEs serving Load in its service territory, commensurate with each LSE's utilization of its system. The rates charged for retail access Transmission Service and the terms and condition for such service shall be in accordance with the provisions of the Transmission Owner's retail access tariff. In addition, the manner in which these charges are collected and the billing procedures shall be determined by the Transmission Owner in accordance with its filed retail access tariff and retail access plans and procedures.

#### **5.1.4 Settlement Procedures:**

Consistent with each Transmission Owner's retail access plan, the ISO shall initially utilize the services of the Transmission Owners to assist in the data collection and processing necessary to provide for financial Settlement for the services provided under this Tariff, consistent with the ISO's Settlement procedures. Any LSE whose Load is not adequately metered to allow the ISO to implement its Settlement procedures, will have its Load determined by the Transmission Owner in whose Load Zone it is located in accordance with the Transmission Owner's retail access plan on file with the PSC, or in the case of LIPA, its lawfully established rates and terms. The ISO shall use this data in developing its Settlement information and charges under this Part IV of this Tariff. The ISO's Settlement procedures shall be designed to coordinate with the retail access tariffs of each Transmission Owner, and shall accommodate

the allocation of cost responsibility for unaccounted-for Energy, theft, and losses on delivery facilities not explicitly included in the ISO's loss calculation model among all LSEs serving Load pursuant to that Transmission Owner's retail access program.

## **5.2 The Individual Retail Access Plans**

Each Transmission Owner reserves the right to unilaterally modify its retail access tariff subject to any necessary regulatory filing. Each Transmission Owner also reserves the right to unilaterally modify its retail transmission charges subject to any filing required to be made with the Commission pursuant to Section 205 of the FPA or in the case of LIPA, approval by the Long Island Power Authority's Board of Trustees. The ISO shall implement any tariff changes necessary to implement the changes to the retail transmission charge. Ongoing proceedings before the PSC may impact rates, terms and conditions for retail access programs covered under this Section.

### **5.2.1 Central Hudson**

Customers taking part in Central Hudson's retail access program shall take service under Parts I and IV of this Tariff and under Central Hudson's PSC and FERC approved retail access tariff, FERC Rate Schedule No. ER 98-3602 as amended from time to time. Pursuant to Central Hudson's retail access tariff and this Tariff all retail access customers will receive a bill from Central Hudson for the transmission component of their retail access service. Such customers shall pay this bill directly to Central Hudson.

### **5.2.2 Consolidated Edison**

Retail access customers participating in the Consolidated Edison's retail access plan shall take retail access service under Parts 2 and 5 of this Tariff and under Consolidated Edison's PSC and FERC approved retail access tariff, Consolidated Edison's Rate Schedule FERC No. 1, Attachments K and L and Consolidated Edison Company of New York, Inc. PSC No. 2 - Retail Access, as amended from time to time. Pursuant to Consolidated Edison's retail access tariff and

this Tariff, retail access customers will receive a bill from Consolidated Edison for the transmission component of their retail access service. Such customers shall pay this bill to Consolidated Edison in accordance with the terms of Consolidated Edison's Rate Schedule FERC No. 1, Attachments K and L and Consolidated Edison Company of New York, Inc. PSC No. 2 - Retail Access, as amended from time to time.

### **5.2.3 LIPA**

Retail access customers participating in the LIPA retail access plan shall receive retail Transmission Service pursuant to Parts 2 and 5 of this Tariff and the "Long Island Choice" portions of approved "Long Island Power Authority Tariff For Electric Service." Retail Transmission Service customers will be billed and shall pay for such service as part of their bundled retail delivery service rate pursuant to the Long Island Choice portion of the Long Island Power Authority Tariff for Electric Service.

### **5.2.4 NYSEG**

Retail customers participating in NYSEG's retail access program, known as Customer Advantage, shall receive Transmission Service pursuant to Parts 2 and 5 of this Tariff and pursuant to the provisions to NYSEG's retail access tariffs PSC Nos. 90, 115 and 118, as amended or their successors, that relate to its Customer Advantage Program. LSEs are referred to as "Energy Service Companies" or "ESCOs" in NYSEG's retail access tariffs. ESCOs eligible to participate in NYSEG's Customer Advantage Program will act as agents for retail customers for the purpose of obtaining the necessary service under this Tariff when a retail customer contracts with the ESCO for Electric Power Supply pursuant to the Customer Advantage Program. Retail customers that are eligible to participate in NYSEG's Customer Advantage Program that meet the requirements of the ISO and NYSEG's retail access tariffs

(referred to as “Self Supply Customers” or “SSCs” under the retail access tariffs) shall also be required to obtain the necessary service under this Tariff but solely for their own use. Retail customers participating in NYSEG’s Program will be billed and shall pay for the Transmission Service Charge as part of their retail service rate pursuant to the retail access tariffs.

NYSEG is currently a party to proceedings before the PSC, which could impact the terms and conditions of its Customer Advantage Program. It is the Company’s intent to file changes to this Tariff as necessary and appropriate to reflect Orders issued by the PSC relating to the program.

#### **5.2.5 Niagara Mohawk**

Retail access is provided to Niagara Mohawk’s customers through the company’s PSC #207 tariff, Rule 39, as amended from time to time. Customers under this program will take retail Transmission Service under Parts I and IV of this Tariff. They will be billed by, and make payments directly to Niagara Mohawk for the applicable Transmission Service Charge.

#### **5.2.6 Orange and Rockland**

Retail access customers participating in the Orange and Rockland retail access plan shall take retail access service under Parts 2 and 5 of this Tariff and under Orange and Rockland Utilities, Inc., FERC Electric Tariff, Volume No. 3, as amended from time to time. Pursuant to Orange and Rockland’s PSC approved retail access tariff and this Tariff all retail access customers will receive a bill from Orange and Rockland for the transmission component of their retail service. Such customers shall pay this bill directly to Orange and Rockland in accordance with the terms of Orange and Rockland Utilities, Inc. FERC Electric Tariff, Volume No. 3, as amended from time to time.

### **5.2.7 Rochester Gas and Electric Corporation**

Under Rochester Gas and Electric Corporation's retail access program, 10% of the Load became eligible to choose their own supplier of electricity on July 1, 1998. (PSC No. 15 - Electricity, Rochester Gas and Electric Corporation, Schedule for Electric Distribution Service.) Twenty percent of the Load will become eligible to participate in the choice program on July 1, 1999, while 50% of the Load may elect their supplier by July 1, 2000. All customers will be eligible to choose their supplier of electricity beginning July 1, 2001.



**7 Attachment A - Form of Service Agreement for Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between \_\_\_\_\_ (the “ISO”), and \_\_\_\_\_ (“Transmission Customer”).
- 2.0 The Transmission Customer has been determined by the ISO to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 4.0 The ISO agrees to provide and the Transmission Customer agrees to pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

ISO:

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Transmission Customer:

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- 6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

ISO:

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

**34 Attachment BB – New York State Gas-Electric Coordination Protocol**

For purposes of this New York State Gas-Electric Coordination Protocol (“Coordination Protocol”), the following terms shall have the meaning set forth below:

### 34.1 Definitions

**“As Currently Required”** shall mean as required by law and by the practices, protocols, and procedures reflected in the NYISO’s tariffs, agreements, manuals and technical bulletins, that were in effect between and among some or all of the Parties prior to the effective date of this Coordination Protocol, and as may be amended in the future.

**“Bulk Critical Generator”** shall mean a Generator that is needed by the NYISO in order to prevent the shedding of firm electric load and that has been derated by reason of a GSE.

**“Critical Generators”** shall mean Bulk Critical Generators and Local Critical Generators, collectively.

**“Department of Public Service” or “DPS”** shall mean the New York State Department of Public Service.

**“Energy Emergency Alert” or “EEA”** shall mean a Level 2 or Level 3 Energy Emergency Alert as defined in NERC Reliability Standard EOP-002-2, Capacity and Energy Emergencies, Attachment 1.

**“Feasible Critical Generator”** shall mean a Critical Generator that may be able to be supplied by an LDC with natural gas.

**“Feasible Natural Gas”** shall mean natural gas that an LDC may be able to make available to supply a Critical Generator.

**“Gas System Event” or “GSE”** shall mean a situation in which gas is unavailable to a Generator that is determined to be a Critical Generator, including when the unavailability of gas is due to the issuance of an OFO or other action taken by an LDC in accordance with its tariff and/or its Gas Transportation Operating Procedures for Power Generation Customers which results in the LDC having to restrict, interrupt, impose limits on or curtail the transportation of natural gas and/or balancing services to a Generator; *provided, however*, that a GSE shall not include a situation in which a Generator has derated for economic reasons in a non-emergency situation after being scheduled to run.

**“Generator”** shall mean any one of the electric generation units in New York State which use natural gas as a fuel and the owners of such generation units.

**“Good Utility Practice”** shall mean any of the practices, methods or acts engaged in or approved by a significant portion of the electric utility industry and/or the natural gas industry

during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to delineate acceptable practices, methods, or acts generally accepted in the region.

**“Local Critical Generator”** shall mean a Generator that is determined to be needed by a TO in order to prevent shedding of firm electric load and that has been derated by reason of a GSE.

**“Local Distribution Company” or “LDC”** shall mean each of the natural gas companies or their successors in New York State which supply or deliver natural gas to Generators and that are not interstate natural gas pipelines (and collectively the “LDCs”).

**“New York Independent System Operator” or “NYISO”** is the New York not-for-profit corporation responsible for providing open access transmission service, maintaining bulk power system reliability, and administering wholesale electricity markets in New York State.

**“OFO”** shall mean an Operational Flow Order issued by an LDC.

**“Parties”** shall mean the New York Independent System Operator; the LDCs, the PPOs, the TOs and the DPS.

**“PPO”** shall mean any one of the entities who operate a power plant on behalf of a Generator in New York State.

**“PSC”** shall mean the New York State Public Service Commission.

**“TO”** shall mean each of the electric transmission system owners in New York State or their successors (and collectively the “TOs”).

## **34.2 General Application**

- 34.2.1 This Coordination Protocol shall apply to circumstances in which the NYISO has determined (for the bulk power system) or a TO has determined (for the local power system) that the loss of a Generator due to a GSE would likely lead to the loss of firm electric load. This Coordination Protocol shall also apply to communications following the declaration of an OFO or an Emergency Energy Alert.
- 34.2.2 The purpose of this Coordination Protocol is to be one of mutual assistance. Accordingly, nothing in this Coordination Protocol creates any obligation for an LDC to modify an OFO or to make gas supplies available to a Critical Generator(s). The decision to modify or not modify an OFO or to make available or not make available Feasible Natural Gas to a Critical Generator(s) shall be the LDC's alone, in its sole discretion. Any supply of Feasible Natural Gas shall be made pursuant to the provisions of the LDC's PSC-approved gas tariffs or other applicable sales tariff. Moreover, nothing in this Coordination Protocol creates an obligation on the part of the LDC to modify the terms and conditions of the LDC's gas tariffs and operating procedures in order to make Feasible Natural Gas available to Critical Generators.
- 34.2.3 This Coordination Protocol creates no additional obligations for PPOs, Generators or TOs above and beyond those that already exist in the NYISO's approved tariffs, except to follow the coordination procedures set forth in this Coordination Protocol.
- 34.2.4 The Parties agree that they shall follow Good Utility Practice in carrying out their obligations under this Coordination Protocol.

34.2.5 It is understood that this Coordination Protocol is intended to be used in emergency situations only and is not to be relied on to provide natural gas in a non-emergency situation to a Generator that has been derated for economic reasons after being scheduled to run.

### **34.3 Notifications**

- 34.3.1 Upon the declaration of an OFO by an LDC, the LDC shall notify the DPS and the PPOs affected by the OFO, As Currently Required. In addition, the LDC shall notify the affected TOs and the NYISO. The declaration shall specify the date(s) and time(s) that the OFO will be effective and the specific service, receipt point(s) and delivery point(s) affected. The TOs shall notify the NYISO of the OFO.
- 34.3.2 Upon the declaration of an EEA by the NYISO due to a capacity shortage affecting the bulk power system, the NYISO shall notify the TO of such through normal communication channels, As Currently Required, and the TO shall notify the LDCs. The NYISO shall also notify the LDCs of the EEA.
- 34.3.3 Upon the occurrence of a GSE requiring a PPO to derate a Generator, the PPO shall notify the TO of the derating, As Currently Required. The TO shall in turn notify the NYISO, As Currently Required.



### **34.4 Assessment of the Electric System Following a Generator Derating**

34.4.1 Upon the notification of the derating of a Generator by a PPO, the TO shall assess the reliability of the local power system, As Currently Required. The TO shall assess whether any Generator that is derated due to a GSE is a Local Critical Generator. If any Generator is determined to be a Local Critical Generator, the TO shall assess, by hour, the amount of electric energy needed to avoid the shedding of firm electric load. The TO shall then communicate its findings to the NYISO, As Currently Required.

34.4.2 Upon receiving notification from the TO that the derating of a Generator due to a GSE results in a reliability concern, the NYISO shall assess the reliability of the bulk power system, As Currently Required. The NYISO shall determine whether any Generator derated due to a GSE is a Bulk Critical Generator. If any Generator is determined to be a Bulk Critical Generator, the NYISO shall determine, for each hour, the amount of electric energy needed to avoid the shedding of firm electric load.

### **34.5 Assessment of Energy Requirements**

34.5.1 The NYISO shall notify the TO that one or more Bulk Critical Generators has been identified and shall notify the TO of the amount of electric energy needed for each hour from each of the Bulk Critical Generators.

34.5.2 The TO shall notify the NYISO that one or more Local Critical Generators has been identified and shall notify the NYISO of the amount of electric energy needed for each hour from each of the Local Critical Generators.

34.5.3 The TO shall notify the PPO of each of the Critical Generators of the amount of electric energy needed for each hour from each of the Critical Generators.

34.5.4 The PPO of each Critical Generator shall notify each of the relevant LDCs delivering natural gas to the Critical Generators that one or more Critical Generators has been identified, and shall notify the LDCs of the amount of natural gas needed for each hour by each of the Critical Generators.

## **34.6 Assessment of Gas Requirements**

- 34.6.1 The PPO of each Critical Generator or, if appropriate, its designated fuel manager, shall attempt to procure natural gas and shall notify the LDC of the amount of natural gas that it has procured, if any, and the proposed delivery point(s) it plans to use, subject to confirmation by the relevant interstate pipeline. The PPO also shall inform the LDC of the estimated amount of natural gas, if any, still needed to operate in accordance with the NYISO's schedule for each hour that the Critical Generator is required.
- 34.6.2 The LDC shall communicate to the PPO whether or not it is able to receive and deliver the volumes procured by the PPO or its fuel manager and, if it is not able to receive and deliver the procured gas at the identified delivery point(s), whether it is able to identify an alternative point(s) of delivery to meet the Critical Generator's natural gas requirement in whole or in part.
- 34.6.3 If an OFO is in effect, the LDC shall evaluate whether it is able to modify such OFO in a manner that would accommodate the delivery of all or any of the natural gas procured by the PPO or its designated fuel manager. The LDC shall notify the PPO of each Critical Generator and the DPS whether it can receive and deliver all, any or none of the gas procured by the PPO. The PPO shall notify the TO of the available gas that can be received or delivered by the LDC and the expected generation capability of the PPO with such natural gas.

### **34.7 Coordination of Gas Usage**

- 34.7.1 Upon receiving notification from the TO of the Critical Generators' electric energy requirements, and from each of the PPOs of the Critical Generators of the results of its natural gas procurement efforts, and any unfilled natural gas and delivery requirements, the LDC shall assess its ability to meet the remaining natural gas needs of the Critical Generators. The LDC shall determine, for each hour, which of the Critical Generators can be feasibly supplied with natural gas and, for each hour, the quantity of natural gas that can be feasibly made available and delivered to the Critical Generators beyond the level that the Critical Generators have been able to procure for themselves.
- 34.7.2 The LDC shall notify the PPOs of the Critical Generators, the TO and the DPS of the amount, if any, of Feasible Natural Gas that can be made available and delivered in each hour to each of the Feasible Critical Generators. The PPO of each Feasible Critical Generator or, if appropriate, its designated fuel manager, shall notify the LDC of the portion of its Feasible Natural Gas that it expects to use.
- 34.7.3 The PPO of each Feasible Critical Generator shall contact the TO and modify the Generator's derating to reflect its capabilities with the Feasible Natural Gas. The TO shall notify the NYISO of changes in the derating of each Feasible Critical Generator, As Currently Required.
- 34.7.4 In the event that no additional natural gas can be made available or delivered to one or more Critical Generators by the LDC, the LDC shall inform the TO and the TO shall inform the NYISO.
- 34.7.5 An LDC providing Feasible Natural Gas shall be compensated by the Critical

Generator(s) in accordance with the provision of the LDC gas tariff determined to  
be applicable by the DPS.

### **34.8 Form of Communications**

34.8.1 All communications between the Parties specified above shall use pre-existing communication channels which shall be by official telephone contact or by e-mail.

34.8.2 The Parties shall be responsible for updating each other with any changes in contact details.