

ATTACHMENT B

Blackline Illustrating Proposed Revisions to the ISO Tariff

7.1.3 Disbursement of High Voltage Access Charge and Transition Charge Revenues.

The ISO shall collect and pay, on a monthly basis, to Participating TOs all High Voltage Access Charge and Transition Charge revenues at the same time as other ISO charges and payments are settled. High Voltage Access Charge revenues received with respect to the High Voltage Access Charge and the Transition Charge shall be distributed to Participating TOs in accordance with Appendix F, Schedule 3, Section 10 based on the ratio of each Participating TO's High Voltage Transmission Revenue Requirement to the sum of all the Participating TOs' High Voltage Transmission Revenue Requirements reflected in the High Voltage Access Charge.

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7.1.4.1 Wheeling Access Charge. The Wheeling Access Charge shall be determined by the TAC Area and transmission ownership or Entitlement, less all Encumbrances, associated with the Scheduling Point at which the Energy exits the ISO Controlled Grid. The Wheeling Access Charge for Scheduling Points contained within a single TAC Area, that are not joint facilities, shall be equal to the High Voltage Access Charge for the applicable TAC Area in accordance with Section 3 of Appendix F plus the applicable Low Voltage Access Charge if the Scheduling Point is on a Low Voltage Transmission Facility. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996.

7.1.4.2 Wheeling Over Joint Facilities. To the extent that more than one Participating TO owns or has firm eEntitlement to transmission capacity, less all

Encumbrances, exiting the ISO Controlled Grid at a Scheduling Point, the Scheduling Coordinator shall pay the ISO each month a rate for Wheeling at that Scheduling Point which reflects an average of the Wheeling Access Charge applicable to those Participating TOs, weighted by the relative share of such ownership or Entitlement to transmission capacity, **less all Encumbrances**, at such Scheduling Point. If the Scheduling Point is located at High Voltage Transmission Facilities, the Wheeling Access Charge will consist of a High Voltage Wheeling Access Charge component. Additionally, if the Scheduling Point is located at Low Voltage Transmission Facilities, the applicable Low Voltage Wheeling Access Charge component will be added to the Wheeling Access Charge. The methodology for developing the weighted average rate for Wheeling at each Scheduling Point is set forth in Appendix H.

7.1.4.3 Disbursement of Wheeling Revenues. The ISO shall collect and pay to Participating TOs all Wheeling revenues at the same time as other ISO charges and payments are settled. Wheeling revenues shall be disbursed by the ISO to Participating TOs based on the following:

7.1.4.3.1 Scheduling Point with All Participating TOs in the Same TAC Area: With respect to revenues received for the payment of High Voltage Wheeling Access Charges for Wheeling to a Scheduling Point at which all of the facilities and Entitlements, **less all Encumbrances**, are owned by Participating TOs in the same TAC Area, Wheeling revenues shall be disbursed to each such Participating TO based on the ratio of each Participating TO's High Voltage Transmission Revenue Requirement, ~~(less the Transmission Revenue Requirement associated with Existing Rights)~~ to the sum of all such Participating TO's High Voltage Transmission Revenue Requirements ~~(less the Transmission Revenue Requirement associated with Existing Rights)~~. If the Scheduling Point is located at a Low Voltage Facility, revenues received

with respect to Low Voltage Wheeling Access Charges for Wheeling to that Scheduling Point shall be disbursed to the Participating TOs that own facilities and Entitlements making up the Scheduling Point in proportion to their Low Voltage Transmission Revenue Requirements.

7.1.4.3.2 Scheduling Point without All Participating TOs in the Same TAC

Area: With respect to revenues received for the payment of Wheeling Access Charges for Wheeling to a Scheduling Point at which the facilities and Entitlements, **less all Encumbrances**, are owned by Participating TOs in different TAC Areas, Wheeling revenues shall be disbursed to such Participating TOs as follows. First, the revenues shall be allocated between such TAC Areas in proportion to the ownership and Entitlements of transmission capacity, **less all Encumbrances**, at the Scheduling Point of the Participating TOs in each such TAC Area. Second, the revenues thus allocated to each TAC Area shall be disbursed among the Participating TOs in the TAC Area in accordance with Section 7.1.4.3.1.

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Appendix F. Schedule 3

1.2 Definitions

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- (b) **“High Voltage Utility-Specific Rate” means a Participating TO’s High Voltage Transmission Revenue Requirement divided by such Participating TO’s forecasted Gross Load.**

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“Transition Date” means the date defined in Section 4.2 of this Schedule.

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8. Updates to High Voltage Access Charges

8.1 High Voltage Access Charges shall be adjusted effective January 1 and July 1 of each year to reflect: (1) the addition of any New Participating TO during the preceding six months and (2) changes to the High Voltage Transmission Revenue Requirements of any Participating TO that were accepted or authorized by the FERC, consistent with Section 9 of this Schedule 3, or the ISO during the preceding six months. In addition, each semi-annual adjustment shall include, as necessary, the following adjustment for High Voltage Access Charge billings in the prior period. Using the High Voltage Transmission Revenue Requirement accepted or authorized by FERC, consistent with Section 9 of this Schedule 3, for each Participating TO during each month of the six months, the ISO will recalculate on a monthly basis the High Voltage Access Charge and Transition Charge applicable during such period. For each Participating TO, the ISO will then calculate for each month of the prior six months the difference between the net amount billed to or received by the Participating TO under Section 10.2 of this Schedule 3 and the amount the Participating TO would have received or been billed under Section 10.2 using the High Voltage Access Charge and Transition Charge recalculated in accordance with this Section 8.1. Each Participating TO will reflect this calculated difference in the balancing mechanism that applies to its High Voltage Transmission Revenue Requirement. In the semi-annual adjustment, the ISO will revise the High Voltage Access Charges and the Transition Charges for the subsequent period for each Participating TO to reflect the impact of (1) and (2) above as well as the calculated difference in the prior period billings as described above. Additionally, differences between the High Voltage Transmission Revenue Requirement of a Participating TO approved by FERC or the ISO and

the High Voltage Revenue Requirement of the Participating TO reflected in the High Voltage Access Charge shall be trued-up on an annual basis each July 1.

8.2 For service provided by a Participating TO prior to the Transition Date, no refund ordered by FERC or amount accrued to that Participating TO's Transmission Revenue Balancing Account related to such service shall be reflected in the High Voltage Access Charge, Low Voltage Access Charge, the High Voltage Transmission Revenue Requirement, or the Low Voltage Transmission Revenue Requirement of a Participating TO. For service provided by a Participating TO following the Transition Date, Any refund associated with a Participating TO's Transmission Revenue Requirement that has been accepted by FERC, subject to refund, shall be included in the Transmission Revenue Balancing Account unless otherwise ordered by FERC.

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10. Disbursement of High Voltage Access Charge and Transition Charge Revenues.

10.1 High Voltage Access Charge and Transition Charge revenues shall be calculated for disbursement to each Participating TO on a monthly basis as follows:

(a) the amount determined in accordance with Section 7.1.2 of the ISO Tariff ("Billed HVAC/TC");

(b) calculate the amount each UDC or MSS and Scheduling Coordinators serving Gross Load of End-Use Customers not directly connected to the facilities of a UDC or MSS would have paid and the Participating TO would have received by multiplying the High Voltage Utility-Specific Rates for the Participating TO whose High Voltage Transmission Facilities served such UDC or MSS and Scheduling

Coordinators serving Gross Load of End-Use Customers not directly connected to the facilities of a UDC or MSS times the actual Gross Load of such UDC's or MSS's and Scheduling Coordinator's serving Gross Load of End-Use Customers not directly connected to the facilities of a UDC or MSS ("Utility-specific HVAC");

(c) if the total Billed HVAC/TC in subsection (a) received by the ISO less the total Utility-specific HVAC in subsection (b) is different from zero, the ISO shall allocate the positive or negative difference among Participating TOs based on the ratio of each Participating TO's High Voltage Transmission Revenue Requirement to the sum of all of the Participating TOs' High Voltage Transmission Revenue Requirement. This monthly distribution amount is the "HVAC Revenue Adjustment";

(d) the sum of the Utility-specific HVAC in subsection (b) and the HVAC Revenue Adjustment in subsection (c) will be the monthly disbursement to the Participating TO.

10.2 If the same entity is both a Participating TO and a UDC or MSS, then the monthly High Voltage Access Charge and Transition Charge amount billed by the ISO will be the charges payable by the UDC or MSS in accordance with Section 7.1.2 of the ISO Tariff less the disbursement determined in accordance with Section 10.1(d). If this difference is negative, that amount will be paid by the ISO to the Participating TO.

10.3 If a Participating TO does not deliver electricity directly to End-Use Customers, prior to any such entity becoming a Participating TO this Section 10 will be amended to specify the method for revenue disbursement to such Participating TO.