

ATTACHMENT B

2.5.26 Penalties for Failure to Pass Tests and Rescission of Payment for Non-Delivery.

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2.5.26.5 If the ISO determines that ~~actions or inactions~~ non-compliance of a Load, Generating Unit, or System Resource, ~~which are contrary to~~ with an operating order or Dispatch instruction from the ISO, ~~or with any other applicable technical standard under the ISO Tariff,~~ causes or exacerbates system conditions for which the WSCC imposes a penalty on the ISO, then the Scheduling Coordinator of such Load, Generating Unit, or System Resource shall be assigned that portion of the WSCC penalty which the ISO reasonably determines is attributable to such ~~actions or inactions~~ non-compliance, in addition to any other penalties or sanctions applicable under the ISO Tariff.

29.2.2 Amendments to the Settlement and Billing Protocol

SABP 3.1.1. ADDITIONAL CHARGES AND PAYMENTS

- (d) amounts required with respect to payment adjustments for regulating Energy as calculated in accordance with Section 2.5.27.1 of the ISO Tariff. These charges will be allocated amongst the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (~~including~~ ~~excluding~~ exports) in MWh for that Trading Day.

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ISO TARIFF APPENDIX F

Rate Schedules

Schedule 1

Grid Management Charge

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Part C – Components of the GMC

As provided in Section 8 of the ISO Tariff, the Grid Management Charge includes the following costs:

- Operating costs (as defined in Section 8.2.2)
- Financing costs (as defined in Section 8.2.3), including Start-Up and Development Costs (as defined in Section 8.2.1)
- Operating and Capital Reserve costs (as defined in Section 8.2.4)

adjusted annually for:

- any surplus revenues from the previous year in the Operating and Capital Reserve Account, as defined under Section 8.5, which incorporates the difference between projected and actual costs from the previous year (such costs and adjustments being more specifically defined below in the Grid Management Charge Revenue Requirement Formula);

divided by:

- forecasted annual volume in MWh;

adjusted quarterly for:

- a change in the volume estimate used to calculate the Grid Management Charge if, on an annual basis, the change is 5% or more.

The Grid Management Charge Revenue Requirement Formula is as follows:

Grid Management Charge Revenue Requirement =

Operating Expenses + Debt Service + the greater of [(Coverage Requirement x Senior Lien Debt Service) or (Cash Funded Capital Expenditures)] - Interest Earnings - Other Revenues - Reserve Transfer

Where,

Operating Expenses = O&M Expenses plus Taxes Other Than Income Taxes (Account 408.1) and Penalties (Account 426.3)

O&M Expenses = Transmission O&M Expenses (Accounts 560-574) plus Customer Accounting Expenses (Accounts 901-905) plus Customer Service and Informational Expenses (Accounts 906-910) plus Sales Expenses (Accounts 911-917) plus Administrative & General Expenses (Accounts 920-935)

Penalties = payments by the ISO for penalties or fines incurred for violation of WSCC reliability criteria (Account 426.3) [that cannot be reasonably assigned and recovered pursuant to Section 2.5.26.5.](#)

Debt Service = for any fiscal year, scheduled principal and interest payments, sinking fund payments related to balloon maturities, repayment of commercial paper notes, net payments required pursuant to a payment obligation, or payments due on any ISO notes. This amount includes the current year accrued principal and interest payments due April 15 of the following year.

Coverage Requirement = 25% of the Senior Lien Debt Service.

Senior Lien Debt Service = all Debt Service that has a first lien on ISO Net Operating Revenues (Account 128 subaccounts).

Cash Funded Capital Expenditures = Post current fiscal year capital additions (Accounts 301-399) funded on a pay-as-you-go basis.

Interest Earnings = Interest earnings on Operating and Capital Reserve balances (Account 419). Interest on bond or note proceeds specifically designated for capital projects or capitalized interest is excluded.

Other Revenues = Amounts booked to Account 456 subaccounts. Such amounts will include connection fees associated with communications equipment and application fees.

Reserve Transfer = the projected reserve balance for December 31 of the prior year less the Reserve Requirement as adopted by the ISO Board and FERC. If such amount is

negative, the amount may be divided by two, so that the reserve is replenished within a two-year period. (Account 128 subaccounts)

Reserve Requirement = 15% of Annual Operating Expenses.

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