

**Schedule 1**

**Grid Management Charge**

**Part A – Monthly Calculation of Grid Management Charge (GMC)**

The Grid Management Charge (ISO Tariff Section 8.0) is a formula rate designed to recover the ISO's administrative and operating costs, including costs incurred in establishing the ISO before its operations began. The Grid Management Charge also includes costs associated with Scheduling, System Control and Dispatch Service as described in Order No. 888.

The Grid Management Charge will be levied monthly in arrears on all Scheduling Coordinators by charging each Scheduling Coordinator the product of the Grid Management Charge rate, as calculated under section 8.4 of the ISO Tariff, and the Monthly Metered Consumption, all as expressly set forth in the following formula; provided, however, that (i) Existing Contract Deliveries shall be multiplied by a factor of 0.5 before application of the GMC; (ii) loads in a given hour served by Other Volumes shall be exempt from the GMC; (iii) Qualified Loads shall be exempt from the GMC; and (iv) all New Uses, including those by Existing Contract Entities and QFs, are subject to the full GMC. The formula through December 31, 2000, is as follows:

$$\text{Monthly Bill}_{SCi} = [\text{GMC} \times (\text{ECD}_{SCi} \times 0.50)] + [\text{GMC} \times \text{OMC}_{SCi}]$$

**Where:**

**SCi** = **the applicable Scheduling Coordinator**

**ECD** = **Existing Contract Deliveries**

**OMC** = **Other Metered Consumption**

For purposes of this Schedule 1, capitalized terms not included in the Master Definitions Supplement shall be defined as follows through December 31, 2000:

**Existing Contract Deliveries** shall mean scheduled deliveries or metered consumption under an Existing Contract to an Existing Contract Entity, calculated in MWh, in accordance with the method historically used by the parties to the Existing Contract.

**Existing Contract Entities** shall mean entities receiving energy under Existing Contract rights as defined in the ISO Tariff, as it exists on April 1, 1998.

**Monthly Metered Consumption** shall mean the aggregate of Other Metered Consumption and Existing Contract Deliveries.

