

January 31, 2000

**Via Hand Delivery**

David P. Boergers, Esq.  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: ISO New England Inc.  
Docket No. ER00-395-001  
Compliance Filing

Dear Mr. Boergers:

On December 30, 1999, the Federal Energy Regulatory Commission (the "Commission") issued its Order Accepting for Filing Proposed Rates and Rejecting Proposed Rate Design (the "Order").<sup>1</sup> In the Order, the Commission accepted the increased rates and rejected the proposed rate design of the ISO New England Inc. 2000 FERC Tariff for Transmission Dispatch and Power Administration Services (the "2000 Tariff").<sup>2</sup> The Commission ordered ISO New England Inc. (the "ISO") to re-file the 2000 Tariff to reinstate the existing rate design, that is, the rate design reflected in the tariff accepted by the Commission for the year 1999 (the "1999 Tariff").<sup>3</sup>

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<sup>1</sup> 89 FERC ¶ 61,339 (1999).

<sup>2</sup> Filed with the Commission on November 1, 1999.

<sup>3</sup> The ISO's tariff for calendar year 1999, filed in Docket No. ER98-3554-000, was initially set for hearing, and was resolved through a settlement. The settlement was accepted by the Commission on December 20, 1999 in *ISO New England Inc.*, 89 FERC ¶ 61,295 (1999).

In compliance with the Order, the ISO files herewith an original and 5 copies of this transmittal letter and (in Attachment 1 hereto) the following revised pages for the 2000 Tariff:

First Revised Sheets 1, 2, 5, 6, 8-12, 14, 14-A, 17, 30-35, and 37-39.

Attachment 2 is a blacklined version of First Revised Sheets 1, 2, 5, 6, 8-12, 14, 14-A, 17, 30-35, and 37-39, marked to show how these sheets differ from the corresponding original sheets of the 2000 Tariff.

As explained below, these revisions reinstate the rate design of the 1999 Tariff (and make conforming changes to definitions and other sections):

- Schedule 1 has been revised to eliminate the monthly customer charge and allocates all Scheduling, System Control and Dispatch Service expenses based on Monthly Network Load and Point-to-Point Reservations.
- Schedule 2 has been revised to eliminate the monthly customer charge and charges per transaction unit and allocates all Energy Administration Service expenses equally between Electrical Load and Generation Ownership Shares.
- Schedule 3 has been revised to eliminate the monthly customer charge and charges per transaction unit and allocates 55 percent of Reliability Administration Service ("RAS") expenses to Electrical Load and 45 percent of RAS expense to Generation Ownership Shares. Schedule 3 also retains the RAS Fee included in Schedule 3 of both the 1999 Tariff and the 2000 Tariff, with the increased rates of the 2000 Tariff.

With these revisions, the rate design of the 2000 Tariff is identical to the rate design of the 1999 Tariff, as ordered by the Commission, and includes the increased rates for 2000 accepted in the Order hereto.<sup>4</sup>

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<sup>4</sup> For reference, a comparison of the 1999 Tariff rates and the 2000 Tariff rates can be found in Exhibit 6 (LCB-1) Schedule 1 to the ISO's original Tariff filing, included as Attachment 3 hereto. Attachment 3 describes each rate schedule on a separate page, each with three columns of figures. The first column shows the 1999 rates using the 1999 rate design and revenue requirement. The second column shows the 2000 rates, using the 1999 rate design and the 2000 revenue requirement. The third column shows the rate design rejected by the Commission.

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The ISO requests acceptance of this compliance filing, effective January 1, 2000, as provided in the Order.

Copies of this filing have been served upon all parties to this proceeding, upon NEPOOL Participants (listed on Attachment 4) and upon all non-Participant entities that are customers under the NEPOOL Open Access Transmission Tariff (listed on Attachment 5), as well as upon the utility regulatory agencies of the six New England States (listed on Attachment 6).

A notice of filing is provided as Attachment 7 and a diskette containing the notice text is enclosed.

Also enclosed is an extra copy of the filing for date-stamping by your staff. Please return it to the messenger delivering this filing.

Very truly yours,

Howard H. Shafferman  
Kenneth J. Labach  
Counsel for  
ISO New England Inc.

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## 1 Definitions

Whenever used in this Tariff, in either the singular or plural number, capitalized terms shall have the meanings specified in Section 1 of this Tariff or in Attachment B hereto. Attachment B consists of definitions and provisions extracted from the NEPOOL Agreement and/or the NEPOOL Tariff.

1.1 [Reserved]

1.2 **Automatic Generation Control Market (or "AGC Market")**: The market for Automatic Generation Control ("AGC") administered by the ISO in accordance with the NEPOOL Agreement.

1.3 [Reserved]

1.4 [Reserved]

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- 1.5 **[Reserved]**
- 1.6 **[Reserved]**
- 1.7 **Calendar Year:** A period of 365 or 366 days, whichever is appropriate, commencing on January 1.
- 1.8 **Commission:** The Federal Energy Regulatory Commission.
- 1.9 **Customer:** Any Entity taking any of the Services provided under this Tariff.
- 1.10 **Designated Agent:** Any Entity that performs actions or functions required

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- 1.16 [Reserved]**
- 1.17 [Reserved]**
- 1.18 Installed Capability Market (or "ICAP Market"):** The NEPOOL market for Installed Capability ("ICAP") administered by the ISO.
- 1.19 ISO:** ISO New England Inc., the non-profit independent system operator that, pursuant to the ISO Agreement and the authorization of the Commission: (i) operates the NEPOOL Control Area consistent with proper standards of reliability; (ii) administers the NEPOOL Tariff; and (iii) administers a power exchange consisting of several Markets and provides support for bilateral and self-scheduled transactions.
- 1.20 ISO Agreement:** The Interim Independent System Operator Agreement made and entered into as of July 1, 1997, as modified from time to time, between the ISO and the Participants, acting by and through the NEPOOL

Management Committee, or any successor agreement thereto.

- 1.21 Market Rules:** Collectively, the rules adopted by the Participants (or the ISO, to the extent permitted under the ISO Agreement) governing the operation of the Markets; individually, a "Market Rule."
- 1.22 Markets:** Collectively, the Energy Market and the Reliability Markets.
- 1.22A Monthly RAS Expenses:** For a month, the expenses incurred by the ISO during that month for providing RAS, less RAS Fees received during that month.
- 1.23 NEPOOL:** The New England Power Pool, the power pool created under and governed by the NEPOOL Agreement, and the Entities collectively participating in the New England Power Pool.
- 1.24 NEPOOL Agreement:** The New England Power Pool Agreement dated as of September 1, 1971, as amended and restated from time to time.
- 1.25 NEPOOL Control Area:** The Control Area for NEPOOL.
- 1.26 NEPOOL Tariff:** The Restated NEPOOL Open Access Transmission Tariff and accompanying schedules and attachments, as modified and amended from time to time.
- 1.27 Network Customer:** An Entity receiving transmission service pursuant to the terms of Part II and Part VI of the NEPOOL Tariff.
- 1.28 [Reserved]**

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- 1.29 Operable Capability Market (or “OPCAP Market”):** The NEPOOL market for Operable Capability (“OPCAP”) administered by the ISO.
- 1.30 Operating Reserve Markets:** Collectively, the NEPOOL markets for 10-Minute Spinning Reserve (“TMSR”), 10-Minute Non-Spinning Reserve (“TMNSR”), and 30-Minute Operating Reserve (“TMOR”) administered by the ISO.
- 1.31 Parties:** Collectively, the ISO and the Customers; each, individually, a “Party.”
- 1.32 Policy Statement:** The “Financial Assurance Policy for NEPOOL Non-Participant Transmission Customers,” included as Attachment E to this Tariff, as modified from time to time.
- 1.33 RAS Fee:** The fee payable by Through or Out Service customers pursuant to Schedule 3.
- 1.34 Reliability Administration Service (or “RAS”):** The service provided by the ISO, as described in Schedule 3 of this Tariff, in order to administer the Reliability Markets and provide other reliability-related and informational

functions.

- 1.35 Reliability Markets:** Collectively, the Automatic Generation Control (“AGC”) Market, Installed Capability (“ICAP”) Market, the Operable Capability (“OPCAP”) Market, and the Operating Reserve Markets.
- 1.36 Sanctions Rule:** “Imposition of Sanctions by the ISO,” a Market Rule administered by the ISO, and included as Attachment D to this Tariff.
- 1.37 Scheduling, System Control and Dispatch Service (or “Scheduling Service”):** The service described in Schedule 1 of this Tariff.
- 1.38 Service Agreement:** An agreement between the ISO and a Customer in the form provided in Attachment A hereto.
- 1.39 Services:** Collectively, the Scheduling Service, EAS and RAS; individually, a “Service.”
- 1.40 [Reserved]**
- 1.41 System Operator:** ISO New England Inc.
- 1.42 [Reserved]**

**1.43 [Reserved]**

**1.44 [Reserved]**

**1.45 Transmission Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the ISO on behalf of the Participants (or filed in unexecuted form), for service under the NEPOOL Tariff.

## **2 Purpose of This Tariff**

For the Services described in Schedules 1 and 2, deviations between collections under the Tariff and the ISO's actual expenses will be reconciled through a year-to-year, prospective true-up. For example, before the close of Calendar Year 2000, the ISO will compute the total actual-to-date and projected-to-year-end expenses of providing each of those Services, and compare these totals with the total charges actually collected (and projected to be collected through 2000) under this Tariff for each Service during Calendar Year 2000. Based on these comparisons, the ISO will adjust the otherwise-projected revenue requirement for Calendar Year 2001 for either or both Services, as needed, downward or upward to reflect the expected Calendar Year 2000 surplus or deficit, respectively, while preserving a reasonable amount of cash working capital. From these figures the ISO will calculate rates for Calendar Year 2001, and make a rate change filing for Calendar Year 2001 and succeeding years, as required, to reflect the budget amount for the applicable Calendar Year and the true-ups calculated by means of the foregoing analysis and adjustments. Any deviation between projected and actual true-up amounts for Calendar Year 2000 will be reflected in the rate changes for Calendar Year 2002. The ISO will also analyze, as necessary, the need for any adjustments to allocation methodology or rate design.

The charges for Schedule 3 consist of actual monthly expenses for RAS, and thus are not subject to true-up. The provision noted above limiting the total annual

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collections to 105 percent of the pertinent Revenue Requirement (for all Services)  
effectively limits the amounts collected for RAS under Schedule 3.

The revenues collected through this Tariff in 2000 are not recovering funding

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(as applicable) but shall not terminate the Service until the Commission approves such termination.

**3.5 Working Capital Advances:** Each Participant shall be required to advance to the ISO an amount (each, an "Advance") equal to the ISO's reasonable projection of such NEPOOL Participant's charges under the Tariff for three succeeding months. The Advances shall be held in an interest bearing account. In each succeeding month, the ISO shall adjust each Participant's Advance so that, in each calendar month, each Participant's Advance is equal to the ISO's reasonable projection of such NEPOOL Participant's charges under the Tariff for such month and the next two succeeding months. If, in the reasonable judgment of the ISO, a cash deficiency is likely to occur at any time as a result of a depletion of the Advances (but not as a result of the failure of any NEPOOL Participant to pay its Advance), the ISO shall, at its option, have the right to require each NEPOOL Participant to pay the ISO its pro rata share (based on such Participant's projected charges under the Tariff for the instant month and the next two succeeding months compared to projected charges to all Participants under the ISO Tariff for the instant month and the next two succeeding months) of any additional Advances required for the ISO's

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support of the NEPOOL OASIS node;

- ! Coordination of transmission system operation (including administration of reactive power requirements under Schedule 2 of the NEPOOL Tariff) and implementation of necessary control actions by the ISO and support for these functions;
- ! Billing associated with transmission services provided under the NEPOOL Tariff;
- ! Transmission system planning which supports this Service; and
- ! Administrative costs associated with the aforementioned functions.

The satellite dispatch center expenses and the Participant expenses collected pursuant to Schedule 1 of the NEPOOL Tariff are in each case an allocated portion of dispatch center expense for the PTF dispatch functions performed.

For the ISO's expenses in providing transmission-related Scheduling Service, each Customer that is obligated to pay the Regional Network Service rate shall pay each month an amount equal to the product of \$0.04405 per kilowatt times its Monthly Network Load for that month. Each Customer that is a Transmission Customer receiving Point-to-Point Transmission Service shall pay each month an amount equal to the product of the Transmission Customer's highest amount of Reserved Capacity (expressed in kilowatts) for each transaction scheduled to occur during the month

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as Point-to-Point Transmission Service times:

- (1) for each month of firm annual or monthly service, \$0.04405;
- (2) for each week of firm weekly service, \$0.01017;
- (3) for each day of firm daily service, \$0.00203, but the rate for 5 to 7 consecutive days may not exceed the per-week rate;
- (4) for each month of non-firm annual or monthly service, \$0.04405;
- (5) for each week of non-firm weekly service, \$0.01017;
- (6) for each day of non-firm daily service, \$0.00145; and
- (7) for each hour of non-firm hourly service, \$0.00006.

Schedule 1 charges billed to Point-to-Point Transmission Service customers shall be credited to Regional Network Service customers that month in proportion to their Monthly Network Loads in that month.

The ISO shall also collect from each Customer, as billing agent, the charges specified in Schedule 1 of the NEPOOL Tariff.

All general terms and conditions of this Tariff apply to this Service.

## Schedule 2

### Energy Administration Service

Energy Administration Service ("EAS") is the Service provided by the ISO to administer the Energy Market. In this process, the ISO administers bilateral transactions and Bids for Generators and determines spot Energy Market settlements in accordance with the NEPOOL Agreement and the corresponding rules promulgated thereunder. Each Participant that has Electrical Load or Generation Ownership Shares is required to purchase EAS as a Customer hereunder. Each Customer must enter into a Service Agreement of the type specified in Attachment A hereto.

The ISO's expenses are based on the functions required to provide this Service and include, but are not limited to:

- ! Core operation of the Energy Market;
- ! Generation dispatch related to the Energy Market;
- ! Energy accounting;
- ! Loss determination and allocation;
- ! Billing preparation;
- ! Market power monitoring and mitigation for the Energy Market;
- ! Sanctions activities;
- ! Market assessment and reports; and

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! Formulation of additional market rules and proposals to modify existing rules.

For EAS, each Participant shall pay each month in arrears:

- (a) an amount equal to the product of \$0.0000807 per kilowatt hour times the Participant's total Electrical Load for all hours in that month; plus
- (b) an amount equal to the product of \$0.0000523 per kilowatt of the

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Participant's Generation Ownership Shares for that month times the  
number of hours in that month.

For purposes of this paragraph, a Customer's Electrical Load and Generation  
Ownership Shares shall be calculated subject to the provisions of NEPOOL Agreement  
Section 3.2

All general terms and conditions of this Tariff apply to this Service.

**Schedule 3**  
**Reliability Administration Service**

Reliability Administration Service ("RAS") is the Service provided by the ISO to administer the Reliability Markets (and facilitate reliability-associated transactions and arrangements) in accordance with the NEPOOL Agreement and the corresponding rules promulgated thereunder, and to provide other reliability and informational services. Each Participant that has Electrical Load or has Generation Ownership Shares (and each Transmission Customer that is not a Participant) is required to purchase RAS as a Customer hereunder. The Reliability Markets are also a means by which certain Ancillary Services are obtained under the NEPOOL Tariff. Each Customer must enter into a Service Agreement of the type specified in Attachment A hereto.

The ISO's administrative expenses are based on the functions required to provide this Service and include, but are not limited to:

- ! Generation dispatch associated with Reliability Markets;
- ! Reliability Markets accounting;
- ! Billing preparation;
- ! NEPOOL generation emissions analysis;
- ! Risk profile updates;
- ! Triennial review of resource adequacy;

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received, \$23.08; and

- (f) for each hour of non-firm hourly Point-to-Point Transmission Service received, \$0.96;

and (2) Each Customer that is a Participant shall pay each month, in arrears, (a) an amount equal to the product of (u) 55 percent of the Monthly RAS Expenses times (v) the Participant's total Electrical Load for all hours in that month divided by (w) the sum of all Participants' total Electrical Loads for all hours in that month; plus (b) an amount equal to the product of (x) 45 percent of the Monthly RAS Expenses times (y) the Participant's Generation Ownership Shares for that month divided by (z) the total Generation Ownership Shares for all Participants for that month.

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RAS does not include any amounts paid by the ISO on behalf of the Participants to purchase emergency power. If one or more states requires Participants to undertake disclosure or tracking obligations that result in the ISO incurring expenses, the ISO will segregate the expenses associated with such obligations.

All general terms and conditions of this Tariff apply to this Service.

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## 1 Definitions

Whenever used in this Tariff, in either the singular or plural number, capitalized terms shall have the meanings specified in Section 1 of this Tariff or in Attachment B hereto. Attachment B consists of definitions and provisions extracted from the NEPOOL Agreement and/or the NEPOOL Tariff.

- 1.1 [Reserved] ~~{AGC TUs: The sum for a month, for a Customer, of: (1) all Block-hours for that month in which Customer was a buyer or seller under an AGC Bilateral Contract}~~
- 1.2 **Automatic Generation Control Market (or "AGC Market")**: The market for Automatic Generation Control ("AGC") administered by the ISO in {that month; (2) all Block-hours for that month for all AGC Bids administered for a Customer by the ISO during that month; and (3) all hours in that month in which the Customer was a net buyer or net seller in the spot AGC Market. accordance with the NEPOOL Agreement.
- 1.3 [Reserved] ~~{BC TUs: The sum, for a Customer, of all Block-hours for a month in which the Customer was a buyer or seller under any of the Bilateral Contracts administered by the ISO in that month.~~

1.4 [Reserved] ~~{Block: Block shall mean: (1) with respect to Bilateral Contracts administered by the ISO, a quantity with a related price which the seller makes available to the buyer (Bilateral Contracts may contain multiple sets of quantity and price); and (2) With respect to Bids administered by the ISO, a quantity with a related price (Bids may contain multiple sets of quantity and price).~~

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- 1.5 [Reserved] ~~{Block-hours: Block-hours shall mean: (1) with respect to Bilateral Contracts administered by the ISO, the number of Blocks in a particular hour in which a Customer is a buyer or seller thereunder; and (2) With respect to Bids administered by the ISO, the number of Blocks administered for a particular hour.~~
- 1.6 [Reserved] ~~{Block-months: Block-months shall mean: (1) with respect to ICAP Bilateral Contracts administered by the ISO, the number of Blocks in a particular month in which a Customer is a buyer or seller thereunder; and (2) with respect to ICAP Bids administered by the ISO, the number of Blocks administered for a particular month.}~~
- 1.7 **Calendar Year:** A period of 365 or 366 days, whichever is appropriate, commencing on January 1.
- 1.8 **Commission:** The Federal Energy Regulatory Commission.
- 1.9 **Customer:** Any Entity taking any of the Services provided under this Tariff.
- 1.10 **Designated Agent:** Any Entity that performs actions or functions required

- 1.16 [Reserved] ~~{GB TUs: The sum, for a Customer who submits Bids, of all Block-hours contained in that Customer's Bids administered by the ISO in that month.}~~
- 1.17 [Reserved] ~~{ICAP TUs: The sum for a month, for a Customer, of: (1) all Block-months in that month in which Customer was a buyer or seller under an ICAP Bilateral Contract administered by the ISO in that month; (2) all Block-months for that month for all ICAP Bids administered for a Customer by the ISO during that month; and (3) one month, if in that month the Customer had either a surplus or deficiency of ICAP in the spot ICAP Market.}~~
- 1.18 **Installed Capability Market (or "ICAP Market"):** The NEPOOL market for Installed Capability ("ICAP") administered by the ISO.
- 1.19 **ISO:** ISO New England Inc., the non-profit independent system operator that, pursuant to the ISO Agreement and the authorization of the Commission: (i) operates the NEPOOL Control Area consistent with proper standards of reliability; (ii) administers the NEPOOL Tariff; and (iii) administers a power exchange consisting of several Markets and provides support for bilateral and self-scheduled transactions.
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**1.22A Monthly RAS Expenses: For a month, the expenses incurred by the ISO during that month for providing RAS, less RAS Fees received during that month.**

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**1.25 NEPOOL Control Area:** The Control Area for NEPOOL.

**1.26 NEPOOL Tariff:** The Restated NEPOOL Open Access Transmission Tariff and accompanying schedules and attachments, as modified and amended from time to time.

**1.27 Network Customer:** An Entity receiving transmission service pursuant to the terms of Part II and Part VI of the NEPOOL Tariff.

**1.28 [Reserved] ~~{OPCAP TUs: The sum for a month, for a Customer, of: (1) all Block-hours for that month in which Customer was a buyer or seller under~~**

~~an OPCAP Bilateral Contract administered by the ISO in that month; (2) all  
Block-hours for that}~~

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~~{month for all OPCAP Bids administered for the Customer by the ISO during that month; and (3) all hours in the month in which the Customer had either a surplus or deficiency in the spot OPCAP Market.}~~

**1.29 Operable Capability Market (or “OPCAP Market”):** The NEPOOL market for Operable Capability (“OPCAP”) administered by the ISO.

**1.30 Operating Reserve Markets:** Collectively, the NEPOOL markets for 10-Minute Spinning Reserve (“TMSR”), 10-Minute Non-Spinning Reserve (“TMNSR”), and 30-Minute Operating Reserve (“TMOR”) administered by the ISO.

**1.31 Parties:** Collectively, the ISO and the Customers; each, individually, a “Party.”

**1.32 Policy Statement:** The “Financial Assurance Policy for NEPOOL Non-Participant Transmission Customers,” included as Attachment E to this Tariff, as modified from time to time.

**1.33 RAS Fee:** The fee payable by Through or Out Service customers pursuant to Schedule 3.

**1.34 Reliability Administration Service (or “RAS”):** The service provided by the ISO, as described in Schedule 3 of this Tariff, in order to administer the Reliability Markets and provide other reliability-related and informational functions.

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- 1.35 Reliability Markets:** Collectively, the Automatic Generation Control (“AGC”) Market, Installed Capability (“ICAP”) Market, the Operable Capability (“OPCAP”) Market, and the Operating Reserve Markets.
- 1.36 Sanctions Rule:** “Imposition of Sanctions by the ISO,” a Market Rule administered by the ISO, and included as Attachment D to this Tariff.
- 1.37 Scheduling, System Control and Dispatch Service (or “Scheduling Service”):** The service described in Schedule 1 of this Tariff.
- 1.38 Service Agreement:** An agreement between the ISO and a Customer in the form provided in Attachment A hereto.
- 1.39 Services:** Collectively, the Scheduling Service, EAS and RAS; individually, a “Service.”
- 1.40 [Reserved]** ~~{SM-TUs: The sum, for a Customer, of all hours in a month in which the Customer was a buyer or seller in the spot Energy Market.}~~
- 1.41 System Operator:** ISO New England Inc.
- 1.42 [Reserved]** ~~{TMNSR-TUs: The sum for a month, for a Customer, of: (1) all Block-hours for that month in which Customer was a buyer or seller under a TMNSR Bilateral Contract administered by the ISO in that month; (2) all Block-hours for that month for all TMNSR Bids administered for a Customer by the ISO}{during that month; and (3) all hours in that month in which the Customer was a buyer or seller in the spot TMNSR Market.}~~

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- 1.43 [Reserved] ~~{TMOR TUs: The sum for a month, for a Customer, of: (1) all Block-hours for that month in which Customer was a buyer or seller under a TMOR Bilateral Contract administered by the ISO in that month; (2) all Block-hours for that month for all TMOR Bids administered for a Customer by the ISO during that month; and (3) all hours in that month in which the Customer was a buyer or seller in the spot TMOR Market.}~~
- 1.44 [Reserved] ~~{TMSR TUs: The sum for a month, for a Customer, of: (1) all Block-hours for that month in which Customer was a buyer or seller under a TMSR Bilateral Contract administered by the ISO in that month; (2) all Block-hours for that month for all TMSR Bids administered for a Customer by the ISO during that month; and (3) all hours in that month in which the Customer was a buyer or seller in the spot TMSR Market.}~~
- 1.45 **Transmission Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the ISO on behalf of the Participants (or filed in unexecuted form), for service under the NEPOOL Tariff.

## 2 Purpose of This Tariff

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For the Services described in Schedules 1~~, 2~~ and ~~3~~ 2, deviations between collections under the Tariff and the ISO's actual expenses will be reconciled through a year-to-year, prospective true-up. For example, before the close of Calendar Year 2000, the ISO will compute the total actual-to-date and projected-to-year-end expenses of providing each of those Services, and compare these totals with the total charges actually collected (and projected to be collected through 2000) under this Tariff for each Service during Calendar Year 2000. Based on these comparisons, the ISO will adjust the otherwise-projected revenue requirement for Calendar Year 2001 for either or both Services, as needed, downward or upward to reflect the expected Calendar Year 2000 surplus or deficit, respectively, while preserving a reasonable amount of cash working capital. From these figures the ISO will calculate rates for Calendar Year 2001, and make a rate change filing for Calendar Year 2001 and succeeding years, as required, to reflect the budget amount for the applicable Calendar Year and the true-ups calculated by means of the foregoing analysis and adjustments. Any deviation between projected and actual true-up amounts for Calendar Year 2000 will be reflected in the rate changes for Calendar Year 2002. The ISO will also analyze, as necessary, the need for any adjustments to allocation methodology or rate design.

**The charges for Schedule 3 consist of actual monthly expenses for RAS, and thus are not subject to true-up. The provision noted above limiting the total annual**

**collections of 105 percent of the pertinent Revenue Requirement (for all Services)**  
**effectively limits the amounts collected for RAS under Schedule 3.**

The revenues collected through this Tariff in 2000 are not recovering funding

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(as applicable) but shall not terminate the Service until the Commission approves such termination.

- 3.5 Working Capital Advances:** Each Participant shall be required to advance to the ISO an amount (each, an "Advance") equal to the ISO's reasonable projection of such NEPOOL Participant's charges under the Tariff for ~~the month of September 1999 and for the next two~~ **three** succeeding months. The Advances shall be held in an interest bearing account. In each succeeding month, the ISO shall adjust each Participant's Advance so that, in each calendar month, each Participant's Advance is equal to the ISO's reasonable projection of such NEPOOL Participant's charges under the Tariff for such month and the next two succeeding months. If, in the reasonable judgment of the ISO, a cash deficiency is likely to occur at any time as a result of a depletion of the Advances (but not as a result of the failure of any NEPOOL Participant to pay its Advance), the ISO shall, at its option, have the right to require each NEPOOL Participant to pay the ISO its pro rata share (based on such Participant's projected charges under the Tariff for the instant month and the next two succeeding months compared to projected charges to all Participants under the ISO Tariff for the instant month and the next two succeeding months) of any additional Advances required for the ISO's

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support of the NEPOOL OASIS node;

- ! Coordination of transmission system operation (including administration of reactive power requirements under Schedule 2 of the NEPOOL Tariff) and implementation of necessary control actions by the ISO and support for these functions;
- ! Billing associated with transmission services provided under the NEPOOL Tariff;
- ! Transmission system planning which supports this Service; and
- ! Administrative costs associated with the aforementioned functions.

The satellite dispatch center expenses and the Participant expenses collected pursuant to Schedule 1 of the NEPOOL Tariff are in each case an allocated portion of dispatch center expense for the PTF dispatch functions performed.

For the ISO's expenses in providing transmission-related Scheduling Service ~~{: (1)}~~, each Customer that is obligated to pay the Regional Network Service rate shall pay each month ~~{(a) a customer charge equal to \$1,425.75, plus (b)}~~ an amount equal to the product of ~~{\$0.0381}~~ **\$0.04405** per kilowatt times its Monthly Network Load for that month. Each Customer that is a Transmission Customer receiving Point-to-Point Transmission Service shall pay each month an amount equal to the product of the Transmission Customer's highest amount of Reserved Capacity (expressed in kilowatts) for each transaction scheduled to occur during the month

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as Point-to-Point Transmission Service times:

- (1) for each month of firm annual or monthly service, ~~{\$0.0381}~~ **\$0.04405**;
- (2) for each week of firm weekly service, ~~{\$0.0088}~~ **\$0.01017**;
- (3) for each day of firm daily service, ~~{\$0.0013}~~ **\$0.00203**, but the rate for 5 to 7 consecutive days may not exceed the per-week rate;
- (4) for each month of non-firm annual or monthly service, ~~{\$0.0381}~~ **\$0.04405**;
- (5) for each week of non-firm weekly service, ~~{\$0.0088}~~ **\$0.01017**;
- (6) for each day of non-firm daily service, ~~{\$0.0018}~~ **\$0.00145**; and
- (7) for each hour of non-firm hourly service, ~~{\$0.00005}~~ **\$0.00006**.

Schedule 1 charges billed to Point-to-Point Transmission Service customers shall be credited to Regional Network Service customers that month in proportion to their Monthly Network Loads in that month.

The ISO shall also collect from each Customer, as billing agent, the charges specified in Schedule 1 of the NEPOOL Tariff.

All general terms and conditions of this Tariff apply to this Service.

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**Schedule 2****Energy Administration Service**

Energy Administration Service ("EAS") is the Service provided by the ISO to administer the Energy Market. In this process, the ISO administers bilateral transactions and Bids for Generators and determines spot Energy Market settlements in accordance with the NEPOOL Agreement and the corresponding rules promulgated thereunder. **Each Participant that has Electrical Load or Generation Ownership Shares is required to purchase EAS as a Customer hereunder.** Each Customer must enter into a Service Agreement of the type specified in Attachment A hereto.

The ISO's expenses are based on the functions required to provide this Service and include, but are not limited to:

- ! Core operation of the Energy Market;
- ! Generation dispatch related to the Energy Market;
- ! Energy accounting;
- ! Loss determination and allocation;
- ! Billing preparation;
- ! Market power monitoring and mitigation for the Energy Market;
- ! Sanctions activities;
- ! Market assessment and reports; and

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! Formulation of additional market rules and proposals to modify existing rules.

~~{: (1) Each Participant that has an account for Energy that is settled by the ISO for the current month or for any month of the preceding 12 months shall be considered a Customer for EAS and shall pay each month an amount equal to \$1579.41 as a customer charge; plus~~

~~(2) Each Participant that is a seller or buyer under a Bilateral Contract administered by the ISO shall be considered a Customer for EAS and shall pay each month an amount equal to the product of \$0.0913 times the Customer's BC TUs for that month, if any; plus~~

~~(3) Each Lead Participant shall be considered a Customer for EAS and shall pay each month an amount equal to the product of \$0.611 times the Customer's GB TUs for that month, if any; plus~~

~~(4) Each Participant that has an account for Energy that is settled by the ISO in a month shall pay each such month an amount equal to the product of \$4.25 times the Customer's SM TUs for that month, if any; plus~~

~~(5) Each} For EAS, each Participant shall be considered a Customer for EAS and shall pay each month in arrears an amount equal to:~~

- (a) an amount equal to the product of  ~~{\$0.0000520}~~ \$0.0000807 per kilowatt hour times the Participant's total Electrical Load for all hours in that month; plus
- (b) an amount equal to the product of  ~~{\$0.0000337}~~ \$0.0000523 per kilowatt of the

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Participant's Generation Ownership Shares for that month times the  
number of hours in that month.

**For purposes of this paragraph, a Customer's Electrical Load and Generation  
Ownership Shares shall be calculated subject to the provisions of NEPOOL Agreement**

**Section 3.2**

All general terms and conditions of this Tariff apply to this Service.

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**Schedule 3**  
**Reliability Administration Service**

Reliability Administration Service ("RAS") is the Service provided by the ISO to administer the Reliability Markets (and facilitate reliability-associated transactions and arrangements) in accordance with the NEPOOL Agreement and the corresponding rules promulgated thereunder, and to provide other reliability and informational services. Each Participant that has Electrical Load or has Generation Ownership Shares (and each Transmission Customer that is not a Participant) is required to purchase RAS as a Customer hereunder. The Reliability Markets are also a means by which certain Ancillary Services are obtained under the NEPOOL Tariff. Each Customer must enter into a Service Agreement of the type specified in Attachment A hereto.

The ISO's administrative expenses are based on the functions required to provide this Service and include, but are not limited to:

- ! Generation dispatch associated with Reliability Markets;
- ! Reliability Markets accounting;
- ! Billing preparation;
- ! NEPOOL generation emissions analysis;
- ! Risk profile updates;
- ! Triennial review of resource adequacy;

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received, \$23.08; and

- (f) for each hour of non-firm hourly Point-to-Point Transmission Service received, \$0.96;

and (2) Each Customer that is a Participant shall pay each month, in arrears, (a) an amount equal to the product of (u) 55 percent of the Monthly RAS Expenses times (v) the Participant's total Electrical Load for all hours in that month divided by (w) the sum of all Participants' total Electrical Loads for all hours in that month; plus (b) an amount equal to the product of (x) 45 percent of the Monthly RAS Expenses times (y) the Participant's Generation Ownership Shares for that month divided by (z) the total Generation Ownership Shares for all Participants for that month. ~~{Participant that has an account for Operating Reserve, Automatic Generation Control, Installed Capability, or Operable Capability that is settled by the ISO for the current month or for any month of the preceding 12 months shall be considered a Customer for RAS and} {an amount equal to \$735.33 as a customer charge; plus~~

~~(3) Each Participant that is a buyer or seller under a Bilateral Contract for ICAP administered by the ISO in a month, each Participant with respect to its ICAP Bids submitted in that month, and each Participant that had either a surplus or deficiency of ICAP in the spot ICAP Market in that month, shall be considered a Customer for RAS and shall pay each month} {\$41.94 times the Customer=s ICAP TUs for that month, if any; plus~~

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~~(4) Each Participant that is a buyer or seller under a Bilateral Contract for OPCAP administered by the ISO in a month, each Participant with respect to its OPCAP Bids administered in that month, and each Participant that had either a surplus or deficiency of OPCAP in the spot OPCAP Market in that month, shall be considered a Customer for RAS and shall pay each month) (\$0.0436 times the Customer=s~~

[PAGE INTENTIONALLY BLANK]

~~OPCAP TUs for that month, if any; plus~~

~~(5) Each Participant that is a buyer or seller under a Bilateral Contract for AGC administered by the ISO in a month, each Lead Participant with respect to its AGC Bids administered in that month, and each Participant that was a buyer or seller in the spot AGC Market in that month, shall be considered a Customer for RAS and shall pay each month an amount equal to the product of \$0.0820 times the Customer=s AGC TUs for that month, if any; plus~~

~~(6) Each Participant that is a buyer or seller under a Bilateral Contract for TMSR administered by the ISO in a month, each Lead Participant with respect to its TMSR Bids administered in that month, and each Participant that was a buyer or seller in the spot TMSR Market in that month, shall be considered a Customer for RAS and shall pay each month an amount equal to the product of \$0.0589 times the Customer=s TMSR TUs for that month, if any; plus~~

~~(7) Each Participant that is a buyer or seller under a Bilateral Contract for TMNSR administered by the ISO in a month, each Lead Participant with respect to its TMNSR Bids administered in that month, and each Participant that was a buyer or seller in the spot TMNSR Market in that month, shall be considered a Customer for RAS and shall pay each month an amount equal to the product of \$0.0446 times the Customer=s TMNSR TUs for that month, if any; plus~~

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~~(8) Each Participant that is a buyer or seller under a Bilateral Contract for TMOR administered by the ISO in a month, each Lead Participant with respect to its TMOR Bids administered in that month, and each Participant that was a buyer or seller in the spot TMOR Market in that month, shall be considered a Customer for RAS and shall pay each month an amount equal to the product of \$0.0453 times the Customer=s TMOR TUs for that month, if any; plus~~

~~(9) Each Participant shall be considered a Customer for RAS and shall pay each month an amount equal to:-~~

~~(a) the product of \$0.0000441 per kilowatthour times the Participant=s total Electrical Load for all hours in that month; plus~~

~~(b) an amount equal to the product of \$0.0000286 per kilowatthour of the Participant=s Generation Ownership Shares for the preceding month times the number of hours in that month.}~~

RAS does not include any amounts paid by the ISO on behalf of the Participants to purchase emergency power. If one or more states requires Participants to undertake disclosure or tracking obligations that result in the ISO incurring expenses, the ISO will segregate the expenses associated with such obligations.

All general terms and conditions of this Tariff apply to this Service.

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ISO NEW ENGLAND INC.  
FERC Docket No. ER00-\_\_\_\_\_  
Schedule 1 - Scheduling Service  
Rates Development

Line No.	Description	Settlement Rates Budget Year 1999 (1)	Budget Year 2000 Rate Design	
			Per 1999 Settlement Design (c)	Proposed Rate Design (2) (d)
1	<b>Annual Revenue Requirement</b>			
2	Customer Component	\$ -	\$ -	\$ 1,368,715
3	Transmission Component	9,409,576	10,097,431	8,728,716
4	Total	\$ 9,409,576	\$ 10,097,431	\$ 10,097,431
5				
6	<b>Billing Units</b>			
7	Customers			
8	Monthly	-	-	80
9	Annual	-	-	960
10				
11	Network Load			
12	Monthly (kW)	18,682,867	19,102,120	19,102,120
13	Annual (kW-Months)	224,194,404	229,225,441	229,225,441
14				
15	<b>Rate Design</b>			
16	Network Rate			
17	Customer Charge (\$/Month)	\$ -	\$ -	\$ 1,425.75
18	Annual (\$/kW-Year)	\$ 0.5036	\$ 0.5286	\$ 0.4570
19	Monthly (\$/kW-Month)	\$ 0.0420	\$ 0.0441	\$ 0.0381
20				
21	Point-To-Point Rates			
22	Firm			
23	Annual (\$/kW-Year)	\$ 0.5036	\$ 0.5286	\$ 0.4570
24	Monthly (\$/kW-Month)	\$ 0.0420	\$ 0.0441	\$ 0.0381
25	Weekly (\$/kW-Week)	\$ 0.0097	\$ 0.0102	\$ 0.0088
26	Daily (\$/kW-Day)	\$ 0.0019	\$ 0.0020	\$ 0.0018
27				
28	Non-Firm			
29	Annual (\$/kW-Year)	\$ 0.5036	\$ 0.5286	\$ 0.4570
30	Monthly (\$/kW-Month)	\$ 0.0420	\$ 0.0441	\$ 0.0381
31	Weekly (\$/kW-Week)	\$ 0.0097	\$ 0.0102	\$ 0.0088
32	Daily (\$/kW-Day)	\$ 0.0014	\$ 0.0015	\$ 0.0013
33	Hourly (\$/kW-Hour)	\$ 0.00006	\$ 0.00006	\$ 0.00005

(1) From ISO New England Inc. Filing dated October 23, 1998.

(2) Revenue Requirement from Exhibit 5 (GCP-2), Schedule 1.0, Line 34.

Billing Units from Exhibit 5 (GCP-5), Schedule 1, Line 35.

ISO NEW ENGLAND INC.  
FERC Docket No. ER00-\_\_\_\_\_  
Schedule 2 - Energy Administration Service  
Rates Development

Line No.	Description	Budget Year 2000 Rate Design			
		Settlement Rates Budget Year 1999 (1)		Per 1999 Settlement Design (c)	Proposed Rate Design (2) (d)
	(a)	(b)	(c)	(d)	
1	<b>Annual Revenue Requirement</b>				
2	Customer Component	\$ -	\$ -	\$ 2,880,846	
3	Bid Service	-	-	1,206,488	
4	Contract Service	-	-	1,414,551	
5	Spot Market Service	-	-	1,812,286	
6	Electrical Load	50% 8,566,880	50% 10,307,074	50% 6,649,988	
7	Generation Shares	50% 8,566,880	50% 10,307,074	50% 6,649,988	
8	Total	\$ 17,133,760	\$ 20,614,148	\$ 20,614,148	
9					
10	<b>Annual Billing Units</b>				
11	Customers			1,824	
12	Bids (TUs)	-	-	1,974,419	
13	Contracts (TUs)	-	-	15,491,205	
14	Spot Market (TUs)	-	-	426,795	
15	Electrical Load (kWh)	122,720,000,000	127,773,325,309	127,773,325,309	
16	Generation Shares (kWh)	195,145,300,000	197,115,783,410	197,115,783,410	
17					
18	<b>Rate Design</b>				
19	Customer Charge (\$/Month)	\$ -	\$ -	\$ 1,579.41	
20	Bid Service (\$/TUs)	\$ -	\$ -	\$ 0.6111	
21	Contract Service (\$/TUs)	\$ -	\$ -	\$ 0.0913	
22	Spot Market Service (\$/TUs)	\$ -	\$ -	\$ 4.25	
23	Electrical Load (\$/kWh)	\$ 0.0000698	\$ 0.0000807	\$ 0.0000520	
24	Generation Ownership Shares (\$/kWh)	\$ 0.0000439	\$ 0.0000523	\$ 0.0000337	

(1) From ISO New England Inc. Filing dated October 23, 1998.

(2) Revenue Requirement from Exhibit 5 (GCP-3), Schedule 1.0, Line 34.  
Billing Units from Exhibit 5 (GCP- 5), Schedule 2, Line 35.

ISO NEW ENGLAND INC.  
FERC Docket No. ER00-\_\_\_\_\_  
Schedule 3 - Reliability Administration Service  
Rates Development

Line No.	Description	Settlement Rates		Budget Year 2000 Rate Design	
		Budget Year 1999 (1)		Per 1999 Settlement Design	Proposed Rate Design (2)
	(a)	(b)	(c)	(d)	
1	<b>Annual Revenue Requirement</b>				
2	Customer Component	\$ -	\$ -	\$ -	\$ 1,632,429
3	ICAP Service	-	-	-	927,420
4	OPCAP Service	-	-	-	745,395
5	AGC Service	-	-	-	560,267
6	TMNSR Service	-	-	-	461,372
7	TMSR Service	-	-	-	596,905
8	TMOR Service	-	-	-	465,035
9	Electrical Load	55% 9,423,568	55% 11,337,781	50%	5,634,591
10	Generation Shares	45% 7,710,192	45% 9,276,367	50%	5,634,591
11	Total	\$ 11,871,805	\$ 16,658,005	\$	16,658,005
12					
13	<b>Annual Billing Units</b>				
14	Customers	-	-	-	2,220
15	ICAP Service (TUs)	-	-	-	22,111
16	OPCAP Service (TUs)	-	-	-	17,088,674
17	AGC Service (TUs)	-	-	-	6,835,385
18	TMNSR Service (TUs)	-	-	-	10,341,278
19	TMSR Service (TUs)	-	-	-	10,138,652
20	TMOR Service (TUs)	-	-	-	10,270,578
21	Electrical Load (kWh)	122,720,000,000	127,773,325,309		127,773,325,309
22	Generation Shares (kWh)	195,145,300,000	197,115,783,410		197,115,783,410
23					
24	<b>Rate Design</b>				
25	Customer Charge (\$/Month)	\$ -	\$ -	\$ -	\$ 735.33
26	ICAP Service (\$/TUs-Month)	\$ -	\$ -	\$ -	\$ 41.94
27	OPCAP Service (\$/TUs)	\$ -	\$ -	\$ -	\$ 0.0436
28	AGC Service (\$/TUs)	\$ -	\$ -	\$ -	\$ 0.0820
29	TMNSR Service (\$/TUs)	\$ -	\$ -	\$ -	\$ 0.0446
30	TMSR Service (\$/TUs)	\$ -	\$ -	\$ -	\$ 0.0589
31	TMOR Service (\$/TUs)	\$ -	\$ -	\$ -	\$ 0.0453
32	Electrical Load (\$/kWh)	\$ 0.0000768	\$ 0.0000887	\$	0.0000441
33	Generation Ownership Shares (\$/kWh)	\$ 0.0000395	\$ 0.0000471	\$	0.0000286

(1) From ISO New England Inc. Filing dated October 23, 1998.

(2) Revenue Requirement from Exhibit 5 (GCP-4), Schedule 1.0, Line 34.  
Billing Units from Exhibit 5 (GCP-5), Schedule 3, Line 35.

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

ISO New England Inc.                    )                    Docket No. ER00-395-000

NOTICE OF FILING

(January \_\_, 2000)

Take notice that on January 31, 2000, ISO New England Inc. re-filed its Tariff for Transmission Dispatch and Power Administration Services in compliance with Commission's December 30, 1999 Order in this Docket.

Copies of said filing have been served upon all parties to this proceeding, upon NEPOOL Participants and upon all non-Participant entities that are customers under the NEPOOL Open Access Transmission Tariff, as well as upon the utility regulatory agencies of the six New England States.

Any person desiring to be heard or to protest such filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions and protests should be filed on or before February \_\_, 2000. Protests will be considered by the Commission to determine the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

David P. Boergers  
Secretary