



MEMORANDUM

To: ISO New England Market Participants

From: John Waggoner

Date: March 12, 2008

Re: Allocation of ISO New England Transmission, Markets and Services Costs Tariff Schedules 1, 2, and 3, among FERC accounts as required by FERC Docket # RM04-12-000; Order No. 668 – **2008 Allocation**

Please find below, as required under FERC Order # 668, Docket No. RM04-12-000, issued on December 16, 2005, the allocation of ISO New England’s (ISO) Transmission, Markets and Services Costs Tariff Schedule 1, 2, and 3, with respect to the FERC account numbers 561.4 – Scheduling, system control and dispatching services; 561.8 - Reliability planning and standards development services; and 575.7 Market administration, monitoring and compliance services.

The ISO currently provides for detailed billing to its Market Participants, for recovery of its administrative costs by the established Schedules 1, 2 and 3 of its Tariff. As such, the chart below illustrates how those individual bill line items which may appear on your bill, should be mapped to the FERC accounts described above. You will notice that certain of the current ISO Schedules have a one for one correlation, while others must be broken out among one or more schedules. In addition to the table below, I have provided an example of how this would apply to a Market Participant that has bill line items for the three Tariff schedules.

<b>ISO NEW England Inc.</b>			
<b>ISO New England’s Transmission, Markets and Services Costs Tariff - Bill Line items</b>	<b>% Allocation of 2008 billed line item to:</b>		
	FERC Acct # 561.4	FERC Acct # 575.7	FERC Acct # 561.8
ISO Schedule 1 for RNS	100.00%		
ISO Schedule 1 for TOUT	100.00%		
ISO Schedule 2		100.00%	
ISO Schedule 3 Peak		54.90%	45.10%
ISO Schedule 3 Rate Adjustment		54.90%	45.10%

<b>Sample Allocation for 2008 Billings:</b>		<b>Allocation to FERC Accounts for Participant Reporting</b>		
		<b>FERC Acct # 561.4</b>	<b>FERC Acct # 575.7</b>	<b>FERC Acct # 561.8</b>
Participant ABC	Invoice Amounts			
ISO Schedule 1 for RNS	\$10,500	\$10,500.00		
ISO Schedule 1 for TOUT	\$2,000	\$2,000.00		
ISO Schedule 2	\$13,500		\$13,500.00	
ISO Schedule 3 Peak	\$6,000		\$3,294.00	\$2,706.00
ISO Schedule 3 Rate Adjustment	\$1,000		\$549.00	\$451.00
Totals	\$33,000	\$12,500.00	\$17,343.00	\$3,157.00