

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 34  
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SUPERSEDING REVISION:

## GENERAL INFORMATION

### 1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 1.62 "NYISO TARIFF" - The NYISO Services Tariff and the NYISO Open Access Transmission Tariff filed on April 30, 1999 and approved with modification by FERC on July 28, 1999 which may be amended from time to time.
- 1.63 "Locational Based Marginal Pricing" ("LBMP") - A pricing methodology under which the price of energy at each location in the NYS Transmission System is equivalent to the cost to supply the next increment of load at that location (i.e., the short-run marginal cost). The short-run marginal cost takes generation bid prices and the physical aspects of the NYS Transmission System into account. The short-run marginal cost also considers the impact of Out-of-Merit Generation (as measured by its Bid Price) resulting from the congestion and marginal losses occurring on the NYS Transmission System which are associated with supplying an increment of load. The term LBMP also means the price of energy bought or sold in the LBMP Markets at a specific location.
- 1.64 "Locational Based Marginal Capacity Price" ("LBMCP") - The price of the respective six-month block auction for an entire (capability) obligation period defined by the NYISO as the Capability Period Auction, in \$/kW-mo for capacity in each of the respective zones.
- 1.65 "NYPA Transmission Adjustment Charge" ("NTAC") - A surcharge on all Energy Transactions designed to recover the Annual Transmission Revenue Requirement of NYPA which cannot be recovered through its TSC, transmission congestion contracts, or other transmission revenues, including, but not limited to, its existing transmission agreement revenues. This charge will be assessed to all load statewide, as well as transmission customers in wheels through and exports.
- 1.66 "Load Serving Entity" ("LSE") - An entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area, including an entity that takes service directly from the NYISO to supply its own load in the New York Control Area.
- 1.67 "Transmission Usage Charge" ("TUC") - Payments made by the transmission customer to cover the cost of marginal losses and, during periods of time when the transmission system is constrained, the marginal cost of congestion. The TUC is equal to the product of: (1) the LBMP at the point of withdrawal minus the LBMP at the point of injection (in \$/MWh); and (2) the scheduled or delivered Energy (in MWh).
- 1.68 "Interconnection Agreement" - A separate Interconnection Agreement between Niagara Mohawk Power Corporation and the "Customer".
- 1.69 "Transmission Service Charge" ("TSC") - A charge designed to ensure recovery of the embedded cost of a transmission owner's transmission system.
- 1.70 "Day-Ahead LBMP" - the LBMPs calculated based upon the NYISO's Day-Ahead Security Constrained Unit Commitment Process.

Issued by Thomas B. King, President, Syracuse, NY