



STANDARD MARKET DESIGN – PRICING TABLE

ATC Pricing Principles:

- Those that benefit are those that pay.
- Load pays the transmission access charge consisting of a local zone and a regional access charge.
- Directly assign the costs of facilities to the customers who arguably would benefit from such a project.
- All non-directly assigned transmission facilities (new or existing) are considered local facilities and are paid through the local zone access charge unless determined by the RTO/ITP to be other than local (or regional). In this case, the RTO/ITP would allocate the costs (or portion of costs) associated with such a facility into the appropriate local zone or regional categories.
- The cost allocation of the proposed facility between the region and the local zone would be determined by the RTO/ITP conducting power flow analyses and identifying what percent of the loading on the new facility supports local zone needs and what percent supports regional uses (i.e., reduction in the number of congested flow gates).

Type of Access Charge	Pricing Mechanism	Costs to be recovered
1) Local Zone	Costs spread over local load	Existing and new local transmission facilities
2) Region	Costs spread over regional load	Existing and new regional transmission facilities
Other Charges		
1) Direct Assigned Customer	Direct assignment of facility costs by customer charge	Any new transmission facility that primarily benefits a specific customer or group of customers
2) Direct Assigned Generator	Direct assignment of facility costs by customer charge	ATC policy and current practice recommends direct assignment of only non-network transmission facilities required for interconnection.
3) Charge for use of non-network merchant transmission facility	Pricing mechanism as approved by FERC	Any new non-network transmission facility that is built by the merchant

In a large geographical area, sub regions can be defined to better align the benefits of a facility with those that pay for the facility.

- The RTO/ITP region could be divided into pricing/planning sub regions that might be composed of the areas of several individual transmission owners.
- The sub regions could be divided into local pricing/planning zones that typically represent the area of an individual transmission owner.