

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES  
AS OF 3/16/2010

I. Business rule modifications and data corrections pending resolution

DESCRIPTION	NET ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Start-up costs for SRE'd units not properly being accounted for in calculation of RT BPCG charges after Generator Derate in first hour of SRE	\$400,000	• October 2008 forward	•	• 405	• Transmission Customers: affected transmission customers may experience increased RT BPCG charges.	• Generators: affected generators may experience increased RT BPCG credits.	• Proper processing of start-up costs for SRE'd units is being tested, Deployment schedule is to be determined. • Settlements performing manual review to identify start-up costs in need of correction prior to 4 month or initial invoice.

II. Resolved business rule modifications and data corrections pending adjustment through the normal settlement cycle

DESCRIPTION	NET ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Start-up costs for SRE'd units not properly being accounted for in calculation of RT BPCG charges during Reserve pickup event.	\$21,000	• October 2, 2008 , February 3, 2009	•	• 406	• Transmission Customers: affected transmission customers may experience increased RT BPCG charges.	• Generators: affected generators may experience increased RT BPCG credits.	• <b>New code deployed Mar 9, 2010.</b> • Generators paid with manual adjustments prior to deployment.
DAM BPCG Startup payments is being prorated incorrectly in certain instances	\$1,000	• July 2009 forward	•	• 420	• Transmission Customers: affected transmission customers may experience increased DAM BPCG charges	• Generator: affected generators may experience increased DAM BPCG credits	• All instances will be paid with corrected code <b>deployed in Feb 2010.</b>
Wind generators are incorrectly incurring overgeneration penalties during limit wind output events due to an error in the error tolerance valued calculation		• November 2009 forward	•	• 421	• Transmission Customers: affected transmission customers may be allocated less overgeneration penalties	• Generator: affected generators may experience decreased overgeneration penalties	• <b>New code deployed Mar 9, 2010.</b>
Generators bidding Self Committed <b>Fixed</b> in RT and scheduling themselves in excess of their DAM schedule maybe paid too much RT BPCG	<b>Aprox \$150,000 per month</b>	• June 2009 forward	•	• 422	• Generators: affected generators may experience decreased RT BPCG charges	• Transmission Customers: affected transmission customers may experience decreased RT BPCG charges.	• <b>New code deployed in Feb 2010..</b> • June 2009 corrections were made via manual adjustments. All remaining open months should be settled corrected upon rebill.
<b>Generators with both DAM Energy and Reserves and/or Regulation Schedules that buy out of their DAM Reserves and/or Regulation Schedules incorrectly receive compensation under both the RT BPCG and DAMAP settlements</b>	<b>\$121,918 over 7 months</b>	• July 2009 forward	•	• 423	• <b>Generators: affected generators may experience decreased RT BPCG charges</b>	• <b>Transmission Customers: affected transmission customers may experience decreased RT BPCG charges.</b>	• <b>New code deployed Mar 9, 2010.</b> • <b>July 2009 corrections were made via manual adjustments. All remaining open months should be settled corrected upon rebill.</b>

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III. Final Bill Challenges

DESCRIPTION	NET ESTIMATED IMPACT	PERIOD(S) AFFECTED	SERVICE CENTER TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
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IV. Pending Approved DAC/Disputes

DESCRIPTION	BILLING MONTH	EXPECTED INVOICE DATE	\$ AMOUNT	ALLOCATION BASIS
DAC	June - 2009	March 4, 2010	<b>\$99,881</b>	NYISO-wide Withdrawals
DAC	September – 2009	June 4, 2010	<b>\$5120</b>	NYISO-wide Withdrawals
DAC	December – 2009	May 7, 2010	<b>7615</b>	NYISO-wide Withdrawals
2006 Pending Dispute Resolutions	--	--	<b>\$4,700</b>	NYISO-wide Withdrawals
2007 Pending Dispute Resolutions	--	--	<b>\$63</b>	NYISO-wide Withdrawals

V. Pending FERC/Court Activity

FERC DOCKET #	DESCRIPTION OF ISSUE	STATUS	UPCOMING ACTIVITY
ER08-1281-000	NYISO requests permanent tariff changes to preclude the scheduling of certain external transactions, for shortened notice and comment periods and for expedited Commission Action	The filing was made on October 31, 2008. FERC accepted the permanent tariff revisions on November 17, 2008 effective November 18, 2008. On February 18, 2009, NYISO issued its 90 Day Report On Efforts to Develop Long-Term Solutions To Lake Erie Circulation and ISO/PJM Congestion Management Processes. The FERC staff report was released on July 16, 2009. FERC has concluded that there was no market manipulation or tariff violations on the part of the market participants. FERC did determine there is a systemic pricing issue that impinges on NYISO, PJM and MISO customers. Compliance filing on Long-Term solutions submitted 1/12/2010	The NYISO is awaiting FERC's ruling on the compliance filing.
EL09-26-000	NYSEG petitions FERC for a Declaratory Order requiring the NYISO to rebill certain energy charges due to metering errors dating back to 1999. The incorrect charges total approximately \$20 million dollars.	The filing was made on December 23, 2008. Several parties filed responses to the filing. FERC held settlement conferences on April 14, 2009 and May 7, 2009. At the end of the May 7 conference, National Grid presented an offer of settlement. Settlement discussions continue. After another settlement conference on August 25, the parties reached an agreement in principle. On September 21, 2009 the parties filed the settlement in which they agreed on most points but left it for FERC to decide whether or not to order a rebilling. Additionally, the parties requested that the docket be opened up for additional entities to respond. Several additional parties filed interventions. NYISO filed an initial brief supplying facts for consideration in regard to whether or not to order a rebilling.	The NYISO is awaiting FERC's ruling on the final agreement.