

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF 8/14/2008

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.	\$100K/month	• October 2007 – July 2008	•	• 356	• 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 scheduled to be incorporated in 2008 SRE OOM project. Scheduled for September 2008 deployment. • Settlements performing manual review to identify start-up costs in need of correction prior to close-out.
Updating of Reference Curves for application in Regulation Revenue Adjustment (RRA) calculation	<\$10K/month	• June 2008 forward	•	• 401	• Transmission Customers: affected transmission customers may experience decreased regulation charges.	• Generators: affected generators may experience decreased regulation credits.	• A new software tool is needed to update the reference curves for use in the automated RRA calculation. The tool is not expected to be ready before 2009. A few manual adjustments per month will be needed.
Several Wind Generators receiving Undergeneration Penalties without a Bid.	Approx \$1,800 through July 2008	• October 2007 forward	•	• 402	• Transmission Customers: affected transmission customers may experience increased regulation charges.	• Generators: affected generators may experience decreased undergeneration charges.	• Manual Adjustments will be applied until RTS software code is fixed. The deployment is expected to be in September 2008.

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
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent excess/shortfall balancing was revised.	N/A	• November 2007 – February 2008	• N/A	• 226	• Transmission Owners: Application of new allocation factors may cause additional DAM Congestion shortfall balancing costs.	• Transmission Owners: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing costs.	• OATT Attachment N provisions, effective 1/1/04, for rebalancing due to TO-specific facilities causing shortfalls not yet implemented. • Original backlog has been completed • October 2007 – February 2008 will miss the 4 month adjustment • March 2008 will begin the new process of the rebalancing appearing on the 4 month adjustment.
Improper balancing settlement of transactions scheduled in DAM but failing check-out during periods when MIS is down.	<\$35K/month	• October 2007 – April 2008	•	• 396	• Transmission Customers: affected transmission customers may experience increased or reduced residual charges.	• Transmission Customers: affected transmission customers may experience increased or reduced balancing settlements.	• Correction to MIS Application under review. Deployed in May 2008. . • Settlements performing manual review to identify transactions in need of correction prior to close-out.

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF 8/14/2008

DESCRIPTION	NET ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Calculation of Regulation Revenue Adjustment Payment (RRAP) not including bid mitigation logic per MST, Rate Schedule 3.	\$340K for all months	<ul style="list-style-type: none"> February 2005 – September 2006, January 2007 – June 2007 (closed) October 2007 – May 2008 	•	• 398	<ul style="list-style-type: none"> Transmission Customers: affected transmission customers may experience decreased regulation charges. 	<ul style="list-style-type: none"> Generators: affected generators may experience decreased regulation credits. 	<ul style="list-style-type: none"> FERC limited tariff waiver was accepted on August 13 for months already closed prior to discovery of the issue. Software change deployed in May 2008 with June 1, 2008 effective date.

III. Final Bill Challenges

October 2007 Final Bill Challenges

DESCRIPTION	NET ESTIMATED IMPACT	PERIOD(S) AFFECTED	SERVICE CENTER TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Balancing Energy Credits for Generator	N/A	• October 2007	• IM082749	• 101148	<ul style="list-style-type: none"> Transmission Customers: May realize increased balancing residuals. 	<ul style="list-style-type: none"> Generator: May realize increased balancing energy credits. 	• Invalid Challenge
MP Cannot Validate Schedule 1 (Uplift) charges or RT BPCG credits	N/A	• October 2007	• IM082749	• 101149	• N/A	• N/A	• Invalid challenge.

November 2007 Final Bill Challenges

DESCRIPTION	NET ESTIMATED IMPACT	PERIOD(S) AFFECTED	SERVICE CENTER TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Generator OOM and PTS Data	13,000	• November 2007	• IM080025	• 101150	<ul style="list-style-type: none"> Transmission Customers: May realize increased regulation charges 	<ul style="list-style-type: none"> Generator: May realize decreased regulation penalties. 	<ul style="list-style-type: none"> OOM and PTS Data corrected Correct Regulation Penalties will be calculated when bill is spun again
Balancing Energy Credits for Generator	N/A	• November 2007	• IM083638	• 101151	<ul style="list-style-type: none"> Transmission Customers: May realize increased balancing residuals. 	<ul style="list-style-type: none"> Generator: May realize increased balancing energy credits. 	• Invalid Challenge
MP Cannot Validate Schedule 1 (Uplift) charges or RT BPCG credits	N/A	• November 2007	• IM083638	• 101152	• N/A	• N/A	• Invalid challenge.

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF 8/14/2008

December 2007 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	SERVICE CENTER TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Balancing Energy Credits for Generator	TBD	• December 2007	• IM084790	• 101153	• Transmission Customers: May realize increased balancing residuals.	• Generator: May realize increased balancing energy credits.	• Under Review
MP Cannot Validate Schedule 1 (Uplift) charges or RT BPCG credits	TBD	• December 2007	• IM084790	• 101154	• N/A	• N/A	• Under Review.

IV. Pending Approved DACs

DESCRIPTION	BILLING MONTH	EXPECTED INVOICE DATE	\$ AMOUNT	ALLOCATION BASIS
Power Supplier DAMAP	April-08	September -08	\$10,153	NYISO-wide Withdrawals
Power Supplier RT BPCG	April-08	September-08	\$110,000	Con Edison Transmission District Withdrawals
Power Supplier RT BPCG	June-08	November-08	\$209,023	Con Edison Transmission District Withdrawals
Power Supplier RT BPCG	June-08	November-08	\$57,016	NGRID Transmission District Withdrawals
Power Supplier RT BPCG	May-08	October-08	\$66,358	NGRID Transmission District Withdrawals
2006 Pending Dispute Resolutions	--	--	\$24,225.53	NYISO-wide Withdrawals
2007 Pending Dispute Resolutions	--	--	\$831	NYISO-wide Withdrawals
2008 Settled Dispute Resolution	--	September-08	\$405,275	NYISO-wide Withdrawals
2008 Pending Dispute Resolutions	--	--	\$885,169	NYISO-wide Withdrawals

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF 8/14/2008

V. Pending FERC/Court Activity

FERC DOCKET #	DESCRIPTION OF ISSUE	STATUS	UPCOMING ACTIVITY
EL08-40-000	Filing by National Grid USA to revise certain final invoices issued between January 2007 and August 2007 for billing months between March and August 2005 with regard to LSE loads.	The filing was made on 02/13/2008. Various parties intervened in the filing by the deadline of March 14, 2008. On 6/30/2008, FERC issued an order granting the petition and ordering NYISO to adjust the relevant invoices. NYISO is permitted six months from the date of this order to correct and reissue the invoices. Customers shall have the 25 day period set forth in Section 7.4.1.C of the MST to review and challenge the corrected invoices	The corrected billing months, March – August 2005, will be invoiced prior to December 30, 2008. The TOL 's have been corrected and the bills are being respun.
ER08-850-000	Filing by the NYISO to increase the amount of intermittent renewable capacity eligible for special market rules and to incorporate a wind forecasting system into the NYISO's processes.	The filing was made on April 18, 2008. The NYISO sought an effective date of June 18, 2008 for the tariff revisions. FERC approved the filing on June 17, 2008.	The wind forecasting charge appeared on the July 2008 invoice for the eligible generators
ER08-1151-000	NYISO filing of notification of tariff implementation error and request for limited tariff waiver for Regulation Revenue Adjustment Payment (RRAP).	The filing was made on June 20, 2008. The tariff waiver is for 26 closed months. See BIG ISSUE 398 above.	The FERC accepted the filing on June 13.
ER08- 1196-000	Tariff Amendment Filing by the NYISO to clarify Settlement Rules for generators committed OOM for Reliability and generators that self-commit during SU/SD or testing periods.	The filing was made on July 1, 2008. The NYISO requested an October 1, 2008 effective date for the proposed Tariff revisions. On 8/7/08 FERC issued a letter order accepting the filing, effective 10/01/2008, as requested.	The software changes related to the tariff amendments to be deployed in September effective October 1, 2008. See BIG ISSUE 356 above.
ER08-1281-000	The NYISO exigent circumstances filing is requesting to amend the NYISO Open Access Transmission Tariff, Attachment J and its Market Services Tariff, Attachment B to address a "seam" between the methods that are used by the organized markets in the Eastern Interconnection to price External Transactions.	The filing was made on July 21, 2008. The tariff changes were implemented on July 22, 2008. The proposed tariff amendments will preclude scheduling external transactions over 8 specified paths. The expected result is reduced Lake Erie circulation flows which should result in lower uplift and residual charges for the transmission customers	The NYISO has 120 days to move the tariff changes through the governance process.