Multi-Year Project Cost Summary

Prepared For:

Budget, Standards & Performance Subcommittee

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NYISO Multi-Year Project Cost Summary

➢ Project scopes and expenditures are reviewed with Market Participants as part of annual budgeting process

➢ Project scope is usually broken down into incremental phases that can be evaluated separately

➢ Multi-phase implementations that require future year investment are specified

➢ Deviations from project budgets and plans are reviewed regularly with Market Participants

Multi-Year Project Cost Summary
($ in millions)

PROJECTS COMPLETED DURING 2005:

Project Name	*Actuals Prior to 2005				2005 Projection				Total Project Cost			
	Labor	Cap.	Other	Total	Labor	Cap.	Other	Total	Labor	Cap.	Other	Total
SMD 2.0 Implementation & Related Projects	$8.0	$14.6	$34.7	$57.3	$0.9	$0.0	$1.1	$2.0	$8.9	$14.6	$35.8	$59.3
DSS Customer Settlements Expansion	$1.0	$7.0	$7.2	$15.2	$0.8	$0.0	$1.5	$2.3	$1.8	$7.0	$8.7	$17.5
E-Tagging	$0.3	$0.1	$2.8	$3.2	$0.2	$0.0	$0.6	$0.8	$0.5	$0.1	$3.4	$4.0
Documentum Expanded Implementation	$0.2	$0.0	$0.9	$1.1	$0.3	$0.0	$0.4	$0.7	$0.5	$0.0	$1.3	$1.8
Controllable Tie Lines Scheduling & Pricing	$0.3	$0.0	$0.4	$0.7	$0.3	$0.0	$0.6	$0.9	$0.6	$0.0	$1.0	$1.6
MDEX	$0.2	$0.1	$0.2	$0.5	$0.1	$0.0	$0.8	$0.9	$0.3	$0.1	$1.0	$1.4

PROJECTS CONTINUING INTO 2006:

Project Name	*Actuals Prior to 2005				2005 Projection				**Total Project Cost			
	Labor	Cap.	Other	Total	Labor	Cap.	Other	Total	Labor	Cap.	Other	Total
New Headquarters Facility	$0.0	$0.0	$0.0	$0.0	$0.4	$15.9	$0.5	$16.8	$0.4	$15.9	$0.5	$16.8
BAS Replacement Strategy / Billing Sim.	$0.3	$0.0	$3.5	$3.8	$0.7	$0.0	$1.4	$2.1	$1.0	$0.0	$4.9	$5.9
UCAP Auction Automation	$0.8	$0.1	$1.9	$2.8	$0.4	$0.0	$0.5	$0.9	$1.2	$0.1	$2.4	$3.7
TCC Auction Automation	$0.0	$0.0	$0.0	$0.0	$0.6	$0.0	$0.5	$1.1	$0.6	$0.0	$0.5	$1.1
Intra-Hour Transaction Scheduling	$0.1	$0.0	$0.0	$0.1	$0.1	$0.0	$0.1	$0.2	$0.2	$0.0	$0.1	$0.3

* Note: Before 2004, Labor was not tracked on an individual project basis.
** Note: These projects will have costs beyond 2005, and will be included within the 2006 budgeting process.

Key Points Regarding Multi-Year Projects

- ➢ **SMD2**
  - ▪ *Additional labor and consultant costs tied to additional market trials and testing phases.*
  - ▪ *Unanticipated hardware costs associated with unplanned replacement of infrastructure components; not in original project scope.*
  - ▪ *Incremental labor and consultant cost driven by rescheduling of deployment from 4th quarter 2004 to February 2005.*
  - ▪ *Certain feature additions not part of original scope, but determined to be required.*

Key Points Regarding Multi-Year Projects

- ➢ **DSS Customer Settlements**
  - ▪ *Core infrastructure components were part of original investment.*
  - ▪ *Incremental feature additions as requested by MPs on annual basis; incorporated in budgeting process.*
  - ▪ *Features incorporated in data warehouse to support key strategic settlements initiatives (e.g. final bill close-out, billing automation enhancements).*

- ➢ **E-Tagging**
  - ▪ *Tighter coordination with neighboring control areas and compliance with NERC policy drives enhancements.*

Key Points Regarding Multi-Year Projects

- ➢ **Documentum**
  - ▪ *Core infrastructure components were part of original investment.*
  - ▪ *Incremental feature delivery as NYISO business functions leverage product capabilities.*

- ➢ **Controllable Tie Lines**
  - ▪ *Development of generic tie line / proxy bus solution should enable easier and faster implementation of future scheduled lines.*

Key Points Regarding Multi-Year Projects

➢ **Billing Simulator / BAS Replacement**

- *Initial deliverable tied to audit recommendations.*

- *Simulator system valuable for production calculation of final bill close-out numbers, as well as testing tool to find defects.*

- *Implementation of technology solution that could form the core of a new billing and settlements system.*

➢ **UCAP Auction Automation**

- *Additional labor and consultant costs tied to additional market trials and testing phases.*