

Potential Hybrid BAWG –NYISO Shortened Settlement Cycle Straw Proposal

Business Issues Committee

September 13, 2006

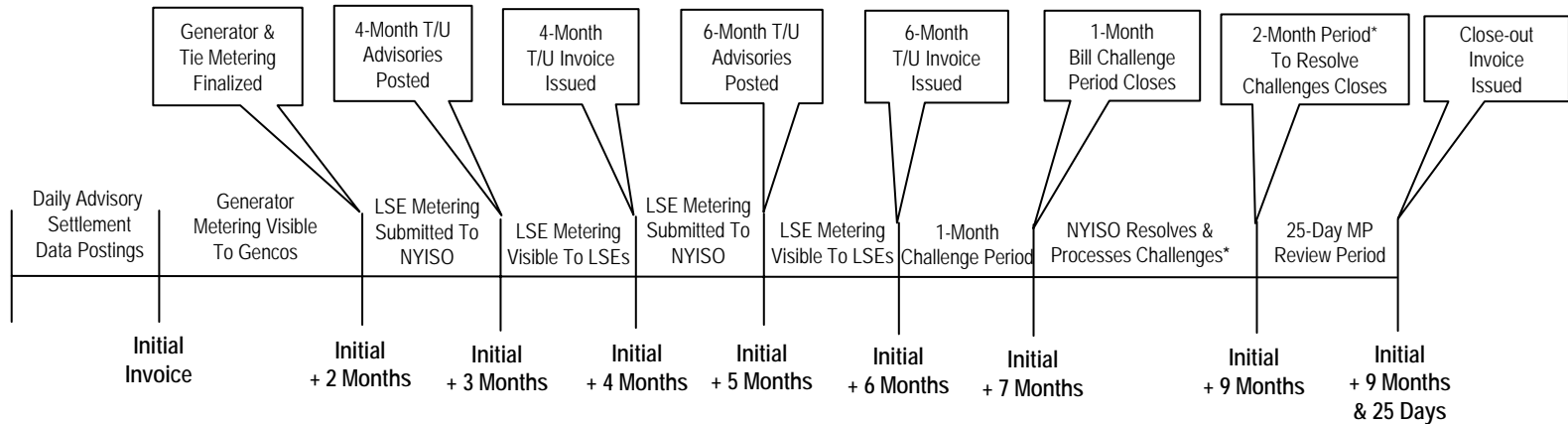
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Draft - For Discussion Purposes Only

Elements Of Potential Hybrid BAWG-NYISO Shortened Cycle

- Accommodates Virtually All Elements Of BAWG's Proposed Alternative Cycle
- Provides Meter Authorities 2 Months To Provide Final Generator & Tie-line Metering Versus BAWG's Proposal To Lock Down This Data 20 Days After Initial Invoicing
- Accommodates BAWG's Request For LSE Metering Visibility 30 Days Prior To True-Up Invoicing
- Accommodates BAWG's Request For A Second LSE Metering True-Up At 6 Months After Initial Invoicing
- Maintains Current Tariff Provision For 2-Month Period To Resolve Bill Challenges
- Maintains Current Tariff Provision For 25-Day Period For Market Participant Review Of Advisory Close-Out Settlements To Identify Challenge Resolution Implementation Errors
- NYISO's Revised Straw Proposal Reduces Base Settlement Cycle To ~10 Months, From The Current ~20-Month Cycle Length
- ✓ *Reduces Period Between Initial Invoice To End of Challenge Period To 7 Months From Its Current Length Of 16 Months*

Potential Hybrid BAWG-NYISO Shortened Settlement Cycle

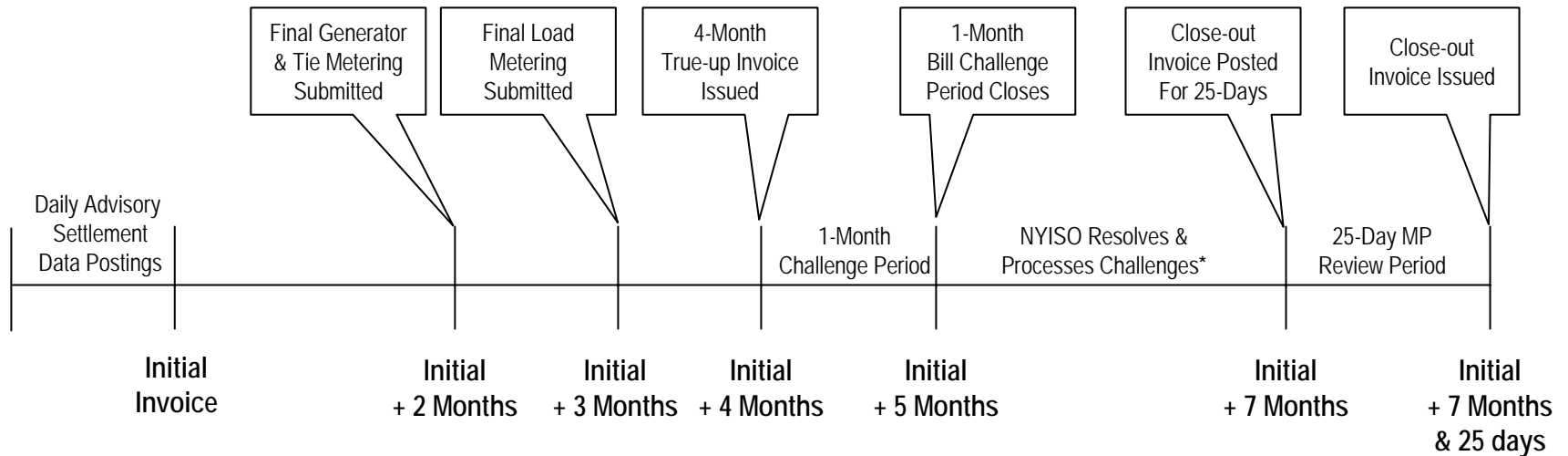


* - Period Could Expand By 4 Months In The Event Of An "Extraordinary Circumstance."

Comparison Of NYISO's Original Straw Proposal & BAWG's Proposed Alternative Shortened Settlement Cycle

- Both Proposals Provide For ~8 Month Cycle From Initial Invoice To Final Bill Close-Out
- Tie & Generator Metering Lockdown
 - ✓ *BAWG's Proposal Requires Final Tie & Generator Metering 20 Days After Initial Invoice.*
 - ✓ *NYISO's Proposal Requires Lockdown Within 2 Months After Initial Invoice.*
- LSE Metering
 - ✓ *BAWG's Proposal Provides For LSE Metering True-Ups At 4- And 6-Months.*
 - ✓ *NYISO's Proposal Provides For LSE Metering True-Up At 4-Months.*
- Challenge & Resolution Periods
 - ✓ *Both Proposals Provide For 1-Month Challenge Periods.*
 - ✓ *BAWG's Proposal Provides 1 Month To Resolve Challenges.*
 - ✓ *NYISO's Proposal Provides 2 Months To Resolve Challenges, Per Current Tariff, With The Possibility Of Extending Period To 6 Months In The Event Of An "Extraordinary Circumstance."*
- Advisory Close-Out Settlement Review
 - ✓ *BAWG's Proposal Provides 5 Days Between Posting & Invoicing Of Close-Out Settlements.*
 - ✓ *NYISO's Proposal Maintains Current Tariff Provision For 25-Day Review For Challenge Resolution Implementation Errors.*

NYISO's Original Shortened Settlement Cycle Straw Proposal



* - Period Could Expand By 4 Months In The Event Of An "Extraordinary Circumstance."

BAWG – TO Members' Alternative Settlement Cycle Straw Proposal

