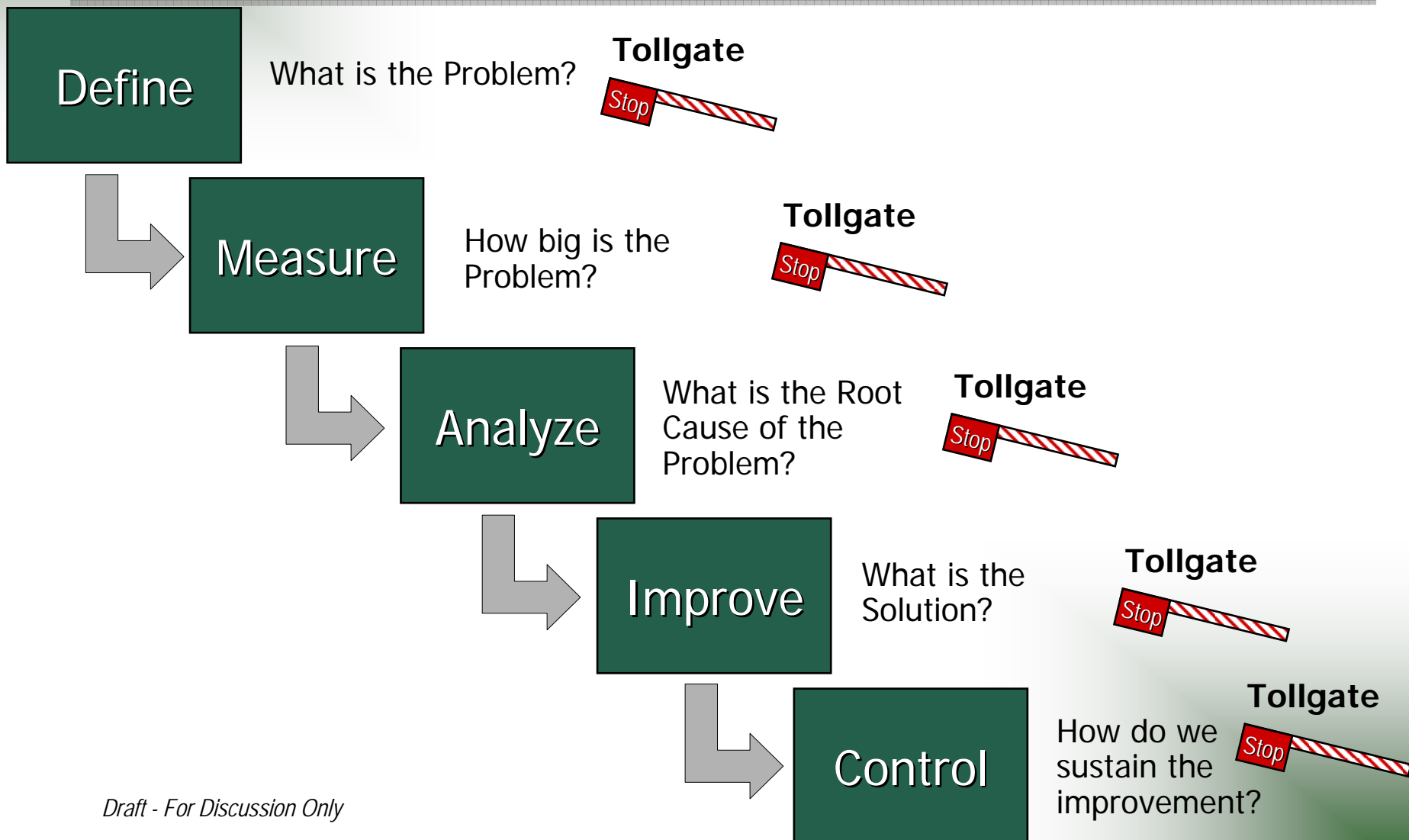


# Lean Six Sigma Thunderstorm Alerts

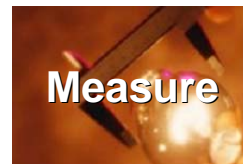
Billing and Accounting Working Group  
September 19, 2007



# Lean Six Sigma: DMAIC - A Roadmap!



*Draft - For Discussion Only*



# Thunderstorm Alerts

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- ◆ Measure Phase – Completed 6/28/2007
- ◆ What are the customer requirements (VOC)?
  - *Visibility and transparency*
    - TSA Calculation
    - Charges appearing on initial invoice

# Thunderstorm Alerts

- ◆ How does the process perform today?
  - During 2006, 53 Thunderstorm Alerts were initiated
    - 12 – *No charges as a result of the TSA*
    - 41 – *Charges totaling \$27,871,363*
  - By design, thunderstorm alert charges do not appear on a Market Participant's invoice until the 4-month true up
    - *On average there are 142 days between the time a TSA occurs and when it appears on an invoice.*
  - For 2006 TSAs, Market Participant's were charged \$1,474,496 in interest at the 4-month true-up.

# Thunderstorm Alerts

- ◆ How does the process perform today?
  - NYISO Dispatch, Market Operations, Customer Settlements and LECG are all involved in the process.
    - *Numerous handoffs of data*
    - *Duplicate efforts – i.e. review of Operator Logs*
  - The process is currently performing as intended.
  - LECG performs the calculation and provides the results to Customer Settlements for input to the invoice.



# Thunderstorm Alerts

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- ◆ Business Impacts
  - *Transparency for Market Participants*
  - *NYISO and Market Participant satisfaction*
  - *Efficiency gains for NYISO and Market Participants*
  - *Potential elimination of manual adjustments*
  - *Reduced interest cost to Market Participants*

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# Thunderstorm Alerts: Next Steps

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## ◆ Analyze Phase

- *What factors influence the timing of invoicing for TSA charges?*