

Project Status Overview

Business Issues Committee
March 8, 2006

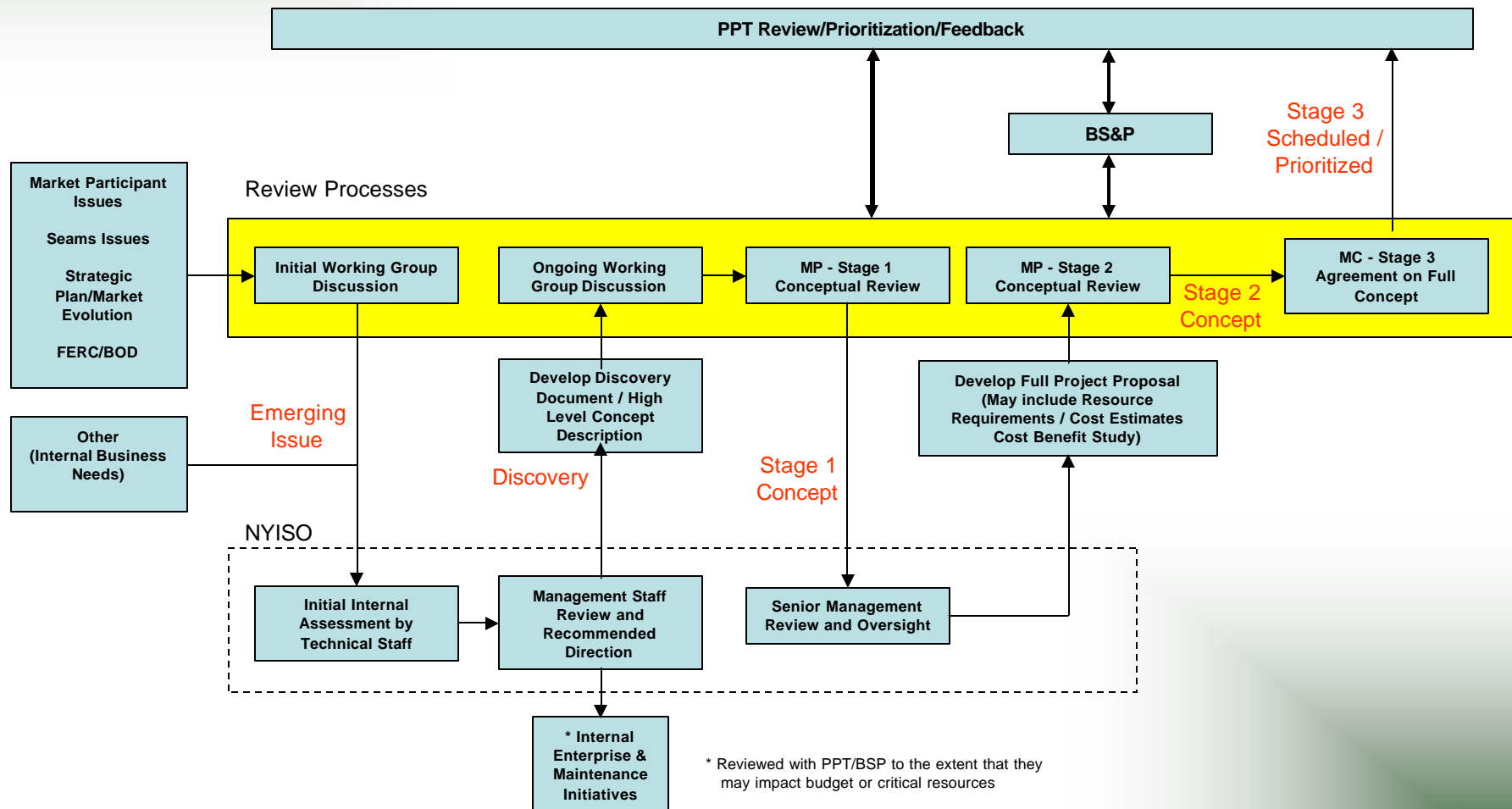
Agenda

- ◆ Project prioritization process review
- ◆ New project kick-offs
 - *Settlement System Replacement*
 - *DSS Pricing Data Mart*
- ◆ Discussion

Project Prioritization Process

- ◆ NYISO staff propose initial project concepts for MP review
- ◆ Internal process based on quantified scoring process driven by current business priorities
 - *Scoring process has been improved to utilize Lean Six Sigma methodologies*
- ◆ PPT process allows Market Participants to review proposed priorities and provide feedback
- ◆ Capital budgeting review process allows MPs opportunity to review and comment on project proposals
- ◆ Prevailing drivers in current prioritization process
 - *Excellence in Execution*
 - *Stabilization of existing infrastructure*
 - *Quality*

Capital Budgeting Review Process



Recent PPT Project Proposals

- ◆ Settlement System Replacement
 - *Phase II – BAS Engine Replacement*
- ◆ Decision Support System Enhancements
 - *Pricing Data-Mart*

Settlement System Replacement

- ◆ Primary Deliverables
 - *Fully functional rules-based BAS engine*
 - *Thorough system documented and test cases*
 - *Reviewed and verified for tariff compliance*
 - *Software interfaces to associated systems*
 - *Rules standards (precision, rounding, and tuning)*
- ◆ Key Benefits
 - *More efficient settlements system*
 - *Accommodate settlement rule changes efficiently and accurately*
 - *Progress towards more frequent posting of advisory statements*
 - *Versioning of settlement rules*
 - *Data precision*

Settlement System Replacement (Cont.)

- ◆ Delivery Schedule
 - *Multi-phased delivery schedule; Phase II complete in early 2007*
 - *Future phases address Web-Based Reconciliation, Consolidated Invoice, Credit Management, and Data Modeling*
 - *Total system replacement complete late in 2008*
- ◆ 2006 Project Costs
 - *Consultancy - \$1.2M*
 - *Labor - \$1.0M*
 - *Hardware / Software - \$1.3M*
 - ***Total project cost - \$3.5M***

DSS Pricing Data-Mart

- ◆ Primary Deliverables
 - *Pricing data added to existing DSS environment*
 - *Versioned history of posted OASIS prices*
 - *History of additional OASIS information (loads, flows, etc.)*
 - *Design for future analysis across pricing and settlements data*
 - *Near real-time pricing data as posted to OASIS*
 - *Simple requests delivered through web portal; complex queries available using Business Objects (BO)*
 - *Graphing features may be used for graphical presentation of data*
- ◆ Key Benefits
 - *Easier access to pricing data for current and historical analysis*
 - *Improved customer transparency to NYISO pricing data*
 - *Enhanced data pricing analysis tools for internal NYISO processes*
 - *Leverage existing DSS infrastructure, investment*

DSS Pricing Data-Mart (Cont.)

- ◆ Delivery Schedule
 - *First internal delivery in mid-2006; general data-mart availability in 3rd quarter 2006*
 - *Additional data elements provided in early 2007*
 - *Future phases to be reviewed and provided as required during next budget year*
- ◆ 2006 Project Costs
 - *Consultancy - \$1.0M*
 - *Labor - \$0.3M*
 - *Hardware / Software - \$0.5M*
 - ***Total project cost - \$1.8M***