

NYISO Settlement Process Review

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Settlement Status

- To date not one single month of ISO operations has been fully closed out
- November '99 – February '00 have been run through challenge “rebills” but remain open
- NYISO is positioned to release several more months of final bill challenges
 - Plan is to begin again in early 2005
- Tariff called for 2 year final bill and 1 year challenge period up through 9-02
 - BIC changed this to 1 year final bill and 4 month challenge effective 10-02
 - No challenges have been resolved under this shortened time frame

Settlement Status

- What does this lack of closed settlements mean?
 - Companies have closed books on 5 years and yet have this open issue of incomplete ISO billing
 - This is a risk issue for all companies:
 - Some companies and partners are no longer in business or have settlements complicated by bankruptcies
 - Businesses *and* the ISO are losing institutional memory of issues as these open settlements ripen
 - The worst aspect is that it will be another 2-3 years to catch up assuming there are no more substantive issues
 - We may face delay in future market changes while ISO staff resources are tied up driving history to ground
 - As long as MPs are burdened with overdue historical months, they cannot focus on current billing. This only serves to make problem identification later rather than sooner thus aiding in exacerbating the current situation

Settlement Status

- What is being proposed to do about this?
 - J Oates had a call 9-17 including several MPs and ISO staff to discuss this issue
 - Joe Oates, Kevin Kipers, Ray Kinney, Jim Scheiderich, Ken Davis, Randy Bowers, Brad Kranz, and Ray Stalter
 - We agreed to pursue the following and to bring this to BIC:
 - Form a Task Force reporting directly to BIC to address possible “out-of-the-box” solutions to this problem
 - While membership is not restricted, we are looking for parties to come to look at business resolution to this backlog and not debate particulars of settlement
 - That settlement through 2000 would be completed as originally anticipated
 - Known issues would be resolved
 - We recognize the need of legal opinion if we are to deviate from governing Tariff provisions

Settlement Status

- What is being proposed to do about this (cont)?
 - Volunteers so far:
 - Kevin Kipers, Ray Kinney, Jim Scheiderich, Wes Yeomans
 - Appropriate staff
 - We would invite EndUser/Load and Supplier representation
 - We will need to gather some information from the ISO before proceeding so initial effort is one of scoping before serious consideration of recommendations
- We are asking BIC's agreement to move forward