Prepared by the BAWG Transmission Owners

Tech Conference Discussion Material

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Presented by Dave Hall - NYSEG/RG&E

The BAWG supports the NYISO's efforts to shorten the current billing cycle and offers the following process improvements necessary to achieve the goal:

Weaknesses in the Web-Based Reconciliation (WBR) Software need to be corrected by the NYISO – WBR is critical to the billing process as this software collects, and enables Market Participants (MP) to review, the MW data that is reported to the NYISO by the meter authorities for generator and tie meters. The NYISO aggregates these meter readings by zone and sub-zonal and after adjusting for transmission losses, develop the Mload. Subsequent to the creation of the Mload and prior to the creation of the monthly true-up invoices, Transmission Owners must read and process all the wholesale and retail customers meters within their district. The Transmission Owners then create and transmit a Transmission Owner Load (TOL) File to the NYISO that apportions the total sub-zonal control area load to the Market Participant's doing business in that sub-zone. The TOL files allow the NYISO to properly invoice Market Participant's for their usage. Any changes made to the MLoad data, whether by the NYISO, metered entities, or meter authorities, after the TOL file has been run, requires that the TOL file(s) be resubmitted. (Manual changes to WBR are addressed in 5b below.)

1) **TOL file upload** - The 'pipe' for loading the TOL files cannot accept in a single transmission the files of most Transmission Owners due to the volume of the data being submitted. Transmission Owners and the NYISO have developed individual work-arounds and altered procedures to meet the NYISO's invoicing schedules, which has circumvented Sarbanes-Oxley and required SAS 70 controls associated with data integrity and responsibility of NYISO MP's. Computer systems need to be corrected to allow for TOL File data to flow from Transmission Owners to the NYISO, without interference. This transmission needs to be responded to by the NYISO with an "echo back" message, as was part of the implementation criteria of the project when originally developed[1]. This will verify that data transmitted to the NYISO was in fact received by the NYISO. The present data translations and work-arounds can result in incorrectly posted and invoiced data. The ensuing errors take NYISO and MP's time to track down. Additionally the effort to upload the TOL has to be repeated each time the NYISO changes the original MLoad file, therefore generators and TOs should be required to "lock down" the generator and tie meter data before the TOL files are run.

2) **LSE Aggregate Hourly Usage** – MP's should be able to view[2], in WBR, hourly usage assigned to their loads at least two weeks before the processing of billing data and the issuance of settlement adjustment invoice. Upon review of the data MP should also be required to verify the data, reducing the need for bill challenges by Market Participants. All meter reading changes after the issuance of the final bill will be the responsibility of the billing party.

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[1] The "echo back" is specifically required for Market Participants to meet the "Participant Controls" listed in the NYISO's SAS 70 audit for the last three years. As such, Market Participants must create inefficient work arounds to convince their public auditors that they have the SAS 70 controls in place and working. Absent such a convincing, each Market Participant has the risk of failing for a Sarbanes-Oxley Section 404 certification.

[2] Data should be viewable as necessary to verify readings, in accordance with FERC 2004 restrictions.

Billing accuracy must be maintained and changes to the billing process must be communicated to Market Participants – Billing accuracy is essential to any marketplace and the need for accurate load and TOL data validates the effectiveness of the New York marketplace. MP's need the opportunity to review the load data to ensure that it is accurate. The first opportunity that MP's have to view their billed load data is when the initial invoice is rendered. The NYISO uses individual MP's daily forecasted load profile, as the basis for withdrawals billed in the initial invoice and adjusted to match tie and generator meter data collected by the NYISO from the operations system. At the next step, billing data is revised when a Transmission Owner transmits the first TOL File to the NYISO. These results are seen on the four-month true-up invoice and represent the Transmission Owner apportionment of the sub-zonal control area load to each respective MP, based upon actual meter readings. This represents the first "real" invoice to the MP for their load in that period. Any errors by the Transmission Owner in reporting TOL File information can be challenged, corrected, and resubmitted to the NYISO, for adjustment in the twelve-month invoice. The twelve-month invoice is the second "real" invoice to a MP for their load in that period. This step allows MP's to realize any changes communicated to Transmission Owners as being adjusted or corrected, per their prior communications. After this "second" review, market participants should be permitted to challenge the calculation of their invoice through a dispute resolution process.

Software code changes to NYISO bills, to accommodate tariff and other requirements, need to be communicated to MP's in a more effective manner. Since most software changes often affect NYISO invoices, it is recommended that proposed billing software changes be programmed, tested and communicated to MPs and BAWG in advance of implementation of the tariff change. MP's should have a mechanisms to review the effects of any code modifications and verify the correctness of code changes before they are implemented, eliminating the need to correct software code changes that were incorrectly implemented and reducing the number of manual adjustments on NYISO invoices.

3) **Procedure for Software Changes to Code and Calculations** - The NYISO must develop two procedures for BIC approval. The first is a software code and calculation change procedure and the second a software change notification procedures. MP's must be able to verify that changes are correctly implemented through review of billing simulator test bed results. The NYISO should provide market participants a monthly bill that includes code change calculations one month before their final bill.

4) **Tariff Software Code Process** – Before shortening the final bill the NYISO must process all outstanding tariff code changes, at present this includes Attachment N, and ensure that future tariff changes include a software implementation schedule.

5) **a. Manual Adjustments to Bills** - All other billing codes consistently requiring manual adjustment must be addressed and a procedure for manual adjustments created.

   b. Manual Adjustments to WBR files – NYISO must develop a method of flagging and notifying market participants of manual changes to their WBR data.

6) **Final Bill Challenge and Dispute Procedures** – NYISO and market participants must develop a BIC approved final bill challenge and alternate dispute resolution procedure.

Milestones – The BAWG has included a table of proposed milestones and a tracking system, for issues that must be addressed prior to the implementation of changes to the current billing cycle. These milestones have been thoroughly reviewed and discussed with BAWG members and they represent procedural and/or processing constraints that will not allow the Market Participant to proceed with shortening present bill review times until these critical billing issues are resolved.

Deliverable (Numbers tied to issues numbered above)	Condition	Status Report
NYISO to develop a monthly report which will include, at a minimum, discussion and detail of all items checked in the Status Report column of this table.		
1) Enable TOL files to be loaded to NYISO in one File with 'echo back' to verify successful and complete upload.	Implement Deliverable in WBR software with MP able to upload TOL file first time for 4 consecutive months.	√
1) Lockdown generator and data inputs into MLoad file 1 month prior to 4 month true up invoice.	Total NYISO MLoad does not change between 4-month and Final Bill for 4 consecutive months.	√
2) Enable MPs to view, in WBR, and concur with their aggregated hourly usage data prior NYISO calculating and issuing settlement data for the four month and final bill invoices.	Implement software changes in WBR.	
3) Develop transparent code and calculation change procedure and change verification procedure.	Approved at BIC	
3) When code changes are first implemented the NYISO must provide MPs one monthly bill that includes the code changes calculation one month prior to final bill.	Provide code change billing cycle, as required.	√
3) Provide billing test bed code results to MP for review before going live with code changes.	For each code change, for 4 consecutive months and going forward.	√
4) Meet NYISO Attachment N settlement schedule and provide transparent billing verification process acceptable to TOs.		
Provide intermediate billing determinates in DSS.		
5a) Outstanding manual billing code (eg Thunderstorm Alert) should be coded into software, where possible.		
5a) Develop procedure for all manual adjustments.	Approval at BIC	√
5b) Develop procedure for addressing missing and/or corrected WBR/PTS data.	Approval at BIC	√
6) Publish Final Bill Challenge and Alternate Dispute Resolution Procedures.	Approval at BIC	√