

Shortened Settlement Cycle Straw Proposal

Billing & Price Correction Task Force Meeting

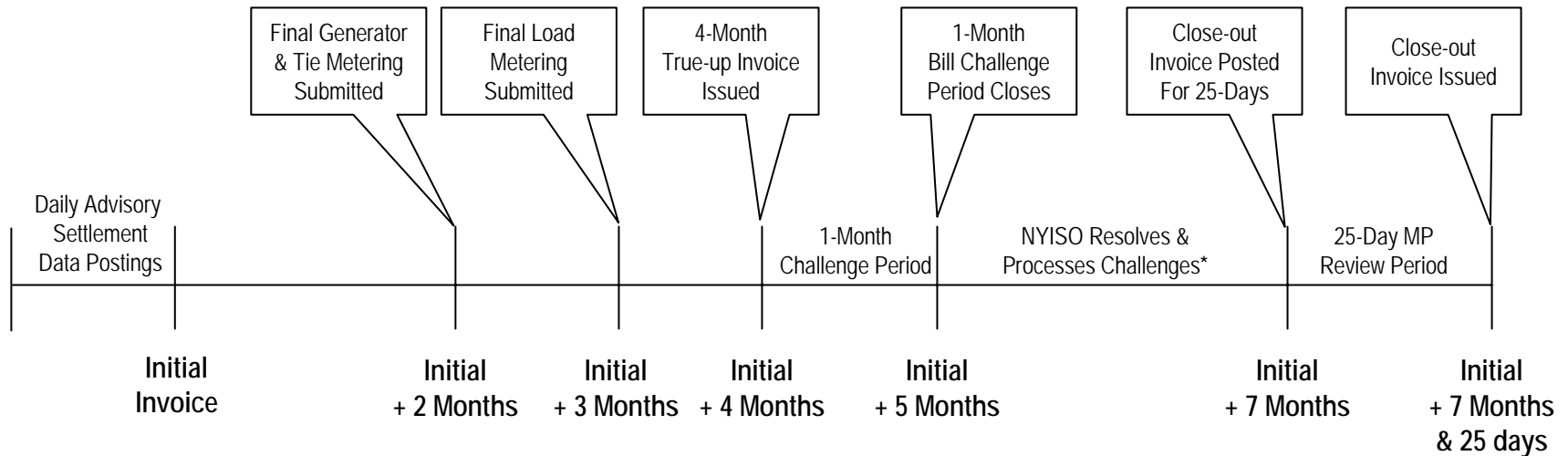
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Randy A. Bowers, Principal – Settlement Processes & Controls

Elements Of Straw Proposal

- Proposed Cycle Provides NYISO and Stakeholders Approximately 8 Months to Resolve Issues
- Proposed Cycle Composed of 7 Distinct Periods
- Each Period Carries Responsibilities For Both NYISO & MPs
- Infrastructure & Staffing Are Not Barriers In Meeting These Responsibilities
- Some Processes For NYISO & MPs May Require Enhancement
- Majority Of Those Processes Are Based Upon Exercising Due Diligence
- Maintaining Effective & Efficient Stakeholder Business Models Will Lead To Improvements In Overall Market Efficiency

Straw Proposal To Shorten The Settlement Cycle



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

7 Periods In Proposed Cycle

1. Period Prior To Initial Invoice
2. 2-Month Period After Initial Invoice
3. Period Between 2 & 3 Months After Initial Invoice
4. Period Between 3 & 4 Months After Initial Invoice
5. 1-Month Challenge Period After 4-Month True-Up Invoice
6. 2 Month Period To Resolve Challenges After Challenge Period (Up to 6 Months in Extraordinary Circumstances)
7. 25-Day Period After Posting Of Draft Close-Out Settlement

Period Prior To Initial Invoice

- NYISO Responsibilities
 - ✓ *Correct Performance Tracking Data Errors Prior to Initial Invoice*
 - ✓ *Assist Meter Authorities & Gencos In Screening Hourly Tie & Generation Metering*
 - ✓ *Reprocess Timely Daily Settlements Requiring Price & Data Corrections*
 - ✓ *Follow-Up on Billing Inquiries Prior to Initial Invoice*
- Meter Authority Responsibilities
 - ✓ *Provide Tie, Generator, & Interval-Metered LSE Metering By Noon The Day After The Transaction Day*
 - ✓ *Screen & Correct Hourly Tie & Generation Metering Errors In-Month*
- Market Participant Responsibilities
 - ✓ *Review Each Day's Settlements for Anomalous Inputs & Results*
 - ✓ *First Opportunity for Gencos to Observe Metering Errors*
 - ✓ *Review Metering Data Submitted By the Meter Authority for Accuracy*
 - ✓ *Monitor NYISO Reports on Unresolved Billing Issues*
 - ✓ *Submit Timely, Well-Supported Billing Inquiries*

2-Month Period After Initial Invoice

- **NYISO Responsibilities**
 - ✓ *Assist Meter Authorities & Gencos In Screening Hourly Tie & Generation Metering*
 - ✓ *Provide Periodic Reminders to Marketplace to Review Settlements & Data*
 - ✓ *Maintain Market Visibility of Unresolved Billing Issues*
 - ✓ *Follow-Up Timely On Billing Inquiries*
- **Meter Authority Responsibilities**
 - ✓ *Provide Hourly Tie & Generator Metering Not Available Prior to Initial Invoicing*
 - ✓ *Screen & Correct Hourly Tie & Generation Metering Errors*
- **Market Participant Responsibilities**
 - ✓ *Review Any Unanalyzed Settlements for Anomalous Inputs & Results*
 - ✓ *Second Opportunity for Gencos to Observe Metering Errors*
 - ✓ *Review Metering Data Submitted by Meter Authorities for Accuracy*
 - ✓ *Monitor NYISO Reports On Unresolved Billing Issues*
 - ✓ *Submit Timely, Well-Supported Billing Inquiries*

Period Between 2 & 3 Months After Initial Invoice

- **NYISO Responsibilities**
 - ✓ *Assist Meter Authorities In Screening Hourly Tie & Generation Metering*
 - ✓ *Review LSE Load Data Submitted By Meter Authorities For Anomalous Values*
 - ✓ *Continue Providing Periodic Reminders to Marketplace to Review Settlements & Data*
 - ✓ *Maintain Market Visibility of Unresolved Billing Issues*
 - ✓ *Follow-Up Timely on Billing Inquiries*
- **Meter Authority Responsibilities**
 - ✓ *Provide Timely LSE Load Data*
 - ✓ *Provide Timely Corrections To LSE Load Data Errors*
- **Market Participant Responsibilities**
 - ✓ *Third Opportunity For Gencos To Observe Metering Errors*
 - ✓ *Review Metering Data Submitted by Meter Authorities for Accuracy*
 - ✓ *Review Any Unanalyzed Settlements for Anomalous Inputs & Results*
 - ✓ *Monitor NYISO Reports on Unresolved Billing Issues*
 - ✓ *Submit Timely, Well-Supported Billing Inquiries*

Period Between 3 & 4 Months After Initial Invoicing

- **NYISO Responsibilities**
 - ✓ *Continue Providing Periodic Reminders to Marketplace to Review Settlements & Data*
 - ✓ *Maintain Market Visibility of Unresolved Billing Issues*
 - ✓ *Follow-Up Timely on Billing Inquiries*
 - ✓ *Assist LSEs With Resolution Of Meter Errors By Expediting Corrections By Meter Authorities*
- **Meter Authority Responsibilities**
 - ✓ *Provide Timely Corrections to LSE Load Data Errors*
- **Market Participant Responsibilities**
 - ✓ *First Opportunity For LSEs To Observe Metering Errors*
 - ✓ *Review Metering Data Submitted by Meter Authorities For Accuracy*
 - ✓ *Review Any Unanalyzed Settlements for Anomalous Inputs & Results*
 - ✓ *Monitor NYISO Reports on Unresolved Billing Issues*
 - ✓ *Submit Timely, Well-Supported Billing Inquiries*

1 Month Challenge Period After 4-Month True-Up Invoice

- NYISO Responsibilities
 - ✓ *Continue Providing Periodic Reminders to Marketplace to Review Settlements & Data*
 - ✓ *Provide Market Visibility of Billing Challenges*
 - ✓ *Respond Timely to All Settlement Challenges (Valid & Invalid)*
- Meter Authority Responsibilities
 - ✓ *Assist NYISO In Timely Resolution Of Challenges To Metering Data*
- Market Participant Responsibilities
 - ✓ *Fourth Opportunity for Gencos To Observe Metering Errors*
 - ✓ *Second Opportunity for LSEs To Observe Metering Errors*
 - ✓ *Review Metering Data Submitted by Meter Authorities for Accuracy*
 - ✓ *Review Any Unanalyzed Settlements for Anomalous Inputs & Results*
 - ✓ *Monitor NYISO Reports on Bill Challenges*
 - ✓ *Submit Timely, Well-Supported Billing Challenges*

2 to 6 Month Period To Resolve Challenges After Challenge Period

- NYISO Responsibilities
 - ✓ *Continue Providing Periodic Reminders to Marketplace to Review Bill Challenge Reports*
 - ✓ *Maintain Market Visibility of Status of Billing Challenges and Any Extraordinary Circumstances*
 - ✓ *Adhere to ADR Procedures (TBD)*
- Meter Authority Responsibilities
 - ✓ *Assist NYISO in Timely Resolution of Challenges to Metering Data*
- Market Participant Responsibilities
 - ✓ *Monitor NYISO Reports on Bill Challenges*
 - ✓ *Adhere to ADR Procedures (TBD)*

25-Day Period After Posting Of Draft Close-Out Settlement

- NYISO Responsibilities
 - ✓ *Timely Correct Any Implementation Errors*
 - ✓ *Maintain Market Visibility of Resolution of Any Implementation Errors*
- Meter Authority Responsibilities
 - ✓ *Assist NYISO in Correction of Any Metering-Related Implementation Errors*
- Market Participant Responsibilities
 - ✓ *Review Draft Close-Out Settlements for Implementation Errors in Settlement Challenge Resolution(s)*