

Proposed Tariff Provisions
Regarding
NYISO Price Corrections

Billing & Price Correction Task Force
September 1, 2005

Draft – for discussion purposes only

Introduction

- Responds, in part, to Commission's May 9 order directing NYISO to file report by October 31, 2005
- Proposed tariff changes regarding procedural aspects of Energy and Ancillary Services price corrections

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- NYISO will separately address with BPCTF: (i) substantive criteria for determining that a price has been calculated in error and requires correction and (ii) measures to reduce or eliminate underlying price calculation errors
- TCC and ICAP markets are being addressed through separate NYISO initiatives

Guiding Principles

- Acceptable level of initial price accuracy
- Clear rules, established in the tariffs
- Transparent review and correction process
- Price certainty is a function of both price accuracy and finality

Key Terms

- Scope
- Reservation and Correction
- Alternate Correction Methodology
- System Emergency / Catastrophic Software Failure
- Limitation on Corrections
- Limitation of Liability