Price Error Elimination Team
Status Report & Action Plan

Rich Dewey

Billing and Price Correction Task Force

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Price Error Elimination Team

➢ Team formed investigate, document, and eliminate (if possible) causes of pricing errors

  ✓ Software enhancements

  ✓ Process improvements

  ✓ Rule-based solutions

➢ Inter-departmental representation

  ✓ Rich Dewey (Lead) – Product & Project Management

  ✓ Robb Pike – Information Technology

  ✓ Rick Gonzales – Market Operations

  ✓ Nicole Bouchez – Market Monitoring

  ✓ Bob Thompson – Market Strategy

Action Plan Overview

➢ **Price Error Elimination Team activities directed in multiple areas**

- ✓ Analysis and categorization of price errors, each with a recommendation for an appropriate remedial action

- ✓ High-priority allocation of software resources to correct price calculation issues

- ✓ Initiation of Lean Six Sigma projects targeting internal processes that contribute to pricing errors

- ✓ Additional design resources dedicated to create solutions for those price error issues that require new software designs or protocols

3

Pricing Error Cause Analysis

➤ Detailed review of pricing error causes ongoing

➤ Multiple action plans under development to address root cause in several areas

➤ Action plans will have multiple facets

  ✓ Software enhancements

  ✓ Process improvements

  ✓ Monitoring and tracking

4

Pricing Error Software Corrections

➢ Since SMD2 implementation, several software enhancements have been made to address pricing errors

➢ Some corrections related pricing errors are still being pursued

  ✓ Load forecasting modeling improvements (Sept.)

  ✓ Islanded Generator Bus modeling anomaly (Oct.)

➢ Status reports on the status of software corrections for pricing errors filed with FERC every 2 weeks

5

Lean Six Sigma Processes

➢ Several Lean Six Sigma projects targeted at reduction in price corrections or improvement of pricing processes

➢ Projects launched in support of price error elimination:
  - ✓ Reduce RTS Software Errors – Testing
  - ✓ Reduce RTS Data Input Errors
  - ✓ Reduce Incorrect RTS Operational Parameters
  - ✓ Reduce RTS Modeling Errors
  - ✓ Reduce Ratio of Price Reservations to Corrections
  - ✓ Reduce Posted Price Reservation Cycle Time

6

Software Testing Enhancements

➢ Quality Assurance testing processes under review to focus on enhanced price validation testing

➢ Opportunities being explored to embed price validation automation into standard testing cycle

➢ Coordination with efforts to bring price validation processes internal to NYISO

✓ Incorporation of price validation tools and enhanced user acceptance testing

Upcoming Activities / Timeline

- ➢ Proposed price correction procedural changes
  - ✓ Initial review September 1
  - ✓ Comments reviewed September 19
- ➢ Price correction rules document
  - ✓ Initial review September 19
- ➢ Draft plan and schedule for FERC filing
  - ✓ Initial review September 29
- ➢ FERC compliance filing
  - ✓ Due October 31
- ➢ Implementation of filed plan and rule changes
  - ✓ Ongoing, as defined in the plan