

Administrative Practices Manual

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Revision History

Version	Date	Revisions
1.0	07/09/2009	Initial Release

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1. REPORTING ON MARKET PROBLEMS¹

Upon discovery of a potential Market Problem,² the NYISO will notify its Independent Market Advisor of the issue.

Upon the determination in consultation with the Independent Market Advisor that there is sufficient credible information to believe that a Market Problem has ~~or is likely to have~~ occurred, the NYISO will report the Market Problem to appropriate Commission staff.

The NYISO will then report the Market Problem to Market Participants, subject to applicable confidentiality restrictions, unless it is determined in consultation with Commission staff that disclosure could lead to gaming or other harmful outcomes. The report will also be provided to Market Participants in an e-mail notice to the TIE List Server with the following verbiage in the subject line: "Notice of a Market Problem."

The NYISO will accomplish all three of the above steps as soon as possible, but in no event longer than 5 calendar days after discovery of the potential Market Problem.

In the event of a determination that disclosure of a Market Problem could lead to gaming or other harmful outcomes, NYISO, unless otherwise directed by Commission staff, will provide notice to the Market Participants of the identification of a potential Market Problem and conduct of a confidential investigation. Thereafter, the NYISO shall consult with Market Participants as soon as practicable after resolution of the underlying issue pursuant to direction from the Commission.

In the event of an exigent circumstances filing of tariff amendments pursuant to Article 19 of the ISO Agreement, this consultation would include seeking concurrence on the Section 205 filing from the Management Committee.

If no exigent circumstances filing is made, the NYISO will provide an opportunity for Market Participants to comment prior to a request to FERC for ing a tariff waiver or other remedy.

In the NYISO's reports to Market Participants, subject to applicable confidentiality restrictions, the NYISO will provide the following information:

- Description of the Market Problem and tariff implications as appropriate;
- Description of the time frame involved;
- Description of underlying cause of the Market Problem;
- Description of economic impacts; and
- Description of steps planned or taken to address the Market Problem including a proposed timetable for the developing necessary tariff revisions, if applicable, as developed in consultation with Market Participants. The NYISO will also report when it determines a Market Problem investigation has concluded.

¹ The procedures in section 1 of this manual are referred to in Section 3.5 of the ISO Services Tariff.

² *Market Problems*, as defined herein, include market design flaws, software implementation, and modeling anomalies or errors, market data anomalies or errors, and economic inefficiencies that have a material effect on the NYISO-administered markets or transmission service. The term does not include erroneous Energy or Ancillary Services prices (which are managed through procedures outlined in Attachment E to the Services Tariff) or erroneous customer settlements (including those that are managed through the Billing Issues Group and regularly reported to the Billing and Accounting Working Group).

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Except where a longer period of analysis is required, the NYISO will provide an explanation to all Market Participants of its proposed steps to address the Market Problem as soon as reasonably possible, but in no event later than 30 calendar days of its initial notice to Market Participants and the NYISO shall make staff available to discuss proposed remedy at the appropriate working group or committee with advance notice to all Market Participants. Where a longer period of analysis is required, the NYISO will provide updates to Market Participants at least quarterly.

The NYISO will report any changes in this process to the FERC Office of Enforcement, or its successor.

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