#### I. Business rule modifications and data corrections pending resolution

| DESCRIPTION   | ESTIMATED IMPACT | PERIOD(S) AFFECTED                         | CRITAR TICKET XREF | BILLING ISSUE<br>XREF | EXPOSURE  | BENEFIT  | Status   |
|---|------------------|--|--------------------|-----------------------|---|--|--|
| Local Black Start payments for<br>Central Hudson Transmission<br>District.  | \$875K           | February 2001 forward                      | • N/A              | • 58                  | <ul> <li>Transmission Customers: affected loads<br/>may be billed for local black start costs.</li> </ul>   | <ul> <li>Generators: affected generators may<br/>begin receiving payments for local<br/>black start service.</li> </ul>  | Historic settlement finalized. Charges<br>and payments to be invoiced in<br>December 2006, January 2007 and<br>February 2007.  |
| Incorrect DAM Congestion<br>Balancing Allocation Factors.   | N/A              | • March 2005 – April 2006                  | • N/A              | • 336                 | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing costs.</li> </ul> | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul>                           | Correct factors under development and<br>will be used in close-out settlements.  |
| January 1, 2004, the allocation of<br>Day-Ahead Market (DAM)<br>congestion rent excess/shortfall<br>balancing was revised.  | N/A              | <ul> <li>January 2004 – present</li> </ul> | • N/A              | • 226                 | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing costs.</li> </ul> | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul>                           | <ul> <li>OATT Attachment N provisions,<br/>effective 1/1//04, for rebalancing due<br/>to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul>   |
| Implementation of real-time<br>mitigation of guaranteed payments<br>for all in-city units. Per a FERC<br>order, this will also address any<br>errors in mitigating SRE and OOM<br>units during this time-frame. | N/A              | March 2005 forward                         | • N/A              | • 354                 | <ul> <li>Generators: Certain in-city Suppliers may<br/>realize decreased bid production cost<br/>guarantee revenue</li> </ul>                         | <ul> <li>NYISO-wide / Con Edison Transmission<br/>District withdrawals: Customers may<br/>realize a decrease in real-time bid<br/>production cost guarantee uplift costs.</li> </ul> | <ul> <li>Software code for RT BPCG mitigation<br/>deployed in August 2006; RT BPCG<br/>mitigation for pre-May 2006 period to<br/>be implemented as close-out<br/>settlements are invoiced. Software<br/>deployment in early 2007 to address<br/>post-May 2006 period.</li> </ul> |
| Generators flagged as CLR should<br>not get special balancing<br>settlements.   | TBD              | August 2005 forward                        | • N/A              | • 373                 | <ul> <li>Generators: Those units identified as CLR<br/>may realize increased balancing energy<br/>charges.</li> </ul>                                 | <ul> <li>Transmission Customers: May realize<br/>decreased balancing energy residuals.</li> </ul>  | <ul> <li>Code change scheduled for<br/>deployment prior to close-out of<br/>August 2005.</li> </ul>  |
| Certain units are excluded from<br>DAMAP undergeneration eligibility<br>screening when they should only be<br>excluded when they are pumping.   | TBD              | March 2005 forward                         | • N/A              | • 372                 | Generators: Affected generators will receive<br>reduce DAMAP payments   | Transmission Customers: May realize<br>decreased DAMAP charges.  | <ul> <li>Manual adjustments will be employed<br/>until code correction is deployed.</li> </ul>   |
| Generators flagged as CLR should<br>not be considered for DAMAP<br>payments foir MWs scheduled in<br>DAM above their normal upper<br>operating limit  | TBD              | August 2005 forward                        | • N/A              | • 371                 | <ul> <li>Generators: Those units identified as CLR<br/>may realize decreased DAMAP payments.</li> </ul>   | Transmission Customers: May realize decreased DAMAP charges.   | Code change scheduled for<br>deployment prior to close-out of<br>August 2005.  |
| PURPA units bidding flexible<br>should not receive special<br>balancing settlements.  | TBD              | March 2005 forward                         | • N/A              | • 370                 | <ul> <li>Generators: Those units identified as<br/>PURPA may realize increased balancing<br/>energy charges.</li> </ul>                               | <ul> <li>Transmission Customers: May realize<br/>decreased balancing energy residuals.</li> </ul>  | <ul> <li>Code change scheduled for<br/>deployment in January 2007. Manual<br/>adjustments will be implemented until<br/>code change is deployed.</li> </ul>  |

|  |                  |                       |                    |                       |  |   | Pa  |
|--|------------------|-----------------------|--------------------|-----------------------|--|---|---|
| DESCRIPTION  | ESTIMATED IMPACT | PERIOD(S) AFFECTED    | CRITAR TICKET XREF | BILLING ISSUE<br>Xref | EXPOSURE   | BENEFIT   | Status  |
| Voltage Credit is not included in<br>calculation of Net Ancillary<br>Services Revenue in calculation of<br>Special Event Credit. | TBD              | May 2006 forward      | • N/A              | • 368                 | <ul> <li>Generators: Affected units may realize<br/>reduced special event credits.</li> </ul>  | <ul> <li>Transmission Customers: May realize<br/>decreased uplift charges</li> </ul>  | <ul> <li>Data in BAS does not support use of<br/>VSS data in calculation prior to May<br/>2006 deployment of VSS automation<br/>project.</li> </ul> |
| Allocation of Operating Reserves<br>Costs inconsistent with<br>OATT RS-5   | \$1.1M           | March 2005 forward    | • N/A              | •                     | <ul> <li>Transmission Customers: Some customers<br/>may realize increased Reserve costs (in<br/>absence of tariff change)</li> </ul>         | Transmission Customers: Some<br>customers may realize decreased<br>Reserve costs (in absence of tariff<br>change)                 | <ul> <li>NYISO pursuing FERC tariff Waiver and<br/>tariff amendment through governance<br/>process</li> </ul>                                       |
| Allocation of Black Start Costs<br>inconsistent with<br>OATT RS-6  | <\$5K            | March 2005 forward    | • N/A              | •                     | <ul> <li>Transmission Customers: Some customers<br/>may realize increased Reserve costs (in<br/>absence of tariff change)</li> </ul>         | • Transmission Customers: Some<br>customers may realize decreased<br>Reserve costs (in absence of tariff<br>change)               | <ul> <li>NYISO pursuing FERC tariff Waiver and<br/>tariff amendment through governance<br/>process</li> </ul>                                       |
| Local Reliability Uplift costs<br>improperly collected and rebates<br>improperly allocated                                       | <\$7K            | March 2005 forward    | • N/A              | •                     | • Transmission Customers: Affected 3 <sup>rd</sup> party station service providers may experience reduced LRR Uplift charges.                | Transmission Customers: Affected<br>customers may realize reduced LRR<br>Uplift rebates.  | <ul> <li>NYISO is implementing necessary code<br/>correction and manually adjusting<br/>close-out invoices as appropriate.</li> </ul>               |
| Improper UOL used for fixed units  | TBD              | April 12,2006 forward | • 20061127144158   | •                     | • Transmission Customers: affected transmission customers may experience increased residual charges or reduced increased regulation charges. | Generators: affected generators may<br>experience increased balancing energy<br>payments or reduced regulation<br>penalty charges | NYISO is reviewing software and data modifications.   |
| VSS LOC Improperly Paid due to<br>improper setting of OOM code   | \$370K           | March 2005 forward    | • N/A              | •                     | Generators: Affected parties may<br>experience decreased VSS LOC parties.  | • Transmission Customers: Affected customers may realize reduced VSS rates in 2007.   | NYISO is adjusting OOM codes such<br>that VSS LOC is being paid properly.   |

## II. Resolved business rule modifications and data corrections pending adjustment through the normal settlement cycle

| DESCRIPTION   | ESTIMATED IMPACT | PERIOD(S) AFFECTED | CRITAR TICKET XREF | BILLING ISSUE<br>XREF | EXPOSURE  | BENEFIT   | Status  |
|---|------------------|--------------------|--------------------|-----------------------|---|---|---|
| Station Power Package not applying charges to the invoice | TBD              | December 2005      | • N/A              | • 261/351             | Transmission Customers: Station Power<br>energy costs will increase when corrected. | <ul> <li>Transmission Customers: Schedule 1<br/>Balancing energy residuals will<br/>decrease when corrected.</li> </ul> | <ul> <li>Settlements will be corrected through<br/>normal settlement adjustment<br/>invoicing cycle. Code correction</li> </ul> |

RED TEXT INDICATES ADDITIONS SINCE LAST POSTING

FOR DISCUSSION PURPOSES ONLY

Page 2 of 8

| DESCRIPTION  | ESTIMATED IMPACT                   | PERIOD(S) AFFECTED  | CRITAR TICKET XREF   | BILLING ISSUE<br>XREF | EXPOSURE   | BENEFIT  | Status  |
|--|------------------------------------|---|--|-----------------------|--|--|---|
|  |                                    |   |  |                       |  |  | deployed May 30, 2006.  |
| SRE units not having the correct<br>start-up cost used in the RT BPCG<br>calculation   | \$1.5M                             | • December 2005 - May 2006  | • N/A  | • 342                 | <ul> <li>NYISO-wide withdrawals: Customers may<br/>realize an increase in real-time bid<br/>production cost guarantee uplift costs.</li> </ul>   | Generators: Certain in-city Suppliers<br>may realize increased bid production<br>cost guarantee revenue  | <ul> <li>Code fix deployed on May 30, 2006.<br/>MMP/IT to update bids for prior<br/>periods. 74 instances to be corrected.</li> </ul> |
| VSS LOC calculation corrected.   | TBD                                | March 2005 - April 2005;<br>December 2005   | • N/A  | • 346                 | <ul> <li>NYISO-wide withdrawals: Customers may<br/>realize an increase in VSS charges and<br/>reduction in RT BPCG charges.</li> </ul>   | Generators: Affected suppliers may<br>realize an increase in VSS LOC credits<br>and reduction in RT BPCG payments.   | Code fix deployed on May 9, 2006.   |
| VSS LOC calculation used incorrect bid for last interval of the hour.  | TBD                                | <ul> <li>March 2005 – August 2005;<br/>December 2005 – April 2006;<br/>August 2006</li> </ul> | • N/A  | • 358                 | Transmission Customers: Customers may<br>realize increased VSS payments.   | Generators: Affected Supplier(s) may<br>realize increased VSS LOC payments.  | Code fix deployed in September 2006.  |
| Undo Local Reliability Rule-based<br>mitigation of generators scheduled<br>by SCUC to address 2 <sup>nd</sup><br>contingency constraints   | \$216,000 (from 1/2005-<br>7/2006) | <ul> <li>March 2005 - July 2005;<br/>December 2005 – March<br/>2006</li> </ul>                | <ul> <li>20060508095902</li> <li>20060508120911</li> <li>20060215110000</li> </ul> | • 364                 | <ul> <li>In-City withdrawals: Customers may realize<br/>an increase in DAM BPCG charges.</li> </ul>  | <ul> <li>Generators: Affected suppliers may<br/>realize an increase in DAM BPCG<br/>payments.</li> </ul>   | <ul> <li>Code fix deployed August 2006</li> <li>All bids corrected through code deployment date.</li> </ul>                           |
| Non-competitive proxy bus RT<br>BPCG code must be modified to<br>exclude import transactions for<br>specific hour that is deemed non-<br>competitive (not entire day)  | <\$1K                              | <ul> <li>March 2005 - August 2005;<br/>December 2005 – April 2006;<br/>August 2006</li> </ul> | •  | • 361                 | <ul> <li>Transmission Customers: Customers may<br/>realize increased RT BPCG charges.</li> </ul>   | <ul> <li>Transmission Customers: Affected<br/>Customers may realize increased RT<br/>BPCG credits.</li> </ul>  | Code deployed September 2006.   |
| Undergeneration Penalty Charge.<br>The NYISO Tariff states that the<br>PURPA units should only be<br>excluded from undergeneration<br>penalties if their bid schedule type<br>is not ISO-committed flexible or<br>self-committed flexible. BAS code<br>excludes PURPA units from<br>undergeneration penalties in all<br>instances. | TBD                                | March 2005 – June 2005;<br>December 2005 – February<br>2006                                   | •  | • 359                 | <ul> <li>Generators: Affected Supplier(s) may<br/>realize increased undergeneration<br/>penalties.</li> </ul>  | <ul> <li>Transmission Customers: Customers<br/>may realize decreased regulation<br/>charges.</li> </ul>  | Code fix deployed in July 2006.   |
| Day-Ahead Margin Assurance<br>Payments eligibility for units<br>operating at their penalty limit for<br>undergeneration (PLU). NYISO<br>Tariff states that generators that<br>are operating at or below their PLU<br>are ineligible for a DAMAP<br>payment; current BAS code only<br>excludes units operating below<br>their PLU.  | TBD                                | <ul> <li>March 2005 – July 2005;<br/>December 2005 – March<br/>2006</li> </ul>                | •  | • 357                 | Generators: Affected Supplier(s) may<br>realize decreased DAM Margin Preservation<br>revenue.  | <ul> <li>Transmission Customers: Customers<br/>may realize decrease DAM Margin<br/>Preservation residual costs.</li> </ul>   | Code fix deployed in August 2006.   |
| July / August 2006 Scarcity Prices.  | TBD                                | • August 2, 2006  | <ul> <li>20060920114225</li> <li>20060918155236</li> <li>20060825171309</li> </ul> | • 367                 | <ul> <li>Transmission Customers: Customers may<br/>realize increased residual costs</li> <li>Transmission Customers: Customers may<br/>realize increased balancing energy costs.</li> <li>Generators: Affected units may realize<br/>increased balancing energy costs</li> </ul> | <ul> <li>Transmission Customers: Customers<br/>may realize decreased residual costs</li> <li>Transmission Customers: Customers<br/>may realize decreased balancing<br/>energy costs.</li> <li>Generators: Affected units may realize<br/>decreased balancing energy costs</li> </ul> | <ul> <li>Will be corrected with rebilling of<br/>affected dates.</li> </ul>   |

Page 3 of 8

# III. Final Bill Challenges

## March 2005 Final Bill Challenges

| DESCRIPTION   | estimated<br>Impact | PERIOD(S)<br>AFFECTED          | CRITAR TICKET XREF                 | BILLING ISSUE<br>Xref | EXPOSURE  | BENEFIT  | Status   |
|---|---------------------|--------------------------------|------------------------------------|-----------------------|---|--|--|
| Station Power MWh's are<br>incorrect  | N/A                 | March 2005                     | <ul> <li>20060517170752</li> </ul> | • 100844              | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOL requested from Meter Authority.  |
| Self-Supply of Station Service<br>(proper assignment of load to<br>Station Service load buses )                               | N/A                 | <ul> <li>March 2005</li> </ul> | • 20060526135643                   | • 100854              | <ul> <li>Transmission Customers: May realize<br/>increased ancillary service charges.</li> </ul>  | <ul> <li>Generator owner: May realize<br/>decreased ancillary service, NTAC,<br/>and Schedule 1 charges.</li> </ul>  | Updated TOL requested from Meter Authority.  |
| Incorrect sub-zonal load<br>allocations for Niagara<br>Mohawk withdrawals   | N/A                 | • March 2005                   | <ul> <li>20060523143905</li> </ul> | • 100849              | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOL requested from Meter Authority.  |
| Incorrect generator metering.   | N/A                 | <ul> <li>March 2005</li> </ul> | • 20060609164703                   | • 100861              | <ul> <li>Transmission Customers: Customers may<br/>realize increased residual charges.</li> </ul>   | <ul> <li>Generators: Affected Supplier(s) may<br/>realize increased balancing energy<br/>payments.</li> </ul>  | <ul> <li>Updated Meter Data requested from Meter Authority.</li> </ul>   |
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A                 | • March 2005                   | <ul> <li>20060526134754</li> </ul> | • 100850              | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul>   | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul>   | <ul> <li>OATT Attachment N provisions, effective 1/1//04, for<br/>rebalancing due to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul> |
| Incorrect RT BPCG payments.   | \$95,497            | • March 2005                   | • 20060601153327                   | • 100858              | <ul> <li>Transmission district withdrawals:<br/>Customers may realize an increase in<br/>real-time bid production cost guarantee<br/>uplift costs.</li> </ul>   | <ul> <li>Generators: Affected Supplier(s) may<br/>realize increased real-time bid<br/>production cost payments.</li> </ul>   | Manual adjustment to be entered.   |
| Incorrect generator metering.   | \$1,316.41          | • March 2005                   | • 20060418153413                   | • 100834              | <ul> <li>Transmission Customers: Customers may<br/>realize increased Schedule 1 charges.</li> <li>Generators: Customers may realize<br/>increased Schedule 1 charges.</li> </ul>                      | <ul> <li>Generators: Affected Supplier(s) may<br/>realize decreased Schedule 1<br/>charges.</li> </ul>   | Meter Authority has corrected data.  |
| Inappropriate load commitment.  | \$7,636.66          | <ul> <li>March 2005</li> </ul> | • 20060526133433                   | • 100866              | Transmission Customers: Customers may<br>realize increased residual payments.   | Inappropriate load commitment.   | Manual adjustment to be entered.   |

## April 2005 Final Bill Challenges

|   |                     |                       |   |  | 0111,2000   |  |  |
|---|---------------------|-----------------------|---|--|---|--|--|
| DESCRIPTION   | ESTIMATED<br>IMPACT | PERIOD(S)<br>AFFECTED | CRITAR TICKET XREF  | BILLING ISSUE<br>XREF                                  | EXPOSURE  | BENEFIT  | Status   |
| Incorrect sub-zonal load<br>allocations for NYC<br>withdrawals  | N/A                 | • April 2005          | • 20060406102212  | • 100826   | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOLs to be requested from Meter Authority.   |
| Station Power MWh's are<br>incorrect  | N/A                 | • April 2005          | <ul> <li>20060517170752</li> </ul>                        | • 100844   | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOLs to be requested from Meter Authority.   |
| Self-Supply of Station Service<br>(proper assignment of load to<br>Station Service load buses )                               | N/A                 | • April 2005          | <ul><li> 20060526135330</li><li> 20060526135643</li></ul> | <ul><li>100852</li><li>100853</li><li>100855</li></ul> | <ul> <li>Transmission Customers: May realize<br/>increased ancillary service charges.</li> </ul>  | <ul> <li>Generator owner: May realize<br/>decreased ancillary service, NTAC,<br/>and Schedule 1 charges.</li> </ul>  | Updated TOL to be requested from Meter Authority.  |
| Incorrect sub-zonal load<br>allocations for Niagara<br>Mohawk withdrawals   | N/A                 | • April 2005          | <ul> <li>20060914114346</li> </ul>                        | • 100873   | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOL to be requested from Meter Authority.  |
| Incorrect generator metering.   | N/A                 | • April 2005          | • 20060609163947  | • 100860   | Transmission Customers: Customers may<br>realize increased residual charges.  | <ul> <li>Generators: Affected Supplier(s) may<br/>realize increased balancing energy<br/>payments.</li> </ul>  | Updated Meter Data to be requested from Meter<br>Authority.  |
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A                 | • April 2005          | <ul><li>20060526134754</li><li>20060829130836</li></ul>   | • 100851<br>• 100899                                   | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul>   | Transmission Owners: Application of<br>new allocation factors may cause<br>decrease in DAM Congestion shortfall<br>balancing costs.  | <ul> <li>OATT Attachment N provisions, effective 1/1//04, for<br/>rebalancing due to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul> |

## May 2005 Final Bill Challenges

| DESCRIPTION   | estimated<br>Impact | PERIOD(S)<br>AFFECTED        | CRITAR TICKET XREF                 | BILLING ISSUE<br>XREF | EXPOSURE  | BENEFIT  | Status   |
|---|---------------------|------------------------------|------------------------------------|-----------------------|---|--|--|
| Incorrect generator metering.   | N/A                 | <ul> <li>May 2005</li> </ul> | • 20060525155000                   | • 100865              | <ul> <li>Transmission Customers: Customers may<br/>realize increased residual charges.</li> </ul>   | <ul> <li>Generators: Affected Supplier(s) may<br/>realize increased balancing energy<br/>payments.</li> </ul>  | <ul> <li>Updated Meter Data to be requested from Meter<br/>Authority.</li> </ul>                         |
| Incorrect sub-zonal load<br>allocations for Niagara<br>Mohawk withdrawals | N/A                 | • May 2005                   | <ul> <li>20060914115106</li> </ul> | • 100868              | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | <ul> <li>Updated TOL to be requested from Meter Authority.</li> </ul>                                    |
| RT BPCG settlement  | \$82,848            | • May 2005                   | • 20060616152031                   | •                     | <ul> <li>Transmission district withdrawals:<br/>Customers may realize an increase in<br/>real-time bid production cost guarantee<br/>uplift costs.</li> </ul>   | <ul> <li>Generators: Affected Supplier(s) may<br/>realize increased real-time bid<br/>production cost payments.</li> </ul>   | <ul> <li>Challenge rejected.</li> <li>Change in settlement due to March 2006 code correction.</li> </ul> |

|   |     |                              |  |   |   |  | F  |
|---|-----|------------------------------|--|---|---|--|--|
| Station Power MWh's are<br>incorrect  | N/A | • May 2005                   | <ul> <li>20060719184846</li> </ul>   | <ul> <li>100883</li> </ul>                | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOLs to be requested from Meter Authority.   |
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A | • May 2005                   | <ul><li>20060724092030</li><li>20060829135222</li><li>20061006114930</li></ul> | <ul><li>1008593</li><li>1008897</li></ul> | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul>   | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul>   | <ul> <li>OATT Attachment N provisions, effective 1/1//04, for<br/>rebalancing due to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul> |
| Self-Supply of Station Service<br>(proper assignment of load to<br>Station Service load buses )                               | N/A | <ul> <li>May 2005</li> </ul> | • 20060724092911   | • 100895                                  | <ul> <li>Transmission Customers: May realize<br/>increased ancillary service charges.</li> </ul>  | <ul> <li>Generator owner: May realize<br/>decreased ancillary service, NTAC,<br/>and Schedule 1 charges.</li> </ul>  | Updated TOL to be requested from Meter Authority.  |

## June 2005 Final Bill Challenges

| DESCRIPTION   | estimated<br>Impact | PERIOD(S)<br>AFFECTED | CRITAR TICKET XREF   | BILLING ISSUE<br>Xref | EXPOSURE  | BENEFIT  | Status   |
|---|---------------------|-----------------------|--|-----------------------|---|--|--|
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A                 | • June 2005           | <ul> <li>20060724092030</li> <li>20060829140203</li> <li>20061107125056</li> </ul> | • 100894              | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul>   | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul>   | <ul> <li>OATT Attachment N provisions, effective 1/1//04, for<br/>rebalancing due to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul> |
| Incorrect sub-zonal load<br>allocations for Niagara<br>Mohawk withdrawals   | N/A                 | • June 2005           | <ul> <li>20060914115309</li> </ul>   | • 100874              | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOL to be requested from Meter Authority.  |
| Self-Supply of Station Service<br>(proper assignment of load to<br>Station Service load buses)                                | N/A                 | • June 2005           | • 20060609170909   | • 100896              | Transmission Customers: May realize<br>increased ancillary service charges.   | <ul> <li>Generator owner: May realize<br/>decreased ancillary service, NTAC,<br/>and Schedule 1 charges.</li> </ul>  | Updated TOL to be requested from Meter Authority.  |
| Generator metering.   | N/A                 | • June 2005           | • 20060609170909   |                       | Transmission Customers may experience<br>an increase in Residual charges.   | Affected generators may experience<br>increase in Energy payments.   | Under review.  |
| Allocation of Operating<br>Reserves Costs   | \$1.1M (3/05-9/06)  | • June 2005           | • 20061107125056   |                       | Transmission customers may experience<br>higher operating reserve costs.  | • Transmission customers may<br>experience reduced operating reserve<br>costs.   | NYISO is seeking waiver at FERC for inconsistency<br>between settlement code and tariff provisions.  |

## July 2005 Final Bill Challenges

| DESCRIPTION   | estimated<br>Impact | PERIOD(S)<br>AFFECTED         | CRITAR TICKET XREF  | BILLING ISSUE<br>XREF                   | EXPOSURE  | BENEFIT  | Status   |
|---|---------------------|-------------------------------|---|---|---|--|--|
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A                 | <ul> <li>July 2005</li> </ul> | <ul><li> 20060829141007</li><li> 20060915151626</li></ul> | <ul><li>100898</li><li>100876</li></ul> | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul>   | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul>   | <ul> <li>OATT Attachment N provisions, effective 1/1//04, for<br/>rebalancing due to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul> |
| Incorrect sub-zonal load<br>allocations for Niagara<br>Mohawk withdrawals   | N/A                 | • July 2005                   | • 20060914115604  | • 100875                                | <ul> <li>Transmission Customers: Under-charged<br/>Customers may realize increased energy<br/>and ancillary services costs due to re-<br/>allocation of retail unaccounted for<br/>energy.</li> </ul> | <ul> <li>Transmission Customers: Over-<br/>charged Customers may realize<br/>decreased energy and ancillary<br/>services costs due to re-allocation of<br/>retail unaccounted for energy.</li> </ul> | Updated TOL to be requested from Meter Authority.  |
| Generator metering.   | N/A                 | • July 2005                   | • 20060609171958  |   | Transmission Customers may experience     an increase in Residual charges.  | <ul> <li>Affected generators may experience<br/>increase in Energy payments.</li> </ul>  | • Under review.  |

## August 2005 Final Bill Challenges

| DESCRIPTION   | estimated<br>Impact | PERIOD(S)<br>AFFECTED | CRITAR TICKET XREF   | BILLING ISSUE<br>Xref | EXPOSURE  | BENEFIT  | Status   |
|---|---------------------|-----------------------|--|-----------------------|---|--|--|
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A                 | • August 2005         | <ul> <li>20060915151626</li> <li>20061130114220</li> <li>20061207163122</li> </ul> | • 100877              | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul> | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul> | <ul> <li>OATT Attachment N provisions, effective 1/1//04, for<br/>rebalancing due to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul> |
| Inappropriate Mitigation of<br>Start-Up costs.  | \$40,149            | August 2005           | • 20061003140315   |                       | Transmission Customers may experience     an increase in BPCG charges.  | Affected generators may experience<br>increase in BPCG payments.   | Under review.  |
| Incorrect DAMAP settlement.   | TBD                 | August 2005           | • 20061013165306   |                       | <ul> <li>Transmission Customers may experience<br/>an increase in DAMAP charges.</li> </ul>   | <ul> <li>Affected generators may experience<br/>increase in DAMAP payments.</li> </ul>   | Under review.  |
| Generator metering.   | N/A                 | August 2005           | • 20060609172300   |                       | Transmission Customers may experience<br>an increase in Residual charges.   | Affected generators may experience increase in Energy payments.  | Under review.  |
| Improper Dispatch of Units for Reserves   | \$143K              | August 2005           | • 20061121140201   |                       | • Transmission Customers may experience<br>an increase in reserve charges.  | Affected generators may experience increase in reserve payments.   | Under review.  |

Page 7 of 8

#### September 2005 Final Bill Challenges

| DESCRIPTION   | estimated<br>Impact | PERIOD(S)<br>AFFECTED | CRITAR TICKET XREF  | BILLING ISSUE<br>XREF | EXPOSURE  | BENEFIT  | Status   |
|---|---------------------|-----------------------|---|-----------------------|---|--|--|
| Generator metering.   | N/A                 | September 2005        | • 20060609172426  |                       | <ul> <li>Transmission Customers may experience<br/>an increase in Residual charges.</li> </ul>  | <ul> <li>Affected generators may experience<br/>increase in Energy payments.</li> </ul>  | • Under review.  |
| RT BPCG Mitigation<br>Consultation  | 15K                 | September 2005        | • 20061024151858  |                       | <ul> <li>Transmission Customers may experience<br/>an increase in guarantee payment<br/>charges.</li> </ul>   | Affected generators may experience<br>increase in guarantee payments.  | <ul> <li>Results of consultation with MMP to be reflected in<br/>close-out settlement.</li> </ul>  |
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A                 | September 2005        | <ul><li> 20061114134827</li><li> 20061130091753</li></ul> | • 100877              | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul> | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul> | <ul> <li>OATT Attachment N provisions, effective 1/1//04, for<br/>rebalancing due to TO-specific facilities causing<br/>shortfalls not yet implemented.</li> </ul> |
| Improper Dispatch of Units for<br>Reserves  | \$120K              | September 2005        | • 20061121140201  | •                     | Transmission Customers may experience     an increase in reserve charges.   | Affected generators may experience increase in reserve payments.   | Under review.  |

# October 2005 Final Bill Challenges

| DESCRIPTION   | estimated<br>Impact | PERIOD(S)<br>AFFECTED | CRITAR TICKET XREF  | BILLING ISSUE<br>Xref | EXPOSURE  | BENEFIT  | Status   |
|---|---------------------|-----------------------|---|-----------------------|---|--|--|
| Omission of Local Black Start<br>payment to certain in-city<br>generators.  | 267K                | October 2005          | <ul><li> 20061109102425</li><li> 20061109120001</li></ul> |                       | <ul> <li>NYC loads will experience an increase in<br/>local black start charges in a manual<br/>adjustment.</li> </ul>                                    | <ul> <li>Affected generators will experience<br/>increase in local black start payments<br/>in a manual adjustment.</li> </ul>                             | To be paid in close-out invoice.   |
| RT BPCG Mitigation<br>Consultation  | 10К                 | October 2005          | • 20061102105716  |                       | <ul> <li>Transmission Customers may experience<br/>an increase in guarantee payment<br/>charges.</li> </ul>   | Affected generators may experience increase in guarantee payments.   | Results of consultation with MMP to be reflected in<br>close-out settlement.   |
| January 1, 2004, the<br>allocation of Day-Ahead<br>Market (DAM) congestion rent<br>excess/shortfall<br>balancing was revised. | N/A                 | October 2005          | • 20061114134827  | • 100877              | <ul> <li>Transmission Owners: Application of new<br/>allocation factors may cause additional<br/>DAM Congestion shortfall balancing<br/>costs.</li> </ul> | <ul> <li>Transmission Owners: Application of<br/>new allocation factors may cause<br/>decrease in DAM Congestion shortfall<br/>balancing costs.</li> </ul> | OATT Attachment N provisions, effective 1/1//04, for<br>rebalancing due to TO-specific facilities causing<br>shortfalls not yet implemented. |