

ORIGINAL



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FILE NO: 55430.000055

February 6, 2006

Via Hand Delivery

The Honorable Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

FILED
OFFICE OF THE
SECRETARY
2006 FEB -6 P 1:32

New York Independent System Operator, Inc.
Response to Letter Data Request dated January 6, 2006, ER06-185-000

Dear Ms. Salas:

Enclosed are six copies of the response of the New York Independent System Operator, Inc. ("NYISO") to the letter Data Request from Anna V. Cochrane, Director, Division of Tariff and Rates -- East, issued on January 6, 2006 in the above Docket.

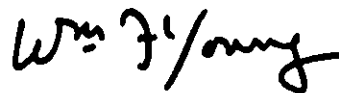
As described in the response, this filing includes several exhibits that contain privileged and confidential trade secret and commercial information relating to the market participation of the affected market participants. The disclosure of such information could adversely affect competition by the affected market participants in, and the competitiveness of, the markets administered by the NYISO. Accordingly, the NYISO requests privileged and confidential treatment for the spreadsheets, pursuant to the Commission's regulations. 18 C.F.R § 388.112. A single paper copy of each of the privileged and confidential spreadsheets is being submitted marked as required by the Commission's regulations.

Please stamp the extra copy of this letter being provided and return it to our messenger.

**HUNTON &
WILLIAMS**

The Honorable Magalie R. Salas
February 6, 2006
Page 2

Respectfully submitted,



William F. Young
Counsel for
New York Independent System Operator, Inc.

cc: Anna V. Cochrane, Room 81-11, Tel. (202) 502-6357

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.) Docket No. ER06-185-000

**RESPONSE TO LETTER DATA REQUEST
DATED JANUARY 6, 2006**

The New York Independent System Operator, Inc. ("NYISO") hereby responds to the letter dated January 6, 2006, from Anna V. Cochrane, Director, Division of Tariffs and Rates -- East, Office of Markets, Tariffs and Rates, to William F. Young, counsel for the NYISO ("Jan. 6 Letter"), requesting certain information regarding the November 8, 2005 filing by the NYISO in the above docket ("Nov. 8 Filing").¹

The requests are set forth below, followed by the NYISO's response.

As requested in the Jan. 6 Letter, six copies of this response are being filed with the Office of the Secretary, with a seventh copy being delivered to Ms. Cochrane.

1. The NYISO states that "certain payments between load and supply will be corrected as part of the NYISO settlement process, and the NYISO will discuss those settlements directly with the affected Market Participants." (filing at p.2). Please indicate the total amount of money that is to be paid to generators and the impact of such payments on Load-Serving Entities in New York. Please provide such information for each of the three periods in which the tariff provision was incorrectly applied.

¹ Unless otherwise specified, capitalized terms have the meanings set forth in the NYISO's Market Administration and Control Area Services Tariff ("Services Tariff").

Response

A. *Jun. 1, 2002 to Apr. 30, 2004*

Generators will receive a net payment total of \$ 2,901,159 in the corrected settlements for this period relative to the initial Bid Production Cost Guarantee ("BPCG") determination, with that amount charged to Load-Serving Entities.

Attached hereto as Exhibit A is a spreadsheet showing the net payment or refund settlement correction by organization for the period Jun. 1, 2002 to Apr. 30, 2004. Exhibit A contains privileged and confidential trade secret and commercial information relating to the market participation of the affected Market Participants. This information is not otherwise disclosed by the NYISO, and disclosure of such information could adversely affect competition by the affected Market Participants in, and the competitiveness of, the markets administered by the NYISO. Accordingly, the NYISO requests privileged and confidential treatment for the spreadsheets, for the reasons set forth in the response to Request #3 below. Because the purpose of the spreadsheets is to convey company-specific confidential commercial information, the spreadsheets cannot be redacted in any meaningful way. Accordingly, as discussed in the response to Request # 3, no copies from which the information for which confidential treatment is being sought has been deleted are being submitted.

B. *May 1, 2004 to Jan. 31, 2005*

Generators will receive a net payment total of \$ 1,227,956 in the corrected settlements for this period relative to the initial BPCG determination, with that amount charged to Load-Serving Entities.

Attached hereto as Exhibit B is a spreadsheet showing the net payment or refund settlement correction by organization for the period May 1, 2004 to Jan. 31, 2005. Exhibit B

contains privileged and confidential trade secret and commercial information relating to the market participation of the affected Market Participants, for which the NYISO requests privileged and confidential treatment for the reasons specified above.

C. Feb. 1, 2005 to present

The settlement corrections for this period have not yet been determined. The NYISO expects the correction methodology and manual procedures to be in place by the third quarter of this year, in time for the final settlement for the period beginning with February, 2005. The appropriate settlement corrections will then be applied month-by-month as the final settlements for the months following February, 2005 become due.

Respondents for Request 1:

Generator totals: Ms. Lisa M. Travaly, Supervisor -- Mitigation, Compliance and Investigation; (518) 356-6049.

Organization net totals: Mr. Randy A. Bowers, Manager -- Settlements; (518) 356-6015

2. Please provide a description of the discussions with affected Market Participants to date and the status of those discussions.

Response

Nov. 9, 2005 Management Committee Report. Mr. Mark Lynch, President and CEO of the NYISO, reported on the issues that were the subject of the Nov. 8 Filing. The minutes of the Nov. 9, 2005 Management Committee meeting summarize Mr. Lynch's report as follows:

Mr. Lynch also noted that during June 2002 to April 2004, in-city generators were improperly mitigated during instances where they were either SREd or placed out of merit ("OOM"). A fix was deployed which fixes 98 % of the instances when the issue occurred. The NYISO is currently analyzing the total impact to the market. This issue will be discussed in further detail at the S&P Working Group.

Nov. 29, 2005 Scheduling and Pricing Working Group Presentation. A presentation on the issues addressed in the Nov. 8 Filing was made to this working group of Market Participants

by Mr. John Buechler, Acting Vice President, Market Structures, NYISO, and Dr. David B. Patton, the NYISO's independent Market Advisor. A copy of the presentation is attached as Exhibit C.

Dec. 5, 2005 Emails to Affected Generators. Emails were sent to the affected generators forwarding privileged and confidential spreadsheets providing details on the adjustments for the first period to the initial BPCG determinations being made as a result of the matters reported in the Nov. 8 Filing. Copies of these privileged and confidential spreadsheets, along with an explanatory memorandum, are being submitted in response to Request #3. Miscellaneous communications with various individual affected generators occurred thereafter by way of follow-up to the Dec. 5 emails.

Jan. 11, 2006 Report to Billing and Accounting Working Group. See pp. 1, 4 and 6-27 of the report, attached as Exhibit D.

Beginning Feb. 6, 2006: The NYISO is in the process of forwarding to affected Market Participants privileged and confidential details on the adjustments for the second period to the initial BPCG determinations being made as a result of the matters reported in the Nov. 8 Filing.

Respondents for Request 2:

Mr. Ray Stalter, Manager -- Committee Support; (518) 356-6077.

Mr. David Evanoski, Supervisor -- Customer Relations; (518) 356-6031.

Ms. Lisa M. Travaly, Supervisor -- Mitigation, Compliance and Investigation; (518) 356-6049.

3. Please provide a description of how payments to generators will be calculated. Please provide such calculations and the data supporting those calculations for each of the three periods in which the tariff provision was incorrectly applied.

Response

Introduction. From June 1, 2002 through January 31, 2005, the bids of certain generators that were subject to a Supplemental Resource Evaluation ("SRE") or were operated Out-of-Merit ("OOM") were erroneously mitigated, while the bids of certain other generators that should have been mitigated were not. The following process was used to determine the adjustments to the initial BPCG determinations for such units to ensure that the final BPCG payments in the billing and settlement process are correct. The adjustments have or will be made in the course of the determination of the final bills for the months in question, in accordance with the procedures and timelines established in the NYISO's tariffs. Accordingly, none of these adjustments involve refunds, but are part of the final settlements for months that are or were open and not yet subject to a final determination of invoice amounts. The adjustments do not involve changes to market-clearing prices, but rather the final determination of the BPCG payments for Real-Time operations for individual Market Participants.

For bids that were initially mitigated, an upward adjustment of the initial Real-Time BPCG determination will occur if:

- No bid conduct failure is found; or
- No impact failure is found; and
- No previous manual process (such as a Billing Issues Group correction or a Discretionary Acts Committee correction) has determined that the generator should not be mitigated.

For bids that were not initially mitigated, a downward adjustment of the initial Real-Time BPCG determination will occur if:

- Bid conduct failure is found; and
- Impact failure is found; and
- No previous manual process (such as a Billing Issues Group correction) has determined that the generator should be mitigated.

Conduct Test Methodology:

- Compare the generator's Start-Up Bid to its reference level plus the threshold for constrained areas.²
- Compare the generator's Minimum Generation Bid (in dollars per megawatt-hour) to its reference level rate plus the threshold for each constrained area in which the generator is located. For instance, a generator located in the Astoria East/Corona/Jamaica load pocket would be tested for conduct based on three distinct load pocket thresholds: the Astoria East/Corona/Jamaica Interface threshold, the 345/138 kV Interface threshold, and the Dunwoodie South Interface threshold. Thus, it is possible to fail conduct in one load pocket and not another.
- Compare the generator's incremental Energy bid to its reference level plus the threshold (in dollars per megawatt-hour) for each constrained area in which the generator is located.

² The constrained area threshold was 200 percent from June 2002 to April 2004 and 50 percent from May 2004 to January 2005.

Impact Test Methodology:

- **Real-Time BPCG Impact Test** – This test determines Real-Time BPCG payments using two sets of bids. The first set includes the bids submitted by the market participant, while the second set includes default bids for any bid parameters that fail the conduct test. If the Real-Time BPCG payment based on the first set is greater than the Real-Time BPCG payment based on the second set by more than the appropriate threshold, impact is determined to have occurred.
- **LBMP Impact Test** – The following three filters test for impact on LBMPs:
 - **Historic Proxy Impact Test** – This test was separately applied to each load pocket by the real-time AMP software. Proxy impact was found for all generators in a particular load pocket if the following two conditions were met: (1) the load pocket constraint had a shadow price greater than zero, and (2) the shadow price of the load pocket constraint plus the shadow prices of any larger load pocket constraints in which the smaller load pocket was contained exceeded the threshold of the smaller load pocket. This test was performed by the AMP software but the data retained by the NYISO did not include results for every load pocket for every evaluation that occurred.
 - **Shadow Price Impact Test** – In cases in which the historic proxy impact test results were not available for the reason described above, the NYISO re-performed the proxy impact test based on the actual historical real-time prices.

- o The AMP Test – A generator is deemed to have impact if the original reason for mitigation was that the load pocket was tested for impact and mitigated by the Real-Time AMP software. In addition, in cases in which Real-Time AMP load pocket mitigation occurred, the resulting dispatch could prevent the load pocket constraint from binding. Load pocket impact was appropriate under the historic proxy impact test if another generator located in the same set of load pockets was mitigated by AMP during the same hour.

Calculations and Supporting Data. Attached hereto as Exhibit E are a series of privileged and confidential spreadsheets detailing, with supporting data, the adjustments to the initial BPCG determinations as calculated for each of the generators affected by the matters described in the Nov. 8 Filing, for each of the first two periods identified in the response to data Request # 1 above. Attached as Exhibit F is a public memorandum explaining the information provided in the spreadsheets. Similar determinations will be made month-by-month for the third period in accordance with the schedule described in response to Request #1.

The spreadsheets provided as Exhibit E contain privileged and confidential trade secret and commercial information relating to the market participation of the affected generators. This information is not otherwise disclosed by the NYISO, in accordance with its obligations to protect confidential information under Section 4 of Attachment F to the NYISO's Open Access Transmission Tariff (NYISO Code of Conduct), Section 6.3 of the NYISO's Market Monitoring Plan, and Article 6 of the Services Tariff. The disclosure of such information could adversely affect competition by the affected generators in, and the competitiveness of, the markets

administered by the NYISO. Accordingly, the NYISO requests privileged and confidential treatment for the spreadsheets. 18 C.F.R § 388.112.

A single paper copy of each of the privileged and confidential spreadsheets submitted in response to Requests # 1 and # 3 is marked as required by the Commission's regulations. Because the purpose of the spreadsheets is to convey company-specific confidential commercial information, the generator spreadsheets cannot be redacted in any meaningful way. In addition, the memorandum accompanying the spreadsheets describes the column headings and other categories of information provided on the spreadsheets, which is essentially what would remain once the confidential information was redacted. Accordingly, no copies from which the information for which confidential treatment is being sought has been deleted are being submitted. 18 C.F.R. § 388.112(b)(ii) and (iii). The NYISO believes that the Commission's regulations do not require submission of a redacted public version of a privileged and confidential filing in these circumstances. Should it be necessary, the NYISO requests a waiver of an obligation, if any, to submit redacted copies of the privileged and confidential documents submitted with this filing, under the circumstances and for the described above.

Respondents for Request #3:

Description of correction methodology: Dr. David B. Patton, NYISO Market Advisor;
(703) 383-0720.

Calculations and supporting data: Ms. Lisa M. Travaly, Supervisor -- Mitigation,
Compliance and Investigation; (518) 356-6049.

4. The NYISO states it "will be implementing further administrative and procedural changes as may be necessary to prevent any further occurrence of these types of errors." (filing at p.19). Please describe the

NYISO's plans for preventing the recurrence of such errors. Also, please describe the NYISO's efforts to improve pricing and billing accuracy.

Response

The NYISO has undertaken a series of actions to prevent the recurrence of these types of errors. These actions range from those specifically related to the issues outlined in the Nov. 8 Filing, to actions to confirm tariff compliance across all aspects of the implementation of the NYISOs Market Monitoring Plan and Market Mitigation Measures ("MMM")³ and, finally, actions to address compliance awareness in other areas throughout the organization. These actions are described further below.

SRE/OOM Issues. As described in the Nov. 8 Filing, the NYISO has put into place a process to bring its market monitoring practices into full compliance with its current tariff requirements for the Real Time mitigation of in-city SRE/OOM units, with the process implemented in three phases. The initial phase was implemented coincident with the Nov. 8 Filing, as described in the filing. In Phase I, the Real-Time Energy bids of OOM units were made subject to conduct-and-impact LBMP mitigation at the same thresholds that apply to other units in New York City. With the Phase I fix, the RTS software mitigates Energy, Start-Up and Minimum Generation bids from SRE and OOM units at the conduct thresholds applicable to other in-City units. The fixes deployed in the initial phase have been tested and are working properly, and thus have met their objective of achieving substantial tariff compliance as soon as possible.

Under the MMM, SRE and OOM units are to be subject to somewhat more stringent conduct thresholds than other units, in recognition of the fact that designation as an SRE or OOM unit is a form of temporary must-run status. In-City units in general are subject to lower Load Pocket Thresholds ("LPTs") for conduct, determined in accordance with a formula in the

³ The Market Mitigation Measures are set forth at Services Tariff, Attachment H.

MMM, in intervals in which any of the transmission interfaces leading to the location of the unit in question is constrained. If transmission to the location of the unit is not constrained, the conduct thresholds used throughout the State are applicable. Under the MMM, in-City SRE and OOM units, however, should be subject to a LPT in all hours, not just during constrained hours.

Phase II of the software fix will ensure that in-City SRE or OOM generators are always subject to the applicable LPT conduct threshold, including during periods when there are no active transmission constraints. Phase II will also ensure that all in-City units are subject to a LPT whenever a Thunderstorm Alert ("TSA") is in effect, because of the must-run conditions arising from a TSA. Phase II design requirements have been finalized and the required software is in the process of being coded. The TSA portion of Phase II is currently scheduled to be in place by June, 2006, that is, prior to the summer thunderstorm season, as noted in the Nov. 8 Filing. The NYISO has now determined, however, because of the complexity of the automation process and competing priorities for the resources of the NYISO's information technology department, the SRE/OOM portion of Phase II probably cannot be completed until September, 2006.

It should be noted that, as pointed out in the Nov. 8 Filing, the NYISO has been advised by its independent Market Advisor that not using a LPT in all intervals for SRE and OOM units would be likely to affect a very small portion of intervals. In particular, the higher thresholds that would be applicable pending the software fix would only apply in unconstrained intervals. The Nov. 8 Filing reported that, since June 2005, less than four percent of intervals have been unconstrained and had OOM or SRE units running. Furthermore, mitigation in these intervals should rarely be warranted, even at the LPTs, because these units would face competition from the rest of the resources in the State. Thus, mitigation of SRE and OOM units at the LPTs in

congested hours, which was implemented on Nov. 8, 2005, is likely to satisfy 98% to 99% of the mitigation requirements. The remaining 1-2% will be covered when Phase II is implemented. Likewise, as reported in the Nov. 8 Filing, the effects of the TSA discrepancy are likely to be very small, as TSA conditions warranting mitigation are very likely to be associated with transmission constraints.

Phase III of the SRE/OOM fixes will address the more difficult issue of automating the "impact test" for BPCG mitigation in the Real-Time market. The impact test determines whether bids that cross the applicable conduct threshold would cause BPCG payments to increase to a level that would warrant mitigation. The NYISO, in consultation with its independent Market Advisor, has reached conceptual agreement on the software implementation methodology for the Real-Time BPCG impact test. The functional requirements are now being developed on which to base the required software modifications to implement this capability on an automated basis. It was first necessary to reach agreement on the methodology in order to determine the BPCG impacts from February 1, 2005 forward and to compute any mitigation adjustments. Because of resource constraints and the need to coordinate this project with other priority efforts, however, it is anticipated that the deployment of the automated Phase III capability will not take place until 2007. In the interim, as noted above, a manual procedure is scheduled to be implemented in the third quarter of 2006 that will allow corrections to the BPCG payments to be made prior to the final billing settlements for the period beginning February 2005. BPCG payments will continue to be corrected in this same fashion in the monthly billing and settlement close-out process until the implementation of the fully automated process described above.

Compliance Review of the NYISO Market Monitoring Plan and Market Mitigation Measures. In early December 2005, the NYISO commissioned its independent Market Advisor,

Dr. David Patton, to perform a comprehensive review of the NYISO's compliance with its Market Monitoring Plan and the MMM. That process is currently underway and is scheduled for completion by the end of the first quarter of 2006. The NYISO will carefully consider the findings of Dr. Patton's review, with a view towards implementing any changes or improvements necessary to ensure full tariff compliance.

Compliance Awareness and Training. During the latter part of 2005, the NYISO engaged outside compliance experts (the law firm of Day, Berry and Howard) to perform a review of the NYISO's compliance program. As a part of this engagement, this firm conducted a full-day intensive compliance training program that was provided to all NYISO Senior Staff and managers. While this training program included all areas of compliance, there was a special focus on compliance with the NYISO's FERC-approved Tariffs. By the end of the second quarter, the training will be delivered to all supervisors as well, and plans are now underway to extend this in-depth compliance awareness training to the entire workforce. In addition, compliance training is currently part of the NYISO's annual mandatory on-line training for all employees. That training will also be expanded this year.

During the latter part of 2005, the NYISO CEO and Senior Staff engaged in a corporate-wide re-organization, in order to better align the NYISO's functional responsibilities to support the needs of its marketplace into the future. A significant focus of this re-organization, which was implemented in late November, 2005, was on the issue of compliance with the NYISO's tariffs. The keystone of this focus was the restructuring of the Product and Project Management organization and the creation of six Product Managers, reflecting each of the major product lines of the NYISO. These Product Managers have been assigned "cradle-to-grave" responsibility for their respective product lines—which includes complying with all tariff requirements in the

design of any new or modified products, interfacing with stakeholders and internal user departments, and following-up after any product deployment to verify that the actual implementation is in compliance with the tariff.

Pricing & Billing Accuracy. The NYISO has addressed and largely resolved numerous software issues that arose following implementation of its Standard Market Design version 2 ("SMD2") software that impacted pricing, including: (i) an islanded generator bus modeling anomaly, (ii) real-time dispatch ("RTD") software unit ramping logic issues; (iii) a desired net interchange constraint problem affecting external proxy pricing; (iv) an RTD commitment problem affecting gas turbines in corrective action mode ("RTD-CAM"); (v) an out of merit ("OOM") application incorrectly flagging committed combustion turbines as flexible units; (vi) generator operating status issues; and (vii) issues pertaining to the NYISO's load forecasting mechanism. The NYISO continues to monitor SMD2 performance and will pursue the implementation of any necessary software enhancements.

NYISO has worked with stakeholders, through the Business Issues Committee, to establish a Billing and Price Correction Task Force (the "Task Force") for the development of a plan and schedule for shortening the time periods for price reservation and correction under the NYISO's Temporary Extraordinary Procedures ("TEP") and eventually to phase out the TEP altogether. The NYISO and the Task Force have taken a comprehensive approach to this issue, undertaking a thorough examination of issues relating to price calculation, screening, reservation, and correction. In these efforts, NYISO has: (i) carefully examined its past price screening, reservation, and correction procedures; (ii) developed a plan and schedule for eliminating the TEP; and (iii) developed a framework for price corrections without TEP authority. At each step in this process, the NYISO has sought to balance the sometimes competing objectives of price

accuracy and price finality. Through these efforts, the NYISO has developed, in consultation with the Task Force and working through the NYISO's shared governance mechanisms, a framework for proposed tariff revisions for the elimination of the TEP authority and the development of a transparent, workable mechanism for non-TEP price corrections. This framework was approved by the NYISO's Management Committee at its meeting on January 25, 2006, and the NYISO expects to file proposed tariff revisions with the Commission not later than April of this year.

In addition to eliminating the TEP and developing a framework for non-TEP price corrections, the NYISO and the Task Force have recognized the importance of addressing the underlying issues that create a need for price corrections. In response, the NYISO formed the Price Error Elimination Team ("PEET"), an interdepartmental team composed of key NYISO staff that has been given the task of studying and proposing corrective actions to reduce initial pricing errors. The PEET investigates pricing errors, documents and categorizes the various causes of pricing errors, and develops proposals to address the underlying causes of price errors to limit their recurrence. The PEET provides status reports to the NYISO's CEO weekly and to the Task Force at each of its meetings. By adopting a multi-faceted approach, including software enhancements, process improvements, and rule-based solutions, the PEET seeks substantially to reduce the incidence of initial price errors. The aim of these projects is to achieve increased pricing accuracy, thereby reducing the need for price corrections. The PEET's work compliments the NYISO's SMD2 market performance review and has already resulted in an increased degree of initial price accuracy. The PEET is continuing to examine the underlying causes of initial price errors, and the NYISO expects to make further improvements as a result of these efforts.

A copy of the presentation by the PEET to the January 25, 2006 Management Committee meeting on the PEET Action Plan Status is attached as Exhibit G.

As indicated in the PEET presentation, in mid-2005 the Lean Six Sigma concept was adopted by the NYISO. This is a comprehensive initiative designed to increase efficiency, that is, ensure that operations are "Lean," and reduce errors through the "Six Sigma" approach. There are currently 14 projects underway that have passed through the first, or "definition," stage of Lean Six Sigma, and are now in the "measurement" stage. These projects will thereafter be subject to the "analyze, improve, and control" stages. Of the 14 total projects, four are dedicated to the settlement process, and five are dedicated to price determinations.

The NYISO' efforts to improve the initial accuracy of invoices and shorten the time period to close out final bills has resulted in a reduction of the total settlement cycle from a minimum of 36 months to 16 months. In addition, as outstanding issues are resolved final bills are issued at a rate of five per month in addition to current invoices. To date, 34 final bills have been issued and at the current rate, the NYISO will be up-to-date in July 2006.

In addition, the controls and effectiveness of the settlement process have been thoroughly audited, and received unqualified opinions in SAS 70 Type 2 audits. There have also been continuous internal audits under the guidelines set by the Market Participant Audit Advisory Subcommittee (MPAAS) of the Management Committee, and with attestation by the NYISO Settlements Manager of the stated controls for Sarbanes-Oxley disclosure. Market Participants are provided the necessary tools for analysis and reconciliation of their invoices through the Decision Support System (DSS), the Market Information System (MIS), and the Billing and Accounting Manual.

Settlement processes are formally documented and there has been an intensive and successful effort to automate processes thereby eliminating the potential for errors in multiple manual processes. A shadow settlement process is formally documented and mechanized. Daily balances are compared to seven, five, and three day trends and observed variances are documented, reconciled, and resolved. Further improvements are in varied stages of development, including Billing Simulator enhancements and replacement of the Billing and Accounting System (BAS).

In addition, the NYISO has developed, in consultation with the Market Participants, provisions for an improved and expedited billing settlement process for incorporation in the NYISO tariffs. These changes were approved by the NYISO's Management Committee at its meeting on January 25, 2006, and the NYISO expects to file proposed tariff revisions with the Commission not later than April of this year.

Respondents for Request #4:

Elaine D. Robinson, Director -- Regulatory Affairs; (518) 356-6178.

John P. Buechler, Acting Vice President -- Market Structures; (518) 356-6153.

Respectfully submitted,

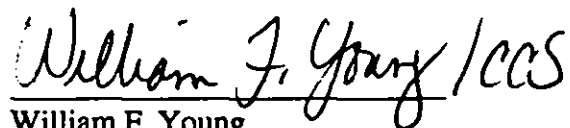
NEW YORK INDEPENDENT
SYSTEM OPERATOR, INC.

By Wm Young

Certificate of Service

I hereby certify that I have this day served a copy of the foregoing Response upon each person designated on the official service list compiled by the Secretary in Docket ER06-185, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure 18 C.F.R. § 2010 (2004).

Dated at Washington, DC , this 6th day of February, 2006.

Handwritten signature of William F. Young in cursive script, with the initials 'CCS' written to the right of the signature.

William F. Young
HUNTON & WILLIAMS LLP
1900 K Street, NW
Washington, DC 20006-1109
(202) 955-1500

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.) Docket No. ER05- 428-000

AFFIDAVIT OF JOHN P. BUECHLER

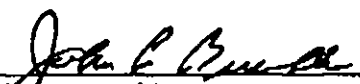
STATE OF NEW YORK)
) ss
COUNTY OF SUFFOLK)

AFFIDAVIT

JOHN P. BUECHLER, being duly sworn, deposes and says:

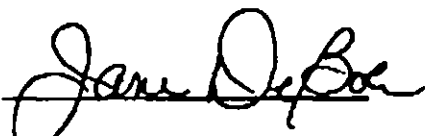
1. I am the Acting Vice President, Market Structures, of the New York Independent System Operator, Inc. ("NYISO").

2. The attached Response to Letter Data Request Dated January 6, 2006 in this docket ("Response") was prepared under my supervision and direction. To the best of my knowledge, information and belief, the contents of the Response are true, correct, and complete. and provide all responsive information available from the documents and data in the possession, custody, or control of NYISO.



John P. Buechler
Acting Vice President, Market Structures
New York Independent System Operator, Inc.

Subscribed and Sworn to before me this 4 day of February 2006.



NOTARY PUBLIC (Seal)
My Commission Expires: _____

JANE DEBOER
Notary Public, State of New York
No. 01DE060471
Qualified in Suffolk County
Commission Expires 3-29-07

Exhibit A

**This document contains Privileged information.
Confidential treatment has been requested.**

Exhibit B

**This document contains Privileged information.
Confidential treatment has been requested.**

Exhibit C




SRE/OOM PRESENTATION

**By
John P. Buechler
David Patton**

**Scheduling & Pricing WG Meeting
November 29, 2005
Albany**



Review

- **The application of certain mitigation measures to a small portion of the NYISO market did not conform to applicable Tariff requirements**
 - **Relevant Portion of the NYISO Market :**
 - *Primarily RT mitigation of in-city units committed via SRE or OOM*
 - **Period:**
 - *June 1, 2002 to the present*
 - **Two types of issues:**
 - *Continuation of mitigation that should have been superseded by newer procedures (Period: June 2, 2002—Jan 31, 2005)*
 - *Failure to apply certain mitigation measures (Period: Feb 1, 2005—Present)*
 - *Result was both over and under-mitigation*
- 

Draft - For Discussion Only

Actions on November 8th

- **Implementation of the Phase I software change**
 - *The appropriate RT mitigation now in effect for in-city SRE/OOM units for the large majority of the time*
- **Filing with FERC requesting tariff waivers for the historic periods**
 - *Comments due on: 11/29/05*
- **Announcement that billing corrections for in-city SRE/OOM units will be made to implement correct mitigation during the pre-SMD2 period**
 - *Corrections will be made through the Final Bill Close-out process starting in December 2005*

Future Software Enhancements

➤ Phase 2

- *Application of appropriate conduct threshold to in-city SRE/OOM units during unconstrained intervals*
- *Application of appropriate conduct threshold during Thunderstorm Alert (TSA) with no in-city constraints*
- *Requirement specifications finalized November 23, 2005*
- *Implementation targeted for 2nd quarter, 2006*

➤ Phase 3

- *Real-time bid production cost guarantee (BPCG) impact testing*
- *Requirement specifications to be completed in January, 2006*
- *Development schedule to be finalized 1st quarter, 2006*

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al Period: June 2, 2002—April 30, 2004

- **June 2, 2002 was the effective date of the NYISO's Comprehensive Mitigation Measures ("CMM")**
- **CMM were to have replaced the former "Con Edison MM" in RT for in-city SRE/OOM units**
 - ***NYISO's CMM were to employ "conduct and impact" tests with a "proxy impact test" for energy***
 - ▶ **The "proxy impact test" was a FERC-accepted price impact test that the NYISO employed because its software was not yet sophisticated enough to perform a "true" impact test.**
- **Instead the Con Edison MM were continued for in-city SRE/OOM units**
 - ***Con Edison MM replaced bids with either cost-based or bid-based reference levels for all SRE/OOM. No conduct and impact test was performed***
 - ***This resulted in over-mitigation***

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Annual Period: (Cont'd)

- **In some instances, default bids were applied to the first hour of operation of an appropriately mitigated OOM unit, but not to subsequent hours that should also have been mitigated**
 - *This resulted in under-mitigation during such periods*
- **The proxy impact test for energy was correctly applied to non-SRE/OOM units in RT**
- **The Con Edison MM were incorporated into the NYISO tariff and continued for DAM mitigation**



Period: May 1, 2004—Jan 31, 2005

- **NYISO's March 12, 2004 filing noted the delay in the implementation of SMD2 and requested modification of certain mitigation measures in the interim**
 - *NYISO filing proposed to apply the full conduct and impact test methodology to both the DAM and RT markets*
 - *The request to change the LBMP impact test in the RT market was inadvertent and premature*
 - *FERC approved this request with an effective date of May 1, 2004*
- **Since fully automated RT mitigation was not possible without the deployment of SMD2:**
 - *NYISO continued to use the "proxy impact test" for energy in RT for non-SRE/OOM units*
 - *The Con Edison MM were continued for SRE/OOM units*
- **The full conduct and impact methodology was correctly implemented in the DAM on May 1, 2004**

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SMD2 Period: Feb 1, 2005--Present

- **SMD2 software was deployed on Feb 1, 2005**
- **The proxy impact test was replaced with full impact test in RT**
- **Application of the Con Edison MM to in-city SRE/OOM units was discontinued**
- **SMD2/RTS software did not apply RT conduct and impact mitigation to the energy bids of in-city OOM units**
- **SMD2/RTS software did not apply the correct conduct threshold to in-city SRE/OOM units during unconstrained hours**
- **The RT BPCG impact test software had not been de**

Correction Methodology

- **Pre-SMD2 Period**
- **To correct payments to in-city SRE/OOM units erroneously subjected to the Con Edison MM**
 - *Both over- and under-mitigation have been corrected*
- **Corrections are possible because the automatic application of reference bids under the Con Edison MM provides the post-mitigation calculation**
- **Correction methodology was developed in conjunction with the NYISO's IMA**
- **Application of methodology and resultant corrections were validated by the IMA**

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Correction Methodology (cont'd)

- **The following approach was used to correct the pre-SMD2 mitigation of SRE/OOM units:**
- ***Identify SRE/OOM units that had been mitigated.***
 - ***Perform a conduct test using the applicable LPTs.***
 - ***For energy, the proxy impact test was used to determine whether the energy impact test is satisfied.***
 - ***Unmitigated BPCG was calculated and compared with actual (mitigated) results to perform the BPCG impact test.***
 - ***If the conduct test OR all of the impact tests are not satisfied, the unit's unmitigated bids are restored and a new BPCG is calculated.***

Generator Examples

Gas Turbines

<i>Example Generator</i>	<i>Energy</i>			<i>Energy Conduct</i>	<i>Bid Start Up \$</i>	<i>Reference Start Up \$</i>	<i>Start Up Conduct</i>	<i>BPCG Impact Test</i>	<i>Energy Impact</i>	
	<i>Energy \$</i>	<i>Reference \$</i>	<i>LPT \$</i>						<i>Test</i>	<i>Mitigation</i>
GT A	250	125	7.5	Y	500	55	Y	Y	N	Y
GT B	250	125	7.5	Y	500	55	Y	N	N	N
GT C	250	125	7.5	Y	500	55	Y	N	Y	Y

Steam Units Scheduled at Mingen

<i>Example Generator</i>	<i>Bid Mingen</i>	<i>Ref Mingen</i>	<i>LPT \$</i>	<i>Mingen Conduct</i>	<i>Bid Start Up \$</i>	<i>Reference Start Up \$</i>	<i>Start Up Conduct</i>	<i>BPCG Impact Test</i>	<i>Energy Impact</i>	
	<i>Rate</i>	<i>Rate</i>							<i>Test</i>	<i>Mitigation</i>
Steam A	80	70	7.5	Y	70000	20000	Y	Y	N	Y
Steam B	78	70	7.5	Y	61000	20000	Y	N	Y	Y
Steam C	78	70	7.5	Y	61000	20000	Y	N	N	N

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Correction Net Impacts

- **Jun 2, 2002—April 30, 2004 Period**
 - *Net impact is a \$2.5 million payment to in-city generators*
 - ▶ Not all generators affected are net beneficiaries
 - *Specific impacts will be provided to individual MPs as part of the final bill close-out process*
 - ▶ Starting in December 2005 (for Jun-Jul-Aug 2002)

- **May 1, 2004—Jan 31, 2005 Period**
 - *The Independent Market Advisor is completing the validation for this period*

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Market Prices Should Not Be Restated

- **Tariff does not authorize retroactive price changes because of erroneous mitigation**
 - *Ref: §4.2.2(d) of MMM*
- **Recalculation of RT prices is not feasible**
- **Lack of price certainty would be disruptive to the marketplace**
- **Any potential price impacts would have been minimal—and would be in both directions**

Normal Price Impacts

- **Jun 2002-Jan 2005: Use of Con Ed MM for OOM units could only have affected prices in very limited instances**
- **May 2004—Jan 2005: Proxy impact test should closely match the full impact test results**
- **Feb 2005—Nov 8, 2005: MMP has not observed abnormal pricing levels for in-city energy that can be linked to bidding by SRE or OOM units**
- **Nov 8, 2005-Implementation of Phase II: Potential for under mitigation in unconstrained hours is low**
 - ***Phase I will likely cover 98-99% of all intervals for SRE/OOM because:***
 - ▶ Only 1.5% of TSA periods were unconstrained from Feb 1—Aug 31, 2005 and TSAs are less frequent in the Winter.
 - ▶ Only the conduct test for in-city SRE/OOM units during unconstrained intervals is at issue.
 - ▶ When the system is unconstrained, the energy impact test is high warrant mitigation.

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Constraint Identification Change

- **Change in the identification of constraints in the DAM was made on Feb 1, 2005**
- **Resulted in fewer constraints being counted in the calculation of the LPT thresholds**
- **Noted during September LPT update**
 - *Thresholds frozen at August levels while cause was being investigated*
 - *Lesser effects in early months because of 12-month average used for updates*
- **Potential impact is minor**
 - *6.3% of the hours during August/September would have been affected*

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Waiver Request

- **NYISO filed a clarification/waiver request with FERC on November 8, 2005**
- **NYISO has asked FERC to confirm that §4.2.2(d) of the MMM should not require any re-determination of LBMP's in connection with these mitigation errors and asked FERC to waive any other relevant tariff provisions so as not to require any retroactive changes to market clearing prices.**

Specific Waivers Requested

- **Application of the “proxy impact test” to RT in-city LBMP’s from May 1, 2004 to Jan 31, 2005**
- **Any difference in in-city RT LBMPs that may have resulted from the application of the Con Ed MM vs NYISO Market Mitigation Measures from June 1, 2002 to Jan 31, 2005**
- **Any under mitigation of in-city RT LBMPs that may have resulted from not applying conduct and impact tests to OOM energy bids from February 1, 2005 to Nov 8, 2005**
- **Any under mitigation of in-city RT LBMPs that may have resulted from, or will result from, not applying the LPT conduct test to SRE/OOM and TSA units in unconstrained hours until completion of the Phase II software**
- **Any under mitigation of in-city DAM LBMPs that may have resulted from the change in constraint identification to in-city constraints from Feb 1, 2005 to November 8, 2005**

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Start-Up Conduct Threshold

- In May 2004, the implementation of RTS-related MMM changes resulted in the application of the following conduct tests for start-up bids from in-city units:
 - *During constrained hours: 50% threshold is applied*
 - *During unconstrained hours: 200% threshold (same as ROS) is applied*
- **Questions for future MP discussion:**
 - *Would a 50% threshold be more appropriate for in-city units under all circumstances??*
 - *Depending upon the result of further discussion, a clarification may be proposed.*

Exhibit D

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
<p>Q2 Impact Test resulted in a change causing commitment of certain Suppliers in a manner inconsistent with the NYISO Market Migration Measures</p>		<ul style="list-style-type: none"> NYC: May 1, 2004 - January 31, 2005 Shawnee: January 17, 2005 - January 27, 2005 			<ul style="list-style-type: none"> Generator: Certain Suppliers may receive decreased net-time revenue due to the distribution of balancing obligations Generator: Certain Suppliers may receive increased net-time revenue NYISO-wide withdrawal: Customers may receive increased net-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Generator: Certain Suppliers may receive decreased net-time revenue Proposed resolution presented to the November 29, 2005 SA/PMC. 	
<p>Real-time migration of in-city with performed commitment with the NYISO Market Migration Measures</p>		<ul style="list-style-type: none"> June 2002 - January 2005 			<ul style="list-style-type: none"> Generator: Certain Suppliers may receive decreased bid production cost Generator: Certain in-city Suppliers may receive increased bid production cost guarantee uplift costs. NYISO-wide withdrawal: Customers may receive an increase in real-time bid production cost guarantee uplift costs. NYISO-wide withdrawal: Customers may receive an increase in real-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Generator: Certain in-city Suppliers may receive increased bid production cost guarantee uplift costs. For the period of June 2002 through August 2002, contracts will be adjusted to the close-out market through bid production level reduction through invoice-level adjustments to the close-out settlements contained in the January 8, 2006 consolidated invoice For the period of June 2002 through August 2002, contracts will be entered into the bid and processed through settlements. The market through the close-out settlements through the close-out invoice. The market through the close-out invoice contained in the affected invoice respectively close-out invoice. Failure to Final Bid Challenge date below for monthly branch impacts for the period of June 2002 - April 2004, May 2004 - January 2005 impacts pending. 	
<p>Real-time migration of in-city with opened out of economic merit NYISO Market Migration Measures</p>		<ul style="list-style-type: none"> June 2002 - January 2005 			<ul style="list-style-type: none"> Generator: Certain in-city Suppliers may receive an increase in real-time bid production cost guarantee uplift costs. Generator: Certain in-city Suppliers may receive decreased bid production cost guarantee uplift costs. NYISO-wide withdrawal: Customers may receive an increase in real-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Generator: Certain in-city Suppliers may receive increased bid production cost guarantee uplift costs. For the period of June 2002 through August 2002, contracts will be properly re-adjusted/entered into the bid and processed through settlements. The market through the close-out settlements through the close-out invoice. The market through the close-out invoice contained in the affected invoice respectively close-out invoice. Failure to Final Bid Challenge date below for monthly branch impacts for the period of June 2002 - April 2004, May 2004 - January 2005 impacts pending. 	
<p>Blending Allocation Factors</p>		<ul style="list-style-type: none"> May - October 2005 			<ul style="list-style-type: none"> Generator: Certain in-city Suppliers may receive decreased bid production cost Generator: Certain in-city Suppliers may receive increased bid production cost guarantee uplift costs. NYISO-wide withdrawal: Customers may receive an increase in real-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Generator: Certain in-city Suppliers may receive increased bid production cost guarantee uplift costs. For the period of June 2002 through August 2002, contracts will be properly re-adjusted/entered into the bid and processed through settlements. The market through the close-out settlements through the close-out invoice. The market through the close-out invoice contained in the affected invoice respectively close-out invoice. Failure to Final Bid Challenge date below for monthly branch impacts for the period of June 2002 - April 2004, May 2004 - January 2005 impacts pending. 	
<p>Incorrect Data Correction</p>					<ul style="list-style-type: none"> Generator: Certain in-city Suppliers may receive decreased bid production cost Generator: Certain in-city Suppliers may receive increased bid production cost guarantee uplift costs. NYISO-wide withdrawal: Customers may receive an increase in real-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Generator: Certain in-city Suppliers may receive increased bid production cost guarantee uplift costs. For the period of June 2002 through August 2002, contracts will be properly re-adjusted/entered into the bid and processed through settlements. The market through the close-out settlements through the close-out invoice. The market through the close-out invoice contained in the affected invoice respectively close-out invoice. Failure to Final Bid Challenge date below for monthly branch impacts for the period of June 2002 - April 2004, May 2004 - January 2005 impacts pending. 	

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
January 1, 2004, the location of Day-Ahead Market (DAM) congestion not associated with bidding was revised.	-5M	September 2002 forward	NA	58	Transmission Customers: Customers will fund locational based costs per their locational based share of locational withdrawals	Generation Customers will realize additional based share revenue.	Issue to bill under discussion with affected parties, FERC & PSC.
Dep-Ahead Market (DAM) congestion not associated with bidding was revised.	TD	January 2004 - present	NA	28	Transmission Owners: Application of new allocation factors may cause additional DAM Congestion worldw bidding costs.	Transmission Owners: Application of new allocation factors may cause decrease in DAM Congestion worldw bidding costs.	CAT Application in production, schedule 1/10/06, for re-bidding due to TD-specific bidding causing shortages not yet implemented.

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
ERCs not passing correct on-cost tags to performance pricing system.	TD	February - May 2005; July - September 2005	NA	331	Withdrawals with NY Regulation Service costs may increase for load serving errors.	Regulation Service Suppliers: Regulation Service revenue may increase.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.
ERC Production Cost Chargeback payments not paid to LBP energy reports	-\$1M	November 2001 - May 2005; July - September 2005	NA	324	Transmission Bid Production Cost Chargeback will increase for withdrawn.	Transmission Customers: Bid Production Cost Chargeback revenue may increase for some LBP energy reports.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.
ERC Production Chargeback not applying changes to the invoice	TD	April 2003 - Current	NA	281	Transmission Customer: Station Power energy costs will increase when corrected.	Transmission Customer: Station Power energy costs will decrease when corrected.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.
In-hour contracts not passed to the Billing System from Operations	TD	February 2005 - May 2005; July - September 2005	NA	338	Transmission Customer: LBP energy transactions have been curtailed in-hour.	Transmission Customers: LBP energy transactions have been curtailed in-hour. Some decrease in LBP energy revenue.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.
ERCs not passing correct on-cost tags to performance pricing system.	TD	February 2005 - May 2005; July - September 2005	NA	331	Withdrawals with NY Regulation Service costs may increase for load serving errors.	Regulation Service Suppliers: Regulation Service revenue may increase.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.
ERCs not passing correct on-cost tags to performance pricing system.	TD	February 2005 - May 2005; July - September 2005	NA	331	Withdrawals with NY Regulation Service costs may increase for load serving errors.	Regulation Service Suppliers: Regulation Service revenue may increase.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.
ERCs not passing correct on-cost tags to performance pricing system.	TD	February 2005 - May 2005; July - September 2005	NA	331	Withdrawals with NY Regulation Service costs may increase for load serving errors.	Regulation Service Suppliers: Regulation Service revenue may increase.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.
ERCs not passing correct on-cost tags to performance pricing system.	TD	February 2005 - May 2005; July - September 2005	NA	331	Withdrawals with NY Regulation Service costs may increase for load serving errors.	Regulation Service Suppliers: Regulation Service revenue may increase.	Software bug in the October 11, 2005 release. Settlements will be corrected through normal settlement adjustment including cycle.

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

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRRAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Export & wheel-through bilateral transactions not settled with market-clearing prices	TBD	July 2005		318 & 323	<ul style="list-style-type: none"> Transmission Customer: Transmission Usage Charges & Filled Import Charges may increase Transmission Customer: Transmission Usage Charges may decrease and balancing loss & congestion rentals may decrease 	<ul style="list-style-type: none"> Transmission Customer: Transmission Usage Charges may decrease 	<ul style="list-style-type: none"> FERC approved August 5, 2005 and ordered resolution implemented August 8, 2005. Due to the final number of occurrences there will likely be reduced vs. market-clearing settlements versus a software fix.
10-cents GTS not having their market-clearing prices included in their RT BPCD calculation	TBD	February - April 2005; July 2005		308	<ul style="list-style-type: none"> Transmission Customer: Bid Production Cost Quotient costs may increase 	<ul style="list-style-type: none"> Supplier: Bid Production Cost Quotient revenue may increase. 	<ul style="list-style-type: none"> FERC approved August 5, 2005 and ordered resolution implemented August 8, 2005.
Under-generation Penalty being pursued for GTS that are operating	-865K	June 2003 - March 2005; July 2005		288	<ul style="list-style-type: none"> Transmission Customer: Regulation Service costs will increase. 	<ul style="list-style-type: none"> Supplier: Regulation Penalty costs will decrease. 	
30-cents GTS energy payments limited by Energy Payment Limit when already at schedule at beginning of the hour. Code should recognize they are already at schedule and not base remuneration of output on a schedule that is not base	-150K	August 2001 - January 2006		298	<ul style="list-style-type: none"> Transmission Customer: Energy reduced costs may increase and Bid Production Cost Quotient costs may decrease. 	<ul style="list-style-type: none"> Supplier: Energy revenue may increase and Bid Production Cost Quotient revenue may decrease. 	
Thunderston Asset cost allocations made to all ConEd sub-control areas of TEA cost; not bid versus only NYC	190	November 2001 - January 2004		343	<ul style="list-style-type: none"> Transmission Customer: Bid production cost Quotient costs may increase when corrected. 	<ul style="list-style-type: none"> Generator: Bid production cost Quotient revenue may increase when corrected. 	<ul style="list-style-type: none"> Final prospectus at 8/10/04 deployment. Corrected incorrectly by applying settlement computed through the Billing Statement in monthly trades
Minimum generation cost recovery not provided for generation dispatched below margin	TBD	November 2001 - January 2004		232	<ul style="list-style-type: none"> Generator: DAM Margins Preservation costs will decrease. 	<ul style="list-style-type: none"> Transmission Customer: DAM Margins Preservation Schedule 1 rentals costs will decrease. 	<ul style="list-style-type: none"> Final prospectus at 8/10/04 deployment. Corrected incorrectly by applying settlement computed through the Billing Statement in monthly trades
DAM Margin Preservation overpaid when unit's under-generating	TBD	November 2001 - January 2004		232	<ul style="list-style-type: none"> Generator: DAM Margins Preservation revenue will decrease. 	<ul style="list-style-type: none"> Transmission Customer: DAM Margins Preservation Schedule 1 rentals costs will decrease. 	<ul style="list-style-type: none"> Final prospectus at 8/10/04 deployment. Corrected incorrectly by applying settlement computed through the Billing Statement in monthly trades
39¢ uplift not allocated to local generation	-4M	November 2001 - June 2003		217	<ul style="list-style-type: none"> Transmission Customer: May observe an increase in Schedule 1 Local Penalty Rate uplift costs. 	<ul style="list-style-type: none"> Generator: May observe a decrease in Schedule 1 NYTSO-wide uplift costs. 	<ul style="list-style-type: none"> Statements have been processed and are posted for review through the NYTSO Decision Support System (DSS) & Consolidated Invoicing System (CIS) on 5/24/2004. System to be deployed on 5/24/2004. Processing date to be completed on 8/14/2004. FERC approved 3/25/2004
FERC is accelerated data exchange required in previous under-generation penalties	-572K	November 2001 to April 2002; October 2002 - March 2003		186 & 207	<ul style="list-style-type: none"> Transmission Customer: Penalty increase in RT congestion rental costs when TCC rates were negative RT congestion rental costs when TCC rates were negative Transmission Customer: Penalty increase in RT congestion rental costs 	<ul style="list-style-type: none"> Transmission Customer: Penalty reduction in RT congestion rental costs TCC Hider: Penalty additional TCC net TCC net 	<ul style="list-style-type: none"> FERC approved 3/25/2004

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III. Final Bill Challenges

September 2002 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$32K	September 2002	MA	228	<ul style="list-style-type: none"> Central Transmission District withdrawal: Customers will realize increased bid real-time bid production cost guarantee revenue. Customers will realize ~\$252K increase in production cost guarantee revenue. Supplier(s) will realize increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers will realize ~\$2K decrease in real-time bid production cost guarantee revenue. Real-time mitigation of in-city distribution resources with committed through the NYISO Market Migration Measures 	<ul style="list-style-type: none"> Property rights/undesignated bids will be entered into the LRS and processed through settlement. The real-time conditions will then be rendered through the real-time conditions contained in the February 10, 2006 consolidated invoices
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$3K	September 2002	MA	328	<ul style="list-style-type: none"> Generator: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers will realize ~\$2K decrease in real-time bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property rights/undesignated bids will be entered into the LRS and processed through settlement. The real-time conditions will then be rendered through the real-time conditions contained in the February 10, 2006 consolidated invoices
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$25K	September 2002	MA	328	<ul style="list-style-type: none"> Generator: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers will realize ~\$2K decrease in real-time bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property rights/undesignated bids will be entered into the LRS and processed through settlement. The real-time conditions will then be rendered through the real-time conditions contained in the February 10, 2006 consolidated invoices
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$25K	September 2002	MA	343	<ul style="list-style-type: none"> Station Power Customers: Allocated Station Power Customers will be charged for real-time portion of ancillary services charges. 	<ul style="list-style-type: none"> Transmission Customers: NYISO-wide events will be allocated real-time costs caused by ancillary services under collection. 	<ul style="list-style-type: none"> Conditions to be provided for through invoice-level adjustments.
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$27K	September 2002	20040529182820	1000121	<ul style="list-style-type: none"> Market NYCA Withdrawal: Customers may realize additional Regulation Services costs. 	<ul style="list-style-type: none"> Generator: Supplier may realize decreased Regulation penalty costs. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System [DSS] and February 10, 2006 consolidated invoices
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$25K	September 2002	20040310136448 20040703071814 2004070806457	100032 ? ?	<ul style="list-style-type: none"> Central Transmission District Withdrawal: Customers may realize increased energy and ancillary services costs due to re-allocations of real-time unaccounted for energy. 	<ul style="list-style-type: none"> Following Customer: Following will realize reduced energy and ancillary services costs. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System [DSS] and February 10, 2006 consolidated invoices
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October 2002 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$477K	October 2002	MA	328	<ul style="list-style-type: none"> Central Transmission District Withdrawal: Customers will realize increased bid real-time bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Generator: Certain in-city Supplier(s) will realize increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property rights/undesignated bids will be entered into the LRS and processed through settlement. The real-time conditions will then be rendered through the real-time conditions contained in the February 10, 2006 consolidated invoices
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Real-time mitigation of in-city distribution resources with committed through Evaluator [SRE] performed in accordance with the NYISO Market Migration Measures	-\$18K	October 2002	MA	328	<ul style="list-style-type: none"> Generator: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers will realize ~\$1K decrease in real-time bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property rights/undesignated bids will be entered into the LRS and processed through settlement. The real-time conditions will then be rendered through the real-time conditions contained in the February 10, 2006 consolidated invoices
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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES AS OF JANUARY 10, 2006

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TRCKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
performed in compliance with the NYISO Market Monitoring Measures					light costs.	done-out adjustments completed in the February 10, 2006 consolidated invoice.	
USE charges converted to Station Power buses bid data		October 2002			Station Power Customers: Advanced Station Power Customers will be charged for their respective portion of ancillary services charges.	Transmission Customers: NYISO-CORRECTIONS to be provided for through invoice-level adjustments.	
ancillary services for pre-bidding clearing markets of Station Power buses	TBD		NA	343	Transmission Owners: Re-distribution of TCC DAM Congestion Rent bidding services under conditions.	Transmission Owners: Re-distribution made to provide for the financial corrections.	Form has been filed. Invoice level adjustments will be made to provide for the financial corrections.
Problems with data entry from existing CAFT and sampling errors in the database data for the application of DAM Allocation Factors.	TBD	October 31, 2002; April 30, 2003; October 31, 2003; April 30, 2004;	NA	NA	Transmission Owners: Re-distribution of TCC DAM Congestion Rent bidding may result in additional bidding.		
Sub-total load MW's are incorrect	-\$25K	October 2002	200403010135448	100032	<ul style="list-style-type: none"> Correct Transmission Districts: Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. Correct Transmission Districts: Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Customers have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice. 	
Individual units of a group not appearing in the grouped unit.		Due to the setting of other specific quantities not reflecting adjustments.	20040308174327	100029	<ul style="list-style-type: none"> Transmission Customers: Customers may make increased bidding energy, losses, and congestion costs from changes to bidding market settlements with selected Supplier. Customers: Advanced generators may make additional energy market. 	<ul style="list-style-type: none"> Customers have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice. 	
Changes to Bid Production Cost Guarantee revenue	-\$69K	October 2002	20040308074827	100021	<ul style="list-style-type: none"> Transmission Customers: Customers may make additional Schedule 1 light costs. 	<ul style="list-style-type: none"> Customers: Suppliers may make additional Bid Production Cost Guarantee revenue. 	<ul style="list-style-type: none"> Customers have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 18, 2006 consolidated invoice.
Changes to reserves bid opportunity cost revenue	-\$59K	October 2002	20040308074827	100020	<ul style="list-style-type: none"> Transmission Customers: Customers may make additional Schedule 1 DAM Contract Bidding revenue. 	<ul style="list-style-type: none"> Customers: Suppliers may make additional DAM Contract Bidding revenue. 	<ul style="list-style-type: none"> Customers have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Generation MW's are incorrect		Due to the setting of other specific quantities not reflecting adjustments.	20040308174327	100027	<ul style="list-style-type: none"> Transmission Customers: Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Customers: Suppliers may make increased energy & ancillary services revenue. 	<ul style="list-style-type: none"> Customers have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 8, 2006 consolidated invoice.
Regulation MW's not paid properly to selected	TBD	October 2002	20040308174327	100031	<ul style="list-style-type: none"> Internal NYCA Windpower: Customers may make additional Regulation Services revenue. 	<ul style="list-style-type: none"> Customers: Suppliers may make increased Regulation Services revenue. 	<ul style="list-style-type: none"> Manual adjustments to be applied.
Incorrect EMTS Allocation	-\$1.1K	October 2002	2003111418445	100038	<ul style="list-style-type: none"> Transmission Customers: Customers may make additional Schedule 1 costs. 	<ul style="list-style-type: none"> Customers: Suppliers may make additional Schedule 1 costs. 	<ul style="list-style-type: none"> Manual adjustments to be applied.

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FOR DISCUSSION PURPOSES ONLY

November 2002 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	AFFECTED PERIOD(S)	CRRAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city rate corrected through Supplemental Resource Evaluation (SRE) performed in accordance with the NYISO Market Mitigation Measure	-\$172K	November 2002	NA	328	<ul style="list-style-type: none"> Correct Transmission Data Withdrawal: Customers will receive a \$172K increase in real-time bid production cost guarantee with cost. Generator: Certain in-city (suppliers) will receive increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Generator: Certain in-city (suppliers) will receive increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property mitigation: Mitigation bids will be entered into the bid and processed through settlement. The real-time corrections will then be rendered through the close-out settlement contained in the February 10, 2006 consolidated invoice.
Real-time mitigation of in-city rate corrected through Supplemental Resource Evaluation (SRE) performed in accordance with the NYISO Market Mitigation Measure	-\$38	November 2002	NA	328	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers will receive a \$38 increase in real-time bid production cost guarantee with cost. Generator: Certain in-city (suppliers) will receive increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Generator: Certain in-city (suppliers) will receive increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property mitigation: Mitigation bids will be entered into the bid and processed through settlement. The real-time corrections will then be rendered through the close-out settlement contained in the February 10, 2006 consolidated invoice.
USE buses committed to Station Power buses last date whereby causing mislead of Station Power periods	TBD	November 2002	NA	340	<ul style="list-style-type: none"> Station Power Customer: Allocated Station Power Customer will be changed for that respective portion of energy services charges. 	<ul style="list-style-type: none"> Transmission Customer: NYISO-allocated costs created by energy services under collection. 	<ul style="list-style-type: none"> Customers to be provided by through invoice-level adjustment.
540-customer load (MW) and associated Station Power periods	-\$25K	November 2002	20040307135448	100032	<ul style="list-style-type: none"> Correct Transmission Data Withdrawal: Customers may receive increased energy and ancillary services costs due to re-allocation of real unaccounted for energy. 	<ul style="list-style-type: none"> Customer: Station Power will receive reduced energy and ancillary services costs. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Standard units of a group not included in the grouped unit, resulting in the value adjustment not being applied to specific quantities not included in the grouped unit. Energy, power, balancing and ancillary services are included over the month.	-\$28K	November 2002	20040307135448	100041	<ul style="list-style-type: none"> Transmission Customer: Customers may receive decreased balancing energy, losses, and congestion costs from changes to balancing market settlements with affected Supplier. Generator: Affected generators may receive additional energy market revenue. 	<ul style="list-style-type: none"> Transmission Customer: Customers may receive decreased balancing energy, losses, and congestion costs from changes to balancing market settlements with affected Supplier. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Regulation penalties	\$188K	November 2002	20040115172128	100080	<ul style="list-style-type: none"> Market NYCA Withdrawal: Customers may receive additional Regulation Services revenue. 	<ul style="list-style-type: none"> Generator: Suppliers may receive decreased Regulation penalty costs. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Change to Bid Production Cost Guarantee revenue	-\$105K	November 2002	20040115172128	100047	<ul style="list-style-type: none"> Transmission Customer: Customers may receive additional Schedule 1 uplift costs. 	<ul style="list-style-type: none"> Generator: Suppliers may receive decreased bid Production Cost Guarantee revenue. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Change to reserves bid opportunity cost revenue	-\$25K	November 2002	20040115172128	100048	<ul style="list-style-type: none"> Transmission Customer: Customers may receive additional Schedule 1 DAM Contract Balancing uplift costs. 	<ul style="list-style-type: none"> Generator: Suppliers may receive decreased reserves revenue. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Generation MW's are included		November 2002	20030409143703	100038	<ul style="list-style-type: none"> Transmission Customer: Customers may receive increased energy and ancillary services costs. 	<ul style="list-style-type: none"> Customer: Customers may receive increased energy and ancillary services costs. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.

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FOR DISCUSSION PURPOSES ONLY

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES AS OF JANUARY 10, 2006

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	AFFECTED PERIOD(S)	CRITAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
Regulation Analytically not paid properly to selected utility	TBD	November 2002	200401151728	100098	Internal NYCA Wholesale Customers may receive additional Regulation Service revenue.	<ul style="list-style-type: none"> Customers' Suppliers may receive increased Regulation Service revenue. Manual adjustment to be applied 	Status
Specific jurisdiction not possibly however, Billing energy, power, & congestion residual costs increased by \$28M over the month.					services costs due to re-allocation of retail services revenue.	[DSS] and February 10, 2006 considered invoice	
Real-time mitigation of in-city units committed through Supplier's Resources	-\$55K	December 2002	NA	328	<ul style="list-style-type: none"> Costs Transmission Districts' Wholesale Customers will receive - \$55K increase in real-time bid production cost guarantee revenue. Supplier(s) will receive bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property rights/unassigned bids will be entered into the bid and processed through settlement. The real-time concerns will then be rendered through the 2006 considered invoice 	Status
Real-time mitigation of in-city units committed through the NYISO Market Hub/Meter Measures	-\$181K	December 2002	NA	328	<ul style="list-style-type: none"> Generator's Costs in-city Supplier(s) will receive decreased bid production cost guarantee revenue. Generator's Costs in-city Supplier(s) will receive decreased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property rights/unassigned bids will be entered into the bid and processed through settlement. The real-time concerns will then be rendered through the 2006 considered invoice 	Status
Real-time mitigation of in-city units operated out of economic merit (OM) performed pursuant to the NYISO Market Hub/Meter Measures	-\$181K	December 2002	NA	328	<ul style="list-style-type: none"> Generator's Costs in-city Supplier(s) will receive decreased bid production cost guarantee revenue. Generator's Costs in-city Supplier(s) will receive decreased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property rights/unassigned bids will be entered into the bid and processed through settlement. The real-time concerns will then be rendered through the 2006 considered invoice 	Status
LSE buses converted to Station Power buses bids and thereby causing reduction of Station Power periods	TBD	December 2002	NA	343	<ul style="list-style-type: none"> Station Power Customers' Awarded Station Power Customers will be charged for their respective portion of energy services charges. Transmission Customers' NYISO-wide bids shall be awarded under collection. 	<ul style="list-style-type: none"> Conditions to be provided by through invoice-level adjustments. 	Status
Sub-contract bid MWh's are incorrect	-\$253K -\$25K -\$257K	December 2002	20040908180861 2004070123448 20040503101824	100082 100022 100088	<ul style="list-style-type: none"> Costs Transmission Districts' Wholesale Customers may receive decreased energy and ancillary services costs due to re-allocation of energy. Customers may receive increased energy and ancillary services costs due to re-allocation of real unaccounted for energy. 	<ul style="list-style-type: none"> Station Power Customers' Awarded Station Power Customers will be charged for their respective portion of energy services charges. Transmission Customers' NYISO-wide bids shall be awarded under collection. 	Status
Midday units of a group not awarded to the value reported in the grouped unit	-\$8.8K	December 2002	20040512108713	100072	<ul style="list-style-type: none"> Transmission Customers' Customers may receive increased balancing energy, losses, and congestion residual costs from changes to balancing market settlements with affected Suppliers. Transmission Customers' Customers may receive decreased balancing energy, losses, and congestion residual costs from changes to balancing market settlements with affected Suppliers. 	<ul style="list-style-type: none"> Station Power Customers' Awarded Station Power Customers will be charged for their respective portion of energy services charges. Transmission Customers' NYISO-wide bids shall be awarded under collection. 	Status

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Regulation penalties	-\$8K	• December 2002	• 20040512105713	• 1000104	• Internal NYCA Withdrawals: Customers may realize additional Regulation Service costs.	• Generators: Suppliers may realize decreased Regulation penalty costs.	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Generation MWh's are incorrect	-\$34K -\$7K	• December 2002	• 20040512105713 • 20040505150405	• 1000100 • 1000091	• Transmission Customers: Customers may realize increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Petitioning Customer: Petitioner may realize increased energy & ancillary services revenue.	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.

January 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city units committed through Supplemental Resource Evaluation (SRE) performed inconsistent with the NYISO Market Mitigation Measures	-\$14K	• January 2003	• N/A	• 326	• ConEd transmission district withdrawal: Customers will realize -\$14K increase in real-time bid production cost guarantee uplift costs. • Generators: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue.	• Generators: Certain in-city Supplier(s) will realize increased bid production cost guarantee revenue.	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the February 10, 2006 consolidated invoice.
Real-time mitigation of in-city units operated out of economic merit (OEM) performed inconsistent with the NYISO Market Mitigation Measures	-\$487K	• January 2003	• N/A	• 326	• Generators: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue.	• NYISO-wide withdrawal: Customers will realize -\$487K decrease in real-time bid production cost guarantee uplift costs. • Generators: Certain in-city Supplier(s) will realize increased bid production cost guarantee revenue.	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the February 10, 2006 consolidated invoice.
LSE buses converted to Station Power buses lack data sensitivity causing refunds of ancillary services for pre-Station Power periods	TBD	• January 2003	• N/A	• 343	• Station Power Customers: Affected Station Power Customers will be charged for their respective portion of ancillary services charges.	• Transmission Customers: NYISO-wide ratio shares will be reduced residual costs created by ancillary services under collections.	• Corrections to be provided for through invoice-level adjustments.
Sub-zonal load MWh's are incorrect	-\$344K -\$25K -\$331K	• January 2003	• 20040528142848 • 20040310135448 • 20040503101824	• 100131 • 100032 • 100087	• ConEd Transmission District Withdrawals: Customers may realize increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• ConEd Transmission District Withdrawals: Customers may realize decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Petitioning Customer: Petitioner will realize reduced energy and ancillary services costs.	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.
Individual units of a group not accruing to the value reported at the grouped unit.	Due to the netting of other settlement adjustments, specific quantification not possible; however, Balancing energy, losses, & congestion residual costs increased by	• January 2003	• 20040808130031	• 100144	• Transmission Customers: Customers may realize increased balancing energy, losses, and congestion residual costs from changes to balancing market settlements with affected Suppliers.	• Transmission Customers: Customers may realize decreased balancing energy, losses, and congestion residual costs from changes to balancing market settlements with affected Suppliers.	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice.

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
	\$49K over the month.					<ul style="list-style-type: none"> Generators: Affected generators may realize additional energy market revenue. 	
Regulation penalties	-\$19K -\$9K -\$122	• January 2003	<ul style="list-style-type: none"> 20040809130031 20040528162620 20040714163909 	<ul style="list-style-type: none"> 100148 100122 7 	<ul style="list-style-type: none"> Internal NYCA Withdrawals: Customers may realize additional Regulation Service costs. 	<ul style="list-style-type: none"> Generators: Suppliers may realize decreased Regulation penalty costs 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice
Challenges to Bid Production Cost Guarantee revenue	-\$320K	• January 2003	• 20040610162959	• 100152	<ul style="list-style-type: none"> Transmission Customers: Customers may realize additional Schedule 1 uplift costs. 	<ul style="list-style-type: none"> Generators: Suppliers may realize additional Bid Production Cost Guarantee revenue 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice
Challenges to reserves lost opportunity cost revenue	-\$32K	• January 2003	• 20040810162959	• 100154	<ul style="list-style-type: none"> Transmission Customers: Customers may realize additional Schedule 1 DAM Contract Balancing uplift costs. 	<ul style="list-style-type: none"> Generators: Suppliers may realize additional 1 DAM Contract Balancing revenue 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice
Generation MWh's are incorrect	-\$12K -\$4K	• January 2003	<ul style="list-style-type: none"> 20040809130007 20040615154646 	<ul style="list-style-type: none"> 100142 100155 	<ul style="list-style-type: none"> Transmission Customers: Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Peaking Customer: Peaker may realize increased energy & ancillary services revenue. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and February 10, 2006 consolidated invoice
Spin no load payment	-\$5.3K	• January 2003	• 20040808080821	• 100133	<ul style="list-style-type: none"> NYISO-wide Withdrawals: Customers may realize additional costs associated with clearing account balancing for funding of transmission facilities agreements. 	<ul style="list-style-type: none"> Affected Suppliers will realize increased revenue 	<ul style="list-style-type: none"> Manual adjustment to be applied

February 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city units committed through Supplemental Resource Evaluation (SRE) performed inconsistent with the NYISO Market Mitigation Measures	-\$29K	• February 2003	• N/A	• 326	<ul style="list-style-type: none"> ConEd transmission district withdrawals: Customers will realize -\$29K increase in real-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Generators: Certain In-city Supplier(s) will realize increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Properly mitigated/unmitigated bids will be entered into the MRS and processed through settlements. The resulting corrections will then be rendered through the close-out settlements contained in the March 6, 2006 consolidated invoice
Real-time mitigation of in-city units operated out of economic merit (OOM) performed inconsistent with the NYISO Market Mitigation Measures	-\$456K	• February 2003	• N/A	• 326	<ul style="list-style-type: none"> Generators: Certain In-city Supplier(s) will realize decreased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> NYISO-wide withdrawals: Customers will realize -\$456K decrease in real-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Properly mitigated/unmitigated bids will be entered into the MRS and processed through settlements. The resulting corrections will then be rendered through the close-out settlements contained in the March 6, 2006 consolidated invoice
LSE buses converted to Station Power buses lack data sensitivity causing refunds of ancillary services for pre-Station Power periods	TBD	• February 2003	• N/A	• 343	<ul style="list-style-type: none"> Station Power Customers: Affected Station Power Customers will be charged for their respective portion of ancillary services charges. 	<ul style="list-style-type: none"> Transmission Customers: NYISO-wide ratio shares will be refunded residual costs created by ancillary services under collections. 	<ul style="list-style-type: none"> Corrections to be provided for through invoice-level adjustments.
Sub-zonal load MWh's are incorrect	-\$25K -\$315K TBD	• February 2003	<ul style="list-style-type: none"> 20040310135449 20040503101624 20040703071011 	<ul style="list-style-type: none"> 100032 100088 100189 	<ul style="list-style-type: none"> ConEd Transmission District Withdrawals: Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> ConEd Transmission District Withdrawals: Customers may realize decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and March 6, 2006 consolidated invoice

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRRAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
Regulation penalties	-\$1.8K	• February 2003	• 2004052876320 • 2004071417300 • 2004070816567	• 100123 • 7 • 100206	• Internal NYCA Withdrawal: Customers may receive additional Regulation Service costs. • Generator: Suppliers may receive decreased Regulation penalty costs. • Transmission Customers: Customers may receive decreased balancing energy, base, and congestion costs from changes to balancing market from changes to balancing market energy, base, and congestion costs. • Generators: Affected generators may receive additional energy revenue. • Customers: Customers may receive increased balancing energy and ancillary services revenue.	• Pending Customer: Customer will receive reduced energy and ancillary services costs. • Generator: Affected generators may receive additional energy revenue. • Customers: Customers may receive decreased balancing energy, base, and congestion costs from changes to balancing market from changes to balancing market energy, base, and congestion costs. • Transmission Customers: Customers may receive decreased balancing energy, base, and congestion costs from changes to balancing market from changes to balancing market energy, base, and congestion costs. • Customers: Customers may receive increased balancing energy and ancillary services revenue.	• Statements have been processed and are posted for review through the NYISO Decision Support System [DSS] and March 8, 2006 consolidated invoice.
Individual units of a group not returning to the value reported at the grouped unit.		Due to the nesting of other settlement agreements, specific transactions not possible; however, balancing energy, base, & congestion costs increased by \$37K over the month.					
Customer kWh's are incorrect	-\$1.2K	• February 2003	• 20040316102632 • 20040708165667	• 100036 • 100201	• Transmission Customers: Customers may receive increased energy and ancillary services costs due to re-allocation of retail services revenue. • NYISO-wide Withdrawal: Customers may receive additional costs associated with clearing account balancing for funding of transmission facilities agreements.	• Transmission Customer: Customer may receive increased energy & ancillary services revenue. • Generator: Affected generators may receive additional energy revenue. • Customers: Customers may receive decreased balancing energy and ancillary services revenue.	• Statements have been processed and are posted for review through the NYISO Decision Support System [DSS] and March 8, 2006 consolidated invoice.
Spin no load payment	-\$5.5K	• February 2003	• 2004080809821	• 100134	• NYISO-wide Withdrawal: Customers may receive additional costs associated with clearing account balancing for funding of transmission facilities agreements.	• Affected Suppliers will receive increased revenue. • Manual adjustment to be applied	
March 2003 Final Bill Challenges							
Real-time migration of in-city units corrected through Emission (ERC) Penalties Measurement with the NYISO Market Hedging Measures	-\$215K	• March 2003	• NA	• 326	• Generator: Certain in-city Suppliers will receive decreased bid production cost guarantee revenue. • Customer: Certain in-city Suppliers will receive decreased bid production cost guarantee revenue.	• Customer: Customers will receive production cost guarantee with close-out settlements combined in the March 8, 2006 consolidated invoice. • Property misclassification: bids will be entered into the bid and processed through settlements. The misclassification will then be reviewed through the close-out settlements combined in the March 8, 2006 consolidated invoice.	
Real-time migration of in-city units operated out of NYISO Market Hedging Measures	-\$27K	• March 2003	• NA	• 328	• Generator: Certain in-city Suppliers will receive decreased bid production cost guarantee revenue. • NYISO-wide Withdrawal: Customers will receive -\$27K decrease in real-time bid production cost guarantee with close-out settlements combined in the March 8, 2006 consolidated invoice.	• Property misclassification: bids will be entered into the bid and processed through settlements. The misclassification will then be reviewed through the close-out settlements combined in the March 8, 2006 consolidated invoice.	
Real-time migration of in-city units operated out of NYISO Market Hedging Measures	-\$47K	• March 2003	• NA	• 328	• Generator: Certain in-city Suppliers will receive decreased bid production cost guarantee revenue. • NYISO-wide Withdrawal: Customers will receive -\$47K decrease in real-time bid production cost guarantee with close-out settlements combined in the March 8, 2006 consolidated invoice.	• Property misclassification: bids will be entered into the bid and processed through settlements. The misclassification will then be reviewed through the close-out settlements combined in the March 8, 2006 consolidated invoice.	
LSE buses converted to Station Power buses lack data		• March 2003	• NA	• 343	• Station Power Customers: Affected Station Power Customers will be charged ride rate increase will be refunded to Station Power Customers by ancillary services charges. • Transmission Customers: Customers may receive increased energy and ancillary services costs due to re-allocated energy and ancillary services costs.	• Transmission Customer: NYISO-Station Power Customers will be refunded ride rate increase will be refunded to Station Power Customers by ancillary services charges. • Customers: Customers may receive increased energy and ancillary services costs due to re-allocated energy and ancillary services costs.	
Sub-total bid kWh's are incorrect	-\$431K	• March 2003	• 2004050310484 • 2004070606457 • 20040703071914	• 100088 • 7 • 7	• Core1 Transmission District Withdrawal: Customers may receive increased energy and ancillary services costs due to re-allocated energy and ancillary services costs. • Core2 Transmission District Withdrawal: Customers may receive increased energy and ancillary services costs due to re-allocated energy and ancillary services costs.	• Statements have been processed and are posted for review through the NYISO Decision Support System [DSS] and March 8, 2006 consolidated invoice.	

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
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	TBD	20040730071011	20040730163314	200170	allocation of retail unaccounted for energy.		
	TBD			?	retail unaccounted for energy.		

Individual rate of a group not allowed to be varied according to the value reported at the proposed rate.					<ul style="list-style-type: none"> Transmission Customers: Customers may realize increased balancing energy, losses, and congestion from changes to balancing market. Generator: Adjusted generation may reduce additional energy market revenue. 		
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Due to the nature of other settlement adjustments, specific quantification not possible.		March 2003	20040808181044	100298	<ul style="list-style-type: none"> Transmission Customers: Customers may realize decreased balancing energy, losses, and congestion from changes to balancing market. Generator: Adjusted generation may reduce additional energy market revenue. 		
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Regulation penalties	-\$12.5K	March 2003	20040528162820	100124	<ul style="list-style-type: none"> Internal NYCA Wholesale Customers may realize additional Regulation Service costs. Generator: Suppliers may realize decreased Regulation penalty costs. 		
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Generation NYN's SW correct	-\$4.7K	March 2003	20040815154545	100156	<ul style="list-style-type: none"> Transmission Customers: Customers may realize increased energy & ancillary services costs due to re-allocation of retail unaccounted for energy. 		
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Regulation penalties	\$185		20040714173818	?			
	TBD		20040808181044	100251			

Generation NYN's SW correct	-\$4.7K	March 2003	20040815154545	100156	<ul style="list-style-type: none"> Transmission Customers: Customers may realize increased energy & ancillary services costs due to re-allocation of retail unaccounted for energy. 		
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Regulation penalties	-\$12.5K	March 2003	20040528162820	100124	<ul style="list-style-type: none"> Internal NYCA Wholesale Customers may realize additional Regulation Service costs. Generator: Suppliers may realize decreased Regulation penalty costs. 		
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Regulation penalties	-\$12.5K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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Real-time mitigation of in-city dispatchment resources	-\$2K	April 2003	NA	328	<ul style="list-style-type: none"> Coiled transmission lines withdrawal: Customers will realize increased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will realize increased bid production cost guarantee revenue. 		
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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Allocation Factors							
		October 31, 2002; April 30, 2003; October 31, 2003					
Sub-zonal load MWH's are incorrect	-\$486K TBD TBD	• April 2003	• 20040003101624 • 20040703071011 • 20040703071914	• 100090 • 100171 • ?	• ConEd Transmission District Withdrawals: Customers may realize increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• ConEd Transmission District Withdrawals: Customers may realize decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Petitioning Customer: Petitioner will realize reduced energy and ancillary services costs.	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and March 8, 2006 consolidated invoice
Regulation penalties	-\$14.9K \$44	• April 2003	• 20040528162820 • 20040714174311	• 100126 • ?	• Internal NYCA Withdrawals: Customers may realize additional Regulation Service costs.	• Generators: Suppliers may realize decreased Regulation penalty costs	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and March 8, 2006 consolidated invoice
Generation MWH's are incorrect	-\$5.7K TBD TBD \$368	• April 2003	• 200400251172458 • 20040804090247 • * • 20040730163037	• 100127 • 100228 • 100229 • ?	• Transmission Customers: Customers may realize increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Petitioning Customer: Petitioner may realize increased energy & ancillary services revenue.	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and March 8, 2006 consolidated invoice

May 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city units committed through Supplemental Resource Evaluation (SRE) performed inconsistent with the NYISO Market Mitigation Measures	-\$425K	• May 2003	• N/A	• 328	• ConEd transmission district withdrawals: Customers will realize -\$425K increase in real-time bid production cost guarantee uplift costs. • Generators: Certain in-city Supplier(s) will realize increased bid production cost guarantee revenue.	• Generators: Certain in-city Supplier(s) will realize increased bid production cost guarantee revenue.	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the March 8, 2006 consolidated invoice
Baseload Power MWH's are incorrect		• May 2003	•	•	• Transmission Customers: Customers may realize increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Petitioning Customer: Petitioner may realize increased energy & ancillary services revenue.	•
Regulation penalties	-\$4K	• May 2003	• 20040528163818 • 20040527103724	• 100126 • 100136	• Internal NYCA Withdrawals: Customers may realize additional Regulation Service costs.	• Generators: Suppliers may realize decreased Regulation penalties	• Settlements have been processed and are posted for review through the NYISO Decision Support System (DSS) and March 8, 2006 consolidated invoice

June 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city units committed through	-\$482K	• June 2003	• N/A	• 328	• ConEd transmission district withdrawals: Customers will realize -\$482K increase in	• Generators: Certain in-city Supplier(s) will realize increased bid	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Supplemental Resource Evaluation (SRE) performed inconsistent with the NYISO Market Mitigation Measures					real-time bid production cost guarantee uplift costs. • Generators: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue.	production cost guarantee revenue.	resultant corrections will then be rendered through the close-out settlements contained in the March 8, 2006 consolidated invoice
Real-time mitigation of in-city units operated out of economic merit (OCM) performed inconsistent with the NYISO Market Mitigation Measures	-\$80K	• June 2003	• N/A	• 328	• Generators: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue.	• NYISO-wide withdrawals: Customers will realize -\$80K decrease in real-time bid production cost guarantee uplift costs.	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the March 8, 2006 consolidated invoice
Incorrect sub-zonal load allocations for NYC withdrawals		• June 2003	• 20040703071011 • 20040708065457 • 20040730183314	• 100173 • 100191 • 100227	• Transmission Customers: Under-charged Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Transmission Customers: Over-charged Customers may realize decreased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Corrected retail load data will be provided prior to processing of close-out settlements, due to be invoiced in the March 8, 2006 invoice.
Station Power MWh's are incorrect		• June 2003	• 20040703071814 • 20040828072152 • 20040804090247 • 20040817125730 • 20040828130857 • 20041004081852	• 100290 • 100232 • 100233 • 100288 • 100308 • 100314	• Transmission Customers: Under-charged Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Transmission Customers: Over-charged Customers may realize decreased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Corrected retail load data will be provided prior to processing of close-out settlements, due to be invoiced in the March 8, 2006 invoice.

July 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city units committed through Supplemental Resource Evaluation (SRE) performed inconsistent with the NYISO Market Mitigation Measures	-\$711K	• July 2003	• N/A	• 328	• ConEd transmission district withdrawals: Customers will realize -\$711K increase in real-time bid production cost guarantee uplift costs. • Generators: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue.	• Generators: Certain in-city Supplier(s) will realize increased bid production cost guarantee revenue.	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the April 6, 2006 consolidated invoice
Real-time mitigation of in-city units operated out of economic merit (OCM) performed inconsistent with the NYISO Market Mitigation Measures	-\$8K	• July 2003	• N/A	• 328	• Generators: Certain in-city Supplier(s) will realize decreased bid production cost guarantee revenue.	• NYISO-wide withdrawals: Customers will realize -\$8K decrease in real-time bid production cost guarantee uplift costs. • Generators: Certain in-city Supplier(s) will realize increased bid production cost guarantee revenue.	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the April 6, 2006 consolidated invoice
Incorrect sub-zonal load allocations for NYC withdrawals		• July 2003	• 20040828072152 • 20041103083812	• 100291 • 100344	• Transmission Customers: Under-charged Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for	• Transmission Customers: Over-charged Customers may realize decreased energy and ancillary service costs due to re-allocation of	• Corrected retail load data will be provided prior to processing of close-out settlements, due to be invoiced in the April 6, 2006 invoice.

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Regulation Penalty over-charge		• July 2003	• 20040807190802		energy. retail unaccounted for energy.	Generator: Over-charged Customers will make decreased Regulation Penalty cost.	Customers will be provided through processing of close-out statements, due to be involved in the April 8, 2006 invoice.
Station Power MWh's are incorrect		• July 2003	• 100234 • 20040804080247 • 20040804109247 • 100235 • 20040829112534 • 200410040852		Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. Generator: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	Transmission Customer: Over-charged Customers may make processing of close-out statements, due to be involved in the April 8, 2006 invoice. Corrected retail load data will be provided prior to processing of close-out statements, due to be involved in the April 8, 2006 invoice.	

August 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Final time mitigation of in-city utility companies through Enforcement (SRE) performed in concert with the NYISO Market Mitigation Measures		• August 2003	• NA	• 328	Customer will make -\$239K increase in retail bid production cost guarantee. Supplier(s) will increase bid production cost guarantee revenue. Generator: Certain in-city Suppliers will make decreased bid production cost guarantee revenue.	NYISO will make increased bid production cost guarantee revenue. The bid and processed through statements. The result conditions will then be rendered through the close-out statements contained in the April 8, 2006 invoice. Generator: Certain in-city Suppliers will make increased bid production cost guarantee revenue.	Properly mitigated/unmitigated bids will be entered into the bid and processed through statements. The result conditions will then be rendered through the close-out statements contained in the April 8, 2006 invoice. Generator: Certain in-city Suppliers will make increased bid production cost guarantee revenue.
Final time mitigation of in-city utility companies out of economic merit (OEM) performed in concert with the NYISO Market Mitigation Measures	-\$72K	• August 2003	• NA	• 328	Generator: Certain in-city Suppliers will make decreased bid production cost guarantee revenue. Generator: Certain in-city Suppliers will make decreased bid production cost guarantee revenue.	NYISO will make -\$72K decrease in retail bid production cost guarantee revenue. The bid and processed through statements. The result conditions will then be rendered through the close-out statements contained in the April 8, 2006 invoice. Generator: Certain in-city Suppliers will make increased bid production cost guarantee revenue.	Properly mitigated/unmitigated bids will be entered into the bid and processed through statements. The result conditions will then be rendered through the close-out statements contained in the April 8, 2006 invoice. Generator: Certain in-city Suppliers will make increased bid production cost guarantee revenue.
Incorrect sub-zonal load allocations for NYC withdrawal		• August 2003	• 200408290717152 • 20041217132327 • 20041103083812	• 100394 • 100345	Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. Generator: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	Transmission Customer: Over-charged Customers may make processing of close-out statements, due to be involved in the April 8, 2006 invoice. Corrected retail load data will be provided prior to processing of close-out statements, due to be involved in the April 8, 2006 invoice.	
Under-payment for Operating Reserves		• August 2003	• 20031020112547	• 100383	Transmission Customer: Customers may make increased Reserve Service charges upon correction of under-payments.	Generator: Under-paid Customers will make increased Reserve Service charges upon correction of under-payments.	Customers will be provided through processing of close-out statements, due to be involved in the April 8, 2006 invoice.
Regulation Penalty over-charge		• August 2003	• 20041022180506	• 100342	Transmission Customer: Customers may make increased Regulation Service charges upon refund of penalty over-charge.	Generator: Over-charged Customers will make decreased Regulation Penalty cost.	Customers will be provided through processing of close-out statements, due to be involved in the April 8, 2006 invoice.
Station Power MWh's are incorrect		• August 2003	• 20040804080247 • 100238 • 100260 • 20040829112534 • 20041004081852	• 100316	Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. Generator: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	Transmission Customer: Over-charged Customers may make processing of close-out statements, due to be involved in the April 8, 2006 invoice. Corrected retail load data will be provided prior to processing of close-out statements, due to be involved in the April 8, 2006 invoice.	

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status

September 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city	-\$1.5M	September 2003	• N/A	• 328	<ul style="list-style-type: none"> • Core3 Transmission district withdrawal: Customers will receive increased bid real-time bid production cost guarantee uplift cost. • Generator: Certain in-city Supplier(s) will receive increased bid production cost guarantee reversal. 	<ul style="list-style-type: none"> • Properly mitigated/underestimated bids will be entered into the bids and processed through settlement. The resulting corrections will then be rendered through the close-out settlements contained in the April 8, 2006 consolidated invoice. 	
Real-time mitigation of in-city	-\$114	September 2003	• N/A	• 328	<ul style="list-style-type: none"> • NYISO-wide withdrawal: Customers will receive increased bid production cost guarantee uplift cost. • Generator: Certain in-city Supplier(s) will receive increased bid production cost guarantee reversal. 	<ul style="list-style-type: none"> • Properly mitigated/underestimated bids will be entered into the bids and processed through settlement. The resulting corrections will then be rendered through the close-out settlements contained in the April 8, 2006 consolidated invoice. 	

October 2003 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city	-\$110K	October 2003	• N/A	• 328	<ul style="list-style-type: none"> • Core3 Transmission district withdrawal: Customers will receive -\$110K increase in real-time bid production cost guarantee uplift cost. • Generator: Certain in-city Supplier(s) will receive increased bid production cost guarantee reversal. 	<ul style="list-style-type: none"> • Properly mitigated/underestimated bids will be entered into the bids and processed through settlement. The resulting corrections will then be rendered through the close-out settlements contained in the April 8, 2006 consolidated invoice. 	
Real-time mitigation of in-city	-\$5M	October 2003	• N/A	• 328	<ul style="list-style-type: none"> • NYISO-wide withdrawal: Customers will receive -\$5M increase in real-time bid production cost guarantee uplift cost. • Generator: Certain in-city Supplier(s) will receive increased bid production cost guarantee reversal. 	<ul style="list-style-type: none"> • Properly mitigated/underestimated bids will be entered into the bids and processed through settlement. The resulting corrections will then be rendered through the close-out settlements contained in the April 8, 2006 consolidated invoice. 	

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
economic and PJM performed pursuant with the NYISO Market Migration Measure		• October 2003	• 2004121713227 • 20050103072221	• 100388 • 100420	• Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Generator: Under-paid Customer may make increased energy and ancillary services revenue. • Corrected metering data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice. • Corrected meter load data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	economic and PJM performed pursuant with the NYISO Market Migration Measure
Incorrect sub-zone load allocation for NYC withdrawal		• October 2003	• 20050303170847	• 100531	• Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Transmission Customer: Over-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Generator: Under-paid Customer may make increased energy and ancillary services revenue. • Corrected metering data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	Incorrect sub-zone load allocation for NYC withdrawal
Regulation Family over-charge		• October 2003	• 20041118180120	• 100382	• Transmission Customer: Customers may make increased Regulation Service charges upon refund of penalty over-charge. • Generator: Over-charged Customers will make decreased Regulation Family cost.	• Transmission Customer: Over-charged Customers will be provided through repricing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	Regulation Family over-charge
Station Power MWh's are incorrect		• October 2003	• 20041202131840 • 20041202131840 • 20060110121132 • 20060126073822	• 100373 • 100374 • 100400 • 100424	• Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Corrected meter load data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	Station Power MWh's are incorrect
November 2003 Final Bill Challenges							
Rate base reduction of in-city Supplemental Resources Evaluation (SRE) performed pursuant with the NYISO Market Migration Measure	-\$143K	• November 2003	N/A	• 326	• Correct transmission district withdrawal Customers will make ~\$143K increase in rate-base bid production cost guarantee • Generator: Certain in-city production cost guarantee reversal. Supplier(s) will make increased bid the bid and procure through statements. The bid and procure through statements will be entered into the NYISO Market Migration Measure	• Properly adjusted metering data will be entered into the NYISO Market Migration Measure • Corrected metering data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	Rate base reduction of in-city Supplemental Resources Evaluation (SRE) performed pursuant with the NYISO Market Migration Measure
Rate base reduction of in-city Supplemental Resources Evaluation (SRE) performed pursuant with the NYISO Market Migration Measure		• November 2003	• 2004121713227 • 20050103072221	• 100387 • 100421	• Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Corrected metering data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	Rate base reduction of in-city Supplemental Resources Evaluation (SRE) performed pursuant with the NYISO Market Migration Measure
Incorrect metering data		• November 2003	• 20050303170847	• 100532	• Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Transmission Customer: Over-charged Customers may make increased energy and ancillary services revenue.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Corrected metering data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	Incorrect metering data
Station Power MWh's are incorrect		• November 2003	• 20050218082008 • 20050110122027 • 20050126073822	• 100441 • 100401 • 100425	• Transmission Customer: Under-charged Customers may make increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. • Corrected meter load data will be provided prior to processing of close-out statements, due to be invoiced in the April 8, 2006 invoice.	Station Power MWh's are incorrect

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

December 2003 Final Bill Challenges

January 2004 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILMG ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures	-\$102K	December 2003	NA	328	Customers will realize a \$102K increase in real-time bid production cost guarantee (Suppliers) will realize revenue.	Generator (Central in-city) will realize production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures	-\$80K	December 2003	NA	328	Generator (Central in-city Suppliers) will realize decreased bid production cost guarantee revenue.	NHTSO-wide withdrawal. Customers will realize a net-\$80K decrease in real-time bid production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures		December 2003	100388	100428	Generator (Central in-city Suppliers) will realize decreased bid production cost guarantee revenue.	Generator (Central in-city) will realize production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures		December 2003	100333	100428	Generator (Central in-city Suppliers) will realize decreased bid production cost guarantee revenue.	Generator (Central in-city) will realize production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures		December 2003	100544	100428	Generator (Central in-city Suppliers) will realize decreased bid production cost guarantee revenue.	Generator (Central in-city) will realize production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures		December 2003	100510	100428	Generator (Central in-city Suppliers) will realize decreased bid production cost guarantee revenue.	Generator (Central in-city) will realize production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures		December 2003	100510	100428	Generator (Central in-city Suppliers) will realize decreased bid production cost guarantee revenue.	Generator (Central in-city) will realize production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.
Real-time mitigation of in-city gas combined through Supplemental Resources Evaluation (SRE) performed in accordance with NHTSO Market Mitigation Measures		December 2003	100510	100428	Generator (Central in-city Suppliers) will realize decreased bid production cost guarantee revenue.	Generator (Central in-city) will realize production cost guarantee (split cost).	Property misidentified bids will be entered into the bid and processed through settlement. The real-time corrections will then be removed through the close-out settlement contained in the May 4, 2006 consolidated invoice.

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FOR DISCUSSION PURPOSES ONLY

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTRAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city units operated out of economic merit (OEM) performed throughout the NYISO Market Mitigation Measure January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was re-evaluated and corrected for NYIC allocation for NYIC withdrawal	-\$8K	January 2004	MA	328	• Generator: Certain in-city suppliers will realize decreased bid production cost guarantee revenue • NYISO-wide withdrawal: Customers will realize ~30K decrease in real-time bid production cost guarantee revenue • Generator: Certain in-city suppliers will realize increased bid production cost guarantee revenue	• Properly mitigated/withdrawn bids will be entered into the bid and processed through settlement. The real-time congestion will then be returned through the close-out settlement contained in the May 4, 2006 consolidated invoice • CA17 Adjustment to production, effective 1/1/04, for reducing due to TD-specific factors causing new allocation factors may cause decrease in DAM Congestion shortfall balancing costs	Status
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was re-evaluated and corrected for NYIC allocation for NYIC withdrawal		January 2004	MA	10038 10052 10053 1005124	• Transmission Owner: Application of new allocation factors may cause additional DAM Congestion shortfall balancing costs • Transmission Owner: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing costs	• CA17 Adjustment to production, effective 1/1/04, for reducing due to TD-specific factors causing new allocation factors may cause decrease in DAM Congestion shortfall balancing costs	Status
Incorrect generator limits Under payment of Bid Production Cost Guarantee Under payment of DAM Margin Preservation Station Power Month's end incorrect		January 2004	MA	10034 10036 20080303170847 20050214700548 20041217132227 100398 100400	• Transmission Customer: Under-charged and ancillary services costs due to re-allocation of real unaccounted for energy • Generator: Under-paid Customer may realize increased energy and ancillary services revenue • Transmission Customer: Under-charged and ancillary services costs due to re-allocation of real unaccounted for energy • Generator: Under-paid Customer may realize increased energy and ancillary services revenue	• Corrected real-time bid data will be provided prior to processing of close-out settlement, due to be included in the May 4, 2006 invoice • Corrected real-time bid data will be provided prior to processing of close-out settlement, due to be included in the May 4, 2006 invoice	Status
Under payment of Bid Production Cost Guarantee Under payment of DAM Margin Preservation Station Power Month's end incorrect		January 2004	MA	10042 10043 20080807162727 20050214700548 20041217132227 100398 100400	• Transmission Customer: Customers may realize increased Balancing Market Bid Production Cost Guarantee upfd costs • Generator: Affected Suppliers may realize increased DAM Margins • Transmission Customer: Under-charged and ancillary services costs due to re-allocation of real unaccounted for energy • Generator: Under-paid Customer may realize increased energy and ancillary services revenue	• Corrected real-time bid data will be provided prior to processing of close-out settlement, due to be included in the May 4, 2006 invoice • Corrected real-time bid data will be provided prior to processing of close-out settlement, due to be included in the May 4, 2006 invoice	Status
Under payment of Bid Production Cost Guarantee Under payment of DAM Margin Preservation Station Power Month's end incorrect		January 2004	MA	10051 10043 20050216022009 2005022005219	• Transmission Customer: Under-charged and ancillary services costs due to re-allocation of real unaccounted for energy • Generator: Under-paid Customer may realize increased energy and ancillary services revenue • Transmission Customer: Under-charged and ancillary services costs due to re-allocation of real unaccounted for energy • Generator: Under-paid Customer may realize increased energy and ancillary services revenue	• Corrected real-time bid data will be provided prior to processing of close-out settlement, due to be included in the May 4, 2006 invoice • Corrected real-time bid data will be provided prior to processing of close-out settlement, due to be included in the May 4, 2006 invoice	Status
February 2004 Final Bill Challenges		February 2004	MA	328	• Generator: Certain in-city suppliers will realize decreased bid production cost guarantee revenue • NYISO-wide withdrawal: Customers will realize ~30K decrease in real-time bid production cost guarantee revenue • Generator: Certain in-city suppliers will realize increased bid production cost guarantee revenue	• Properly mitigated/withdrawn bids will be entered into the bid and processed through settlement. The real-time congestion will then be returned through the close-out settlement contained in the May 4, 2006 consolidated invoice • CA17 Adjustment to production, effective 1/1/04, for reducing due to TD-specific factors causing new allocation factors may cause decrease in DAM Congestion shortfall balancing costs	Status

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FOR DISCUSSION PURPOSES ONLY

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
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January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		February 2004	20050428085105	Application of new allocation factors may cause additional DAM Congestion market clearing costs.	Application of new Transmission Owner: Application of new allocation factors may cause additional DAM Congestion market clearing costs.	Application of new allocation factors may cause additional DAM Congestion market clearing costs.	CATT Amendment H provisions, effective 1/1/04, for re-bidding due to TQ-specific factors causing market clearing not yet implemented.
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		February 2004	20050318085124				
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		February 2004	20050801130243		Transmission Customer: Under-charged Customers may receive increased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Transmission Customer: Over-charged Customers may receive decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Corrected real bid data will be provided prior to processing of close-out settlements, due to be involved in the May 4, 2006 invoice.
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		February 2004	20050428084318		Transmission Customer: Under-charged Customers may receive increased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Transmission Customer: Over-charged Customers may receive decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Corrected real bid data will be provided prior to processing of close-out settlements, due to be involved in the May 4, 2006 invoice.
Station Power Limits are incorrect		February 2004	20050428084318		Transmission Customer: Under-charged Customers may receive increased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Transmission Customer: Over-charged Customers may receive decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Corrected real bid data will be provided prior to processing of close-out settlements, due to be involved in the May 4, 2006 invoice.
Station Power Limits are incorrect		February 2004	20050513091738		Transmission Customer: Under-charged Customers may receive increased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Transmission Customer: Over-charged Customers may receive decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Corrected real bid data will be provided prior to processing of close-out settlements, due to be involved in the May 4, 2006 invoice.
Station Power Limits are incorrect		February 2004	20050422082519		Transmission Customer: Under-charged Customers may receive increased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Transmission Customer: Over-charged Customers may receive decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Corrected real bid data will be provided prior to processing of close-out settlements, due to be involved in the May 4, 2006 invoice.

March 2004 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
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Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	NA		Customers will receive -50K increase in Supplier(s) will receive increased bid production cost guarantee revenue.	Generation: Certain in-city production cost guarantee revenue.	Property misgendered/bid data will be entered into the LMS and processed through settlement. The real-time data will then be rendered through the close-out settlements contained in the May 4, 2006 consolidated invoice.
Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	NA		Customers will receive -50K increase in Supplier(s) will receive increased bid production cost guarantee revenue.	Generation: Certain in-city production cost guarantee revenue.	Property misgendered/bid data will be entered into the LMS and processed through settlement. The real-time data will then be rendered through the close-out settlements contained in the May 4, 2006 consolidated invoice.
Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	NA		Customers will receive -50K increase in Supplier(s) will receive increased bid production cost guarantee revenue.	Generation: Certain in-city production cost guarantee revenue.	Property misgendered/bid data will be entered into the LMS and processed through settlement. The real-time data will then be rendered through the close-out settlements contained in the May 4, 2006 consolidated invoice.
Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	NA		Customers will receive -50K increase in Supplier(s) will receive increased bid production cost guarantee revenue.	Generation: Certain in-city production cost guarantee revenue.	Property misgendered/bid data will be entered into the LMS and processed through settlement. The real-time data will then be rendered through the close-out settlements contained in the May 4, 2006 consolidated invoice.

Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	20050513124414		Application of new allocation factors may cause additional DAM Congestion market clearing costs.	Transmission Owner: Application of new allocation factors may cause additional DAM Congestion market clearing costs.	CATT Amendment H provisions, effective 1/1/04, for re-bidding due to TQ-specific factors causing market clearing not yet implemented.
Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	20050801123044				
Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	100536				
Real-time regulation of in-city electric transmission facilities performed with the NYISO Market Clearing Process		March 2004	100530				

January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		March 2004	100536				
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		March 2004	20050805121857		Transmission Customer: Customers may receive increased Bidding Market Bid Production Cost Guarantee upbl costs.	Transmission Customer: Suppliers may receive increased Bid Production Cost Guarantee revenue.	Corrected real bid data will be provided through reprocessing of close-out settlements, due to be involved in the May 4, 2006 invoice.
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		March 2004	100532				
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was revised.		March 2004	100531				

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FOR DISCUSSION PURPOSES ONLY

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRRAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
Booked sub-trans lead allocated for NYC withdrawals		• March 2004	• 20050801130243	• 100540	• Transmission Customer: Under-charged Customers may make increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Corrected retail lead data will be provided prior to processing of close-out settlements, due to be invoiced in the May 4, 2006 invoice.
Booked Power Month's are		• March 2004	• 20050813081738	• 100524	• Transmission Customer: Under-charged Customers may make increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Corrected retail lead data will be provided prior to processing of close-out settlements, due to be invoiced in the May 4, 2006 invoice.
Retail-time mitigation of in-city utility connected through Supplemental Resources Evaluation (SRE) performed in consultation with the NYISO Market Mitigation Measures	-\$122K	• April 2004	• NA	• 325	• Chief generator dealer withdrawal Customers will receive -\$122K increase in retail bid production cost guarantee uplift costs.	• Generator: Certain in-city Supplier(s) will make increased bid production cost guarantee revenue.	• Property mitigation/withdrawal bids will be entered into the bids and processed through settlements. The retail conditions will then be reviewed through the close-out settlements contained in the May 4, 2006 consolidated invoice.
Retail-time mitigation of in-city utility connected through Supplemental Resources Evaluation (SRE) performed in consultation with the NYISO Market Mitigation Measures	-\$11K	• April 2004	• NA	• 328	• NYISO-wide withdrawal: Customers will receive -\$11K increase in retail-time bid production cost guarantee uplift costs.	• Generator: Certain in-city Supplier(s) will make increased bid production cost guarantee revenue.	• Property mitigation/withdrawal bids will be entered into the bids and processed through settlements. The retail conditions will then be reviewed through the close-out settlements contained in the May 4, 2006 consolidated invoice.
January 1, 2004, the Allocation of Day-Ahead Market (DAAM) congestion mitigation was revised.		• April 2004	• 2005051109827	• 100585	• Transmission Owner: Application of new allocation factors may cause additional DAAM congestion mitigation banking decreases in DAAM Congestion Mitigation banking costs.	• Transmission Owner: Application of new allocation factors may cause additional banking due to ID-specific factors causing allocations not implemented.	• CATT Amendment to production, electric banking allocations due to ID-specific factors causing allocations not implemented.
Under payment of Bid Production Cost (BPC) balancing was revised.		• April 2004	• 20050812144708	• 100888	• Transmission Customer: Customers may make increased balancing market bid Production Cost Guarantee uplift costs.	• Generator: Allocated Supplier(s) may make increased bid Production Cost Guarantee revenue.	• Corrections will be provided through repricing of close-out settlements, due to be invoiced in the May 4, 2006 invoice.
Booked sub-trans lead allocated for NYC withdrawals		• April 2004	• 20050801130243	• 100541	• Transmission Customer: Under-charged Customers may make increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Corrected retail lead data will be provided prior to processing of close-out settlements, due to be invoiced in the May 4, 2006 invoice.
Booked Power Month's are		• April 2004	• 20050513081738	• 100525	• Transmission Customer: Under-charged Customers may make increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy.	• Transmission Customer: Over-charged Customers may make decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Corrected retail lead data will be provided prior to processing of close-out settlements, due to be invoiced in the May 4, 2006 invoice.

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

May 2004 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRRAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
GRT Impact not resulted in mitigation causing commitment of certain suppliers in a manner inconsistent with the NYISO Market Design Measures	TBD	• NYC: May 1, 2004 - January 31, 2005 • Statement: January 17, 2005 - January 27, 2006	• N/A	• 283	• Generator: Certain suppliers may realize an increase in day ahead bid production cost guarantee revenue • Generator: Certain suppliers may realize increased ahead bid production cost guarantee revenue	• Generator: Certain suppliers may realize increased ahead bid production cost guarantee revenue • Generator: Certain suppliers may realize increased ahead bid production cost guarantee revenue	Proposed resolution presented to the November 29, 2005 SLPWG. Proposed resolution presented to the November 29, 2005 SLPWG.
Real-time migration of in-city utility generation brought Evaluation (ERE) performed Supplemental Factors Market Design Measures	\$141K	• May 2004	• N/A	• 328	• Generator: Certain suppliers may realize an increase in Customers may realize an increase in real-time bid production cost guarantee revenue • Core3 transmission district withdrawal to the elimination of balancing obligations • Generator: Certain suppliers may realize decreased real-time revenue due to the elimination of balancing obligations	• Generator: Certain in-city suppliers may realize increased bid production cost guarantee revenue • Generator: Certain in-city suppliers may realize increased bid production cost guarantee revenue	Property withdrawal/identified bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlements contained in the June 8, 2006 considered invoices
Real-time migration of in-city economic merit (COM) performed inconsistent with the NYISO Market Design Measures	\$303K	• May 2004	• N/A	• 328	• Generator: Some in-city suppliers may realize a decrease in real-time bid production cost guarantee revenue • Generator: Some in-city suppliers may realize a decrease in real-time bid production cost guarantee revenue	• Generator: Some in-city suppliers may realize a decrease in real-time bid production cost guarantee revenue • Generator: Some in-city suppliers may realize a decrease in real-time bid production cost guarantee revenue	Property withdrawal/identified bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlements contained in the June 8, 2006 considered invoices
January 1, 2004, the allocation of Day-ahead Market (DAM) congestion cost was revised.		• May 2004	• 20050728115317 • 100821	• 100826 • 100826	• Transmission Owner: Application of new allocation factors may cause DAM Congestion market balancing costs. • Transmission Owner: Application of new allocation factors may cause decrease in DAM Congestion market balancing costs.	• GATT Amendment N provisions, effective 1/1/04, for rebidding due to TD-specific bidding causing shortage not yet implemented.	
Market (DAM) congestion cost allocation was revised.		• May 2004	• 20050803190325 • 100588	• 100588	• Transmission Customer: Under-charged Customers may realize increased energy and ancillary services costs due to re-allocation of real unaccounted for energy. • Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	• Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy. • Transmission Customer: Under-charged Customers may realize increased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Proposed resolution presented to the November 29, 2005 SLPWG.
Station Power Entity's are incorrect		• May 2004	• 2005081814528 • 2005072115424 • 100818 • 100822	• 100818 • 100818 • 100822	• Transmission Customer: Under-charged Customers may realize increased energy and ancillary services costs due to re-allocation of real unaccounted for energy. • Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	• Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy. • Transmission Customer: Under-charged Customers may realize increased energy and ancillary services costs due to re-allocation of real unaccounted for energy.	Proposed resolution presented to the November 29, 2005 SLPWG.
June 2004 Final Bill Challenges							

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	AFFECTED PERIOD(S)	CRTAR TICKET XREF	BILLING ISSUE	EXPOSURE	BENEFIT	Status
Real-time migration of in-city units operated out of economic merit (OEM) performed in conjunction with the NYISO Market Migration Measures	139K	July 2004	• NA	• 328	<ul style="list-style-type: none"> Generator: Some in-city suppliers may realize decreased bid production cost Generator: Some in-city suppliers may realize increased bid production cost guarantee with NYISO-wide withdrawal: Customers may realize a decrease in real-time bid production cost guarantee with cost. 	<ul style="list-style-type: none"> Property withdrawal/bid withdrawal: Property withdrawal/bid withdrawal bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlement contained in the June 8, 2005 consolidated invoice 	
Real-time migration of in-city units operated out of economic merit (OEM) performed in conjunction with the NYISO Market Migration Measures	1391K	August 2004	• NA	• 328	<ul style="list-style-type: none"> Generator: Some in-city suppliers may realize an increase in real-time bid production cost guarantee with cost. Con Edison transmission district withdrawal: Customers may realize an increase in real-time bid production cost guarantee with cost. 	<ul style="list-style-type: none"> Generator: Some in-city suppliers may realize increased bid production cost guarantee revenue 	
Real-time migration of in-city units operated out of economic merit (OEM) performed in conjunction with the NYISO Market Migration Measures	\$278K	August 2004	• NA	• 328	<ul style="list-style-type: none"> Generator: Some in-city suppliers may realize decreased bid production cost guarantee revenue 	<ul style="list-style-type: none"> Generator: Some in-city suppliers may realize increased bid production cost guarantee revenue 	
CR7 Impact Test related to migration of central generation in a market environment with the NYISO Market Migration Measures	TBD	<ul style="list-style-type: none"> NYC: May 1, 2004 - January 31, 2005 Standard: January 17, 2005 - January 27, 2005 	• NA	• 283	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers may realize an increase in day ahead bid production cost guarantee with cost. Generator: Certain Suppliers may realize decreased real-time bidding obligations 	<ul style="list-style-type: none"> Generator: Certain Suppliers may realize increased real-time production cost guarantee revenue 	<ul style="list-style-type: none"> Proposed resolution presented to the November 28, 2005 SA/MTG.
Real-time migration of in-city units operated out of economic merit (OEM) performed in conjunction with the NYISO Market Migration Measures	100834	July 2004	• 2005080904137	• 100834	<ul style="list-style-type: none"> Transmission Customer: Under-charged Customers may realize increased energy and ancillary services costs due to reallocation of real unaccounted for energy. 	<ul style="list-style-type: none"> Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy. 	<ul style="list-style-type: none"> Corrected real bid data will be provided prior to processing of close-out settlements, due to be invoiced in the June 8, 2005 invoice.
Real-time migration of in-city units operated out of economic merit (OEM) performed in conjunction with the NYISO Market Migration Measures	100888	July 2004	• 2005081014929	• 100888	<ul style="list-style-type: none"> Transmission Customer: Under-charged Customers may realize increased energy and ancillary services costs due to re-allocation of real unaccounted for energy. 	<ul style="list-style-type: none"> Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of real unaccounted for energy. 	<ul style="list-style-type: none"> Corrected real bid data will be provided prior to processing of close-out settlements, due to be invoiced in the June 8, 2005 invoice.
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent was re-allocated		July 2004	•	•	<ul style="list-style-type: none"> Transmission Owner: Application of new allocation factors may cause additional DAM Congestion related bidding costs. 	<ul style="list-style-type: none"> Transmission Owner: Application of new allocation factors may cause decrease in DAM Congestion related bidding costs. 	<ul style="list-style-type: none"> CATT Attachment H positions, effective 1/1/04, for rebidding due to T0-specific factors causing shortages not yet implemented.
Real-time migration of in-city units operated out of economic merit (OEM) performed in conjunction with the NYISO Market Migration Measures	139K	July 2004	• NA	• 328	<ul style="list-style-type: none"> Generator: Some in-city suppliers may realize decreased bid production cost guarantee revenue Generator: Some in-city suppliers may realize increased bid production cost NYISO-wide withdrawal: Customers may realize a decrease in real-time bid production cost guarantee with cost. 	<ul style="list-style-type: none"> Property withdrawal/bid withdrawal: Property withdrawal/bid withdrawal bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlement contained in the June 8, 2005 consolidated invoice 	

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**PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006**

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent excess/shortfall balancing was revised.		• August 2004	•	•	• Transmission Owners: Application of new allocation factors may cause additional DAM Congestion shortfall balancing costs.	• Transmission Owners: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing costs.	• GATT Attachment N provisions, effective 1/1/04, for rebalancing due to TO-specific facilities causing shortfalls not yet implemented.
Station Power MWh's are incorrect		• August 2004	• 20050818145529	• 100690	• Transmission Customers: Under-charged Customers may realize increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Transmission Customers: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Corrected retail load data will be provided prior to processing of close-out settlements, due to be invoiced in the June 8, 2006 invoice.

September 2004 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
GP2 Impact Test resulted in mitigation causing curtailment of certain Suppliers in a manner inconsistent with the NYISO Market Mitigation Measures	TBO	• NYC: May 1, 2004 – January 31, 2005 • Statewide: January 17, 2005 – January 27, 2006	• N/A	• 283	• NYISO-wide withdrawals: Customers may realize an increase in day ahead bid production cost guarantee uplift costs. • Generators: Certain Suppliers may realize decreased real-time revenue due to the elimination of balancing obligations	• Generators: Certain Suppliers may realize increased ahead bid production cost guarantee revenue • Generators: Certain Suppliers may realize decreased real-time balancing obligations	• Proposed resolution presented to the November 29, 2005 SAPWG.
Real-time mitigation of in-city units committed through Supplemental Resource Evaluation (SRE) performed inconsistent with the NYISO Market Mitigation Measures	\$388K	• September 2004	• N/A	• 325	• ConEd transmission district withdrawals: Customers may realize an increase in real-time bid production cost guarantee uplift costs. • Generators: Some in-city Suppliers may realize decreased bid production cost guarantee revenue	• Generators: Some in-city Suppliers may realize increased bid production cost guarantee revenue	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the June 8, 2006 consolidated invoice
Real-time mitigation of in-city units operated out of economic merit (OOM) performed inconsistent with the NYISO Market Mitigation Measures	\$50K	• September 2004	• N/A	• 325	• Generators: Some in-city Suppliers may realize decreased bid production cost guarantee revenue	• NYISO-wide withdrawals: Customers may realize a decrease in real-time bid production cost guarantee uplift costs.	• Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the June 8, 2006 consolidated invoice
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent excess/shortfall balancing was revised.		• September 2004	•	•	• Transmission Owners: Application of new allocation factors may cause additional DAM Congestion shortfall balancing costs.	• Transmission Owners: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing costs.	• GATT Attachment N provisions, effective 1/1/04, for rebalancing due to TO-specific facilities causing shortfalls not yet implemented.
Station Power MWh's are incorrect		• September 2004	• 20050818145829	• 100690	• Transmission Customers: Under-charged Customers may realize increased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Transmission Customers: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy.	• Corrected retail load data will be provided prior to processing of close-out settlements, due to be invoiced in the June 8, 2006 invoice.

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**PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF JANUARY 10, 2006**

October 2004 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
GP2 Impact Test resulted in mitigation causing commitment of certain Suppliers in a manner inconsistent with the NYISO Market Mitigation Measures	T80	<ul style="list-style-type: none"> NYC: May 1, 2004 – January 31, 2005 Statewide: January 17, 2005 – January 27, 2005 	• N/A	• 283	<ul style="list-style-type: none"> NYISO-wide withdrawals: Customers may realize an increase in day ahead bid production cost guarantee uplift costs. Generators: Certain Suppliers may realize decreased real-time revenue due to the elimination of balancing obligations. 	<ul style="list-style-type: none"> Generators: Certain Suppliers may realize increased ahead bid production cost guarantee revenue Generators: Certain Suppliers may realize decreased real-time balancing obligations 	<ul style="list-style-type: none"> Proposed resolution presented to the November 29, 2005 S&P/WG.
Real-time mitigation of in-city units committed through Supplemental Resource Evaluation (SRE) performed inconsistent with the NYISO Market Mitigation Measures	\$179K	• October 2004	• N/A	• 320	<ul style="list-style-type: none"> ConEd transmission district withdrawals: Customers may realize an increase in real-time bid production cost guarantee uplift costs. Generators: Some in-city Suppliers may realize decreased bid production cost guarantee revenue 	<ul style="list-style-type: none"> Generators: Some in-city Suppliers may realize increased bid production cost guarantee revenue 	<ul style="list-style-type: none"> Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the July 7, 2005 consolidated invoice
Real-time mitigation of in-city units operated out of economic need (EON) performed inconsistent with the NYISO Market Mitigation Measures	\$30K	• October 2004	• N/A	• 328	<ul style="list-style-type: none"> Generators: Some in-city Suppliers may realize decreased bid production cost guarantee revenue 	<ul style="list-style-type: none"> NYISO-wide withdrawals: Customers may realize a decrease in real-time bid production cost guarantee uplift costs. 	<ul style="list-style-type: none"> Properly mitigated/unmitigated bids will be entered into the MIS and processed through settlements. The resultant corrections will then be rendered through the close-out settlements contained in the July 7, 2005 consolidated invoice
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent expenses/shortfall balancing was revised.		• October 2004	•	•	<ul style="list-style-type: none"> Transmission Owners: Application of new allocation factors may cause additional DAM Congestion shortfall balancing costs. 	<ul style="list-style-type: none"> Transmission Owners: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing costs. 	<ul style="list-style-type: none"> GATT Attachment N provisions, effective 1/1/04, for rebalancing due to TO-specific facilities causing shortfalls not yet implemented.
Season Power MWh's are incorrect		• October 2004	• 20050819145629	• 100669	<ul style="list-style-type: none"> Transmission Customers: Under-charged Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Transmission Customers: Over-charged Customers may realize decreased energy and ancillary service costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Corrected retail load data will be provided prior to processing of close-out settlements, due to be invoiced in the July 7, 2005 invoice.

November 2004 Final Bill Challenges

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
GP2 Impact Test resulted in mitigation causing commitment of certain Suppliers in a manner inconsistent with the NYISO Market Mitigation Measures	T80	<ul style="list-style-type: none"> NYC: May 1, 2004 – January 31, 2005 Statewide: January 17, 2005 – January 27, 2005 	• N/A	• 283	<ul style="list-style-type: none"> NYISO-wide withdrawals: Customers may realize an increase in day ahead bid production cost guarantee uplift costs. Generators: Certain Suppliers may realize decreased real-time revenue due to the elimination of balancing obligations 	<ul style="list-style-type: none"> Generators: Certain Suppliers may realize increased ahead bid production cost guarantee revenue Generators: Certain Suppliers may realize decreased real-time balancing obligations 	<ul style="list-style-type: none"> Proposed resolution presented to the November 29, 2005 S&P/WG.

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	AFFECTED PERIOD(S)	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Real-time mitigation of in-city gas connected through Supplemental Resource Evaluation (SRE) performed in accordance with the NYISO Market Mitigation Measures	140K	November 2004	NA	328	<ul style="list-style-type: none"> Generator: Some in-city Suppliers may make an increase in real-time bid production cost guarantee revenue uplift cost. Customer: Some in-city Suppliers may make increased bid production cost guarantee revenue 	<ul style="list-style-type: none"> Generator: Some in-city Suppliers may make a decrease in real-time bid production cost guarantee uplift cost. NYISO-wide withdrawal: Customers may make a decrease in real-time bid production cost guarantee uplift cost. 	<ul style="list-style-type: none"> Property mitigation/withdrawal bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlement contained in the July 7, 2006 consolidated invoice
Real-time mitigation of in-city gas connected through Supplemental Resource Evaluation (SRE) performed in accordance with the NYISO Market Mitigation Measures	\$100K	November 2004	NA	328	<ul style="list-style-type: none"> Generator: Some in-city Suppliers may make a decrease in real-time bid production cost guarantee revenue 	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers may make a decrease in real-time bid production cost guarantee uplift cost. 	<ul style="list-style-type: none"> Property mitigation/withdrawal bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlement contained in the July 7, 2006 consolidated invoice
Real-time mitigation of in-city gas connected through Supplemental Resource Evaluation (SRE) performed in accordance with the NYISO Market Mitigation Measures	\$231K	December 2004	NA	328	<ul style="list-style-type: none"> Generator: Some in-city Suppliers may make a decrease in real-time bid production cost guarantee revenue Customer: Some in-city Suppliers may make an increase in real-time bid production cost guarantee revenue NYISO-wide withdrawal: Customers may make a decrease in real-time bid production cost guarantee revenue 	<ul style="list-style-type: none"> Generator: Some in-city Suppliers may make a decrease in real-time bid production cost guarantee revenue Customer: Some in-city Suppliers may make an increase in real-time bid production cost guarantee revenue NYISO-wide withdrawal: Customers may make a decrease in real-time bid production cost guarantee revenue 	<ul style="list-style-type: none"> Property mitigation/withdrawal bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlement contained in the July 7, 2006 consolidated invoice
Real-time mitigation of in-city gas connected through Supplemental Resource Evaluation (SRE) performed in accordance with the NYISO Market Mitigation Measures	180	<ul style="list-style-type: none"> NYC: May 1, 2004 - January 31, 2005 Statewide: January 17, 2005 - January 27, 2005 	NA	283	<ul style="list-style-type: none"> Generator: Certain Suppliers may make a decrease in real-time revenue due to the elimination of balancing obligations Generator: Certain Suppliers may make a decrease in real-time balancing 	<ul style="list-style-type: none"> Generator: Certain Suppliers may make an increase in day ahead bid production cost guarantee revenue NYISO-wide withdrawal: Customers may make a decrease in real-time revenue 	<ul style="list-style-type: none"> Proposed resolution presented to the November 29, 2005 EAPWG.
December 2004 Final Bill Challenges							
Shoan Power MWH's bid processing was revised.		November 2004	200508184928	100886	<ul style="list-style-type: none"> Transmission Customer: Under-charged 	<ul style="list-style-type: none"> Transmission Customer: Over-charged 	<ul style="list-style-type: none"> Considered final bid data will be provided prior to processing of close-out settlement, due to be revised in the July 7, 2006 invoice.
Allocation of Day-Ahead Market (DAM) congestion rent		November 2004			<ul style="list-style-type: none"> Allocation factors may cause additional DAM Congestion credit balancing cost. 	<ul style="list-style-type: none"> Allocation factors may cause decrease in DAM Congestion credit balancing cost. 	<ul style="list-style-type: none"> CAAT Amendment N position, electric balancing referencing due to TC-specific factors causing schedule not yet implemented.
Real-time mitigation of in-city gas connected through Supplemental Resource Evaluation (SRE) performed in accordance with the NYISO Market Mitigation Measures	\$100K	November 2004	NA	328	<ul style="list-style-type: none"> Generator: Some in-city Suppliers may make a decrease in real-time bid production cost guarantee revenue 	<ul style="list-style-type: none"> NYISO-wide withdrawal: Customers may make a decrease in real-time bid production cost guarantee uplift cost. 	<ul style="list-style-type: none"> Property mitigation/withdrawal bids will be entered into the bid and processed through settlement. The real-time contracts will then be rendered through the close-out settlement contained in the July 7, 2006 consolidated invoice

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PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
 AS OF JANUARY 10, 2006

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRTAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Measures							
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion net		December 2004			<ul style="list-style-type: none"> Transmission Owner: Application of new allocation factors may cause additional DAM Congestion shortfall balancing cost. Transmission Owner: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing cost. CATT Amendment N provision, effective 1/1/04, for retrofitting due to TO-specific facilities causing shortfalls not yet implemented. 		
Season Power MWh's are recorded (balancing was revised)		December 2004	20050819145529	100689	<ul style="list-style-type: none"> Transmission Customer: Under-charged Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy. Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Corrected retail load data will be provided prior to processing of close-out statements, due to be invoiced in the July 7, 2006 invoice. 	

GR2 Impact Test resulted in revision causing comparison of certain suppliers in a manner inconsistent with the NYSO Market Region Measures	18U	<ul style="list-style-type: none"> NYC, May 1, 2004 - January 31, 2005 Summer: January 17, 2005 - January 27, 2005 	NA	283	<ul style="list-style-type: none"> NYSO-wide withdrawal: Customers may realize an increase in day ahead bid market cleared retail bid production cost guarantee revenue. Generators: Certain Suppliers may realize decreased retail-time balancing obligations. Generators: Certain Suppliers may realize decreased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Proposed resolution presented to the November 29, 2005 CAPING.
Real-time negotiation of in-city units completed through Evaluation (EVAL) performed by NYISO Market Region Measures	\$61K	January 2005	NA	326	<ul style="list-style-type: none"> Central transmission district withdrawal: Customers may realize an increase in retail bid production cost guarantee revenue. Generators: Some in-city Suppliers may realize increased bid production cost guarantee revenue. 	<ul style="list-style-type: none"> Property retrofits/underbilled bids will be entered into the bid and processed through statements. The market conditions will then be reviewed through the close-out statements contained in the July 7, 2006 consolidated invoice.
Real-time negotiation of in-city units operated out of performance merit (OOM) by NYISO Market Region Measures	\$67K	January 2005	NA	325	<ul style="list-style-type: none"> Generators: Some in-city Suppliers may realize decreased bid production cost guarantee revenue. NYSO-wide withdrawal: Customers may realize a decrease in retail-time balancing cost guarantee revenue. 	<ul style="list-style-type: none"> Property retrofits/underbilled bids will be entered into the bid and processed through statements. The market conditions will then be reviewed through the close-out statements contained in the July 7, 2006 consolidated invoice.
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion net		January 2005			<ul style="list-style-type: none"> Transmission Owner: Application of new allocation factors may cause additional DAM Congestion shortfall balancing cost. Transmission Owner: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing cost. CATT Amendment N provision, effective 1/1/04, for retrofitting due to TO-specific facilities causing shortfalls not yet implemented. 	
Season Power MWh's are recorded (balancing was revised)		January 2005	20050819145529	100689	<ul style="list-style-type: none"> Transmission Customer: Under-charged Customers may realize increased energy and ancillary service costs due to re-allocation of retail unaccounted for energy. Transmission Customer: Over-charged Customers may realize decreased energy and ancillary services costs due to re-allocation of retail unaccounted for energy. 	<ul style="list-style-type: none"> Corrected retail load data will be provided prior to processing of close-out statements, due to be invoiced in the July 7, 2006 invoice.

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Exhibit E

**These documents contain Privileged information.
Confidential treatment has been requested.**

Exhibit F

Attention Market Participant:

Enclosed find files that detail affected bids for SRE/OOM revisions.

Two files are enclosed, one for Out of Merits and one for Supplemental Resource Bids:

Orgname_OrgID_OOM_Hourly_Daily_Details.XLS

Orgname_OrgID_SRE_Hourly_Daily_Details.XLS

Each file contains four worksheets

A tab for bids to be restored due to over mitigation

A tab for bids to be revised due to under mitigation

A tab for revision to BPCG by generator by day

A tab for revision to BPCG by ORG by day

Below find the descriptions of the columns in each worksheet tab for OOM files:

Restore_orgID_orgname tab includes all the hourly bid detail for bids to be **restored due to over mitigation**:

Column A category: OOM

Column B ORG_ID

Column C ORG_NAME

Column D BBS_ID

Column E GEN_ID

Column F GENERATOR_NAME

Column G DATE_HR – This is in GMT

Column H LTZ_DATE_HR – This is in Local Time

Column I mingen_conduct – This Y flag indicates conduct found

Column J mitigate_mingen – This Y flag indicates min gen \$ to be restored to original bid value

Column K energy_conduct – This Y flag indicates conduct found

Column L mitigate_energy – This Y flag indicates energy \$ to be restored to original bid value

Column M startup_conduct – This Y flag indicates conduct found

Column N mitigate_startup – This Y flag indicates startup \$ to be restored to original bid value

Column O impact_test_fail – This Y flag indicates impact found

Column P revised_mingen – Value of Revised mingen if changed, null indicates no change required

Column Q original_billed_mingen – Value of Original billed mingen, null indicates no change required

Column R revised_energy – Value of Revised Energy if changed, null indicates no change required

Column S original_billed_energy – Value of Original billed Energy, null indicates no change required
Column T revised_startup – Value of Revised start up if changed, null indicates no change required
Column U original_billed_startup – Value of Original billed startup, null indicates no change required

Mitigate_OrgID_Orgname tab includes all the hourly bid detail for bids to be revised due to under mitigation:

Column A category: OOM
Column B ORG_ID
Column C ORG_NAME
Column D BBS_ID
Column E GEN_ID
Column F GENERATOR_NAME
Column G DATE_HR – This is in GMT
Column H LTZ_DATE_HR – This is in Local Time
Column I mingen_conduct – This Y flag indicates conduct found
Column J mitigate_mingen – This Y flag indicates min gen \$ to be replaced with reference value
Column K energy_conduct – This Y flag indicates conduct found
Column L mitigate_energy – This Y flag indicates energy \$ to be replaced with reference value
Column M startup_conduct – This Y flag indicates conduct found
Column N mitigate_startup – This Y flag indicates startup \$ to be replaced with reference value
Column O impact_test_fail – This Y flag indicates impact found
Column P revised_mingen – Value of Revised mingen if changed, null indicates no change required
Column Q original_billed_mingen – Value of Original billed mingen, null indicates no change required
Column R revised_energy – Value of Revised Energy if changed, null indicates no change required
Column S original_billed_energy – Value of Original billed Energy, null indicates no change required
Column T revised_startup – Value of Revised start up if changed, null indicates no change required
Column U original_billed_startup – Value of Original billed startup, null indicates no change required

RT_BPCG_GEN_ADJUST_OrgID_Orgname tab illustrates the revision to BPCG by generator by day:

Column A billing_day
Column B GEN_ID
Column C GENERATOR_NAME
Column D ORG_ID
Column E ORG_NAME
Column F original_billed_rt_bpcg – BPCG value prior to revision
Column G adjustment_to_rt_bpcg – Amount BPCG increased or decreased (negative sign indicates decrease)

RT_BPCG_ORG_ADJUST_OrgID_Orgname tab illustrates the revision to BPCG by ORG by day:

- Column A ORG_ID
- Column B ORG_NAME
- Column C billing_day
- Column D restore_dollars – Total daily increase to BPCG
- Column E max_adj_deduct_dollars – Total daily decrease to BPCG

Below find the descriptions of the columns in each worksheet tab for SRE files:

Restore_orgID_orname tab includes all the hourly bid detail for bids to be restored due to over mitigation:

- Column A category: SRE
- Column B ORG_ID
- Column C ORG_NAME
- Column D SRE_BBS_ID
- Column E HAM_BBS_ID
- Column F GEN_ID
- Column G GENERATOR_NAME
- Column H DATE_HR – This is in GMT
- Column I LTZ_DATE_HR – This is in Local Time
- Column J mingen_conduct – This Y flag indicates conduct found
- Column K restore_mingen – This Y flag indicates min gen \$ to be restored to original bid value
- Column L startup_conduct – This Y flag indicates conduct found
- Column M restore_startup – This Y flag indicates startup \$ to be restored to original bid value
- Column N impact_test_fail – This Y flag indicates impact found
- Column O revised_mingen – Value of Revised mingen if changed, null indicates no change required
- Column P original_billed_mingen – Value of Original billed mingen, null indicates no change required
- Column Q revised_startup – Value of Revised start up if changed, null indicates no change required
- Column R original_billed_startup – Value of Original billed startup, null indicates no change required

Mitigate_OrgID_Orgname tab includes all the hourly bid detail for bids to be revised due to under mitigation:

- Column A category: SRE
- Column B ORG_ID
- Column C ORG_NAME
- Column D SRE_BBS_ID
- Column E HAM_BBS_ID

- Column F GEN_ID
- Column G GENERATOR_NAME
- Column H DATE_HR – This is in GMT
- Column I LTZ_DATE_HR – This is in Local Time
- Column J mingen_conduct – This Y flag indicates conduct found
- Column K mitigate_mingen – This Y flag indicates min gen \$ to be replaced with reference value
- Column L startup_conduct – This Y flag indicates conduct found
- Column M mitigate_startup – This Y flag indicates startup \$ to be replaced with reference value
- Column N impact_test_fail – This Y flag indicates impact found
- Column O revised_mingen – Value of Revised mingen if changed, null indicates no change required
- Column P original_billed_mingen – Value of Original billed mingen, null indicates no change required
- Column Q revised_startup – Value of Revised start up if changed, null indicates no change required
- Column R original_billed_startup – Value of Original billed startup, null indicates no change required

RT_BPCG_GEN_ADJUST_OrgID_Orname tab illustrates the revision to BPCG by generator by day:

- Column A billing_day
- Column B GEN_ID
- Column C GENERATOR_NAME
- Column D ORG_ID
- Column E ORG_NAME
- Column F original_billed_rt_bpcg – BPCG value prior to revision
- Column G adjustment_to_rt_bpcg – Amount BPCG increased or decreased (negative sign indicates decrease)

RT_BPCG_ORG_ADJUST_OrgID_Orname tab illustrates the revision to BPCG by ORG by day:

- Column A ORG_ID
- Column B ORG_NAME
- Column C billing_day
- Column D restore_dollars – Total daily increase to BPCG
- Column E max_adj_deduct_dollars – Total daily decrease to BPCG

Exhibit G

Price Error Elimination Team Action Plan Status

**Management Committee
January 25, 2006**

Price Error Elimination Team

- ***Team formed to investigate, document, and eliminate (if possible) causes of pricing errors***
 - ✓ *Software enhancements*
 - ✓ *Process improvements*
 - ✓ *Rule-based solutions*
- ***Action Plan Overview***
 - ✓ *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*

Price Error Elimination Process

- **Team meets regularly to review causes of all recent price corrections**
- **Each specific cause is documented and potential solutions are identified**
- **Solutions are reviewed and prioritized based on frequency, nature of impact, and feasibility to drive a solution**
- **Software development priorities are aligned to address price error elimination solutions quickly**

Price Error Elimination Status

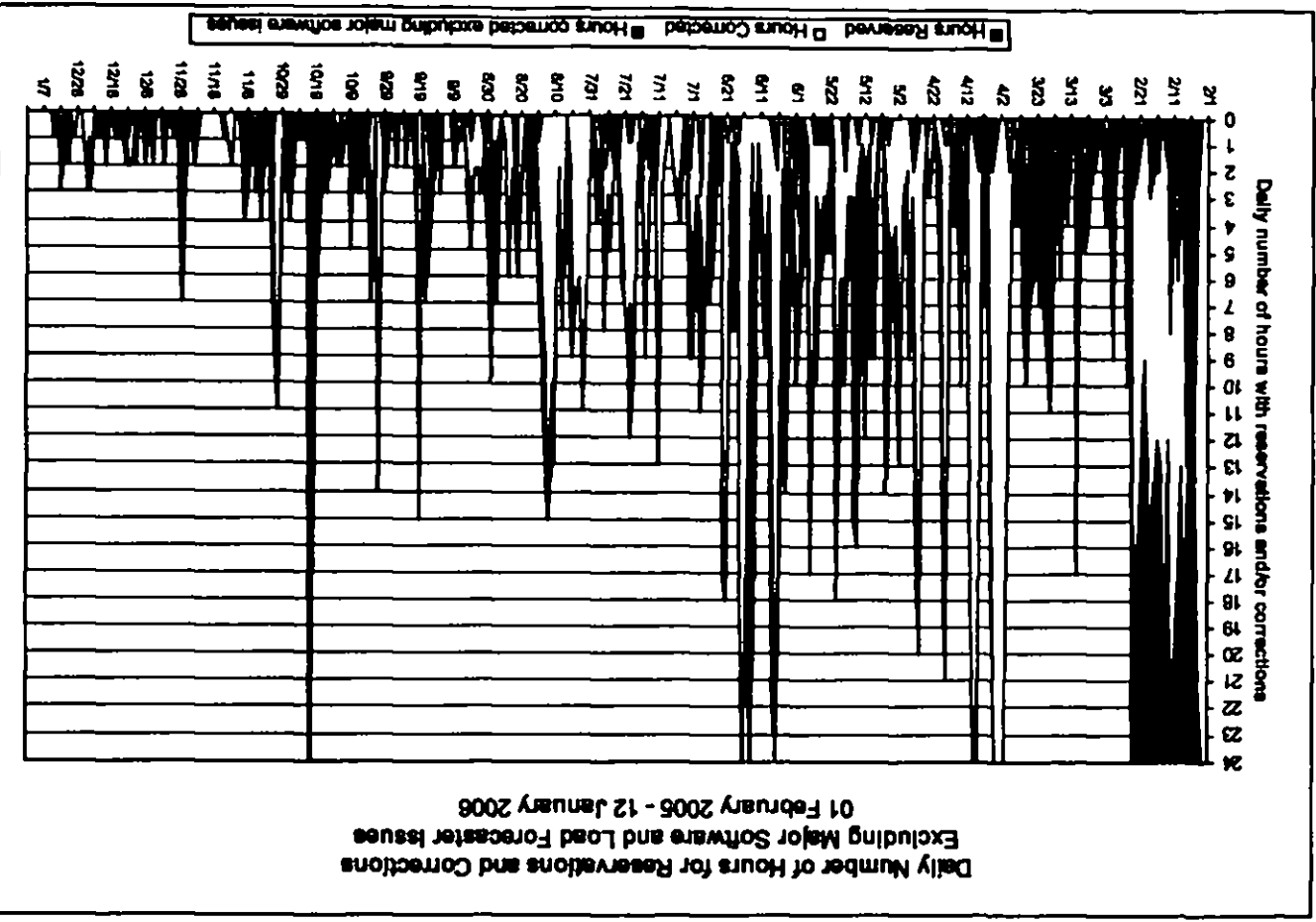
- ***Rate of price reservations and corrections continues to be low***
 - ✓ No new causes of errors logged in several weeks
 - ✓ Existing known causes have low relative impact
- ***Price Error Elimination Team planning several enhancements in first quarter to address additional causes of errors***
- ***Product teams are developing plans and estimates to provide enhanced price validation functions***

Price Correction Enhancements

Issue Description	Correction Frequency	Implementation Date
Load forecasting software and modeling errors	High	February 2005
RTD unit ramping logic	High	February 2005
DNI constraint problem affecting external proxy	Medium	June 2005
RTD-CAM commitment of GTs	Medium	July 2005
Out of Merit treatment of bid flags	High	August 2005
Generator operating status issue	Low	August 2005
Load forecasting modeling improvements	Medium	September 2005
Islanded Generator Bus modeling anomaly	Medium	October 2005
Multiple price posting process improvements	Low	October 2005

Price Correction Enhancements (Cont.)

Issue Description	Correction Frequency	Target Date
Continued improvements to Load Forecaster	Medium	February 2006
Enhanced modeling to detect meter failures	Low	Ongoing 2006
Improved transmission constraint pricing	Low	2 nd Quarter 2006
Include pricing data in data warehouse (DSS)	-	2 nd Quarter 2006
Price validation tools enhancement	-	Schedule TBD
Automated pricing during MIS down events	Low	Future
Automated handling of pricing for TLR events	Low	Future
Pricing rules during RANGER solution failure	Low	Future
Publishing of expanded pricing data for PV	-	Future



Recent Price Correction Statistics

Recent Price Correction Statistics (Cont.)

NYISO Real Time Price Correction Statistics

	2003	2004	2005	2005 Excluding Software Issues	2006
January*	2.7%	7.9%	3.8%	n/a	2.1%
February	3.1%	2.6%	57.3%	12.1%	
March	3.9%	5.0%	4.6%	3.6%	
April	13.3%	4.4%	38.5%	3.5%	
May	24.9%	8.2%	16.1%	1.9%	
June	6.3%	7.8%	29.7%	2.6%	
July	9.3%	6.9%	14.1%	2.8%	
August	8.1%	5.6%	17.1%	1.2%	
September	4.4%	3.3%	5.3%	1.3%	
October	3.0%	4.6%	6.9%	1.9%	
November	3.1%	2.2%	1.1%	0.4%	
December	3.0%	3.6%	2.4%	0.7%	
Average	7.1%	5.2%	16.4%	2.9%	2.1%

Source for 2003-2005 data: NYISO Monthly Report/Market Operations Report.

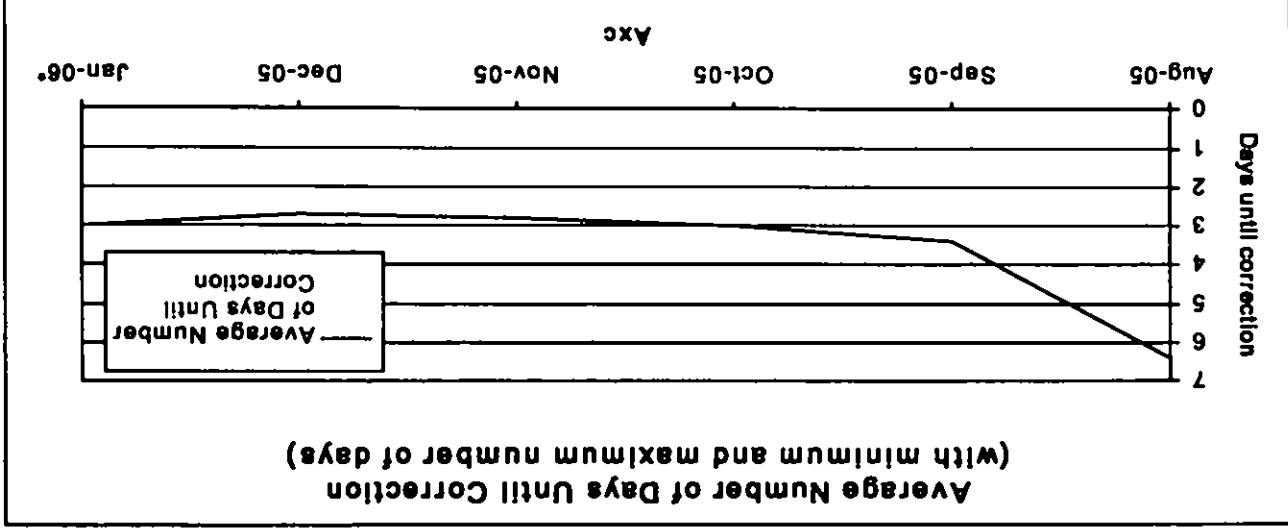
*January 2006 statistics through January 12, 2006

Recent Price Correction Statistics (Cont.)

Days Until Correction - Statistics on how long it takes to correct prices

Month	Days Corrected	Average Number of Days Until Correction	Maximum Number of Days to Correction	Minimum Number of Days to Correction	Standard Deviation
Aug-05	25	6.4	14	1	4.9
Sep-05	13	3.4	6	0	1.76
Oct-05	14	3	5	1	1.18
Nov-05	8	2.8	5	1	1.58
Dec-05	11	2.7	5	1	1.27
Jan-06*	1	3	3	3	N/A

Average Number of Days Until Correction (with minimum and maximum number of days)



Note: Days are counted from the reservation day.
 *January data through January 6 only.