

BAWG met on 11/15/06 and 12/04/06 and discussed the following:

11/23/06 – Regularly Scheduled Monthly BAWG Meeting (10:00AM - 3:00PM)

- 1) NYISO Customer Support Re-organization Update
 - a. Art Storey indicated the department had just relocated to Krey Blvd
 - b. Anticipated implementation of new organization in early December
 - c. NYISO will send email notification prior to implementation – will indicate how MP's should interact with the Customer Support function under this new structure (in particular how should Final Bill questions/challenges and "30-day" posting questions be submitted to ensure prompt response).
- 2) Shorten the Final Bill
 - a. NYISO filed proposed tariff language with FERC on November 2, 2006 – anticipate receiving FERC approval by December 31, 2006.
 - b. Discussed metering timeline and protocols with members of the Meter Task Force. NYISO has provided MP's with a timeline as if the new settlement schedule was in place. Requesting MP's to submit information to the NYISO based on this test schedule. The purpose of the test to see if there are any problems with the timeline, data transfer and web-based reconciliation in advance of actual implementation. (subsequent to meeting the NYISO has started the email notification process to also test this protocol).
 - c. Discussed progress regarding the status of meeting the Implementation Requirements contained in the BIC/MC motion information.
- 3) Customer Settlements Report
 - a. Discussed the 11/14/06 Version of the "Pending Business Rule Design Changes, Data Corrections and Final Bill Challenges" document.
 - b. Reviewed November 7 and November 9, 2006 Invoices and NYISO detailed Settlements Reports for these months.
 - c. Invoice Schedule
 - i. MAY05 - MP's asked if the NYISO would be declaring an "extraordinary circumstance" (given the fact the requested tariff waiver for the Operating Reserve issue had not been granted) – Staff indicated they would let MP's know by early December
 - ii. MAR05 and APR05 – MP's requested the NYISO to delay at least one of these delayed FBC settlements to February 2007 at the earliest to give MP's a break so they don't have to review and sign off on three months of FBC invoice data during the holidays
 - iii. BAWG unanimously indicated they did not want the NYISO to settle more than 3 FBC's in any given month unless they received prior MP approval.
 - d. NYISO provided summary of total August 2003 System Disturbance Costs broken down into three components: Extraordinary Costs, Emergency Purchases and Sales, and EDRP and SCR Charges.
 - e. Tech Bulletin 6 – "Load Forecasts for Facilities in the Market Information System (MIS)" - NYISO anticipates posting a revision to

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include language on the over/under forecasting procedure implemented earlier this year for review and comment prior to the next BAWG meeting.

- 4) Finance Product Management
 - a. ICAP presentation given by NYISO's Pete Morrison.
 - b. Discussion of status of web-based reconciliation redesign project. MP Technical Teleconference held on November 14 to discuss latest summary of Product Requests and Minimum Requirements". Another Technical teleconference is expected to be held in December – NYISO goal is to have the technical specification finalized in December.
 - c. Deployments – all major deployments deferred until January 2007.
 - d. Web-based reconciliation performance has been slower than normal – IT is checking into the reasons.
 - e. DSS Data Retention – MP's asked to consider how many versions of billing data need to be retained in DSS.
- 5) Bad Debt loss / Working Capital
 - a. Presentation given on the revisions to the calculation methodology and settlement of Bad Debt loss and Working Capital (same as presentation given to BIC on 11/8).
- 6) Billing & Accounting Manual Review
 - a. MP review on hold pending completion of internal NYISO review.
 - b. NYISO indicated they would be hiring a 3rd party consultant to do an independent review and certification of the new "rules based" billing engine being developed to replace the current BAS in 2007.
- 7) NYISO Draft 2007 Corporate Goals
 - a. BAWG discussed and provided thoughts on the Draft 2007 NYISO Corporate Goals to Tom Concadoro (chair, BS&P) and Wayne Bailey, NYISO for their consideration.
- 8) Legal Issues Discussion
 - a. Operating Reserves – NYISO has requested a tariff waiver from FERC to enable them to proceed with FBC's.
 - b. In-city Capacity Mitigation issue – an appeal on this issue will be heard at the November 20 NYISO BOD meeting - impacts will be going forward only - no reactive implications, therefore no impact on FBC's.
- 9) BI Task Force –
 - a. Monthly meeting held on November 14 – demo of DSS Pricing Data Mart.
 - b. Next regularly scheduled BI meeting is tentatively scheduled for Tuesday, January 16, 2007 – no regular monthly meeting in December.

12/04/06 – Special BAWG Conference Call (10AM – Noon)

- 1) BAWG discussed proposed NYISO process / procedure collect NERC ERO Funding - per November 6 MC motion.
 - a. NYISO schedule – draft tariff language to MC members for comment in early December; NYISO BOD approval in December, tariff language to be filed with FERC in December.

b. Highlights

- i. Charges to LSE's only.
- ii. 2007 NERC charges approx. \$2.1M – to be paid in 4 quarterly installments – Jan 1, April 1, July 1 and October 1.
- iii. NERC will bill NYISO 45-60 days in advance of payment due date.
- iv. NYISO will invoice LSE's based on the load ratio shares for the 4-Month Settlement Adjustment on the next NYSIO invoice following receipt of NERC bill (NOTE: starting with the payment for 4Q 2007 it is recommended to use the load ratio shares for the 6-Month Final Bill Settlement)
- v. Charges will be a manual adjustment to LSE's.
- vi. Charges not subject to further true-up.
- vii. No risk of bad debt loss for NYISO MP's.
- viii. No required changes to NYISO credit or bad debt policies.
- ix. Initial NERC bill for 1Q 2007 will be paid by NYISO and will be invoiced at a future date – with no interest charges – once FERC approves the new tariff language.