

PENDING BUSINESS RULE DESIGN CHANGES, DATA CORRECTIONS, AND FINAL BILL CHALLENGES
AS OF 7/15/2016

I. Business rule modifications and data corrections pending resolution

| DESCRIPTION | NET ESTIMATED IMPACT | PERIOD(S) AFFECTED | BILLING ISSUE XREF | EXPOSURE | BENEFIT | Status |
|-------------|----------------------|--------------------|--------------------|----------|---------|--------|
|-------------|----------------------|--------------------|--------------------|----------|---------|--------|

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

| DESCRIPTION | NET ESTIMATED IMPACT | PERIOD(S) AFFECTED | BILLING ISSUE XREF | EXPOSURE | BENEFIT | Status |
|---|---------------------------------------|-----------------------|--------------------|---|---|---|
| In specific reserve situations, for generators not modeled as GTs, the units may not be assigned the correct reserve schedule/price | Approximately \$17,000 in open months | • Open billing months | • 474 | • Transmission Customers: Affected transmission customers may experience increased charges. | Generators: Affected generators may experience increased ancillary credits. | • Necessary code changes are currently under investigation. |

III. Final Bill Challenges

| DESCRIPTION | NET ESTIMATED IMPACT | PERIOD(S) AFFECTED | BILLING ISSUE XREF | EXPOSURE | BENEFIT | Status |
|-------------|----------------------|--------------------|--------------------|----------|---------|--------|
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IV. Pending Approved DAC/Disputes

| DESCRIPTION | \$ AMOUNT | ALLOCATION BASIS |
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V. Pending FERC/Court Activity

| FERC DOCKET # | DESCRIPTION OF ISSUE | STATUS UPDATES | UPCOMING ACTIVITY |
|---------------|--|---|---|
| RM10-17-000 | On March 18, 2010, FERC issued a Notice of Proposed Rulemaking regarding the compensation of Demand Response Providers (AKA Order 745). | On 8/19/2011 NYISO submitted its compliance filing which is tracked under docket ER11-4338 below. | The NYISO is waiting for FERC's ruling on its filing. |
| ER11-4338-002 | On August 19, 2011, NYISO filed Tariff Revisions pursuant to FERC order 745. | The Commission grants NYISO's request and accepts certain, limited tariff provisions filed to comply with Order No. 745 so that NYISO may implement the tariff provisions that we accept in Docket No. ER14-2006-000. | |
| ER14-2006-000 | FERC Order accepts tariff provisions filed by the NYISO on May 21, 2014, to permit participation in the DADRP by demand response facilitated by behind-the-meter generation. | FERC orders that the May 2014 tariff revisions accepted in this order and certain, limited tariff provisions filed to comply with Order No. 745 become effective in 60 days. | |
| ER11-1844-000 | On October 20, 2010, MISO filed Tariff Language proposing to allocate the costs of the ITC PARs to all benefiting control areas. | The New York PSC filed a letter with FERC requesting an order. The NYISO filed a letter in support of the New York PSC. | The NYISO is waiting for FERC's ruling. |
| ER15-572-000 | Consolidated Edison Company of New York, Inc. submits tariff filing per 35.13(a)(2)(iii) NY Transco Rate Schedule to be effective 4/3/2015 under ER15-572 Filing Type : 10 -Type of Filing Code: 10 - Earliest Proposed Effective Date: 4/3/2015 | On 3/17/16, FERC issued a Letter Order accepting the Settlement and directing NY Transco, et. al., to file revised tariff sections in eTariff format, within 30 days of the date of issuance of this order, to reflect the Commission's action. NY Transco was also directed to make certain formula rate corrections and revisions to Section 3(e)(ix) and Section 4(b) of the protocols for the formula rate. | Compliance filing pending. |

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| ER16-120-000 | FERC notice granting extension of compliance filing submission deadline re: Reliability Must Run Agreements On 5/15/15, NYISO filed a Motion for Extension of Compliance Filing Deadline and for Expedited Action, to extend the 6/19/15 deadline for submitting its compliance filing in the above-referenced docket by 120 days, or no later than 10/19/15. | On 6/7/16, NYISO made a compliance filing to remove limited rejected language from NYISO's OATT. NYISO stated that, while the Commission rejected NYISO's proposed tariff revisions to its cost allocation methodology for its reliability planning process, certain tariff revisions related to this issue were currently listed as "effective" in the Commission's eTariff viewer. NYISO also requested to remove tariff provisions in OATT Section 31.5 that were listed as "rejected." | On 7/1/16, FERC issued a Letter Order accepting the requested revisions effective 10/20/15, 02/19/16 and 04/01/16, as requested. |
| ER16-835-000 | On 1/29/16, NYISO filed on behalf of NYPA, proposed revisions to the NYISO OATT concerning a transmission formula rate template and implementation protocols to recover NYPA's costs for transmission services provided under the NYISO OATT. NYPA also requested acceptance of a new Rate Schedule 15 to the NYISO OATT that will enable it to recover its project-specific annual transmission revenue requirement associated with the Marcy-South Series Compensation Project ("MSSCP"). | On 03/31/2016, FERC issued an order that accepted NYPA's proposed formula rate and protocols to OATT Attachment H for filing, to be effective April 1, 2016, as requested, and set them for hearing and settlement judge procedures. The order also granted NYPA's transmission rate incentive and Rate Schedule 15 that establishes the cost allocation for the MSSCP. | N/A |
