

Business Issues Committee

May 7, 2003

Agenda Item #11

BIC approves the NYISO Proposal, as presented today May 7, 2003, for addressing several issues related to the settlement process for TCCs, consisting of: 1) A method for determining charges for decreases in congestion rent collections attributable to transmission facility outages in the DAM, TCC reconfiguration auctions, or TCC capability period auctions; 2) A method for determining payments for increases in congestion rent collections attributable to transmission facilities placed back in-service in the DAM or the TCC reconfiguration auctions; 3) A flow-based method for allocating residual auction revenues to the TOs; 4) A modified method for allocating the residual congestion rents from the DAM settlements to the TOs; and 5) A commitment to work with the MPs to investigate methodologies that could reduce the overall level of congestion rent shortfalls. BIC recommends that the Management Committee approve this proposal and request that the Board approve it for a Section 205 filing in lieu of the proposal to reallocate congestion rent shortfalls and TCC auction revenues approved by the Management Committee at its February 20th, 2003 meeting.