



BS&P Report

Management Committee

June 18, 2003



Project Budgeting and Financing Process

- By-laws Committee drafted bylaw changes to support process
- BS&P met June 1 refine process
- ISO Staff raised new concerns about process:
 - Concerned that there is a defined process for Market Participants to recommend to the NYISO Board that a project be stopped once it has begun.
 - Wanted to prevent MC from voting on a proposal until a full analysis of a proposal is completed
- ISO Staff will meet with BS&P Reps this week to try and resolve details.
- Plan to have by-laws and process on the July agenda



2003 Budget Status

- Revenue is on track or slightly ahead of expectations for 2003
- Expenses appear to be mostly on track
 - BS&P concerned about legal expenditures
- Working capital at full funding of 46.4 million plus 2.2 million of retained market participant interest



Next BS&P Meeting

July 1, 2003

- Development of capital budgeting process
- Future year revenue shortfalls/surplus allocation mechanism discussion
- Development of NYISO Employee Incentive Goals
- Report on legal expenditures



Market Participant Input

2004 Employee Incentive Goals

- Reviewed specific goals
 - Customer Satisfaction – March 14
 - Project Management – June 1
 - CPS 1 & 2 – **June 20**
- Review of 2003 Goals and current status
 - Presentation today with Market Participant input
 - BS&P Working Session – **July 1**
- BS&P interaction with NYISO Staff as goals are developed at August & September Meetings



Market Participant Input

2004 Employee Incentive Goals

- Verbal Input today
- Written Comments by June 27
 - Elaine Robinson – erobinson@nyiso.com
 - Wayne Bailey – wbailey@nyiso.com
 - Jim Parmelee – jparmelee@lipower.com