

Settlement System Replacement: Phase II

Finance Product Management

PPT – February 13, 2006

Presentation Outline

- ◆ Phase I Review
- ◆ Phase II Deliverables
- ◆ Value Proposition
- ◆ Benefits
 - *Market Participants*
 - *NYISO*
- ◆ Estimated Delivery
- ◆ Estimated Cost

Phase I Review

- ◆ Successful completion of 2005 Billing Simulator Project on time and under budget
- ◆ Designed, implemented, and tested over 100 settlement calculations
- ◆ Built and leveraged a new tool to generate rules and test code
- ◆ Supported troubleshooting and resolution of issues in the current production system
- ◆ Finalized documentation of all 151 settlement rules
- ◆ Necessary precursor to replace the existing engine
- ◆ Well-positioned to port the settlement rules to the new engine

Phase II Deliverables

- ◆ A fully functional rules-based engine
- ◆ Thoroughly documented and tested
- ◆ Operational and deployed to production
- ◆ Reviewed and verified for tariff compliance
- ◆ Rules standards, including precision, rounding, and tuning, defined and built

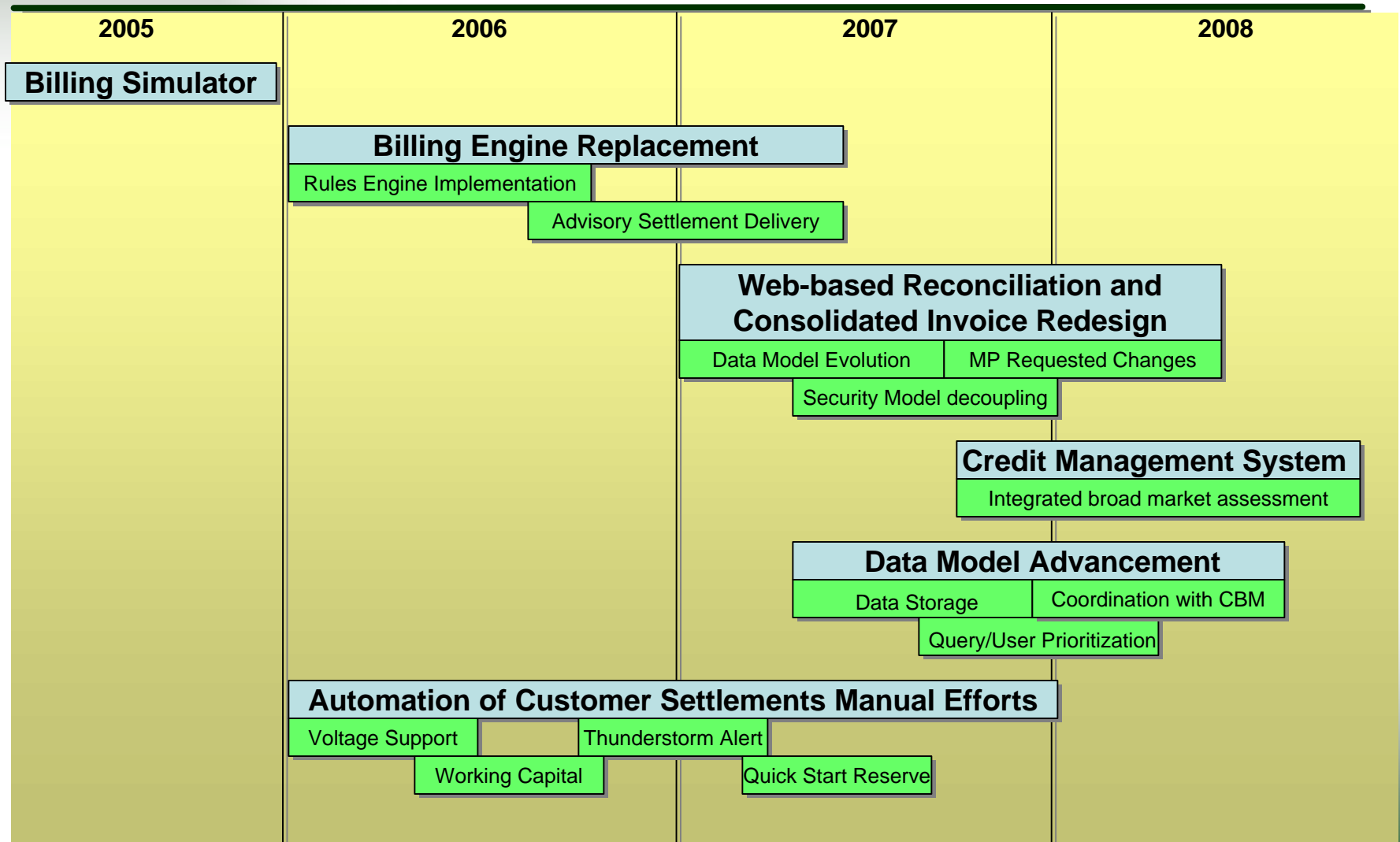
Value Proposition

NYISO will deploy a rules-based engine in a new production environment to continue improving the efficiency of the customer settlements process in a tariff compliant manner.

Phase II Benefits

- ◆ All Market Participants and the NYISO
 - *A more efficient settlements system*
 - *A well-documented system*
 - *Ability to accommodate settlement rule changes more efficiently and accurately*
 - *Ability to progress towards more frequent posting of advisory statements*
 - *Versioning of settlement rules*
 - *Data precision standards*

Estimated Delivery



Estimated Cost - 2006

