2006 Incentive Goals Discussion with the BS&PS

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Guiding Principles

- Focus Incentive Goals on areas of primary importance to the customer and to business
- Focus on incentivizing quality and accuracy

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Billing & Settlements

	Threshold	Target	Superior
Billing Accuracy (50%)	Being developed		
Complete closeout of eligible final bills (30%)	December bill	September bill	July bill
Post all invoices within 5 business days of the start of the month (20%)	10 of 12	11 of 12	12 of 12

Price Certainty and Accuracy

	Threshold	Target	Superior
Hours Reserved will not exceed more than ½% measured on a monthly basis	8 of 12	10 of 12	12 of 12

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System Planning

	Threshold	Target	Superior
Complete Draft Comprehensive Reliability Plan 25%	Date	Date -1 month	Date – 2 months
Comprehensive Reliability Plan accepted by Board 75%			November Board Meeting

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Grid and Market Operation

	Threshold	Target	Superior
(Further) Reduce NYISO Specified OOM from a 2005 baseline (75%)	2.5%	3.0%	3.5%
CPS-2 Levels (25%)	11 of 12 months	12 of 12 months	

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Customer Focus

(Each portion equally weighted)	Threshold	Target	Superior
Provide complete responses to customer inquiries measured via an automated mechanism to which the customer replies	70%	75%	80%
Improve customer satisfaction with NYISO as determined via survey three times annually. (Improvement measured from 2005 baseline)	2% improvement	3% improvement	4% improvement

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Excellence in Execution/LSS

	Threshold	Target	Superior
Achieve process improvement metrics for all completed Lean Six Sigma projects	90% of all primary metric improvements achieved	100% of all primary metric improvements achieved	Target level + in any project, primary metric improvement exceeded

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System Availability

	Threshold	Target	Superior
MIS Availability (excluding a 48 hour stabilization period after a major IT release)	99.6	99.75	99.9
Quality of Major IT Releases: For each Major IT Release, There will be no more than an average of:	3 Incidents of Negative Customer Impact	2 Incidents of Negative Customer Impact	1 Incident of Negative Customer Impact

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