

Proposed Protocol For Tie-Line & Generation Metering Corrections Under Shortened Settlement Cycle

Presentation To The Billing & Accounting Working Group

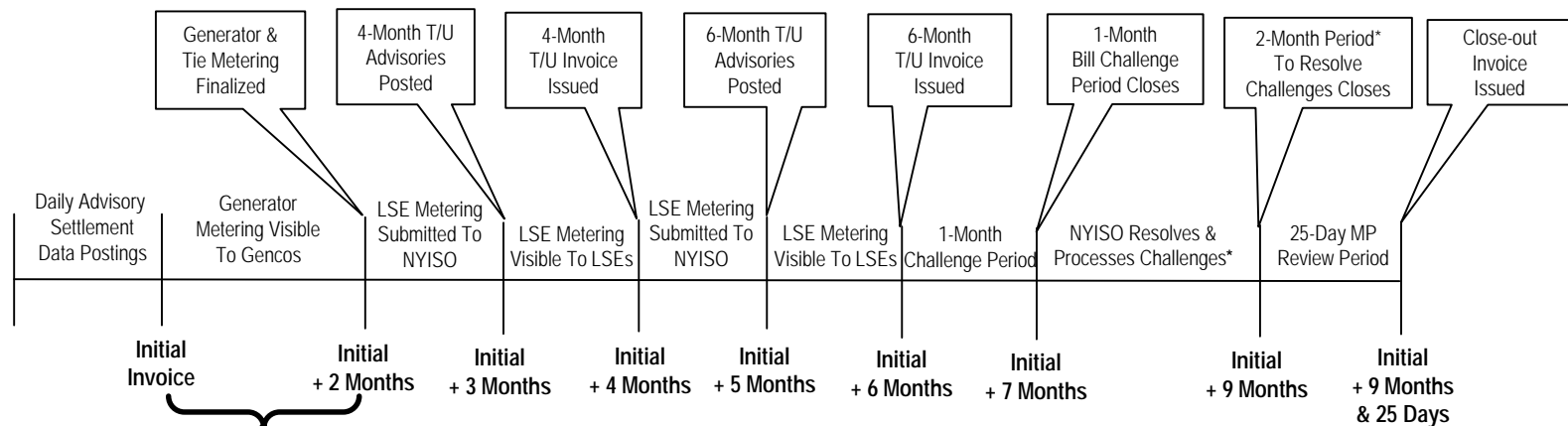
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Introduction

- ◆ The Billing & Accounting Working Group's (BAWG) motion to adopt the hybrid BAWG - NYISO shortened settlement cycle proposal was approved by the Business Issues Committee on Wednesday, September 13, 2006.
- ◆ One of the defining elements of the shortened cycle is the lockdown of tie-line and generator metering two months after the issuance of a month's initial invoice.
- ◆ Tie-line and generation metering will be precluded from further revision after this two-month review and correction period.
- ◆ The purpose of this presentation is to outline the NYISO's proposed protocols for administering tie-line and generation metering corrections during the two-month review and correction period following the initial invoice.

Hybrid BAWG-NYISO Shortened Settlement Cycle



Two-Month Review & Correction Period For Tie & Generator Metering

* - Period Could Expand By 4 Months In The Event Of An "Extraordinary Circumstance."

Proposed Protocols Provide For Market Awareness

- ◆ Periodic email notifications will keep the Market apprised of the time remaining for metering revisions.
- ◆ The following list details the proposed email notifications:
 - ◆ *an email to notify the Market of the beginning of two-month review period,*
 - ◆ *weekly emails to remind the Market of the time remaining in each review period,*
 - ◆ *a web-posting of the schedule of each month's review period expiration,*
 - ◆ *an email notifying a generator that their Meter Authority has changed their unit(s)' metering, inclusive of previous value and current/revised value,*
 - ◆ *an email notifying the counter-party Meter Authority that a tie-line's Meter Authority has changed the tie-line(s)' metering, inclusive of previous value and current/revised value,*
 - ◆ *an email to notify the Market of an impending expiration of a month's review period, and*
 - ◆ *an email to notify the Market of the expiration of a month's review period.*

Protocols Address Four Possible Scenarios

- ◆ The four possible scenarios consist of:
 - ◆ *tie-line metering corrections initiated by the tie-line's Meter Authority,*
 - ◆ *tie-line metering corrections initiated by the tie-line's counter-party Meter Authority,*
 - ◆ *generator metering corrections initiated by the generator's Meter Authority, and*
 - ◆ *generator metering corrections initiated by the generator.*

- ◆ The basic elements of the protocols are as follows:
 - ◆ *All metering revisions requested during the two-month review period will be initiated by an email from the requesting party to an email address specifically set up for Settlements issues.*
 - ◆ *All requests must be supported with appropriate metering point identifier, the value that is in dispute, and the value that is being proposed as a revision.*
 - ◆ *All requests will be tracked through implementation via the Customer Relations Critar database.*
 - ◆ *NYISO will communicate metering changes to the affected generators and counter-party Meter Authority.*
 - ◆ *Meter Authorities must submit fully supported requests to revise metering no later than five business days prior to the expiration date a month's review period to allow time for processing.*
 - ◆ *Generators must submit fully supported requests to revise metering no later than three business days prior to the expiration date a month's review period to allow time for processing.*

Implementation Plan

- ◆ The NYISO proposes to implement the process changes for the submission of requests to revise tie-line and generator metering in October 2006.
 - ◆ *Allows time to work out implementation issues with Meter Authorities and generators prior to their being subject to the time constraints of the two-month review period*
 - ◆ *Allows time to develop and publicize web-posting process,*
 - ◆ *Allows time to monitor and report volume of requests to BAWG/BIC,*
 - ◆ *Allows time for Market feedback on the process*
- ◆ The process will likely be fully implemented with the February 2007 issuance of the initial invoice for January 2007 settlements.
 - ◆ *BIC motion to approve the shortened settlement cycle pertains to settlements beginning in January 2007.*
 - ◆ *Settlements through December 2006 will not be subject to the two-month review period; however, the same notification protocols will be drafted to identify the affected months and inform Market Participants of the non-applicability to settlements prior to January 2007.*