

Proposed Protocol For Meter Data Corrections Under Shortened Settlement Cycle

Management Committee

Friday, September 29, 2006

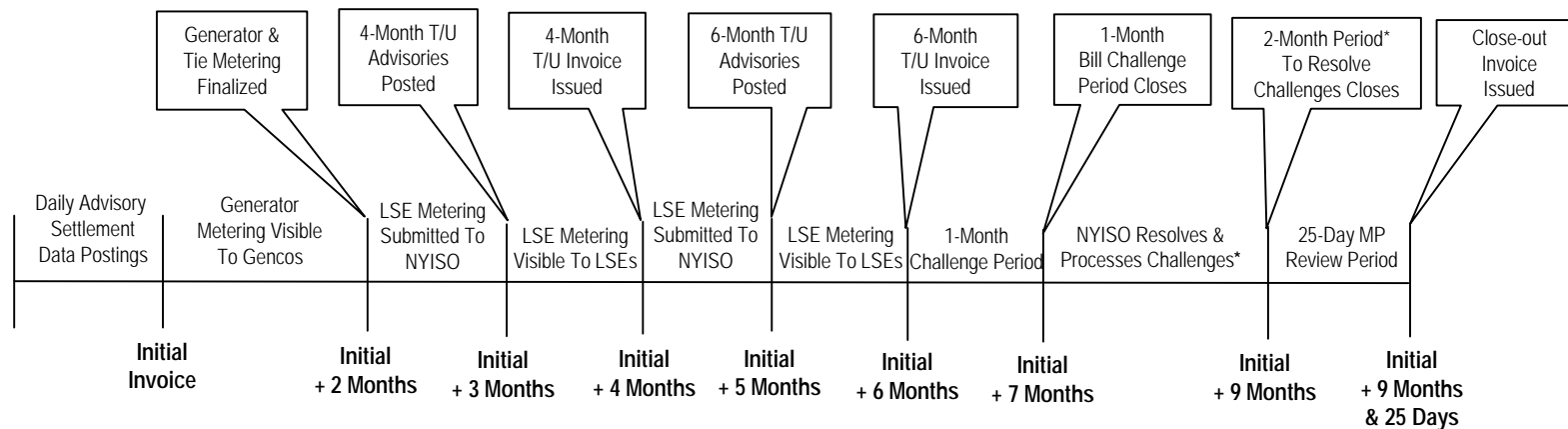
Agenda Item 6

Randy A. Bowers, Principal – Settlement Processes & Controls

Introduction

- ◆ One of the defining elements of the shortened cycle is the lockdown of hourly meter data prior to the Final Bill Challenge period.
- ◆ Tie-line and generator hourly meter data will only be eligible for revision during the two-month period after the issuance of a month's initial invoice and will be precluded from further revision upon the expiration of that two-month review & correction period.
- ◆ Load Serving Entity (LSE) hourly meter data will be trued-up at four- & six-months after the issuance of a month's initial invoice and will be precluded from further revision upon the issuance of a month's six-month true-up invoice.
- ◆ The purpose of this presentation is to outline the NYISO's proposed protocols for administering hourly meter data corrections during the respective month's review and correction periods following the initial invoice.

BIC Approved Shortened Settlement Cycle



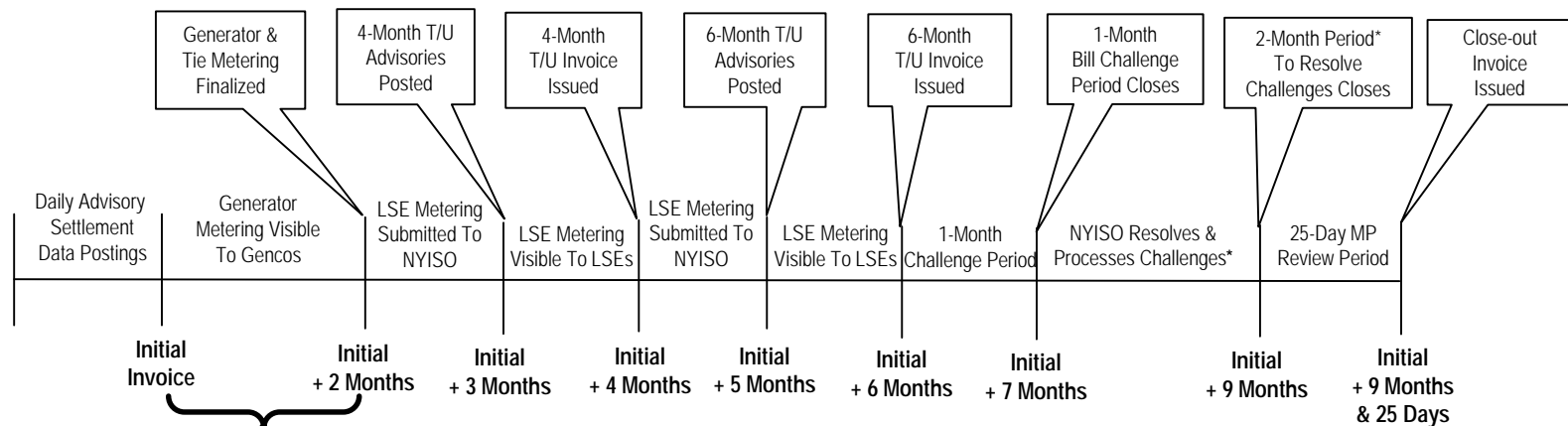
* - Period Could Expand By 4 Months In The Event Of An "Extraordinary Circumstance."

Scenarios That Initiate Hourly Meter Data Revisions

- ◆ Four scenarios prompting hourly tie-line & generator metering revisions are:
 - ◆ *tie-line meter data corrections initiated by the tie-line's Meter Authority,*
 - ◆ *tie-line meter data corrections initiated by the tie-line's counter-party Meter Authority,*
 - ◆ *generator meter data corrections initiated by the generator's Meter Authority, and*
 - ◆ *generator meter data corrections initiated by the generator.*

- ◆ Two scenarios prompting LSE metering revisions are:
 - ◆ *LSE meter data true-ups initiated by the LSE's Meter Authority, and*
 - ◆ *LSE meter data corrections initiated by the LSE.*

Two-Month Tie & Generator Meter Data Review & Correction Period



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

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

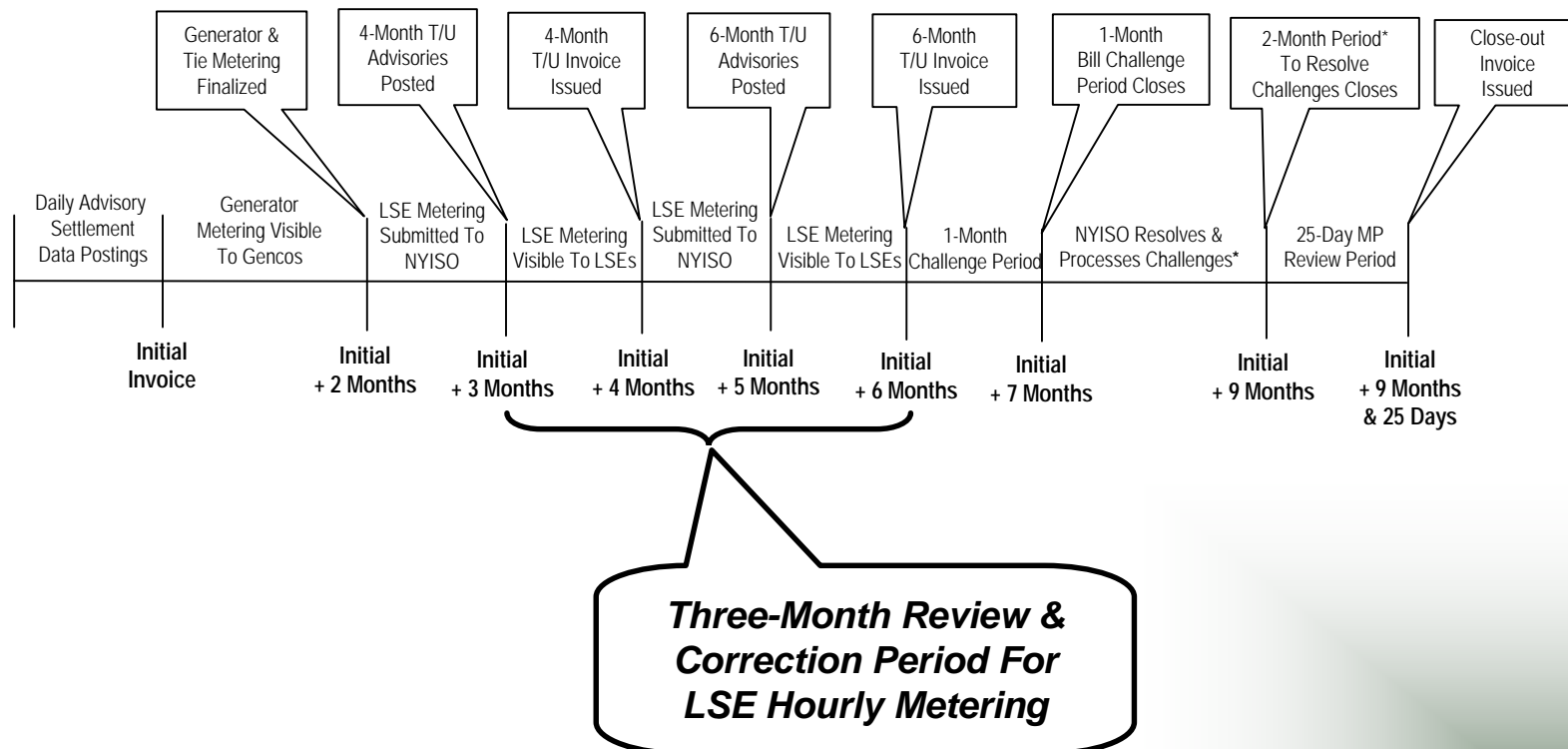
Proposed Protocols Provide For Generator Awareness

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

Proposed Tie-line & Generator Hourly Metering Revision Protocol

- ◆ The NYISO will facilitate a schedule for Meter Authorities to upload tie-line & generator hourly meter data revisions during the two-month review & correction period.
- ◆ All hourly meter data revisions requested outside of the established schedule, but during the two-month review & correction period, will be initiated by an email from the requesting party to the NYISO Market Relations Department and will be tracked through implementation via the Customer Relations Critar database.
- ◆ All hourly meter data revision requests from non-Meter Authorities must be supported with appropriate metering point identifier, the value that is in dispute, and the value that is being proposed as a revision.
- ◆ Meter Authorities must submit revisions to tie-line & generator hourly meter data no later than five business days prior to the expiration date a month's review period to allow time for processing.
- ◆ Non-Meter Authorities must submit fully supported requests to revise hourly meter data no later than three business days prior to the expiration date a month's review period to allow time for processing.
- ◆ Upon receipt of hourly meter data changes from the Meter Authority, the NYISO will perform an analysis of the data to identify potential data errors and resolve them with the Meter Authority.
- ◆ NYISO will then communicate meter data changes to the affected generators and counter-party Meter Authorities, once they have been updated in the NYISO's database.

Three-Month LSE Metering Review & Correction Period



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

Proposed Protocols Provide For LSE Awareness

- ◆ The following details the proposed email notification process for the three-month review & correction period for hourly LSE metering :
 - ◆ *a web-posting of the schedule of each month's metering data review & correction period expirations,*
 - ◆ *an email notifying LSEs that their Meter Authority has provided updates to hourly metering for LSE buses within their sub-zone & when the NYISO will begin processing the month's four-month true-up settlements,*
 - ◆ *an email, on or about three months after a month's initial invoicing, to notify the Market of the posting of advisory settlement statements for a month's four-month true-up, inclusive of hourly LSE bus metering data, signifying the beginning of LSEs' three-month review & correction period for hourly metering data,*
 - ◆ *an email notifying LSEs that their Meter Authority has provided metering updates to LSE buses within their sub-zone & when the NYISO will begin processing the month's six-month true-up settlements,*
 - ◆ *an email, on or about five months after a month's initial invoicing, to notify the Market of the posting of advisory settlement statements for a month's six-month true-up, inclusive of hourly LSE bus metering data, informing them of the impending expiration date of LSEs' opportunity to request revisions to their hourly metering data, and*
 - ◆ *inclusion of a statement within the six-month true-up invoice's posting notification email that informs the Market that hourly metering data for the invoiced month is precluded from further revision.*

Proposed LSE Hourly Metering True-up Protocols

- ◆ The three-month review & correction period during which LSE hourly metering will be subject to true-up will commence on or about three-months after initial invoicing, when the NYISO posts hourly advisory settlement statements for a month's four-month true-up.
- ◆ LSEs will have a period of approximately three weeks to request revision of their hourly LSE bus metering prior to the invoicing of a month's four-month true-up, allowing a week to process warranted, available corrections prior to issuance of the four-month true-up invoice.
- ◆ All LSEs' requests to revise their hourly LSE metering 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 an 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.
- ◆ On or about five months after initial invoicing, the NYISO will post hourly advisory settlement statements for a month's six-month true-up, providing LSEs a final three weeks to review & request hourly LSE bus metering revisions, allowing a week to process warranted revisions.

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.*