



# Monthly Report

**June 2004**

**Rob Fernandez**

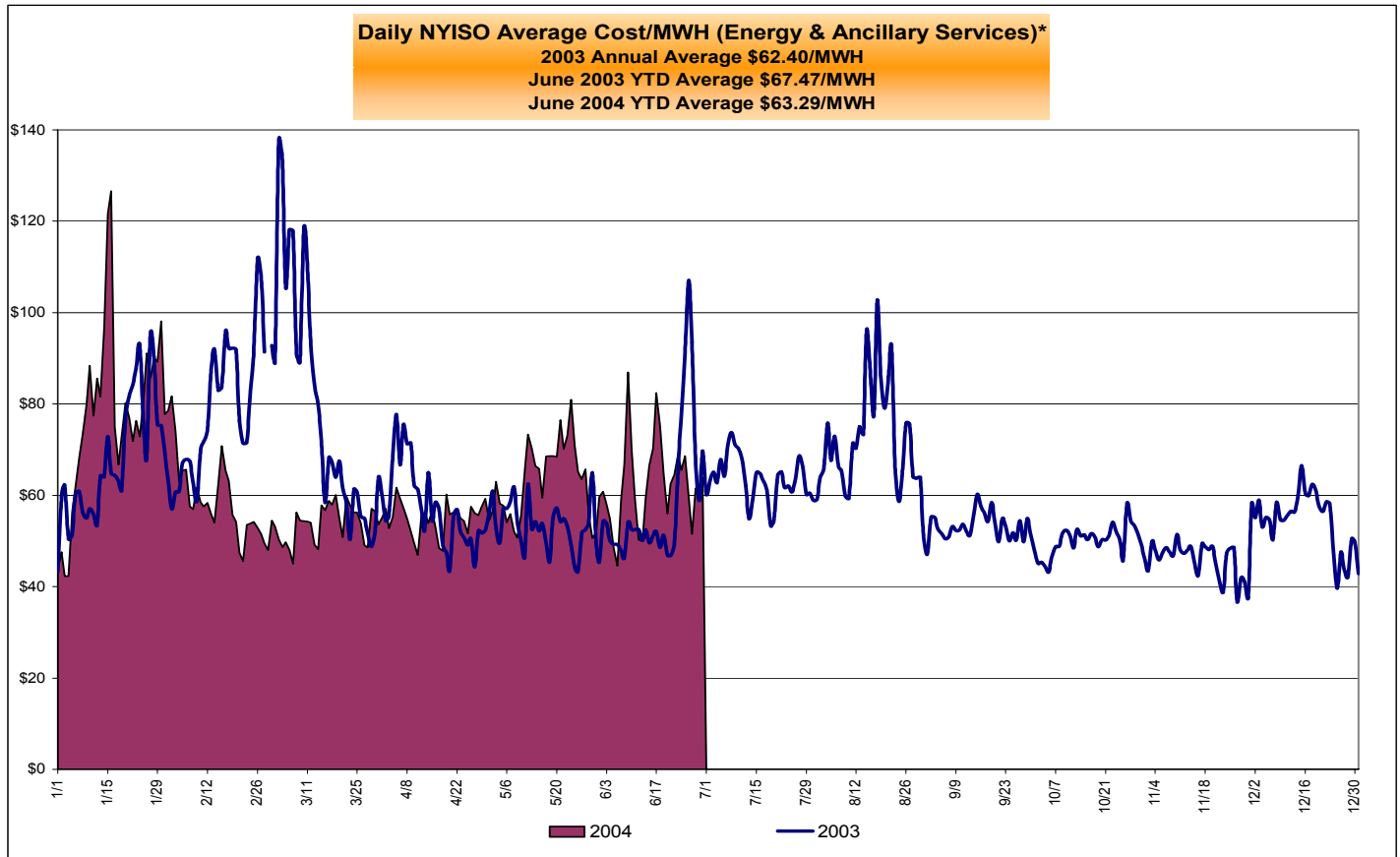
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## 1. Executive Summary

Higher loads in June were offset by a reduction in fuel costs so that the monthly average cost for energy was only four cents higher than in May.



Real Time uplift increased from May due to additional congestion charges associated with thunderstorm alerts. DAM committed hours mitigated were low again in June but there was a six percent increase in Real Time committed hours mitigated. The percentage of intervals corrected and hours reserved both declined in June.

The first of a series of SMD 2 Market Trial exercises was conducted on schedule in June with a majority of the NYISO's MPs participating. Also in June, ABB delivered a new software release that included fixes for nearly all the Phase 2a defects as well as a number of enhancements.

The first draft of Version 0 of NERC's Integrated Reliability Standards has been completed and will be posted July 2.

As part of the ongoing work to reduce congestion rent shortfalls, the NYISO identified a data base transcription error that resulted in the sale of an excess of 912 MW in the TCC auctions held for the Winter 2003-2004 and Summer 2004 Capability Periods. The NYISO continues working with Market Participants, Dr. David Patton, LECG, the NYISO Board, and State and Federal regulators to resolve the problem. The July Reconfiguration Auction scheduled for June was canceled with FERC permission.

## 2. System Operations

### Management Summary

Peak load for the month was 28,432 MW on Wednesday June 9. There were no Major Emergencies during the month. Alert states were declared on eight occasions, with six attributable to system frequency excursions. There were 24 occasions when reserve energy was activated during June, with 17 activations due to large control area errors and three due to activation of shared reserves. CPS1 was 169%; CPS2 was 95.9%. There was one reportable event. On June 17, 2004 at 19:01, Roseton Unit #1 and #2 tripped for a total loss of 620 MW. Shared Activation of reserve was initiated at 19:03 and the NYCA crossed zero at 19:05 in full compliance. Staff has provided plots for restoration of Operating Reserve following a contingency loss of a resource. This information is being provided to the NYSRC as a compliance-reporting requirement. Staff is also developing a report on NYISO Communications associated with Operations. This report, to be presented to the NYSRC, outlines the testing and logging of communication testing of data and voice circuits. SMD2 Phase 2A FAT testing has been nearly completed in Albany. The EMS and BMS portions have been completed. Performance testing and failover testing were run at the end of June. The Performance testing has not been completed. There are some issues with display call up and RTD-CAM functions. Plans are being laid to complete this portion in July.

Staff provided continuing support to the ongoing NERC and NPCC investigation process in the MEN Benchmark analysis and participation in NERC investigation review teams as they develop the detailed technical report and recommendations. Staff is working with the SPAS in follow-up activities refining data and analysis, and developing responses to the NERC Recommendations and remedial actions, as well as continuing "what if" analyses. Operations Engineering presented a summary of the Summer 2004 Short Circuit Assessment and the Voltage Assessment Study for Athens to the SOAS at their June meeting. After discussion, the SOAS forwarded both reports to the Operating Committee for approval. Staff performed additional analysis for the Operations Reactive study, including sensitivity analysis on the cases for selected Reactive study zones using the ISO-NE OP-17 method, which included the EHV transmission facilities in the study zones. A comparison of the results with the existing NYISO Reactive study analysis was presented at the SOAS June meeting. Staff reviewed 71 generator tests for Voltage Support Service using the providers' test reports and confirming the submitted data with NYISO real-time data. NOAA/SEC reported 1 Kp=5 event forecast during the month; there were no actual observations of Kp=5 or greater during the period. This was the lowest overall activity level during the past year. During the month, two events resulted in excursions of more than 30 MHz or a loss of greater than 1,000 MW.

Market Operations and Power System Operations continue meeting with IT to create a SMD2 hardware platform that Operations can use and control to continue implementation of the ISO state estimator function and other operational tools. Configuration and access to the hardware is still being completed. Several RANGER-in-a-Box systems have been configured and are being verified for Market Operations use. Market Operations staff continues work on the SMD2 Common Information Model network data and the database load process on the RANGER system. A weekly meeting to discuss and prioritize SMD2 network modeling data work has been established with representatives from Market Operations, Power System Operations, Dispatcher Training, and Information Services. Market Operations staff conducted the first two sessions of the SMD2 Day-Ahead Market Trials. The first session had incorrect settings of the SCUC parameters that caused solution problems and forced the session to be expanded to a third day. The second session was completed in the two-day time window. In June, scheduling staff processed 478 requests for generating unit DMNC testing and unit maintenance outages, confirmed 2,429 external control area transactions in the Day-Ahead Market checkout, and scheduled 602 NYS transmission facility maintenance outages.

The following table shows the number of reserve activations and the number that did not result in crossing zero, and the number of alert states in the current and past two years.

	2002			2003			2004		
	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing
January	5	9	0	30	24	10	36	21	6
February	20	24	3	23	21	5	15	7	3
March	24	31	6	24	10	7	25	24	2
April	25	25	9	16	24	2	17	9	1
May	11	19	2	10	13	2	29	15	4
June	13	14	3	15	12	2	24	8	5
July	66	33	41	12	18	1			
August	25	10	12	24	22	4			
September	23	20	9	12	6	0			
October	28	24	11	25	21	3			
November	25	26	4	17	12	3			
December	32	27	8	40	16	4			
<b>Totals</b>	<b>297</b>	<b>262</b>	<b>108</b>	<b>248</b>	<b>199</b>	<b>43</b>	<b>146</b>	<b>84</b>	<b>15</b>

**Attachments**

Attachment 2-A, NERC Control Performance Standard

### **3. Market Services**

#### **Management Summary**

##### Customer Relations:

During the month of June, 2004, one new customer was added, making the total number of NYISO Customers 229.

As part of our effort to support our Customers, the NYISO is tracking responsiveness to customer inquiries. For 2004, the Customer Relations goal has been set at 95%. For June, the Customer Resolution Survey was sent out with 107 answers to Customers' inquiries, no responses were received. Therefore, a 100% rate was achieved for the month. (See Attachment 3-A.)

Another of Customer Relations' goals is to trend the backlog of open inquiries. Attachment 3-B is a graph of open and closed tracking tickets, Attachment 3-C shows the length of time that tickets have been open, and Attachment 3-D shows the number of days that inquiries have been open as of the end of June.

During the month, Customer Relations continued meeting with Customer organizations as part of efforts to learn more about our Customers' businesses and their objectives for interactions with the NYISO. Four Customer visits took place in June.

##### Customer Technical Services:

This month's significant communications to Market Participants included the announcement of SMD 2 market trials; the release of an SMD 2 Market Exercise Guide; the announcement of a data recording error and associated market issues in the TCC database; enhancements to the E-Tagging system; the distribution of the June issue of the NYISO Insider; the posting of a revised version of the Transmission Services Manual; and the release of a brochure that delineates the benefits of the DSS.

CTS staff participated in the Issue Management Committee (IMC), the Issue Resolution Team (IRT), the Committee Coordination Team (CCT), and the Compliance Task Force. CTS also participated in the Market Structures Working Group and the Scheduling & Pricing Working Group, and the Generator Issues Task Force.

CTS Met with ISO-NE on Virtual Region Dispatch (VRD).

CTS met with representatives of the Edison Electric Institute (EEI) to discuss their Whole Market Guide project. CTS will assist EEI in revising future editions of the NYISO guide.

CTS staff revised Technical Bulletins 27 and 127. CTS drafted new Technical Bulletins on SREs and external transaction settlement rules.

CTS work on technical documentation including the ICAP Market Automation User's Guide, version 2.0 of the DSS User's Guide, and completed updating the MPUG. In addition, CTS developed version 4.07 of the *Guide to Market Rules*, developing a new and separate volume for all references. CTS also revised the Guide to Market Rules and the Technical Bulletins for RTS deployment.

CTS prepared an FRS and SDS for project A740 Documentum. CTS participated in knowledge transfer sessions with NYISO's Documentum vendors.

CTS completed and issued two separate web traffic reports – a weekly analysis posted on our intranet site, and a monthly, in-depth analysis. CTS staff continued to work with web team to prototype graphic displays of real-time information. In addition, CTS created an Intranet page for tracking Market Services' 2004 Strategic Objectives.

CTS started its Key Stakeholder Survey and two interviews were completed in June.

CTS staff attended a two-day AMA course on Time Management.

CTS participated in the following R&D related activities: explained NYISO research needs to representatives of Los Alamos National Labs and UALBANY School of Business; attended Northeast Hydrogen Alliance workshop.

#### Product Development:

##### ◆ Market Issues:

- PD staff (Kranz) participated in the Generator Dispatch Improvement Seminars, responding to the persistent dragging issue. The conference was well attended by plant managers, operators and bidding staff from major generation facilities in NY.
- PD (Kranz) is working with DSS technical staff to develop a daily report on dragging; intent is to deploy this report in early July.
- PD (Kranz) worked with IT Market Design staff to review the proposed generic implementation plans for external controllable lines and finalized a presentation to be discussed with MPs at the next S&P meeting.
- PD staff (Kranz) participated in meetings with ISO-NE and PJM to review current issues with the E-tag integration deployment and future E-tagging enhancements.
- PD staff (Kranz, Lawrence) updated the monthly seams reports for BIC, MC and BOD and revised the quarterly report to FERC.
- Dave Lawrence gave a presentation on NYISO Market Design at the Critical Issues in Energy Procurement and Use Conference in NYC on June 14.

##### ◆ Demand Response Programs:

- PD staff (Breidenbaugh) presented the NYISO demand response programs at the Building NY Conference in NYC.
- PD staff (Breidenbaugh) represented NYISO at the DOE/IEA Demand Response Coordinating Committee in Washington, DC.
- At the June 4 Management Committee the proposal for extending DADRP was approved unanimously.
- PD staff (Breidenbaugh) provided a briefing to TOs via conference call on the state of summer demand response readiness.

##### ◆ SMD2:

- PD staff (Lemme) published the SMD2 Market Exercise Guide, providing market participants with detailed instructions for participating in the SMD2 Market Exercises.
- PD staff (Lemme) presented an SMD2 Market Exercise tutorial as part of the SMD2 training sessions.

##### ◆ ICAP:

- PD staff (Charlton) working with Levitan and Associates to complete the demand curve GT cost study. Schedule calls for posting a preliminary draft report on July 9 and a final draft posted on July 21 for ICAPWG discussion.
- Also looking to address DMNC testing and ICAP forward market design following the completion of the demand curve discussions.

#### 2005 Project Reviews

Most of the potential 2005 projects have been reviewed by the Issues Management Committee (IMC); a draft set of recommendations has been circulated to IMC and will be reviewed at the July 7 meeting.

## Resource Adequacy

### ◆ Resource Reliability:

Staff completed the July 2004 monthly ICAP and Spot Market Auctions. LTI, the UCAP Automation project contractor, completed the final iteration of construction. A "final" build of the application is in progress. The 90-day warranty period will commence upon the satisfactory completion of this build.

### ◆ Transmission Congestion Contracts:

The July 2004 Reconfiguration Auction was canceled due to an issue related to the sale of excess system capacity in previous Capability Period auctions. Staff worked with LECG to resolve the sale of excess system capacity issue and provided LECG with the line outage distribution factors through May 2004 necessary to allocate the DAM congestion rent shortfalls due to transmission outages

## **Look Ahead**

### Customer Technical Services:

- CTS will release new Technical Bulletins regarding Local Reliability Rules, the rules regarding external transactions and SREs. CTS will draft new Technical Bulletins on the Cross Sound Cable Crossing Interim Solution and the elimination of grouped units. CTS will issue revised versions of Technical Bulletins 27, 75, 76, and 127.
- CTS will continue to provide documentation for the UCAP Automation project.
- CTS will continue work on version 2.0 of the DSS User's Guide.
- CTS will prepare VRD pilot white paper.
- CTS staff will continue to work on the Web portal FRS and graphical displays
- CTS staff will tabulate data for second Strategic Performance Report.
- CTS will take minutes at the July BIC and attend the CCT, IMC, and IRT.
- CTS will tabulate and report the results of the WelcomeHome survey to Project Management
- CTS will continue work on the Key Stakeholder Survey
- CTS will begin Fall 2004 survey preparations and meetings
- CTS will continue working on R&D intranet web site for deployment in July.

### Product Development:

- IMC to complete its review of 2005 projects.
- ICAP WG to complete discussions on the demand curve in July.
- Plans are to deploy the generator dragging report for market participant viewing in early July.
- NYISO, PJM and ISO-NE will finalize the quarterly seams report update for FERC.

## Resource Adequacy

### ◆ Resource Reliability:

Complete the regular monthly ICAP auctions for August, including the Spot Market Auction. Work with the UCAP Automation project vendor and NYISO Quality Assurance Department to test the UCAP automation application.



♦ Transmission Congestion Contracts:

Provide the analyses required to resolve the TCC auction issue related to the sale of excess system capacity. Conduct an "Indicative Auction" to determine the cost of correcting the TCC auction issue. Complete the August 2004 TCC Reconfiguration Auction. Assist third parties in their review of the current process flows related to the TCC auctions.

**Attachments**

- Attachment 3-A, Customer Resolution Survey
- Attachment 3-B, Tickets Open, Tickets Closed as of End of June 2004
- Attachment 3-C, Open Tickets by Month 2004
- Attachment 3-D, Number of Tickets Open by Days June 2004

## 4. Corporate and Market Risk Management

### Management Summary

#### Risk Assessment:

The Enterprise Risk Management (ERM) department continued to provide reports to the CEO and Board Audit and Compliance Committee. Staff continued the process of monthly risk assessment reports and prepared accompanying recommendations. The internal risk committee met in June to review the progress of the program, assess risk exposure, and measure the effectiveness of mitigation efforts.

The ERM department assumed responsibility for the corporate risk insurance management program in May. Several meetings were held with insurance underwriters and work commenced on insurance policy renewals.

#### Industry Affairs

- NAESB Seams Issues:

NAESB submitted the Seams Catalog to FERC in June. This is intended to be an informational filing from NAESB, in response to Chairman Wood's letter to NAESB dated November 14, 2003. The Seams Catalog submission reflects the activities of the NAESB Seams Subcommittee from its inception in the summer of 2003 to the approval of its Seams Catalog by the NAESB/NERC/ISO-RTO Council (IRC) Joint Interface Committee ("JIC") on February 18-19, 2004. While the JIC's 'assignments' indicate consensus, a formal request for standards development must be made and reviewed by the JIC before actual standards development activities are initiated.

NAESB has repositioned its Seams Subcommittee to focus on standards development activity. The Subcommittee has identified three high priority areas that it feels are appropriate for NAESB business practice standards development. The high priority groupings are: Transmission Services, Transaction Scheduling, and Market Standards. NAESB has begun to draft formal requests for standards for those areas. The goal is to have the requests reviewed by the NAESB Triage Committee, the NAESB WEQ EC, and the JIC so that the Subcommittee can begin drafting standards by the end of 2004.

- NERC Standards Development and Review:

NERC's effort to convert existing reliability standards to a new baseline Version 0 began in May. NERC's goal is to develop a "Version 0" baseline set of integrated reliability standards translated from the existing requirements and measures by February 2005. The Drafting Team completed its work on the first draft of the new standards. These will be posted for the first round of industry comments in early July. NYISO staff reviewed the Version 0 plan and process with the NYSRC on July 1.

NYISO coordinated consensus positions and comments with the ISO/RTO and NPCC groups on the following NERC draft Standards and SARs:

- Standard 100, *Coordinate Operations Standard*, 2nd draft
- Standard 300, *Balance Resources and Demand*, Version 2
- Standard 500, *Assess Future Transmission Needs...*, 2nd draft SAR
- Standard 1900, *"Transmission System Vegetation Management,"* 1st draft SAR

#### Internal Audit:

During June, audit reports were issued for:

- LECG Oversight
- Congestion Balancing
- Storm Contingencies

Project Process Scorecards were issued for:

- Billing Simulator – Project Process
- SMD2.0 (Standard Market Design) – Project Process (continuing review)

Draft reports and/or report reviews were in progress for:

- IT External Penetration
- IT Internal Penetration
- MIS Application Security
- Voltage Support – account accuracy

Fieldwork and/or planning were in process for reviews of:

- Cash Management
- Enterprise Risk Management
- ICAP Commitment and Monitoring
- Issues Management
- KPMG Billing Issues Recommendations
- Monthly Billing
- NY State Reliability Council
- Price Validation
- Reliability Cost Allocation – account accuracy
- Web-Based Reconciliation – stress testing – focused review

The January through November 2004 SAS 70 Type 2 audit scope period is underway, all subject to review by KPMG, the SAS 70 external auditors.

Monitoring of Year 2004 Corporate Incentive Goals continued during June.

#### Market Monitoring:

- Market Review for June 2004:

Prices in the Day-Ahead Market (DAM) and Real-Time (RT) Market decreased slightly this month relative to last month, due largely to decreases in fuel prices despite slightly higher loads. While LBMP decreased for the month, uplift increased.

#### *Prices:*

The June 2004 Average Monthly MWh cost was \$63.75/MWh, down slightly from \$63.92/MWh last month. The Year-to-Date (YTD) Average Cost of \$63.29/MWh in June 2004 is lower than the June 2003 YTD price of \$67.47 (Attachment 4, Table 4-B).

LBMPs in the NYCA decreased in all markets from May 2004 to June 2004. Prices in all three markets, however, are higher compared to June 2003. The load weighted average DAM price dropped from \$57.25/MWh in May 2004 to \$55.03/MWh in June 2004, a decrease of 3.9%. The load-weighted RT price decreased from \$56.20/MWh in May 2004 to \$54.03/MWh in June 2004, a decrease of 3.9%. (Table 4.1 below and Attachment 4, Table 4-E).

Table 4.1 Monthly Price Summary

	June 2004		
	DAM LBMP	HAM LBMP	RT LBMP
Price	\$55.03/MWh	\$59.15/MWh	\$54.03/MWh
Standard Deviation	\$17.82/MWh	\$24.50/MWh	\$23.42/MWh
Load-weighted Price	\$58.29/MWh	\$63.17/MWh	\$58.01/MWh
Percent change over May 2004	-3.9%	-3.0%	-3.9%
Percent change over June 2003	+7.0%	+9.9%	+10.3%

Uplift increased this month from \$23,701,180 in May 2004 to \$42,166,997 in June 2004. Although many of the categories have changed from last month, most of the change stems from increases in the Bid Production Cost Guarantee, Balancing, and Local Reliability Balancing (Attachment 4, Chart 4-C).

*Transactions:*

Most energy transactions were either internal bilaterals (44% this month, down from 45% from last month) or LBMP purchases (54% this month, up from 53% last month). The percentage of DAM transactions decreased from 97.2% in May 2004 to 97.0% in June 2004 (Attachment 4, Table 4-D).

*Sendout:*

The June 2004 sendout was 13,535 GWh. The June 2004 daily average sendout of 451 GWh/day was higher than the May 2004 daily average sendout of 408 GWh/day (Table 4.2 below). June 2003 had an average daily sendout of 432 GWh (Attachment 4, Table 4-D).

Table 4.2 Monthly Summary Comparisons

	June 2004	May 2004	April 2004	March 2004	February 2004
Monthly Peak (Hourly Load): MW	28,433	24,061	20,370	22,140	22,944
Average Daily Sendout: GWh	451	408	393	416	440
Percent change over the previous year	+4.4%	+6.8%	0%	-0.5%	-2.2%
Monthly Sendout: GWh	13,535	12,649	11,796	12,910	12,746

*Fuel Costs:*

Fuel prices moderated this month relative to the prices last month. However, fuel prices are higher relative to prices in June 2003. Kerosene prices saw the largest decrease (8.5%) relative to May 2004, followed by No. 6 Fuel Oil, Natural Gas and No. 2 Fuel Oil (decreases of 3.5%, 2.0% and 1.7% respectively).

Kerosene is showing the largest price increase relative to June 2003 (an increase of 34.9%), followed by No. 2 Fuel Oil, No. 6 Fuel Oil and Natural Gas (increases of 30.2%, 15.7%, and 7.8% respectively). All fuel prices are stated in \$/MMBtu (Table 4.3 below).

Table 4.3 Summary of Fuel Costs for May 2004

	No. 6 Fuel Oil	Natural Gas	No. 2 Fuel Oil	Kerosene
Price:\$/MMBtu	\$5.24	\$6.68	\$7.08	\$7.76
Change from May 2004	-3.5%	-2.0%	-1.7%	-8.5%
Change from June 2003	+15.7%	+7.8%	+30.2%	+34.9%

*Ancillary Services:*

DAM 10-Minute Spinning Reserve prices decreased by 41.6% in the East and West from June 2004 to May 2004. On a year-to-year comparison, June 2004 DAM 10-Minute Spinning Reserve prices are down 72.9% in the East and West, compared to June 2003 prices.

DAM Regulation prices are down 1.0% this month compared to May 2004. Compared to June 2003, the DAM Regulation prices are down by 44.7% (Attachment 4, Chart 4-W and Table 4-X).

- Price Reservations and Corrections:

The percentage of hours reserved decreased this month, as did the percentage of intervals corrected. The percentage of hours reserved this month was 10.7%, down from 16.5% in May 2004. The percentage of intervals corrected decreased from 1.9% in May 2004 to 1.4% this month. There were six days without price corrections during June (Attachment 4, Table 4-Q and Chart 4-R).

- Investigation and Physical Audit:

During the month of June 2004, no investigations were requested, none were opened, and three audits were closed. The table below presents the audits conducted by the investigation unit since inception.

Table 4.4 MMP Historical Audit Summaries

	2001	2002	2003	2004	Total
<b>Topics</b>					
Derates & Outages	1	16	7	8	32
Reporting Verifications		1	4	4	9
Parameter Verifications		1	4	6	11
Reserve Shutdowns			8		8
Scheduling			1		1
Other	0	0	0	1	1
<b>Total</b>	<b>1</b>	<b>18</b>	<b>24</b>	<b>19</b>	<b>62</b>
<b>Business Type</b>					
Generator	1	14	19	12	46
Transmission Owner		4	1	3	8
Load w/curtailment			4	4	8
<b>Total</b>	<b>1</b>	<b>18</b>	<b>24</b>	<b>19</b>	<b>62</b>

- Mitigations and Penalties:

The Statewide DAM Automated Mitigation Procedure (AMP) did not arm during May 2004. The In-City DAM AMP occurred on 18 days in June 2004. Attachment 4, Chart 4-Y shows the levels of committed unit hours mitigated In-City. The percent of unit hours mitigated has remained the same at 8% in June 2004 from 8% in May 2004.

In-City RT Mitigation operated on all days this month. There were no other mitigations during June 2004.

## **Look Ahead**

### **Risk Assessment:**

Staff continues to incorporate more prospective analysis into risk reports. Staff is also working on a continual process improvement program that includes a real-time risk response capability and enhanced risk awareness across the NYISO. These enhancements will continue to be implemented throughout 2004.

Insurance renewal applications will be completed in July and staff will meet with more underwriters.

### **Market Monitoring:**

MMP is supporting the current market trials for SMD2 by reviewing all mitigation processes to insure they are functioning correctly. MMP have also contacted generator owners who have not provided the required data for updating reference prices for the summer capability period.

## **Attachments**

- Attachment 4-A: Daily NYISO Average Cost/MWH (Energy & Ancillary Services)
- Attachment 4-B: NYISO Average Cost/MWH (Energy and Ancillary Services)
- Attachment 4-C: NYISO Dollar Flows – Uplift -OATT Schedule 1 components
- Attachment 4-D: NYISO Market Transactions
- Attachment 4-E: NYISO Markets 2003-2004 Energy Statistics
- Attachment 4-F: NYISO Monthly Average Internal LBMPs
- Attachment 4-G: Zonal Statistics for NYISO (\$/MWH)
- Attachment 4-H: West Zone A Monthly Average LBMP Prices 2003-2004
- Attachment 4-I: Capital Zone F Monthly Average LBMP Prices 2003-2004
- Attachment 4-J: Hudson Valley Zone G Monthly Average LBMP Prices 2003-2004
- Attachment 4-K: NYC Zone J Monthly Average LBMP Prices 2003-2004
- Attachment 4-L: Long Island Zone K Monthly Average LBMP Prices 2003-2004
- Attachment 4-M: DAM and RT Zonal Unweighted Monthly Average LBMP Components
- Attachment 4-N: External Comparison ISO-NE
- Attachment 4-O: External Comparison PJM
- Attachment 4-P: External Comparison Ontario IMO
- Attachment 4-Q: NYISO Price Correction Statistics
- Attachment 4-R: Percentage of Real-Time Corrections
- Attachment 4-S: NYISO Virtual Trading Average MWh per day
- Attachment 4-T: Virtual Load and Supply Zonal Statistics
- Attachment 4-U: NYISO Multi-Hour Block Transactions Monthly Total MWh
- Attachment 4-V: NYISO Monthly Average Ancillary Service Prices, DAM 2003-2004
- Attachment 4-W: NYISO Monthly Average Ancillary Service Prices, BME 2003-2004
- Attachment 4-X: NYISO Markets 2003-2004 Ancillary Service Statistics
- Attachment 4-Y: NYISO In City Mitigation (NYC Zone) 2003-2004 Percentage of committed unit-hours mitigated
- Attachment 4-Z: NYISO Average Daily Load Bid Summary
- Attachment 4-AA: NYISO LBMP Zone Map with Super-zones
- Attachment 4-AB: 2004 Corporate Goals and Objectives

## 5. Strategic Development

### Management Summary

#### Business Planning

- Business Plan and Incentive Goals:

The 2004 Business Plan and Incentive Goals are being implemented and monitored, with progress reports going to Senior Management. Development of the 2005 Business Plan is underway. Staff has met with the BS&P Subcommittee to discuss Market Participant suggestions for NYISO's 2005 Incentive Goals.

- Strategic Plan:

The Five-Year Strategic Plan is being implemented; monitoring and analysis of 2004 activities is continuing. The Senior Management Strategic Committee (SMSC) continues to review progress on the plan and discuss 2005 activities.

#### System & Resource Planning

- ◆ Resource Adequacy:

Presented draft white paper titled "Adjusting for the Current Overstatement of Resource Availability in Resource Adequacy Studies" to the NYSRC Installed Capacity Subcommittee. Presented a report titled "Annual Assessment of Resource Adequacy – Covering the New York Control Area - For the years 2004 – 2007" to the RCMS of the NYSRC. Assisted NPCC's CP-8 working group in completing the final draft of "Review of Interconnection Assistance Reliability Benefits".

Provided an additional round of preliminary results of alternate locational requirements methodology. 2005 Installed Reserve Margin study base case MARS runs are underway. An updated four-zone model of New England was constructed and tested. This model has been rejected by the ICS due to the uncertainty surrounding the modeling of southwest Connecticut.

#### Transmission Planning:

The Initial System Planning Study report is still under review. The proposed Comprehensive Planning Process was approved by the Operating Committee. Staff completed reviews of the studies for the RG&E Ginna Upgrades and Chautauqua Wind Power projects, and those studies are going up to TPAS. Staff is also reviewing the study for the LIPA Wading River Emergency Generation project. A settlement was reached on the Class 2001 cost allocation and was filed with the FERC. The settlement includes a "catch up" plan to address subsequent Class Year cost allocations that have been on hold during the settlement process. Notices were sent to Developers and Transmission Owners regarding the pending changes to the NYISO Interconnection Process and how their projects may be affected. The notices also requested updates of the statuses of projects. Work on the 2004 New York Area Transmission Review is in progress. A proposed scope for the next NPCC Overall Transmission Study was prepared by the TFSS and will be submitted to the RCC for approval. The Overall Study will address some planning issues from the August 14 blackout. Staff continues to participate in NERC/MEN/NPCC conferences and study activities related to the August 14 Blackout. Work on Phase 2 of the NYISO/NYSERDA Wind Generation Integration Study continues. The ISOs approved the Northeastern ISO/RTO Planning Coordination Protocol. Staff is reviewing the transfer limits to be used for the next Statewide Installed Reserve Margin (IRM) Study.

◆ Load Forecasting:

The June Day-Ahead forecast average absolute error for the NYCA peak was 2.47% and the weather-adjusted error was 2.04%. Corresponding year-to-date numbers are 2.21% and 2.02%, respectively. Revised models were sent to Market Operations for evaluation. One set of revised models featured an OLS specification for the peak model. Another set had the OLS peak specification incorporated in the linear node of a neural network specification. Another set of models is under development.

Manpower allocations for the various Load Forecasting responsibilities were developed.

Tracking of the ISO-New England and PJM day-ahead forecast errors was begun.

Staff is participating in the evaluation of the RTS forecasting components.

Staff is participating in developing reliability region-specific bandwidths for the NERC LFWG.

Work continues on revising the Load Forecasting Manual.

Series of weather-normalized sendout and summer and winter peaks are being developed for super zones. Zones A – E will be the West, F – I, the East. J and K will remain separate.

## **Look Ahead**

### **Business Planning**

Drafts of the 2005 Incentive Goals and 2005 implementation of the Strategic Plan will be developed over the summer months. Staff will meet with the BS&P regularly to discuss the 2005 Incentive Goals drafts.

### **System & Resource Planning**

◆ Resource Adequacy:

Continue to prepare data for use in 2005 IRM study and conduct MARS runs. Work with ICS on 2005 study methodology (joint with locational study) and assumptions. Work with PJM to obtain a resource adequacy representation of their system. Prepare rough draft of "Interim Review of Resource Adequacy Covering the New York Control Area For the years 2004 – 2006". Submit white paper on overstatement of resource availability to the NYSRC executive committee and work to resolve any outstanding issues.

◆ Transmission Planning:

Address comments on the Initial System Planning Study and finalize the report. Present the proposed Comprehensive Planning Process to the Management Committee. Continue to provide assistance and review of studies for proposed new interconnections. Continue preparations to implement the new interconnection procedures outlined in the NYISO's compliance filing. Prepare to implement the Class 2001 settlement agreement upon FERC approval. Continue analysis for the 2004 New York Area Transmission Review. The NPCC SS-37 Working Group to begin work on the NPCC Overall Transmission Study upon RCC approval of the scope. Continue work on the August 14 blackout investigation and follow up on the Joint Task Force blackout recommendations. Continue Phase 2 of the NYISO-NYSERDA Wind Generation Integration Study.



◆ Load Forecasting:

New models for the day-ahead forecast will be developed and tracked vs. the production models.

Revision of the Load Forecasting Manual will continue with participation by the Load Forecasting Task Force.

Staff will participate in developing regional bandwidths for the NERC regions.

Development of regional weather normalized sendout and peak will be completed.

**Attachments**

Attachment 5-A, NYISO Daily Peak Load

Attachment 5-B, Day-Ahead Forecast (Weather-Adjusted) Performance Tracking

Attachment 5-C, Plot of 12-Month Moving Total of NYCA Weather Adjusted Energy Sendout

Attachment 5-D, Plot of Weather Adjusted 12 Month Moving Total Energy Sendout Annual Percent Change

Attachment 5-E, Plot of 12 Month Moving Total of NYCA Energy Sendout and Effective Degree Days for 10 years

Attachment 5-F, Plot of 12 Month Total Energy Sendout Annual Percent Change for 10 Years

## 6. Regulatory Affairs and General Counsel

### Management Summary

NYISO made 12 FERC filings, one U.S. District Court of Appeals filing, and one letter to the New York Public Service Commission in support of an ALJ recommendation in June 2004. A group of Market Participants filed a complaint against the NYISO. A FERC ALJ filed a report regarding a settlement process. FERC issued three substantive and one letter order regarding NYISO dockets. Listings of the NYISO-related regulatory filings and FERC orders issued in June are included as Attachments 6-A and 6-B.

#### NYISO filing of Compliance Report on Demand Response Programs and the Status of New Generation resources in the NYCA (ER01-3001-010) – Filed June 1, 2004

The NYISO reported that its three demand response programs for the Summer 2004 Capability Period will continue to be: the Emergency Demand Response Program (“EDRP”), the Day-Ahead Demand Response Program (“DADRP”), and Installed Capacity Special Case Resources (ICAP/SCR). The demand response programs were not called upon during the 2003/2004 Winter period. Therefore, the demand response program portion of this report focused on changes planned for the programs for 2004, including preparations for the Summer 2004 Capability Period and information concerning the current registration status for the programs and the NYISO’s plans for developing a mechanism for incorporating demand response programs into the New York reserves markets. Similar to prior report formats, the NYISO’s report on the status and progress of developing new generation resources in New York in this filing includes three tables of data: forecast load and capacity data; generation-related proposed transmission interconnection projects; and NYPSC Article X proceedings.

#### FERC Order Conditionally Accepting the NYISO’s January 7, 2004 Creditworthiness Compliance Filing and Its March 29, 2004 Report on a Stakeholder Process for Settlement and Credit Procedures (ER03-552-006/007/008 and ER03-984-004/005/006) – Issued June 2, 2004

FERC accepted the NYISO’s proposed ten day exposure from prepaying customers, but rejected the NYISO’s tariff language explaining that it required the prepaying customer to provide collateral that is based on an assumption that the variance between the estimated and actual daily prepayment amount is 100 percent. FERC required the NYISO to make a compliance filing supporting the amount of money required for the ten days of exposure. FERC also required the NYISO to file revisions so that the true-up collateral provision of the Operating Requirement for prepayment customers includes only the difference between the total amounts provided by the prepayment customer (*i.e.*, the sum of the prepayment amount and the ten days of collateral) and its true-up exposure. FERC accepted the NYISO’s report, which described its review of whether there are other ways to decrease collateral requirements through more flexible settlement options. However, FERC expressed concern that the NYISO is not fully using the stakeholder process in regard to creditworthiness issues and required the NYISO to make full use of the stakeholder process and to file a status report on its progress within 180 days of the date of this order.

#### NYISO Compliance Filing Regarding the RTS Default Bid Rule for Operating Reserves (ER04-230-005) – Filed June 7, 2004

The NYISO’s RTS filing had originally proposed that if a Supplier offers resources in the Day-Ahead Energy Market that are capable of providing Operating Reserves, but does not submit an Availability Bid for Operating Reserves, the resource would have been assigned a Day-Ahead Availability Bid of \$0/MWh up to the quantity of capacity that it made available to the NYISO in its Day-Ahead Bid (“the default bid rule”). Pursuant to FERC’s May 7, 2004 Order, the NYISO submitted tariff revisions that replace the default bid rule with a rule that will automatically reject Day-Ahead offers from Suppliers bidding ISO-Committed Flexible or Self-Committed Flexible capacity if those offers do not include a Day-Ahead Availability Bid for Operating Reserves.

NYISO Filing of a Non-Financial Settlement Agreement Regarding the Keyspan Complaint Concerning Cost Allocations for New Interconnection facilities (EL02-125-000/001) – Filed June 14, 2004

The NYISO submitted a Settlement Agreement that addresses non-financial issues for future interconnection cost allocations. A separate Financial Settlement was made by non-NYISO parties contemporaneously with this filing. Upon approval of the Settlement Agreement by FERC, the NYISO will: file revisions to OATT Attach S to incorporate described modifications; modify the Transmission Expansion and Interconnection Interconnection Manual to incorporate described modifications; and file further amendments to provide resumption of the cost allocation process. ConEd and the NYSIO will develop training for NYISO staff on specific topics within six months and the NYISO will submit two separate reports to FERC concerning this training. The NYISO will also start a stakeholder process within 90 days to examine Attachment S issues including: limitations on a generator's ability to opt out of a Class Year while remaining in commercial operation; the reallocation of costs due to a developer's change in their project; and recovery of cost increases by a TO above costs developed by the NYISO.

NYISO Filing of Tariff Revisions to Add a Component for Wholesale Transmission Service Charges to the Operating Requirement Under the Customer Creditworthiness Requirements and to Clarify the Unsecured Credit Starting Point for Certain Affiliated Municipal Electric Systems. (ER04-932-000) – Filed June 16, 2004

This NYISO filing proposed tariff revisions to add a Component to the Operating Requirement so that certain transmission charges currently billed and collected by TOs will be addressed by the NYISO's customer creditworthiness requirements. These revisions will provide necessary protection from default for the transmission charges due to the TOs and clarify the NYISO's authority to terminate customers who fail to pay certain transmission charges to TOs. The revisions also seek to clarify that, upon qualification, the Unsecured Credit starting point for certain affiliated municipal electric systems is the aggregate of the Unsecured Credit starting points of its individual members.

NYISO and Transmission Owners Joint Filing to Eliminate Rate Pancaking on Exports From New York to New England (ER04-943-000) – Filed June 21, 2004

The NYISO and the New York (NY) TOs submitted revisions to the OATT to eliminate the charges the NYISO currently imposes on exports to the New England Control Area. The elimination of the export charges will take place on the same date on which the New England transmission owners and ISO-NE eliminates similar charges on exports to New York. The NYSIO and NYTOs also stated they are prepared to eliminate the fees on exports to other regions as soon as those regions eliminate their charges on a reciprocal basis on exports to New York. The support of the New York TOs for elimination of export fees to other regions is based upon the NYPSC's commitment that New York TOs will be allowed to recover through retail rates the revenues that would otherwise be received through those export fees.

Letter Orders: During June 2004, FERC issued one letter order accepting the NYISO's April 26, 2004, filing of revisions to the OATT to incorporate the resolution of the of a complaint regarding New York State Electric & Gas's wholesale transmission service charge (EL04-56-001).

Litigation Summary:

On June 9, 2004, the NYISO and other intervenors filed a brief in support of the FERC in the appeal entitled Edison Mission Energy, Inc. v. Federal Energy Regulatory Commission, Docket No. 03-1228 (D.C. Circuit) concerning the FERC's orders approving the NYISO's Automated Mitigation Procedure.

On June 22, 2004, in H.Q. Energy Services (U.S) v. New York Independent Operator, Inc. and PSEG Energy Resource & Trade LLC v. New York Independent System Operator, Inc., Docket Nos. EL01-19-000 and 001, and EL02-16-000 and 001, the FERC granted the NYISO's motion for a temporary waiver of the dispute resolution provisions of the NYISO's tariff and, in effect, stayed an arbitration brought by Aquila Energy Marketing Corporation pending the outcome of the ELR/ECA proceedings under the above dockets.

## **Look Ahead**

The NYISO is preparing FERC filings regarding: resolution of the TCC auction issue; credit policy compliance; ISO Agreement modifications regarding sector membership; self-supply option compliance; and a 12 month report on the 10-minute non-synchronous reserves market.

## **Attachments**

Attachment 6-A, NYISO Regulatory Filings – June 2004  
Attachment 6-B, NYISO related FERC Orders – June 2004

## 7. Committee Activities

### Management Summary

Management Committee (MC): The MC met on June 4, 2004 in New York City.

- The MC voted to eliminate TSCs and NTACs for Exports and Wheel-Throughs to New England on a reciprocal and unconditional basis.
- The MC also approved a recommendation from the BS&P Subcommittee changing the RS1 allocation from 85/15 to 80/20.
- Con Ed's appeal of the decision by the OC to amend the SRIS for the Mott Haven Substation and the original scope for the SRIS were approved.

Business Issues Committee (BIC): The BIC met on June 16, 2004.

- The membership approved a motion requiring the ISO to provide notice to the market place of model changes that will impact the Day-Ahead and Real-Time Markets.

Operating Committee (OC): The OC met on, June 18, 2004 and a special meeting was held on June 30, 2004.

- On June 18, the OC voted to approve the LIPA Mobile Generators at Wading River Substation Study Scope.
- At the special meeting on June 30, the OC unanimously approved the NYISO Comprehensive Reliability Planning Process as presented.

New York Reliability Council (NYSRC):

- Review of LCR/IRM Methodology:

LCR Definition – The Executive Committee (EC) reviewed the Locational Capacity Requirements Methodology developed jointly by ICS and the NYISO as background information regarding the relationship between Statewide IRM and Locational Capacity Requirements (LCR) at a constant LOLE of .1days/year. Historically, the established LCRs fell on the curve at a point such that increasing the LCR would not result in a lowering of the Statewide IRM. This year, the joint ICS/NYISO Working Group has found that increasing the LCR will result in a lower IRM, e.g., the IRM is no longer minimal at the current levels of LCRs. Mr. Dahl explained that, at this stage in the development process, ICS/NYISO is looking for the Committee's concurrence to pursue a definitive means of establishing LCR once the NYSRC determines the IRM, e.g., a specific Point or "anchor" on the IRM vs. LCR curve. It was also noted that there are other reliability metrics to consider, e.g., providing improved zone reliability and identifying benefits of building transmission required to relieve constraints that impact reliability. Others reminded the EC that most reliability considerations have economic side effects and that NYSRC Policy NO. 5-0, Procedure for Establishing New York Control Area Installed Capacity Requirements, specifies LCR as a reliability measure and establishes the relationship between IRM and LCR at Section 3.5.5. Following lengthy additional discussion, it was determined that numerical information is needed before the Committee could offer informed guidance to the ICS/NYISO. Therefore, he requested that the ICS/NYISO provide the EC a table of IRM and associated LCR at a constant LOLE of .1da/yr. and the corresponding zonal contributions to LOLE.

## **Look Ahead**

### Management Committee:

- On July 7, the MC is scheduled to vote on the NYISO Comprehensive Reliability Planning Process.

### Business Issues Committee:

- At the July meeting, the BIC is expected to consider proposals related to PURPA scheduling under SMD2, BPCGs for reserve pickups, and a proposal related to GT gas penalties.

### New York Reliability Council (NYSRC):

- The next two meetings are scheduled for August 13, 2004 and September 10, 2004 respectively.

## **Attachments**

Attachment 7-A, MC Motions

## **8. Information Technology**

### **Management Summary**

The NYISO and ABB project teams performed the integrated testing portion of the Factory Acceptance Testing (FAT) on the ABB Business SMD2 software. The integrated tests mark the final testing exercises of the Phase 2a development cycle, and constitute tests to validate the system recovery, performance, and stability features of the new system. Most aspects of the integrated tests went well, however, some of the system performance scenarios were not successfully executed and will need to be re-run following the next software delivery from ABB. The areas of performance that did not pass are a small percentage of the overall system functions, and do not affect the base operation of the system.

ABB delivered a new software release that contained fixes to nearly all the Phase 2a software defects that were required for Market Trials, as well as many enhancements that were identified during the functional FAT exercises. By achieving this milestone by the contract date, ABB earned an incentive payment as defined in the milestone payment schedule of the contract.

The first of a series of Market Trial exercises were achieved on schedule in June. A simulation of the Day-Ahead Market was performed using Market Participant-supplied data and the new SMD2 software. The test constituted collecting a set of simulated bids, closing the Day-Ahead Market, running Security Constrained Unit Commitment (SCUC) software, and the posting of market results. A majority of the NYISO MPs participated, including all the major market players. The results were posted with only minor anomalies and the results were reviewed with MPs following the event. Customer Relations has actively tracked participation in the Market Trial, and has contacted all MPs that did not get involved to ensure their participation in future iterations.

The Inadvertent Energy Reporting Project (A688) completed Quality Assurance Integration Testing and was deployed to the Production System. This Project provides inquiry forms to compare external transaction schedules with metered external ties to come up with the inadvertent energy.

### **Look Ahead**

The SMD2 project team will perform one (1) additional Day-Ahead Market Trial and the first of three (3) Real-time Market Trials. The latter event will incorporate a simulation of the Day-Ahead Market, 24 hours of simulated real-time operation, and the production of a sample bill.

The Decision Support System (DSS) will be updated to include Alternate Data Delivery (ADD) functionality. This new feature will provide Market Participants with access to their settlement invoice data through the data warehouse, as opposed to the static data files that have been supplied in the past.

Legacy Production System Changes will be monitored and evaluated for deployment into the Production Systems. Changes will only be deployed to Legacy if needed. Ongoing activities to be geared towards SMD2 development and testing.

## **9. Human Resources**

### **Management Summary**

Five new employees and two new contractors were hired in June.

Total new employees hired for 2004 is 33; total new contractors hired is ten.

There were two terminations in June.

A total of 49 interviews (for both employee and contractor positions) were conducted in June. From these interviews, six external offers were made (five direct hire), one accepted, two rejected and three pending.

A 3 ½ day NYMOC session was conducted in June, with 56 people attending. This NYMOC session included the SMD2 operational information. Four new instructors delivered sessions: Michele Goyette and Elisabeth Steele from the HR & Training group, Tim Duffy from Customer Settlements, and Nicole Bouchez from Market Monitoring.

SMD2 transition acclimation sessions were conducted in Albany and Houston for Market Participants. Additional sessions will be conducted throughout the summer.

DSS introductory and intermediate courses were conducted during June.

The first two modules of the new corporate "Super-Vision" training program were conducted in June. This program, consisting of 14 modules, addresses the needs of newly appointed supervisors.

Fifty-Nine Power Plus Awards were awarded to employees in Corporate and Risk Management, IT, Market Services, Finance, Administration & Compliance, and Operations.

### **Look Ahead**

Scheduling and design of the 2004 Organizational Excellence employee programs is underway for delivery in the fall.



<b>DEPARTMENT</b>	<b>Current Staff 06/31/2004</b>	<b>Current Openings</b>	<b>Total Budgeted Employees 12/31/2004</b>
<b>Executive</b>	2	1	3
<b>Finance</b>	23	5	28
<b>Human Resources</b>	15	1	16
<b>Information Systems</b>	115	16	131
<b>Market Services</b>	46	1	47
<b>Operations</b>	76	6	82
<b>Strategic Planning</b>	14	0	14
<b>Corporate &amp; Market Risk</b>	40	3	43
<b>Government Affairs &amp; Communications</b>	6	1	7
<b>General Counsel</b>	7	1	8
<b>Regulatory Affairs</b>	5	0	5
<b>Administration &amp; Compliance</b>	21	0	21
<b>Total</b>	<b>370</b>	<b>35</b>	<b>405</b>

## **10. Government Affairs and Communications**

### **Management Summary**

#### Media Inquires and News Releases:

The NYISO managed 51 inquiries  
The NYISO issued 1 news release:  
"New York ISO Announces Solution to Major Seams Barrier"

#### Interviews & Presentations:

June 1, 8, 15, 22, 29 New England/DOE Summer Operational Conference Call Each Tuesday.  
June 9 B. Museler, Keynote Speaker, Association of Energy Engineers, Albany  
June 10 B. Museler, Keynote Speaker, Energy Bar Association of New York, NYC  
June 10 M. Calimano, Keynote Speaker, New York Power Supply Forum, NYC  
June 11 C. Murphy, Head of a Discussion Panel, New York Power Supply Forum, NYC  
June 16 K. Klapp, Schenectady Kiwanis  
June 25 Transmission Owners Communications Staff Summer Briefing

#### Government Affairs:

Jun 8 Briefing for Governor's Office

#### Tours:

Jun 18 Tour, Regulatory RTO/ISO Reps  
Jun 21 Tour, Insurance Underwriters  
Jun 28 Tour, Russia Trading System Administrator  
Jun 29 Tour, Sandia Labs

#### Internal Communications:

Web Site: 211 postings were added to the site, 32 Webmaster requests were resolved and 20 portal updates were made.  
June 22, Supported "All Hands" meeting including Wellness Program  
June 24, "The Independent" was published and issued.

### **Look Ahead**

Jul 1 Tour, NYPA Technical Training Class  
Jul 12 Tour, CFE Mexico  
Aug 2 Tour, Russian Utility Representatives

## **11. Finance**

### **Management Summary**

#### Budget:

2004 spending is tracking within budget. Detailed projections of spending to December 31, 2004 are currently being developed. The 2005 budget process will begin in July.

#### Credit Department:

The implementation of the new credit policy is on schedule. A Credit Policy Task Force meeting will be scheduled for mid-July to review the comments and/or questions submitted by Market Participants.

#### Market Settlements Activities:

The consolidated invoice issued in June 2004 represented the May 2004 Energy and ICAP charges, the May 2003, and January 2004 settlement adjustments, and the May 2002 final settlement.

#### Other Matters:

On June 4, the Management Committee approved a motion to amend the current 85%/15% recovery mechanism of Rate Schedule 1 to an 80%/20% allocation, effective January 1, 2005. NYISO staff will review the revised Rate Schedule 1 allocation with the Board of Directors in August. Pending Board approval, a FERC filing will be made shortly thereafter.

### **Look Ahead**

The next BSP meeting is scheduled for July 8. The topics of this meeting will be to review 2004 budget vs. actual results year to date, to continue discussions with NYISO Vice Presidents regarding future year budget projections, and to discuss options for consolidating NYISO's existing facilities.

NYISO's tax return, IRS Form 990, will be completed for the August 15 deadline. Staff is also drafting the first FERC Quarterly Report, Form 3-Q, which is due August 23.

### **Attachments**

- Attachment 11-A, NYISO Budget vs. Actual Analysis
- Attachment 11-B, Gross Revenue – Energy Market
- Attachment 11-C, Market Participant Energy Billings – Receivables
- Attachment 11-D, Market Participant Energy Billings – Payables

## 12. Administration and Compliance

### Management Summary

#### Facilities and Security:

Construction work continues on the Phase I security upgrades at the Carman Road facility. Interior framing is nearing completion, rough-in electrical and plumbing is completed, and exterior masonry work is finishing up. The Phase II security upgrades have started with removal of the existing earth berm and relocation of the soil to construct the new entrance walks. The Phase III site plan is being developed and will be presented to the Town of Guilderland for amendment to the existing Special Use Permit. The mid-term HVAC and UPS recommendations scheduled for completion for June 30, 2004 were completed on time. Rough-in work is in progress for the July 30, 2004 deadline, while awaiting arrival of equipment expected to arrive the week of July 12, 2004. Facilities staff, with assistance from Jerry Duda and Brian McCaffrey, has completed the input to the Phase II RE Lamb new facility study.

#### Contract Administration:

- Continued Work Statement and contract support for the critical HVAC and UPS infrastructure upgrades at PCC, Wolf Rd. and the Annex.
- RFP, review, and placement support for several departmental budgeted initiatives.
- Continued input and support of new facility planning and search process.
- Documentation, licenses, Work Statements, and compliance support across all departments.

#### Project Management:

Project Deployments in the Past Month:

During the month of June, one project was deployed.

#### A556 Inadvertent Package Replacement:

The scope of this project was to develop a replacement software application for an existing mainframe-based application called the Inadvertent Package that will be eliminated by the SMD2 project. The Customer Settlements department uses this application to reconcile the hourly schedule versus actual interchange values as well as the inadvertent energy (the difference between scheduled and actual) flowing on the tie lines with each external control area. The new application was successfully deployed on June 30.

Changes in the Projects Portfolio:

The table below summarizes the number of projects currently included in the Projects Portfolio.

Project Category	Previously Scheduled <sup>1</sup>	Completed	Additions	Currently Scheduled <sup>2</sup>
Priority Projects	46	3	0	43
Studies and Training	19	0	0	19
Total	65	0	0	62

Notes: <sup>1</sup> Previously Scheduled – reflects status as of June 1

<sup>2</sup> Currently Scheduled - reflects status as of July 2

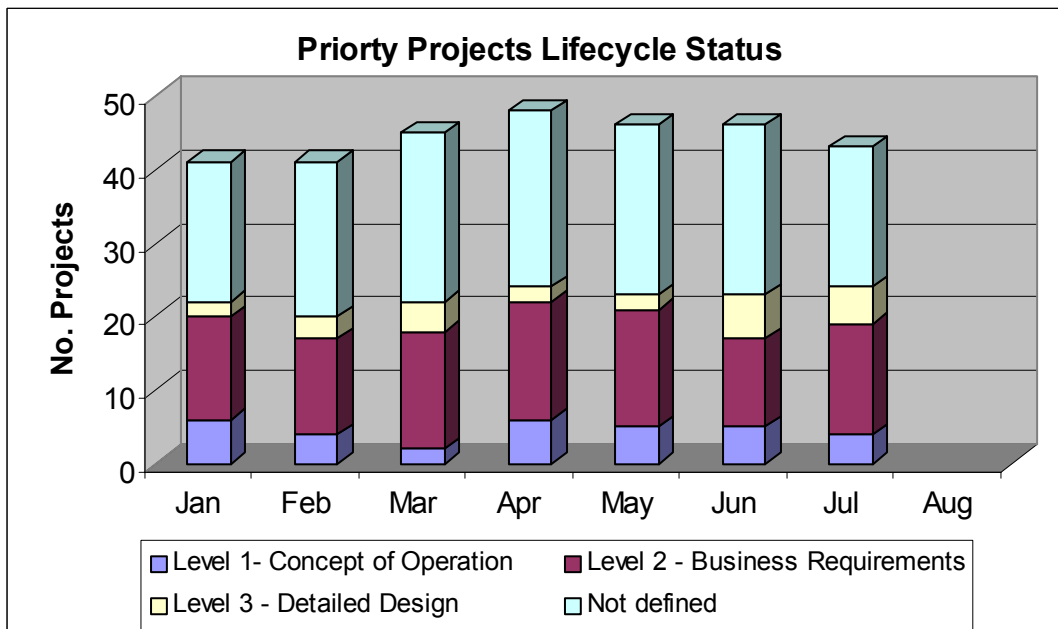
Changes to the Projects Portfolio over the past month are described in the table below.

Projects Completed	
A620	AMP IV including Start-up and Min Gen Mitigation
A660	E-Tagging Integration
A647	Station Power Accounting
Projects Added	
	None

It should be noted that project completion occurs days or even weeks after the actual software deployment to allow for verifying proper operation, correcting of any identified defects, and conducting the lessons learned and close-out activities. The project is considered complete only when these items are completed.

Priority Project Lifecycle Status:

The graph below illustrates the status of Priority Projects within the project lifecycle.



- Level 1 indicates a project in its preliminary or conceptual stage with a completed Issue Discovery or Concept of Operation document. Class 100 estimates for resources, schedule and cost are prepared at this time (assumed to have +/- 100% accuracy).
- Level 2 is achieved when the Business Requirements document (aka FRS) is completed and the project scope is more clearly defined. Class 50 estimates for resources, schedule and cost are prepared at this point in the project lifecycle (assumed to have +/- 50% accuracy).
- Level 3 is reached when a System Design Specification (SDS), defining the detailed software design requirements, is completed. Class 10 estimates for resources, schedule and cost are prepared at this point in the project lifecycle (assumed to have +/- 10% accuracy).
- Not Defined means the project is still in the initial conceptualization phase.

The estimate levels defined above are also shown for each project on the Projects Portfolio Gantt chart. As a project progresses through these levels the resource, schedule and cost estimates become more accurate.

## **Look Ahead**

### Project Management:

Project Deployments Planned for the Next Month:

A664 DSS Enhancements V – Alternate Data Delivery (ADD) phase I scheduled for July 7

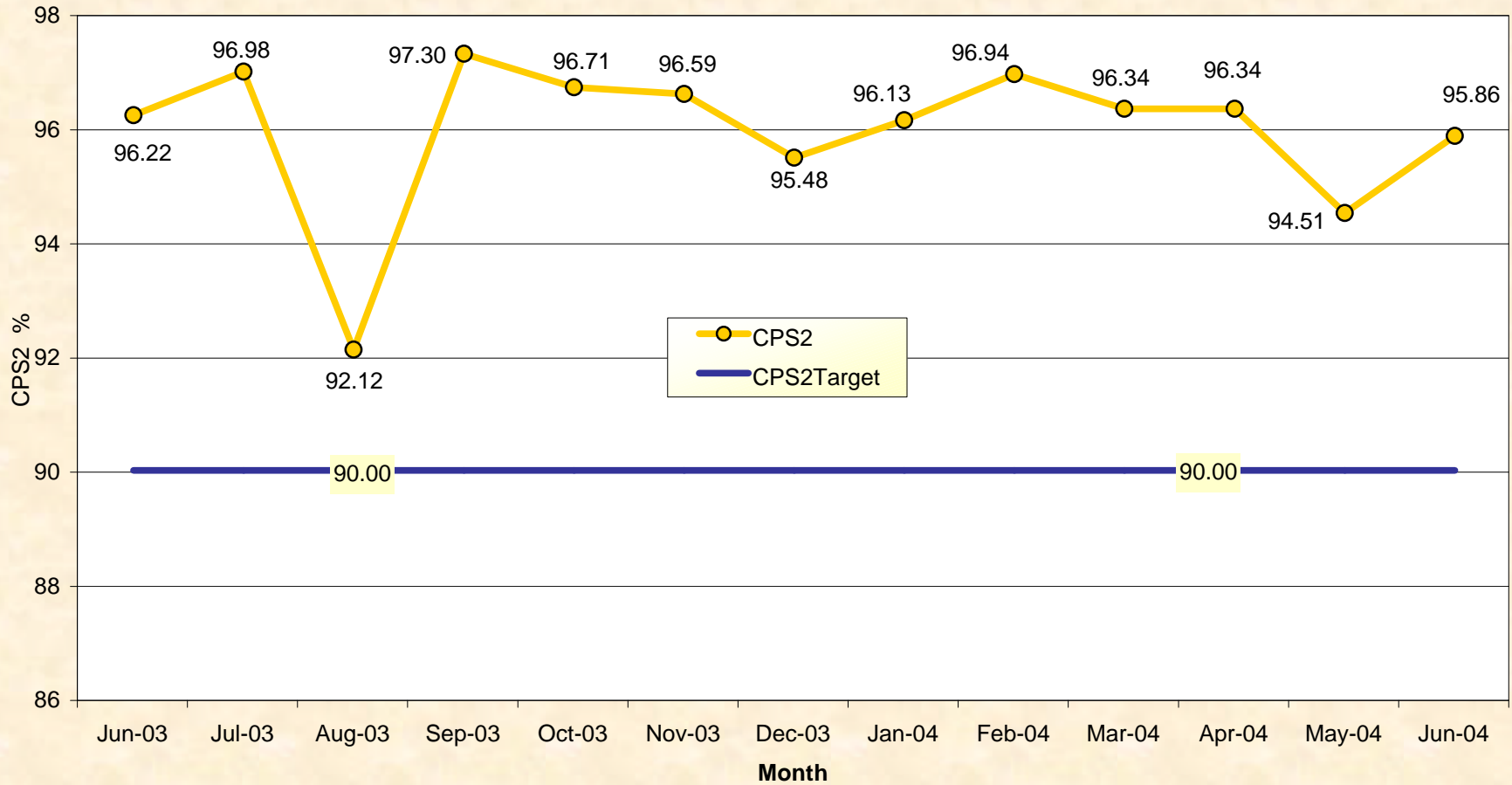
## **Attachments**

Attachment 12-A, Summary Report - Status of Priority Projects

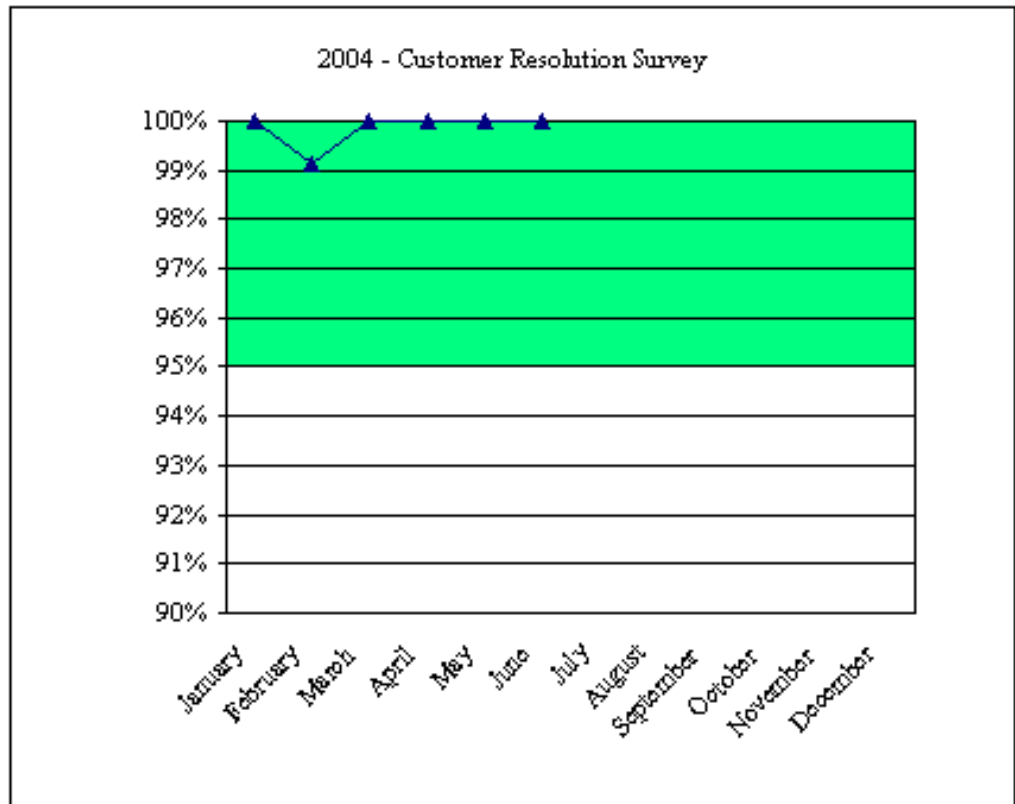
Attachment 12-B, Projects Portfolio

# NERC Control Performance Standard

NYISO Compliance  
Year 2003/2004



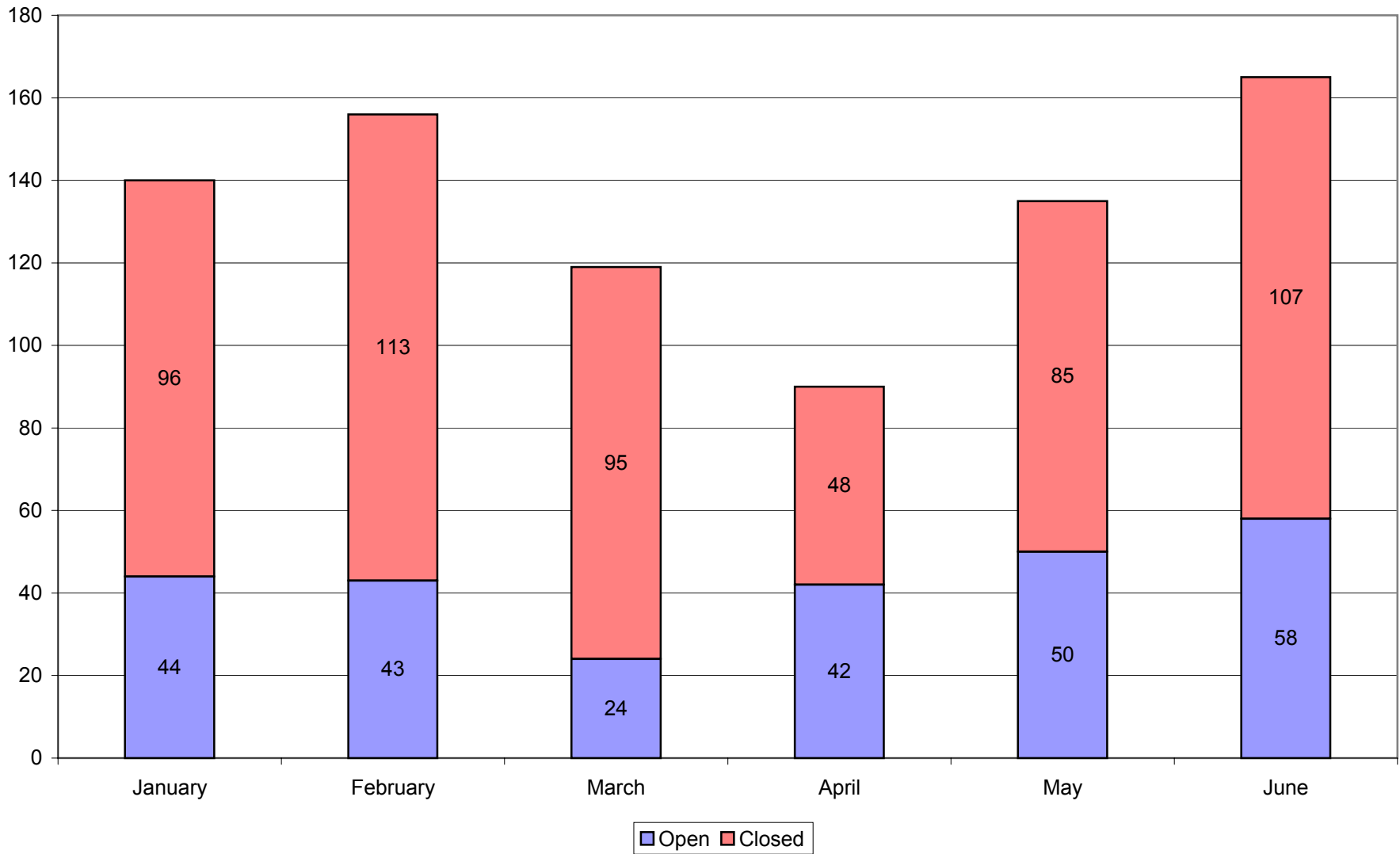
**CPS2 for June = 95.86 % Compliance Threshold = 90%**  
**CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)**



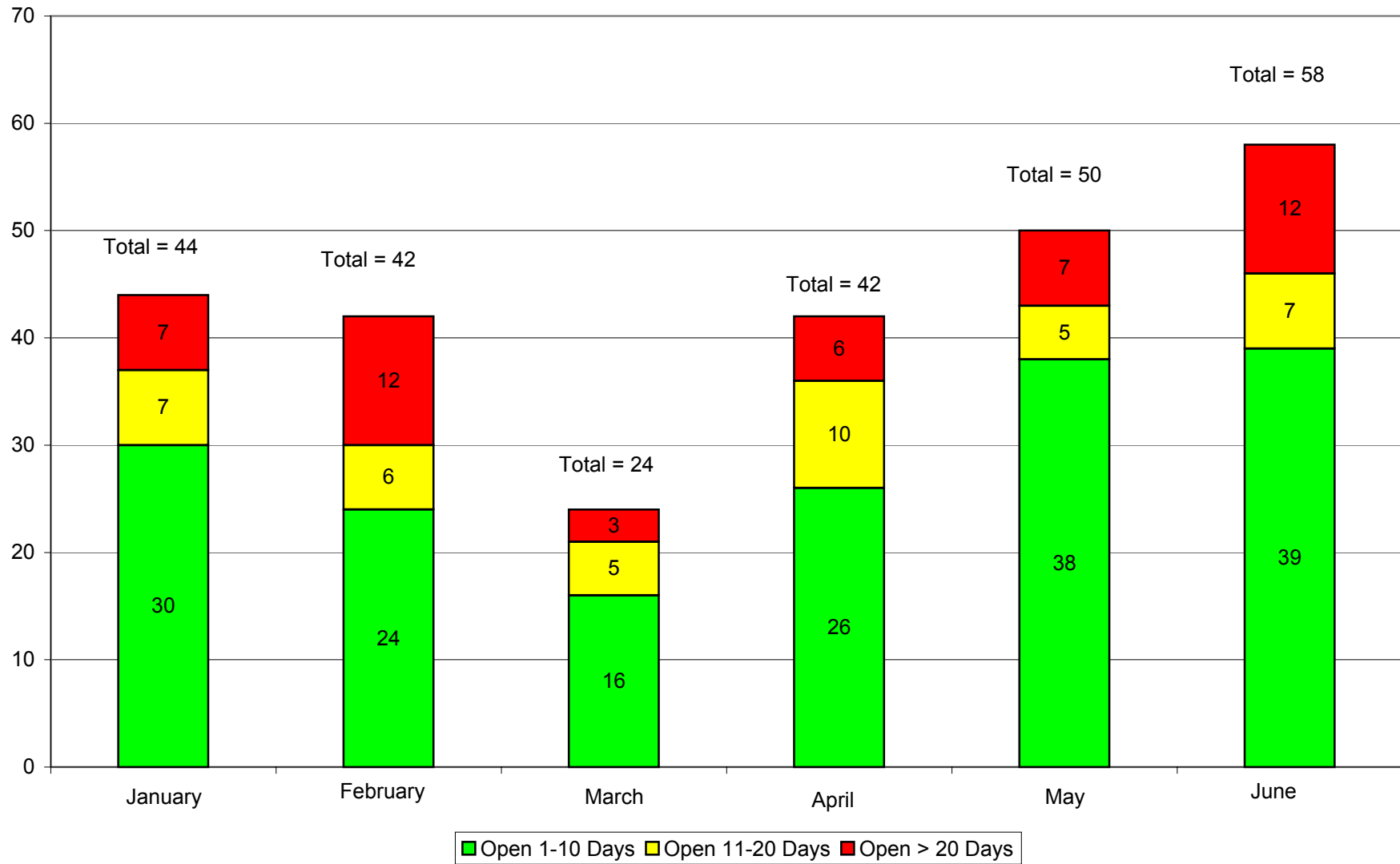
The Customer Resolution Survey Goal for 2004, has been set at 95%. For the month of June, 107 inquiries were sent out. No replies were received that the response was not timely. A 100% (superior) level was achieved for the month. For the period January-June, a total of 544 inquiries were sent out, one (1) customer indicated that the response was not timely. A 99.8% level was achieved.



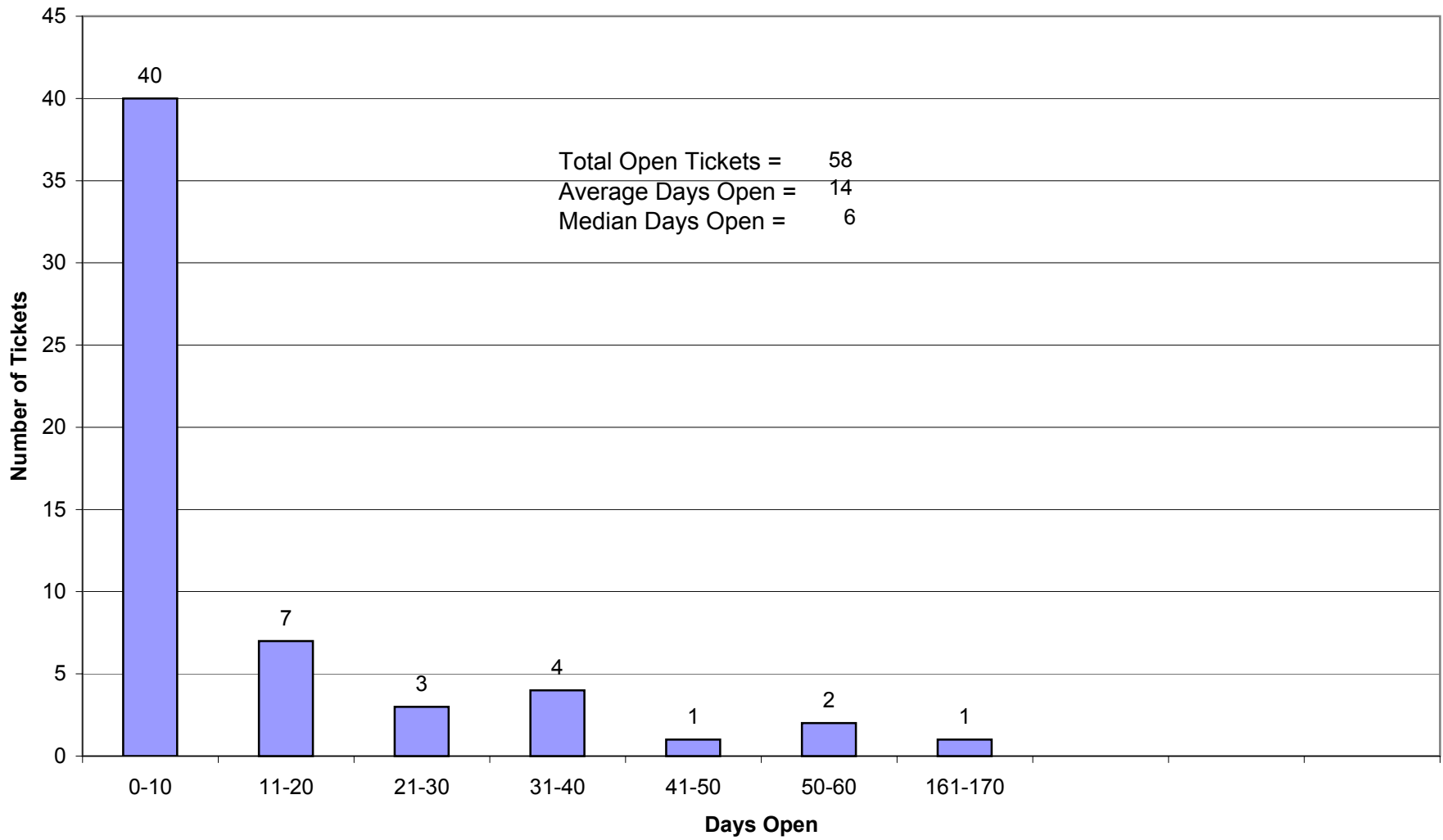
### Tickets Open, Tickets Closed as of End of June, 2004



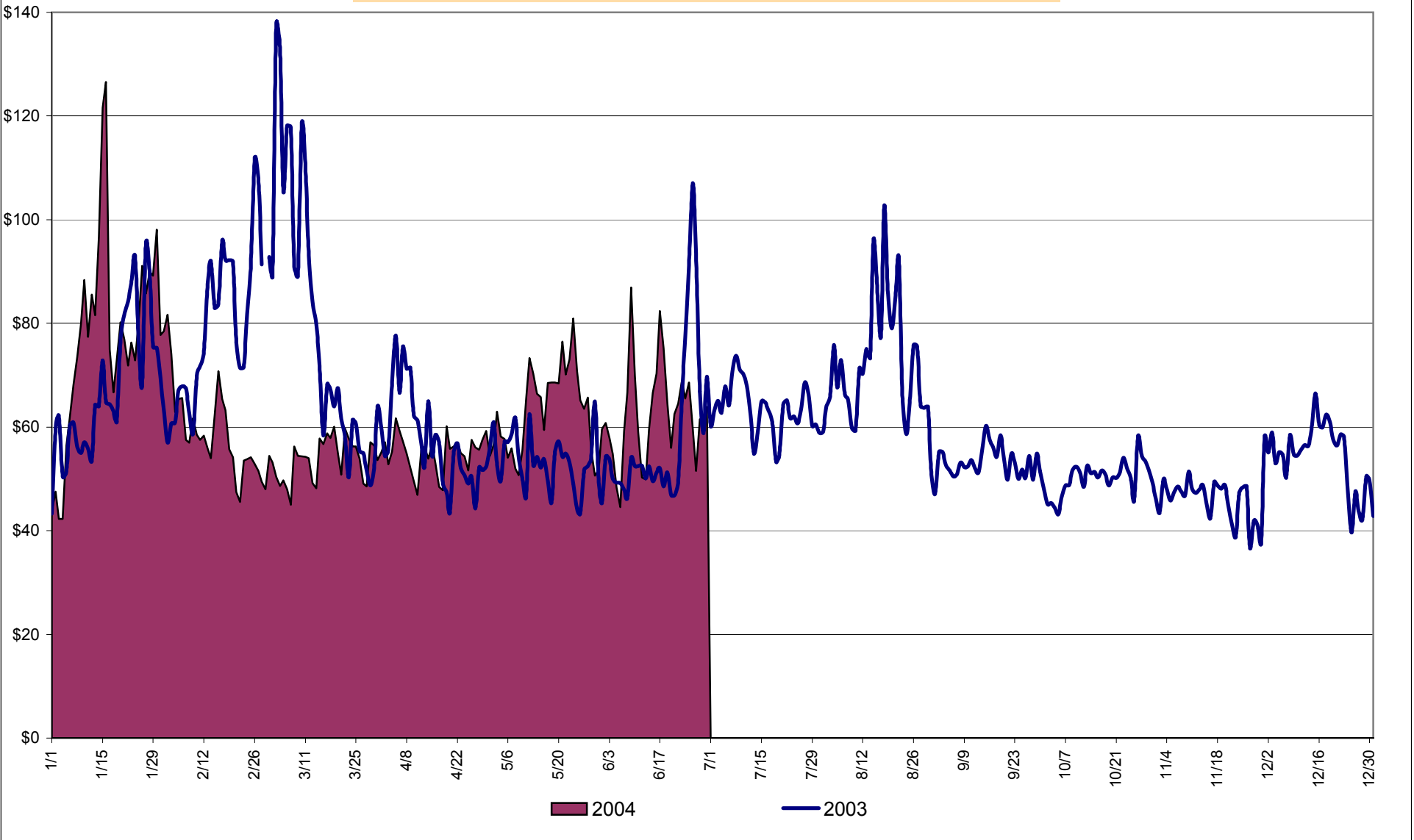
### Open Tickets by Month June 2004



**Number of Tickets Open By Days  
June 2004**



**Daily NYISO Average Cost/MWH (Energy & Ancillary Services)\***  
**2003 Annual Average \$62.40/MWH**  
**June 2003 YTD Average \$67.47/MWH**  
**June 2004 YTD Average \$63.29/MWH**



4-A

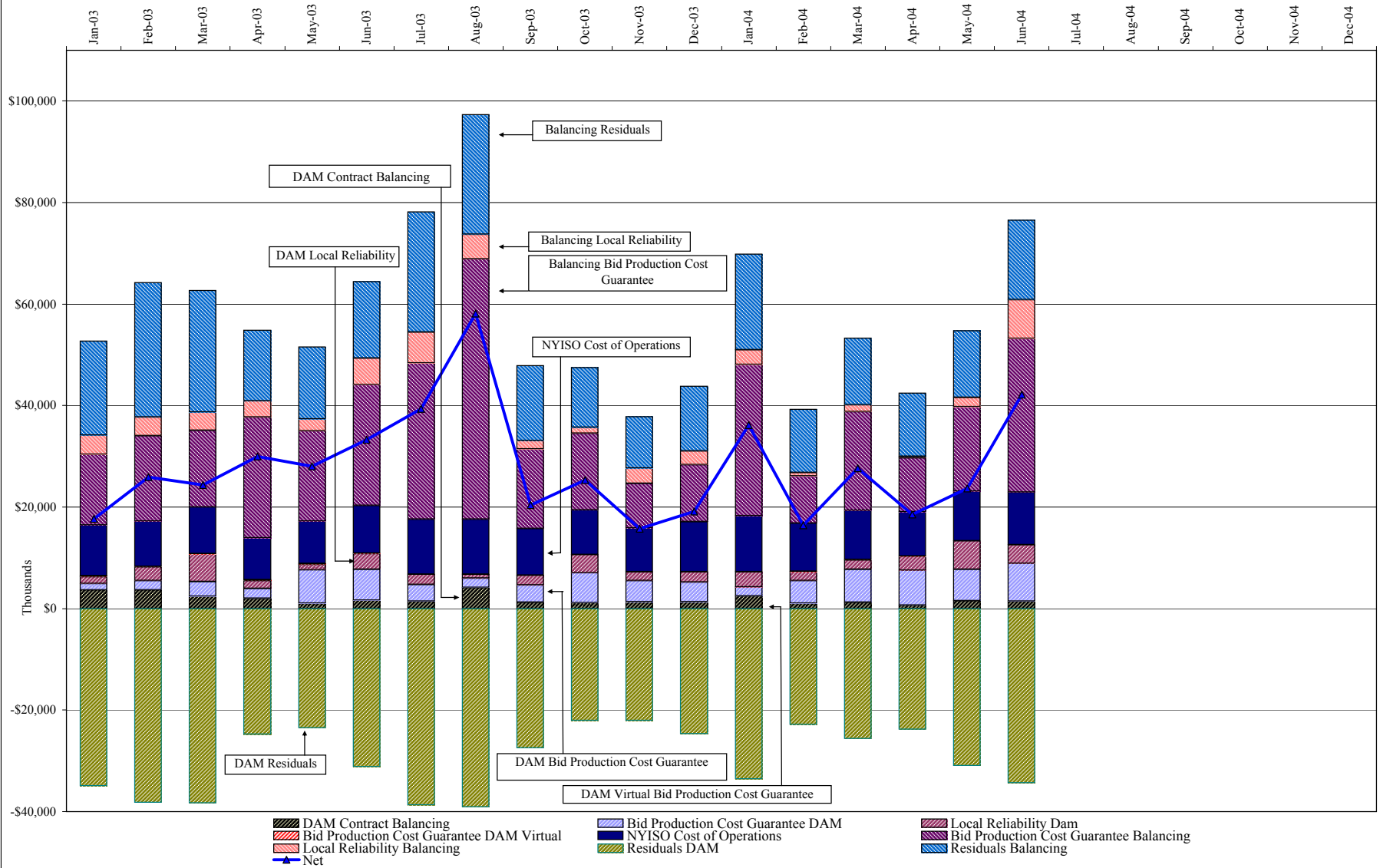
**NYISO Average Cost/MWH (Energy and Ancillary Services)\*  
from the LBMP Customer point of view**

<b>2004</b>		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	76.13	57.13	50.60	52.49	61.23	59.78						
	NTAC	0.47	0.42	0.55	0.51	0.42	0.53						
	Reserve	0.27	0.14	0.20	0.17	0.14	0.09						
	Regulation	0.18	0.34	0.25	0.13	0.11	0.11						
	NYISO Cost of Operations	0.73	0.73	0.73	0.73	0.73	0.73						
	Uplift	1.57	0.44	1.25	0.76	0.92	2.15						
	Voltage Support and Black Start	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>						
	<b>Avg Monthly Cost</b>	79.72	59.56	53.94	55.14	63.92	63.75						
	 Avg YTD Cost	79.72	70.68	65.29	63.02	63.19	63.29						

<b>2003</b>		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	66.34	76.59	78.31	54.28	49.77	57.46	60.10	68.14	50.82	47.05	43.37	52.19
	NTAC	0.42	0.36	0.67	0.46	0.45	0.40	0.54	0.37	0.25	0.29	0.52	0.37
	Reserve	0.47	0.35	0.45	0.40	0.47	0.25	0.15	0.22	0.13	0.10	0.18	0.16
	Regulation	0.27	0.28	0.39	0.32	0.65	0.34	0.19	0.18	0.33	0.51	0.46	0.25
	NYISO Cost of Operations	0.70	0.69	0.69	0.69	0.69	0.70	0.70	0.70	0.70	0.70	0.69	0.70
	Uplift	0.30	1.09	0.95	1.69	1.51	1.67	1.79	2.73	0.77	1.21	0.45	0.57
	Voltage Support and Black Start	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>
	<b>Avg Monthly Cost</b>	68.83	79.71	81.81	58.18	53.89	61.16	63.82	72.68	53.35	50.20	46.01	54.58
	 Avg YTD Cost	68.83	74.02	76.58	72.21	68.83	67.47	66.81	67.73	66.20	64.71	63.15	62.40

\* Excludes ICAP payments

## NYISO Dollar Flows - Uplift - OATT Schedule 1 components



DAM Contract Balancing amounts are for payments made to generating units to make them whole for being dispatched below their Day-Ahead schedule, as a result of out-of-merit dispatches.  
 DAM Bid Production Cost Guarantees for Virtual Transactions are included in the chart and are shown from the inception of Virtual Transactions. These values are small and cannot be identified on the chart.  
 DAM residuals are revenue charged or returned to customers due to the under or over collection of funds. On this chart, negative values represent funds returned to Transmission Customers (through Transmission Owners' Transmission Service Charges).

## NYISO Markets Transactions

Transactions by Market 2004	January	February	March	April	May	June	July	August	September	October	November	December
<b>Day Ahead Market MWH</b>	14,614,304	12,806,346	12,836,889	11,818,317	13,026,160	13,737,390						
DAM LSE Internal LBMP Energy Sales	52%	50%	51%	51%	47%	49%						
DAM External TC LBMP Energy Sales	4%	2%	3%	3%	4%	3%						
DAM Bilateral - Internal Bilaterals	41%	45%	44%	44%	46%	45%						
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	0%						
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%	1%						
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	1%	1%	1%						
<b>Balancing Energy Market MWH</b>	367,460	269,220	508,837	238,876	379,159	424,726						
Balancing Energy LSE Internal LBMP Energy Sales	66%	31%	61%	84%	30%	29%						
Balancing Energy External TC LBMP Energy Sales	57%	78%	41%	38%	77%	74%						
Balancing Energy Bilateral - Internal Bilaterals	-20%	0%	0%	-9%	3%	5%						
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	1%	0%	0%	0%	0%						
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	1%	1%	0%						
Balancing Energy Bilateral - Wheel Through Bilaterals	-4%	-11%	-3%	-14%	-11%	-8%						
<b>Transactions Summary</b>												
LBMP	58%	54%	56%	55%	53%	54%						
Internal Bilaterals	40%	44%	42%	43%	45%	44%						
Import Bilaterals	1%	1%	1%	0%	0%	0%						
Export Bilaterals	1%	1%	1%	1%	1%	1%						
Wheels Through	1%	0%	1%	0%	1%	1%						
<b>Market Share of Total Load</b>												
Day Ahead Market	97.5%	97.9%	96.2%	98.0%	97.2%	97.0%						
Balancing Energy †	2.5%	2.1%	3.8%	2.0%	2.8%	3.0%						
Total MWH	14,981,764	13,075,566	13,345,726	12,057,193	13,405,319	14,162,116						
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451						

## Transactions by Market 2003

<b>Day Ahead Market MWH</b>	14,187,752	12,695,868	13,126,563	11,997,655	12,029,453	13,341,831	15,444,857	15,759,082	13,003,309	12,507,780	12,332,456	13,973,266
DAM LSE Internal LBMP Energy Sales	46%	48%	46%	49%	46%	48%	55%	57%	49%	48%	47%	48%
DAM External TC LBMP Energy Sales	1%	1%	1%	1%	2%	2%	1%	0%	1%	2%	2%	2%
DAM Bilateral - Internal Bilaterals	50%	49%	50%	46%	49%	46%	43%	40%	48%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	2%	2%	2%	1%	1%	1%	1%	1%	2%
<b>Balancing Energy Market MWH</b>	347,539	285,381	376,222	235,800	278,939	291,519	208,142	-55,913	394,363	338,562	319,065	385,707
Balancing Energy LSE Internal LBMP Energy Sales	58%	35%	52%	72%	48%	39%	53%	-146%	65%	53%	26%	43%
Balancing Energy External TC LBMP Energy Sales	58%	80%	95%	73%	69%	78%	79%	242%	44%	61%	77%	68%
Balancing Energy Bilateral - Internal Bilaterals	-6%	-10%	-2%	0%	-5%	5%	-2%	-75%	1%	3%	0%	-2%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	4%	1%	1%	1%	0%	0%	0%	2%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	-38%	0%	0%	0%	0%	-14%	0%	0%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-14%	-7%	-8%	-46%	-14%	-23%	-31%	-109%	-10%	-16%	-3%	-9%
<b>Transactions Summary</b>												
LBMP	49%	50%	49%	52%	49%	52%	56%	58%	51%	52%	51%	52%
Internal Bilaterals	48%	47%	48%	45%	48%	46%	42%	40%	46%	46%	47%	45%
Import Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	1%	1%	1%	1%	1%	1%	1%	0%	1%	1%	2%
<b>Market Share of Total Load</b>												
Day Ahead Market	97.6%	97.8%	97.2%	98.1%	97.7%	97.9%	98.7%	100.4%	97.1%	97.4%	97.5%	97.3%
Balancing Energy †	2.4%	2.2%	2.8%	1.9%	2.3%	2.1%	1.3%	-0.4% *	2.9%	2.6%	2.5%	2.7%
Total MWH	14,535,291	12,981,249	13,502,785	12,233,455	12,308,392	13,633,350	15,652,999	15,703,169	13,397,672	12,846,342	12,651,521	14,358,973
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

† Balancing Energy: Load(MW) purchased at Real Time LBMP.

\* The signs for the detail section intuitively reflect the direction of power flow eliminating the use of double negatives when Balancing Energy is negative.

Notes: Percent totals may not equal 100% due to rounding.

Virtual Transactions are not reflected in this chart.

### NYISO Markets 2004 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<b><u>DAY AHEAD LBMP</u></b>												
Price *	\$72.12	\$55.31	\$49.08	\$51.01	\$57.25	\$55.03						
Standard Deviation	\$25.99	\$14.40	\$10.90	\$11.42	\$16.72	\$17.82						
Load Wtg.Price **	\$75.01	\$56.90	\$50.44	\$52.50	\$59.89	\$58.29						
<b><u>BME *** LBMP</u></b>												
Price *	\$77.51	\$54.41	\$53.01	\$56.94	\$60.98	\$59.15						
Standard Deviation	\$37.54	\$15.73	\$16.25	\$18.41	\$23.58	\$24.50						
Load Wtg.Price **	\$80.51	\$55.89	\$54.71	\$58.89	\$64.14	\$63.17						
<b><u>REAL TIME LBMP</u></b>												
Price *	\$73.72	\$52.95	\$49.56	\$50.83	\$56.20	\$54.03						
Standard Deviation	\$32.61	\$15.04	\$17.75	\$14.15	\$25.74	\$23.42						
Load Wtg.Price **	\$76.85	\$54.33	\$51.27	\$52.36	\$59.61	\$58.01						
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451						

### NYISO Markets 2003 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<b><u>DAY AHEAD LBMP</u></b>												
Price *	\$61.33	\$72.81	\$73.18	\$51.58	\$46.43	\$51.45	\$57.10	\$64.94	\$48.29	\$45.81	\$41.58	\$50.07
Standard Deviation	\$20.09	\$21.12	\$29.70	\$12.47	\$14.03	\$21.27	\$11.88	\$18.06	\$11.04	\$10.91	\$12.06	\$14.92
Load Wtg.Price **	\$63.81	\$75.03	\$76.25	\$53.14	\$48.47	\$55.52	\$58.93	\$67.71	\$50.02	\$47.34	\$43.21	\$51.95
<b><u>BME *** LBMP</u></b>												
Price *	\$63.19	\$80.25	\$74.27	\$59.22	\$50.27	\$53.84	\$59.99	\$67.63	\$50.34	\$48.74	\$41.01	\$48.73
Standard Deviation	\$25.43	\$41.53	\$32.77	\$25.00	\$16.37	\$22.27	\$14.82	\$72.20	\$14.01	\$15.35	\$18.51	\$18.89
Load Wtg.Price **	\$65.54	\$82.65	\$77.33	\$61.45	\$52.31	\$57.49	\$61.94	\$71.07	\$51.96	\$50.39	\$43.05	\$50.81
<b><u>REAL TIME LBMP</u></b>												
Price *	\$61.53	\$74.03	\$70.54	\$53.94	\$46.74	\$48.96	\$55.94	\$64.32	\$47.24	\$48.57	\$38.72	\$46.45
Standard Deviation	\$30.16	\$37.46	\$37.97	\$28.70	\$23.03	\$21.57	\$13.68	\$34.91	\$15.52	\$25.74	\$22.35	\$20.55
Load Wtg.Price **	\$64.43	\$76.41	\$74.02	\$56.14	\$49.44	\$52.82	\$57.79	\$67.27	\$49.12	\$49.98	\$40.96	\$48.73
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

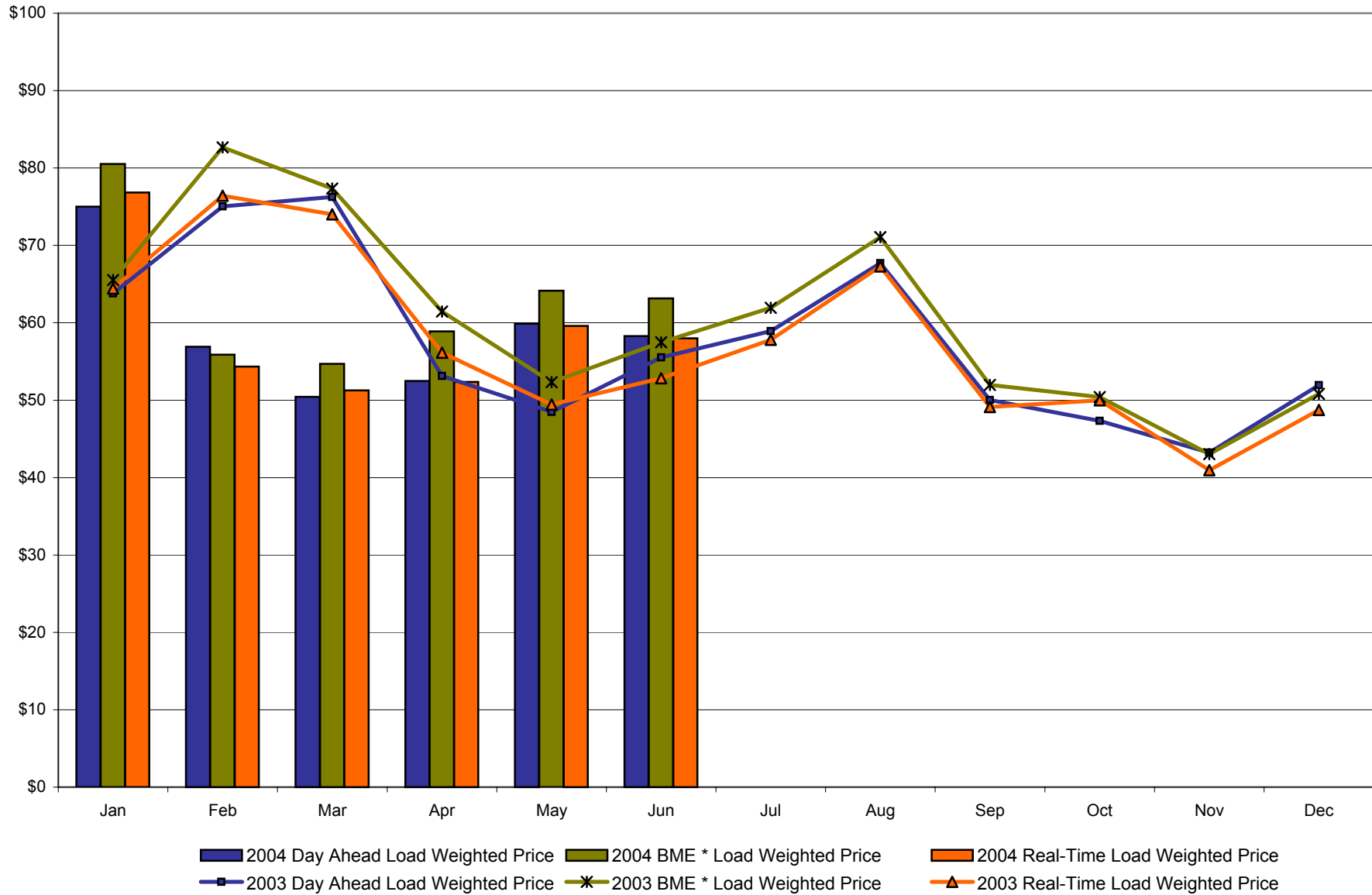
\* Average zonal load weighted prices

\*\* Average zonal load weighted prices, load weighted in each hour

\*\*\* Commonly referred to as Hour Ahead Market (HAM)



**NYISO Monthly Average Internal LBMPs  
2003 - 2004**



\* Commonly referred to as Hour Ahead Market (HAM)

4-F

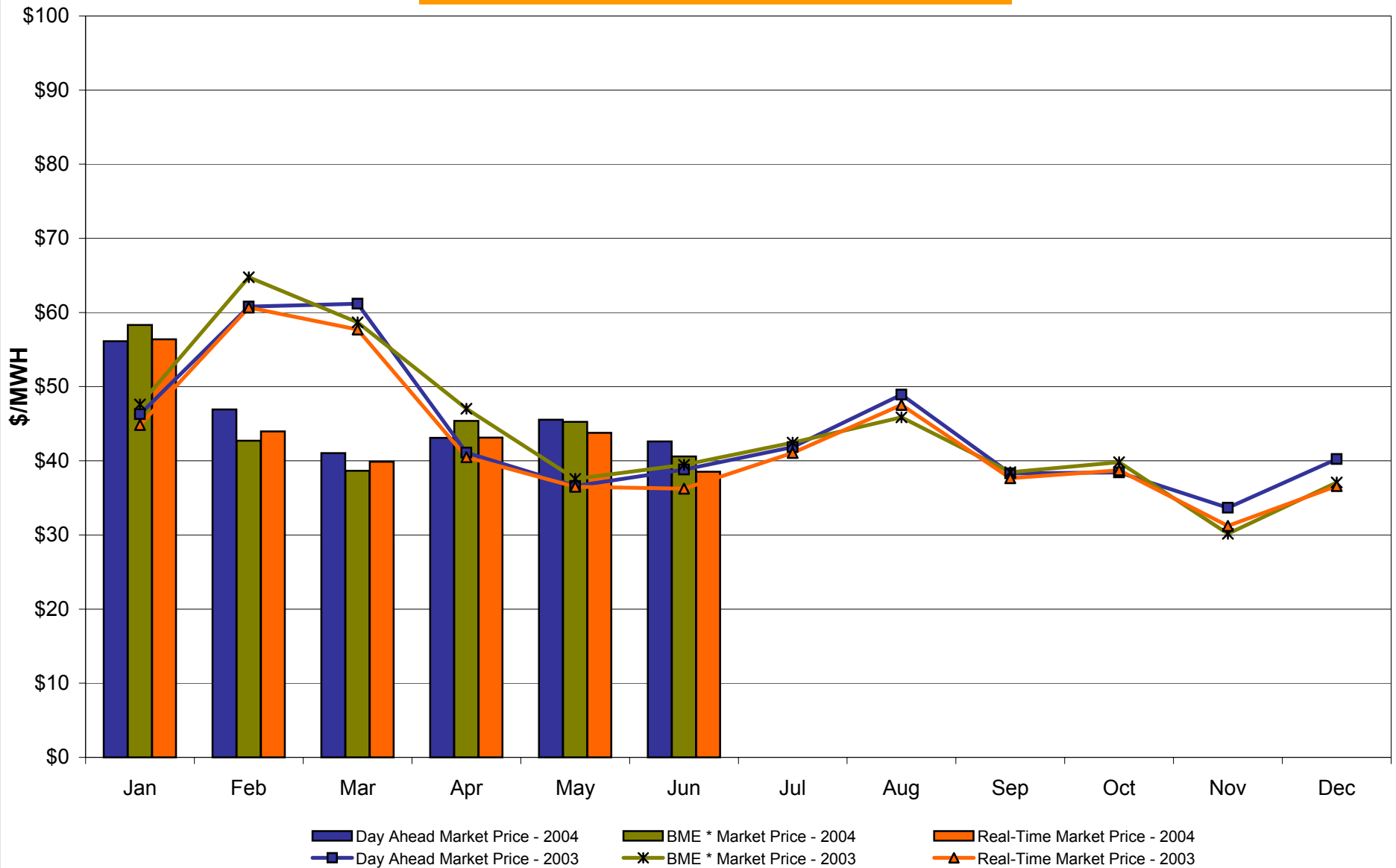
**June 2004 Zonal Statistics for NYISO (\$/MWH)**

	<b>WEST Zone A</b>	<b>GENESEE Zone B</b>	<b>NORTH Zone D</b>	<b>CENTRAL Zone C</b>	<b>MOHAWK VALLEY Zone E</b>	<b>CAPITAL Zone F</b>	<b>HUDSON VALLEY Zone G</b>	<b>MILLWOOD Zone H</b>	<b>DUNWOODIE Zone I</b>	<b>NEW YORK CITY Zone J</b>	<b>LONG ISLAND Zone K</b>
<b><u>DAY AHEAD LBMP</u></b>											
Unweighted Price *	42.60	45.45	46.38	45.77	47.76	50.33	51.57	51.88	52.57	63.09	62.60
Standard Deviation	13.92	14.28	13.93	14.32	14.60	15.34	16.38	17.00	17.41	22.97	17.47
<b><u>BME ** LBMP</u></b>											
Unweighted Price *	40.58	42.44	47.25	46.86	48.38	49.55	50.75	52.63	53.32	74.26	66.40
Standard Deviation	16.62	17.03	17.21	17.90	18.13	18.39	18.98	23.25	23.48	35.90	27.83
<b><u>REAL TIME LBMP</u></b>											
Unweighted Price *	38.52	41.43	42.08	41.21	43.17	43.17	45.21	49.20	50.00	65.42	64.79
Standard Deviation	16.46	17.17	17.36	17.12	17.82	19.59	20.19	26.47	26.81	31.17	29.91
	<b>ONTARIO IMO Zone O</b>	<b>HYDRO QUEBEC Zone M</b>	<b>PJM Zone P</b>	<b>NEW ENGLAND Zone N</b>							
<b><u>DAY AHEAD LBMP</u></b>											
Unweighted Price *	41.82	47.02	44.38	51.06							
Standard Deviation	13.41	14.21	15.88	15.77							
<b><u>BME ** LBMP</u></b>											
Unweighted Price *	37.79	47.49	43.76	50.38							
Standard Deviation	41.90	17.08	20.62	17.69							
<b><u>REAL TIME LBMP</u></b>											
Unweighted Price *	37.31	42.41	39.10	46.43							
Standard Deviation	42.19	17.52	18.85	19.29							

\* Straight zonal LBMP averages

\*\* Commonly referred to as Hour Ahead Market (HAM)

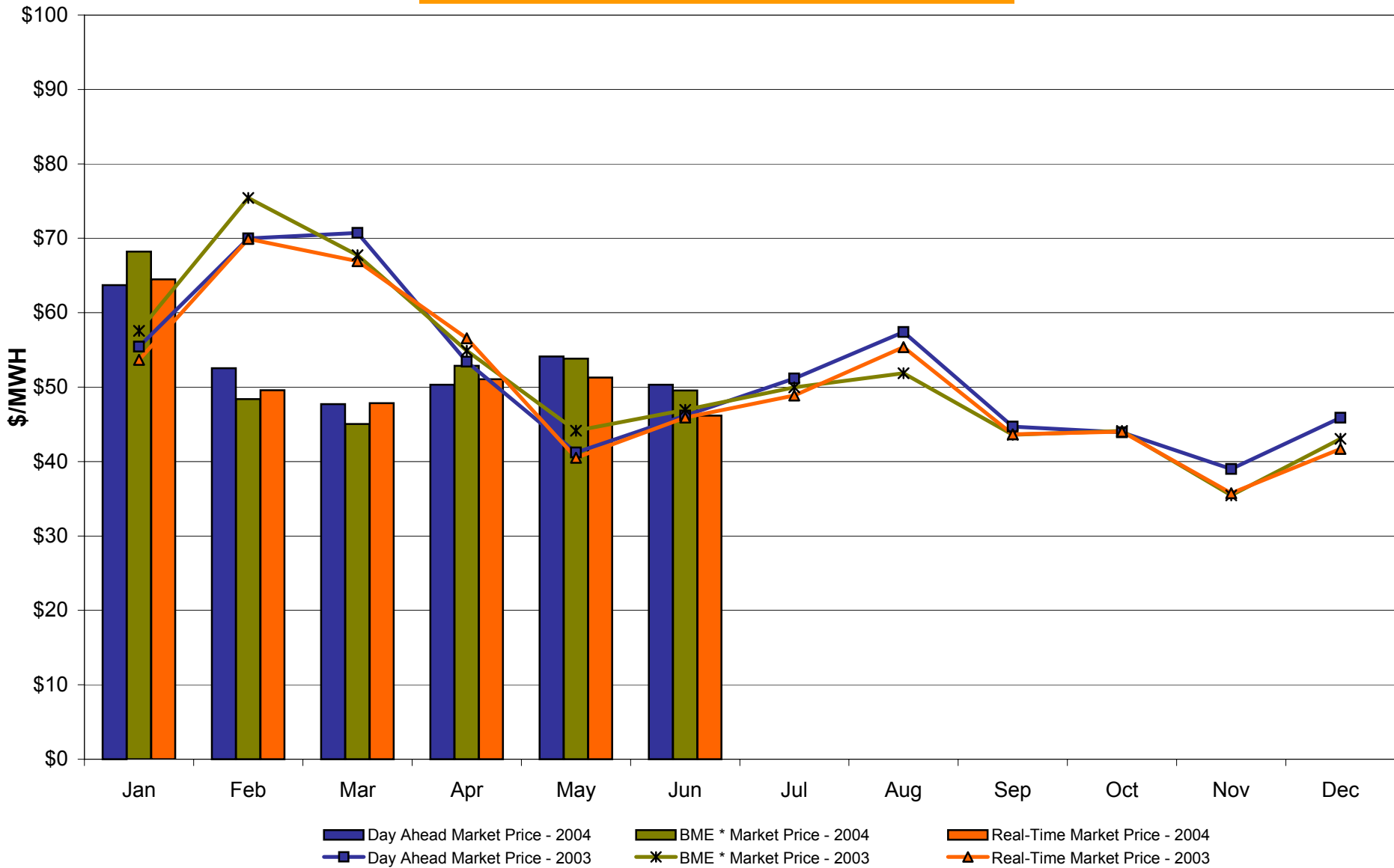
## West Zone A Monthly Average LBMP Prices 2003 - 2004



4-H

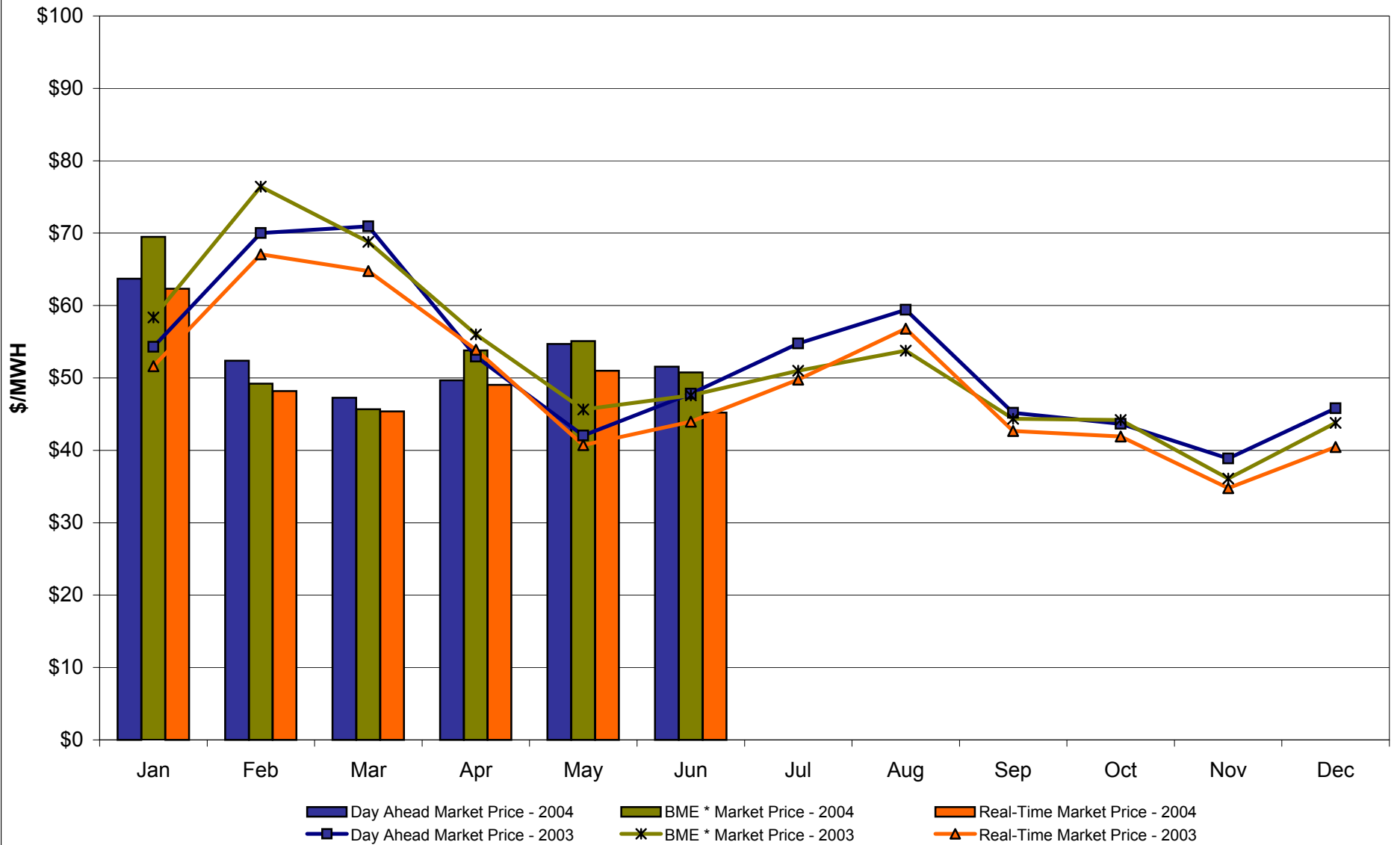
\* Commonly referred to as Hour Ahead Market (HAM)

## Capital Zone F Monthly Average LBMP Prices 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

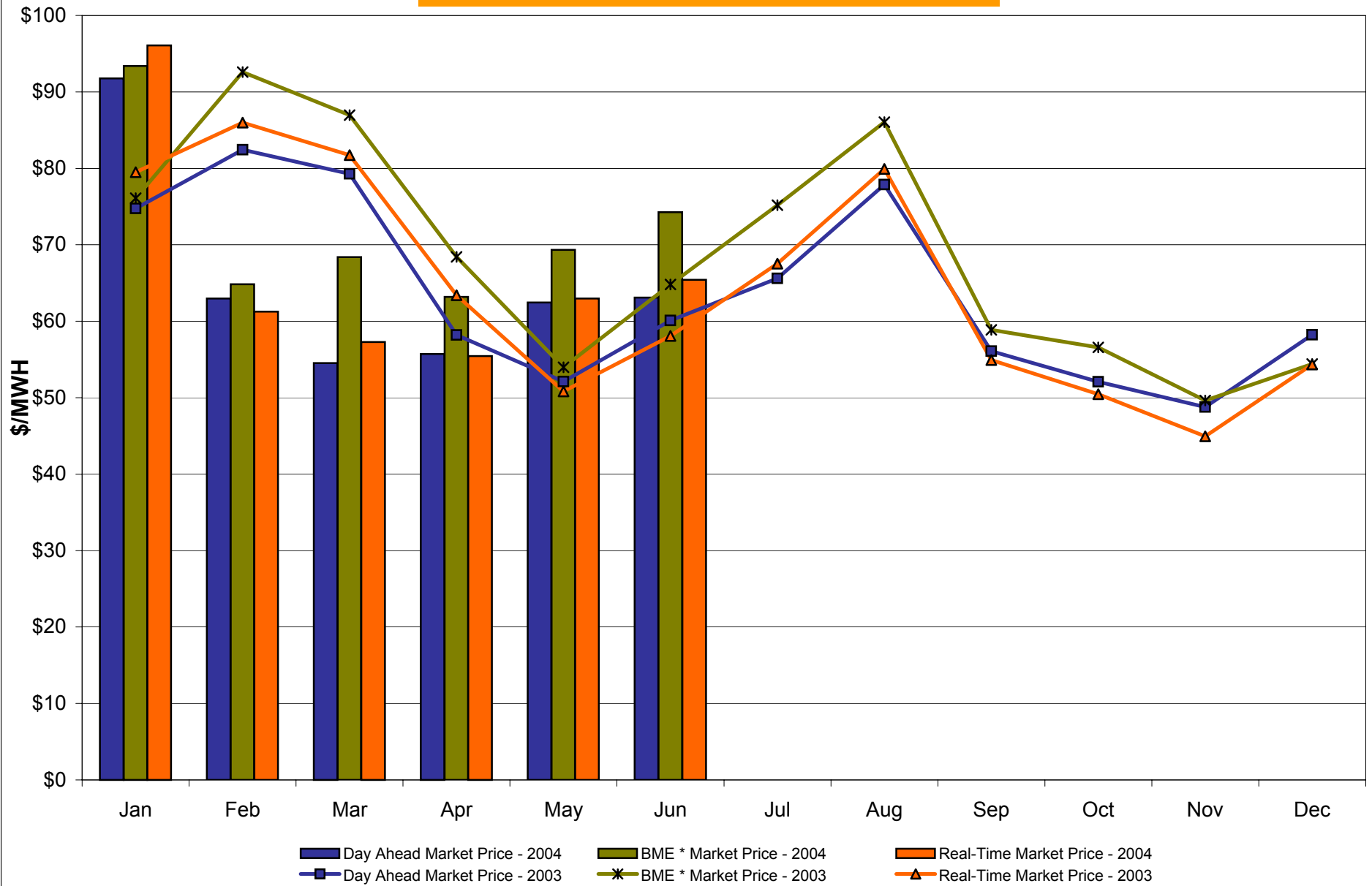
## Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

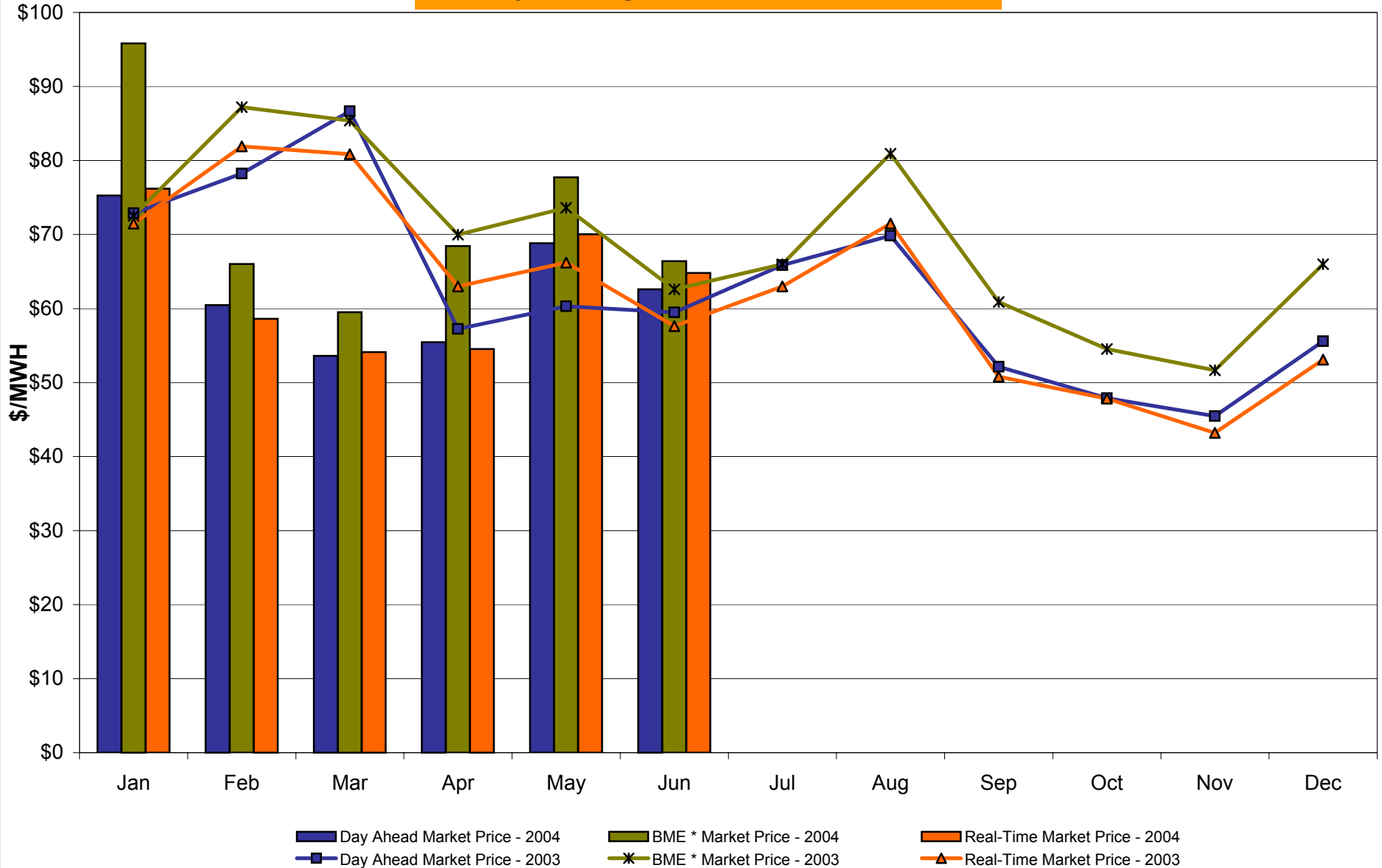
4-J

## NYC Zone J Monthly Average LBMP Prices 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

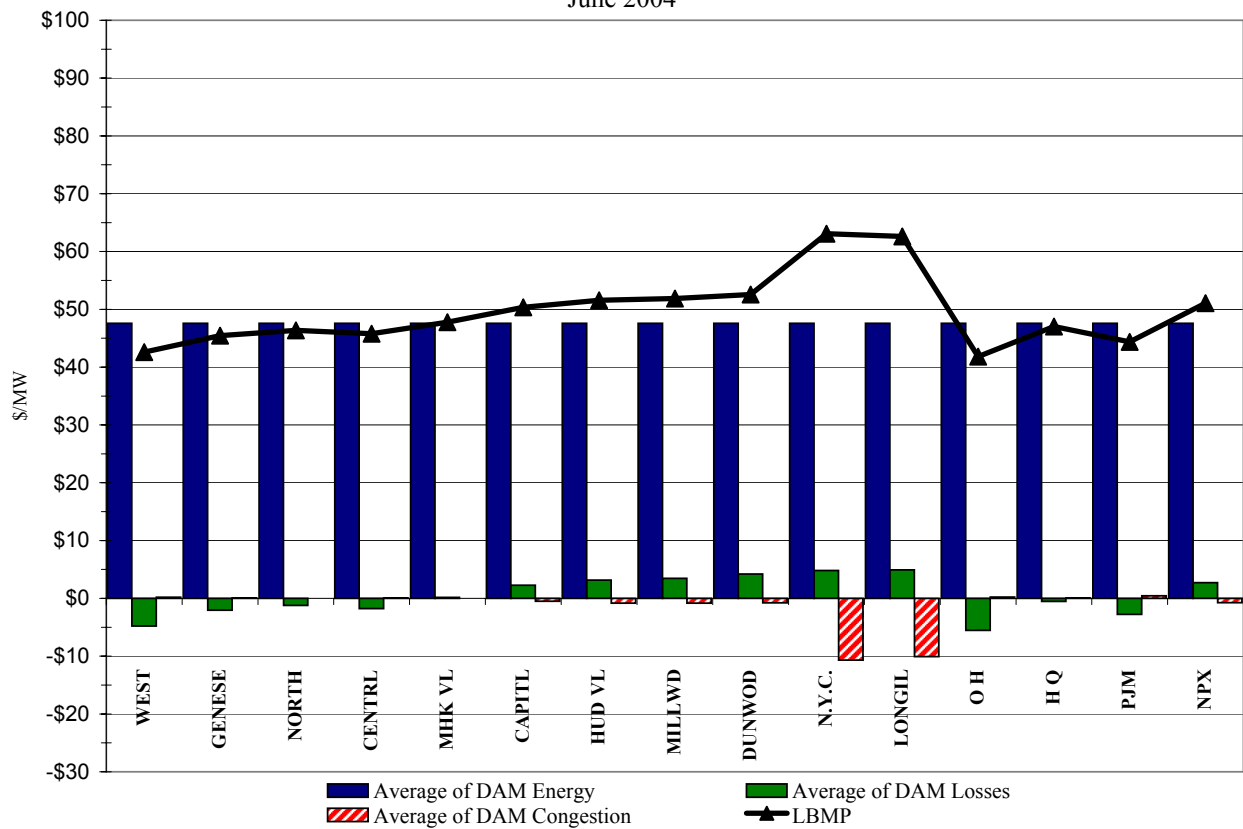
## Long Island Zone K Monthly Average LBMP Prices 2003 - 2004



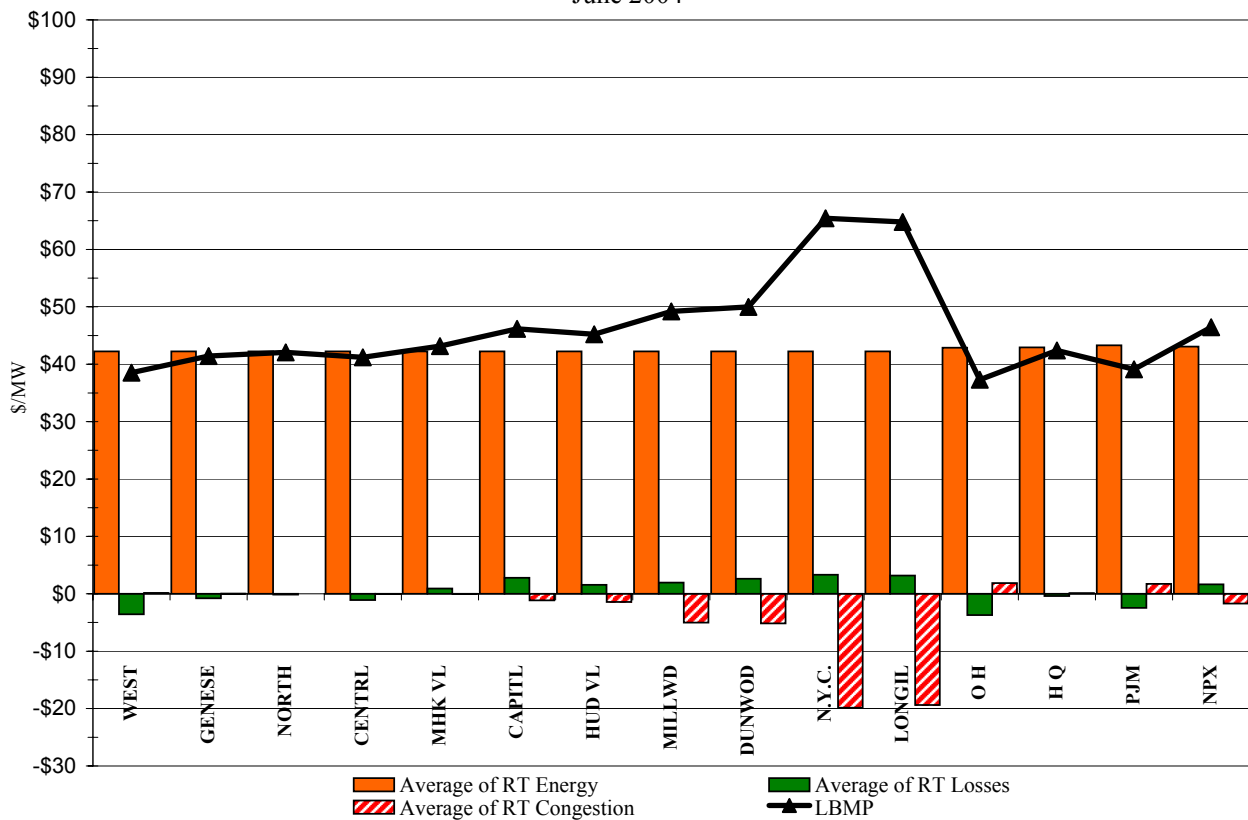
4-L

\* Commonly referred to as Hour Ahead Market (HAM)

DAM Zonal Unweighted Monthly Average LBMP Components  
June 2004

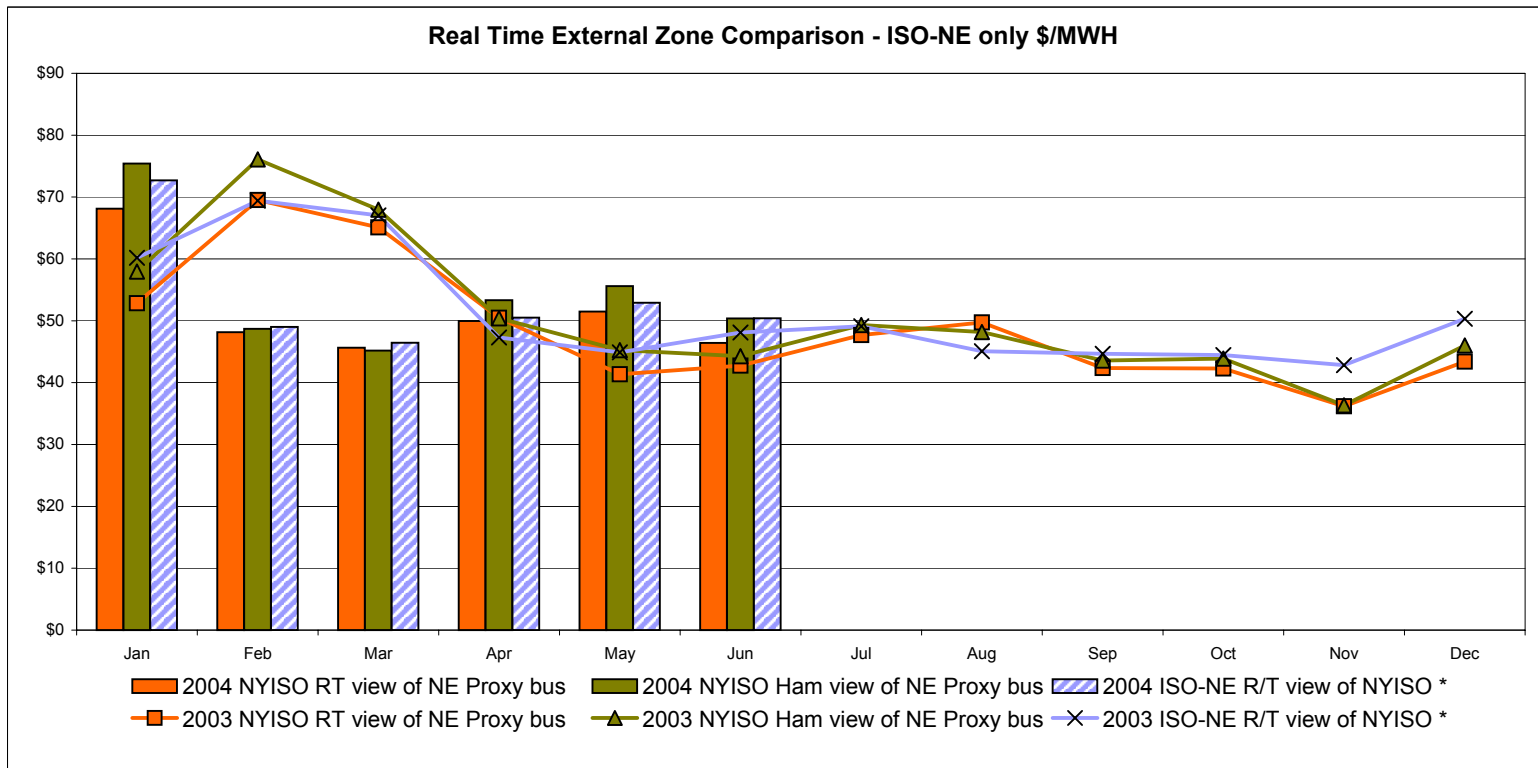
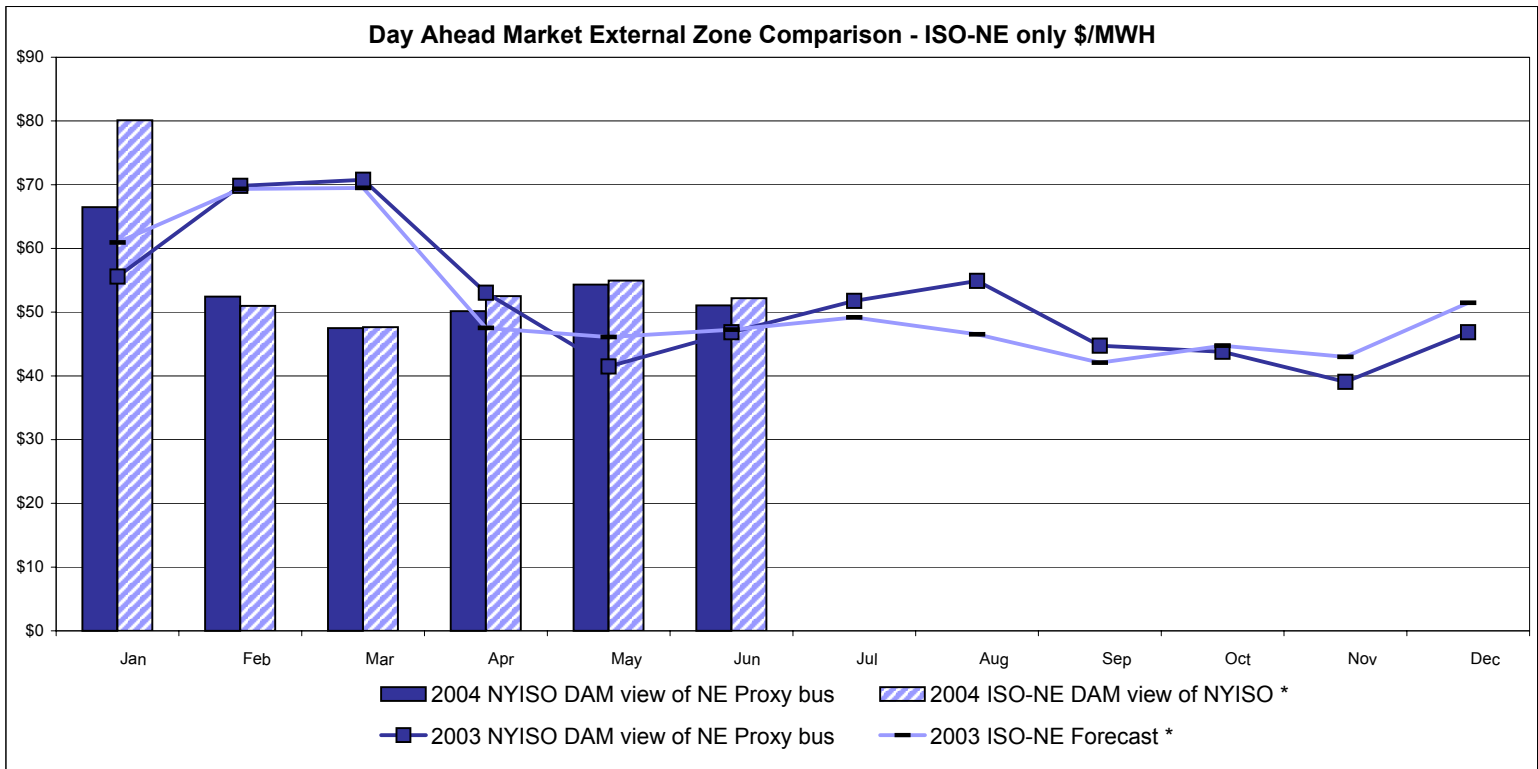


RT Zonal Unweighted Monthly Average LBMP Components  
June 2004





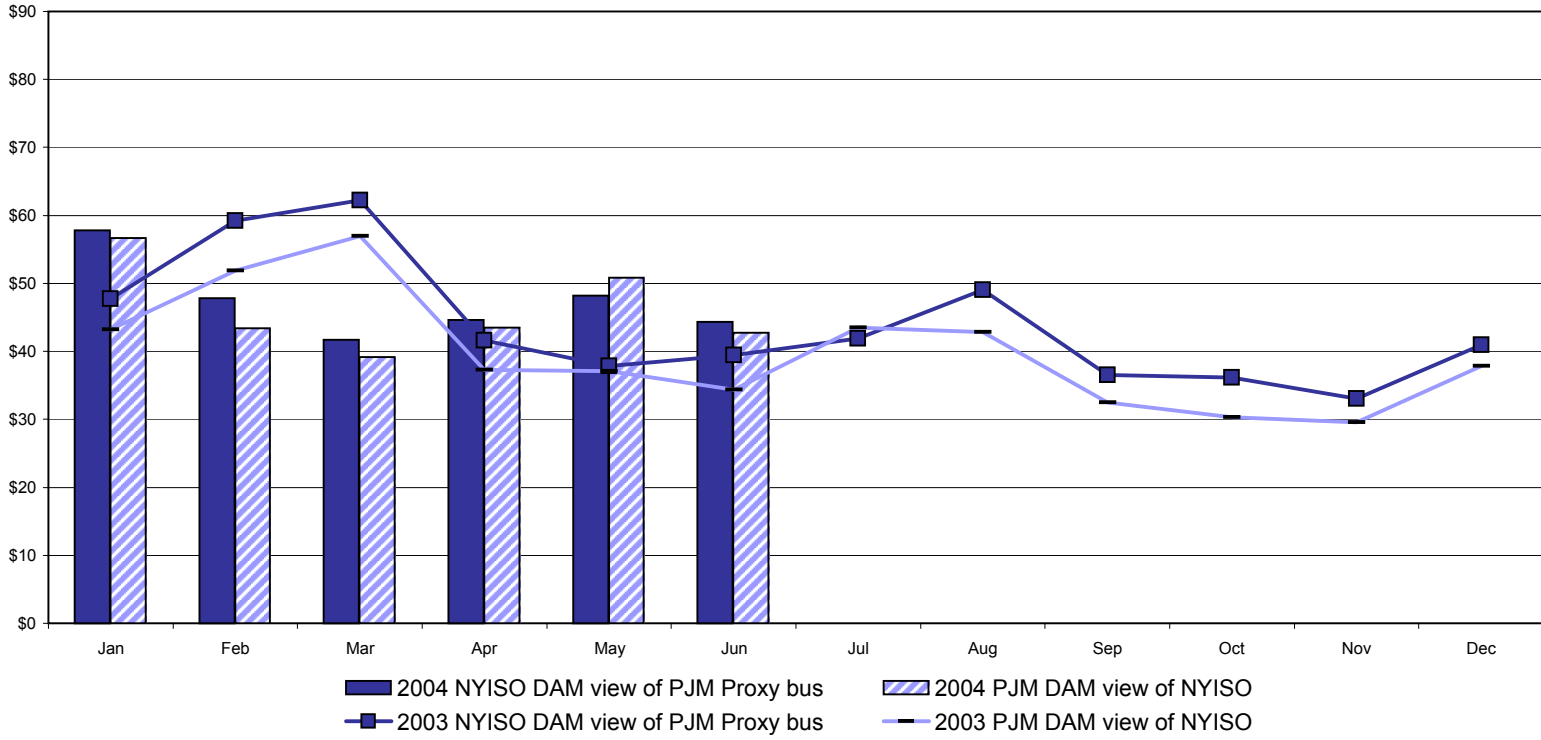
# External Comparison ISO-NE



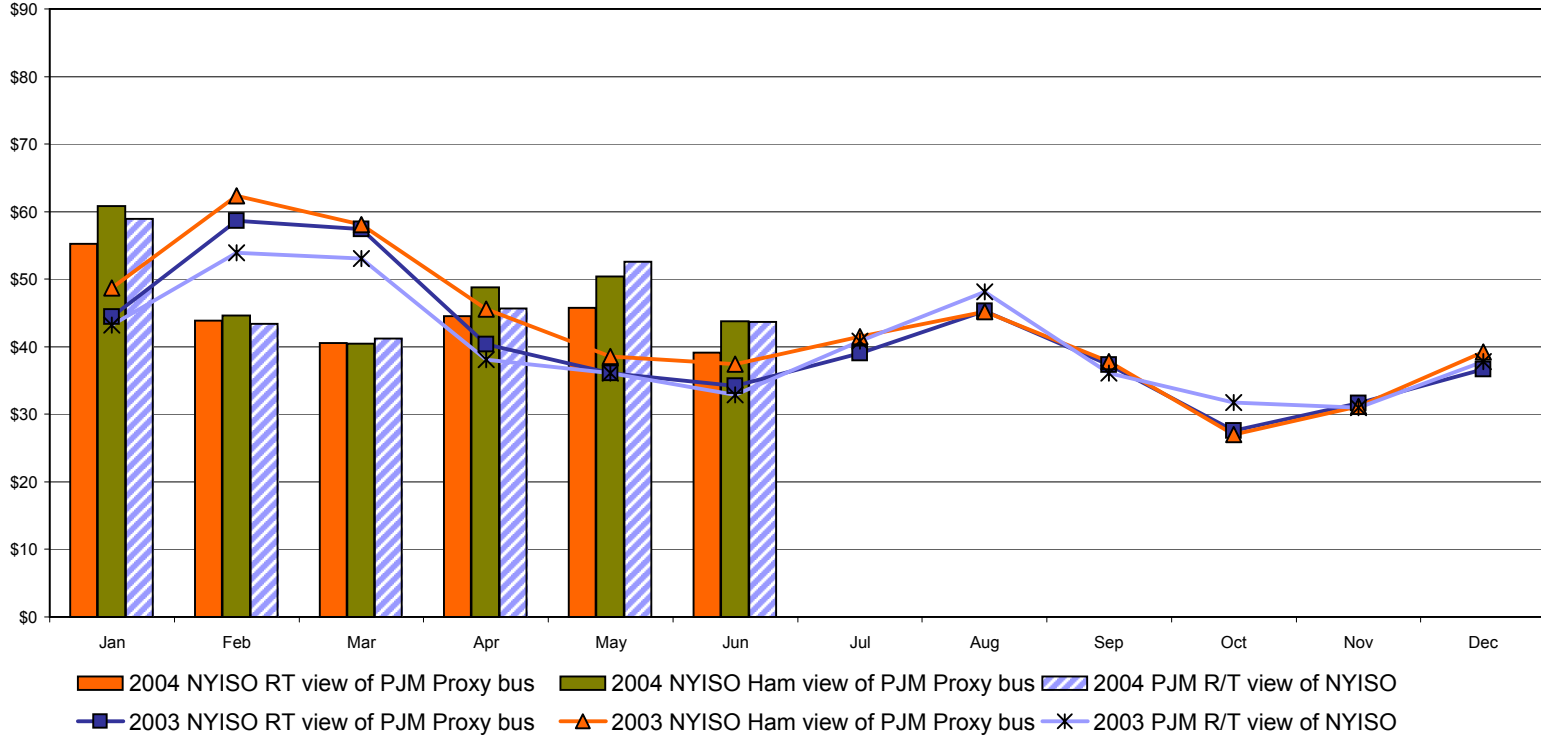
Note:  
 ISO-NE Forecast is an advisory posting @ 18:00 day before  
 \* Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

# External Comparison PJM

## Day Ahead Market External Zone Comparison - PJM only \$/MWH

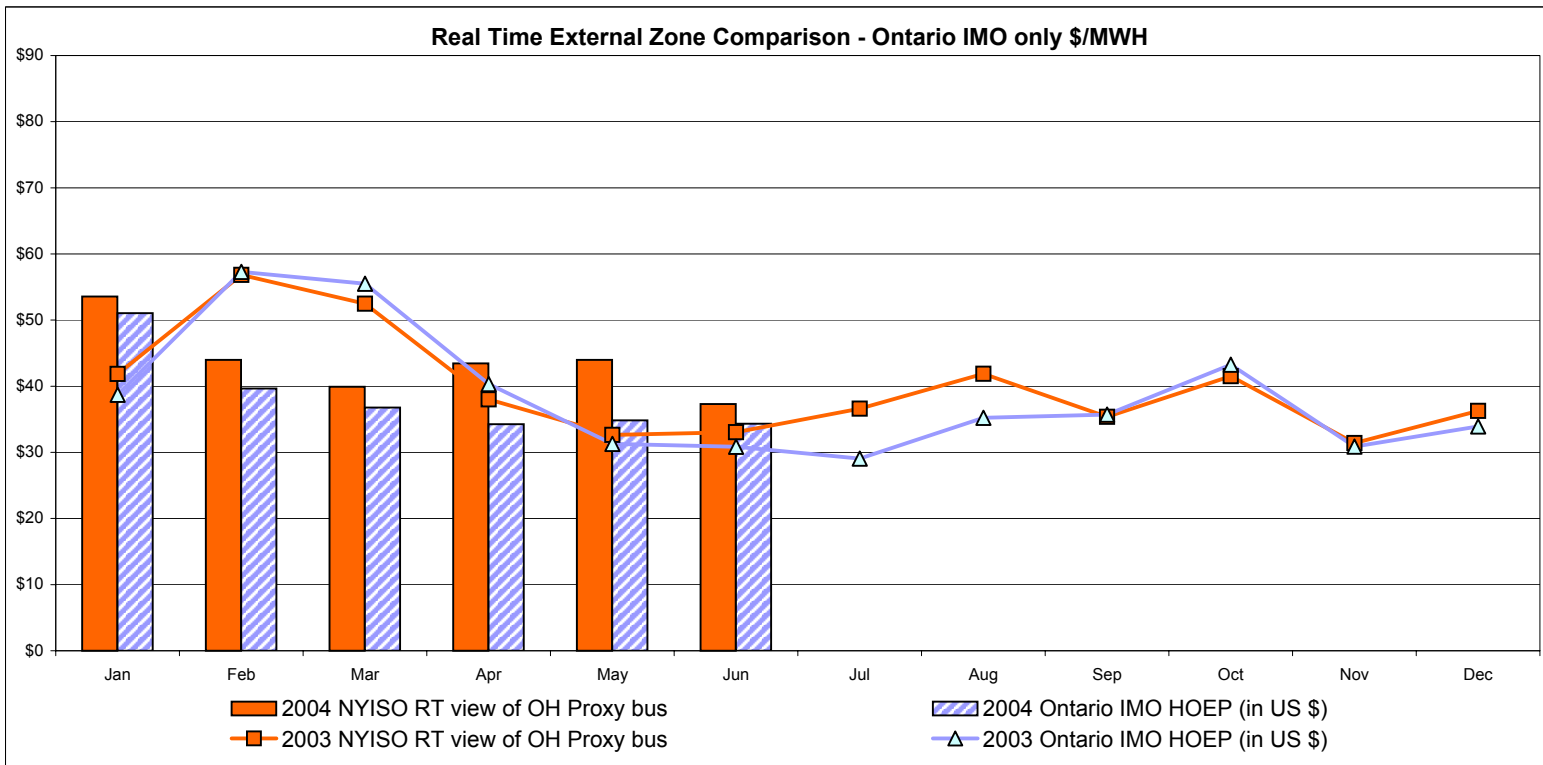
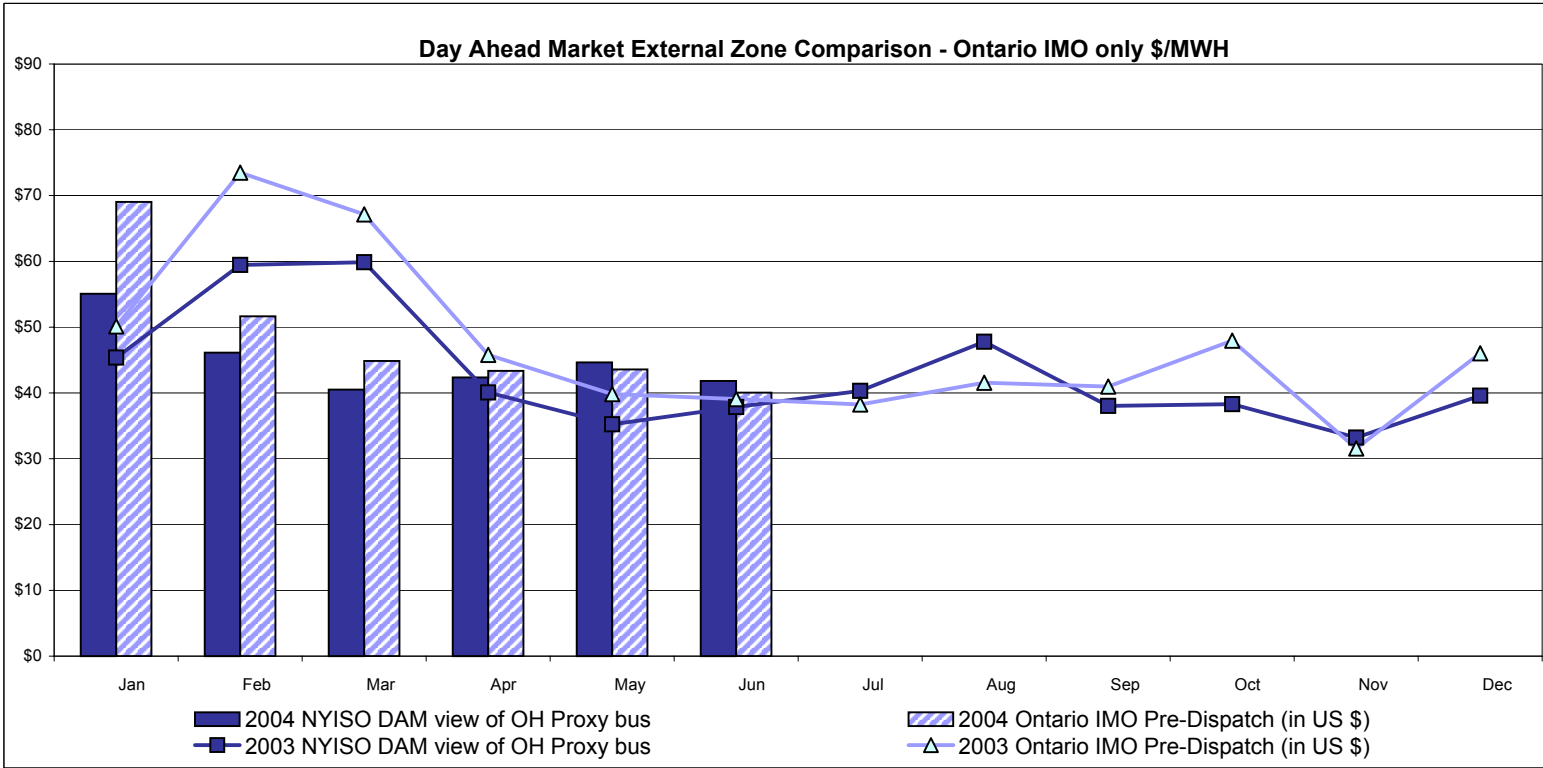


## Real Time External Zone Comparison - PJM only \$/MWH



Note:  
After 5/1/02 PJM lists only one interface as NYIS

# External Comparison Ontario IMO



Notes: Exchange factor used for June 2004 was .74 to US \$  
 HOEP: Hourly Ontario Energy Price  
 Pre-Dispatch: Projected Energy Price  
 Pre-Dispatch data from 8/14/03 Hr 15 thru 8/21/03 not included

## NYISO Price Correction Statistics

### NYISO Price Corrections 2004

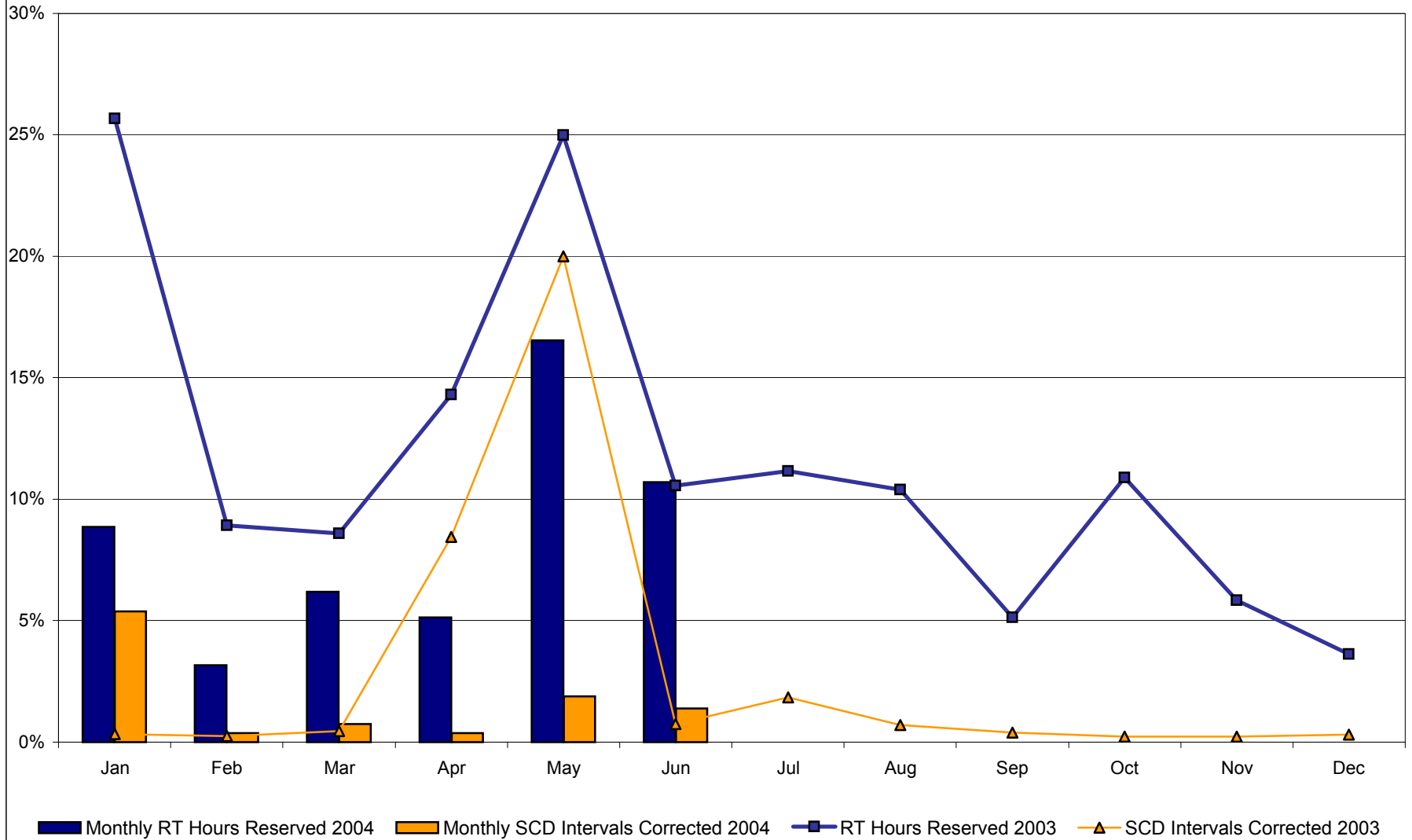
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	597	40	83	40	220	156						
Number of Intervals in the month	11,089	10,495	11,085	10,805	11,740	11,234						
Percentage of intervals corrected in the month	5.38%	0.38%	0.75%	0.37%	1.87%	1.39%						
Number of Intervals corrected Year-to-date	597	637	720	760	980	1,136						
Number of Intervals Year-to-date	11,089	21,584	32,669	43,474	55,214	66,448						
Percentage of intervals corrected Year-to-date	5.38%	2.95%	2.20%	1.75%	1.77%	1.71%						
<u>Hours Reserved</u>												
Number of hours reserved in the month	66	22	46	37	123	77						
Number of hours in the month	744	696	744	720	744	720						
Percentage of hours reserved in the month	8.87%	3.16%	6.18%	5.14%	16.53%	10.69%						
Number of hours reserved Year-to-date	66	88	134	171	294	371						
Number of hours Year-to-date	744	1,440	2,184	2,904	3,648	4,368						
Percentage of hours reserved Year-to-date	8.87%	6.11%	6.14%	5.89%	8.06%	8.49%						
<u>Days Without Corrections</u>												
Days without price corrections in the month	14	20	11	9	8	6						
Days without price corrections Year-to-date	14	34	45	54	62	68						

### NYISO Price Corrections 2003

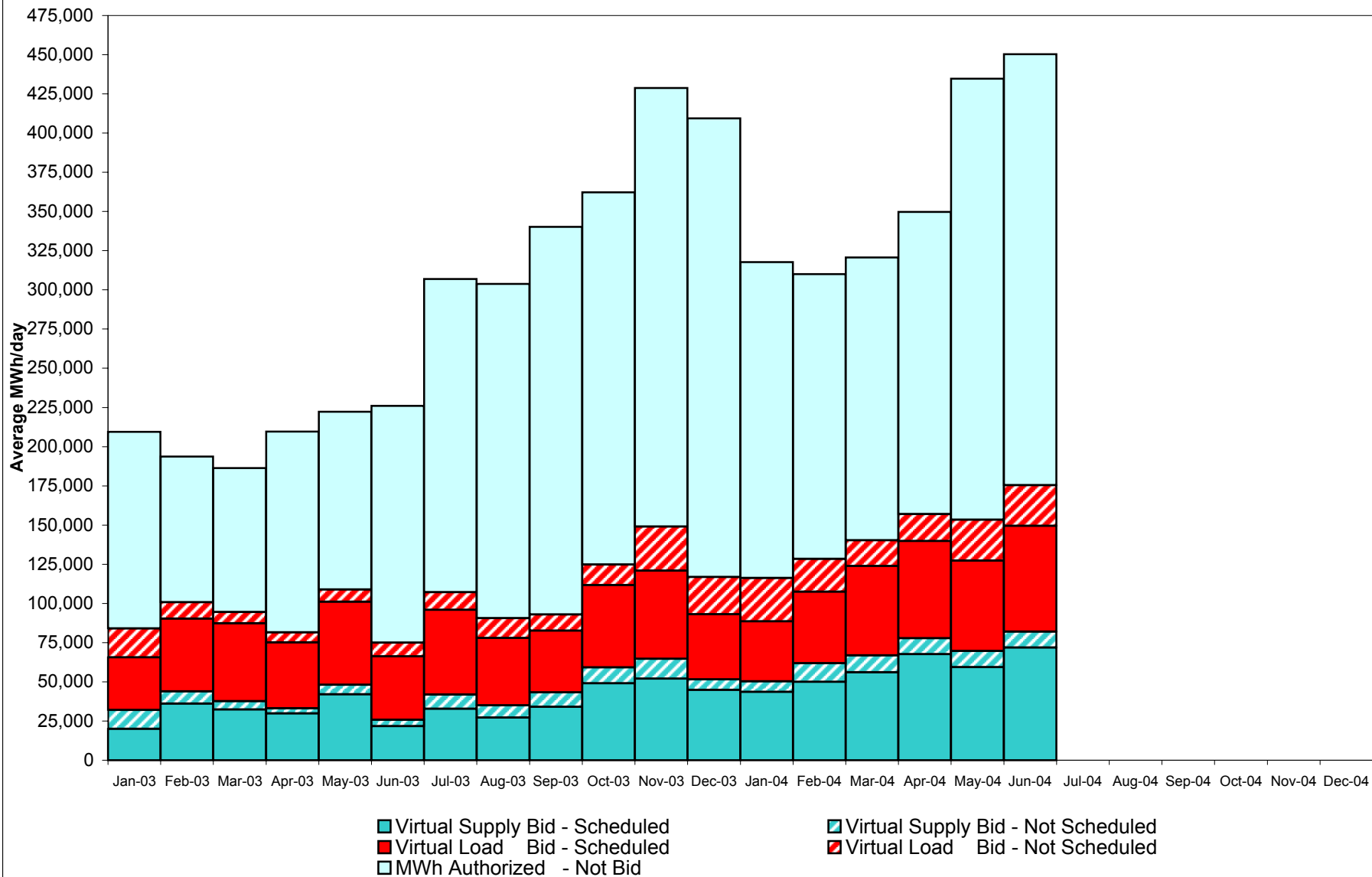
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	36	25	49	891	2,254	79	202	71	41	25	25	34
Number of Intervals in the month	10,986	10,197	10,918	10,554	11,274	10,729	10,998	9,973	10,620	11,248	10,629	11,175
Percentage of intervals corrected in the month	0.32%	0.25%	0.45%	8.44%	19.99%	0.74%	1.84%	0.71%	0.39%	0.22%	0.24%	0.30%
Number of Intervals corrected Year-to-date	36	61	110	1,001	3,255	3,334	3,536	3,607	3,648	3,673	3,698	3,732
Number of Intervals Year-to-date	10,986	21,183	32,101	42,655	53,929	64,658	75,656	85,629	96,249	107,497	118,126	129,301
Percentage of intervals corrected Year-to-date	0.32%	0.28%	0.34%	2.35%	6.04%	5.16%	4.67%	4.21%	3.79%	3.42%	3.13%	2.89%
<u>Hours Reserved</u>												
Number of hours reserved in the month	191	60	64	103	186	76	83	69	37	81	42	27
Number of hours in the month	744	672	744	720	744	720	744	664 *	720	744	720	744
Percentage of hours reserved in the month	25.67%	8.93%	8.60%	14.31%	25.00%	10.56%	11.16%	10.39%	5.14%	10.89%	5.83%	3.63%
Number of hours reserved Year-to-date	191	251	315	418	604	680	763	832	869	950	992	1,019
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088	5,752	6,472	7,216	7,936	8,680
Percentage of hours reserved Year-to-date	25.67%	17.73%	14.58%	14.51%	16.67%	15.65%	15.00%	14.46%	13.43%	13.17%	12.50%	11.74%
<u>Days Without Corrections</u>												
Days without price corrections in the month	17	15	14	9	8	8	7	5	9	17	15	14
Days without price corrections Year-to-date	17	32	46	55	63	71	78	83	92	109	124	138

\* 80 hours not included due to suspended market during system disruption

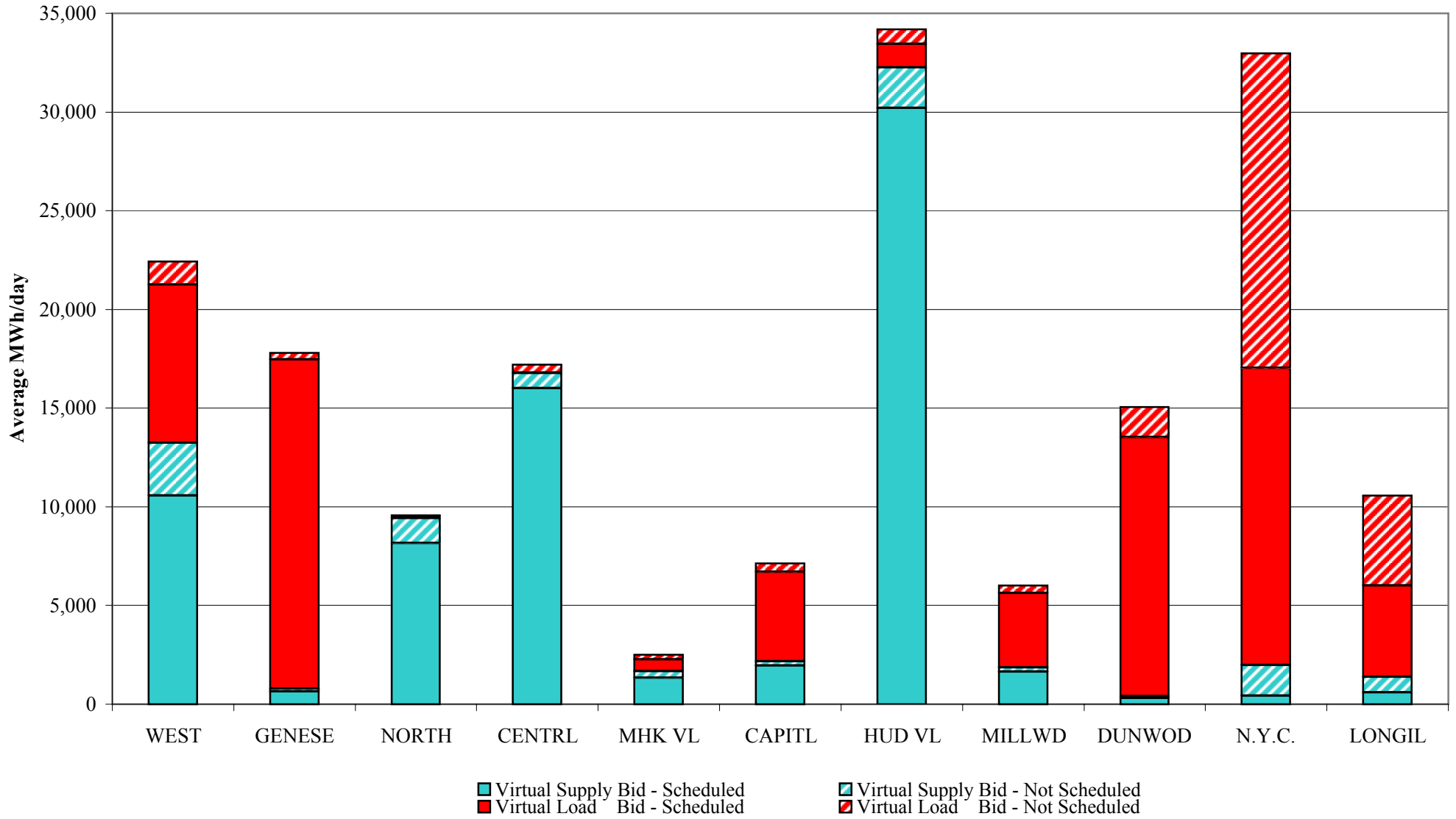
### Percentage of Real-Time Corrections



### NYISO Virtual Trading Average MWh per day

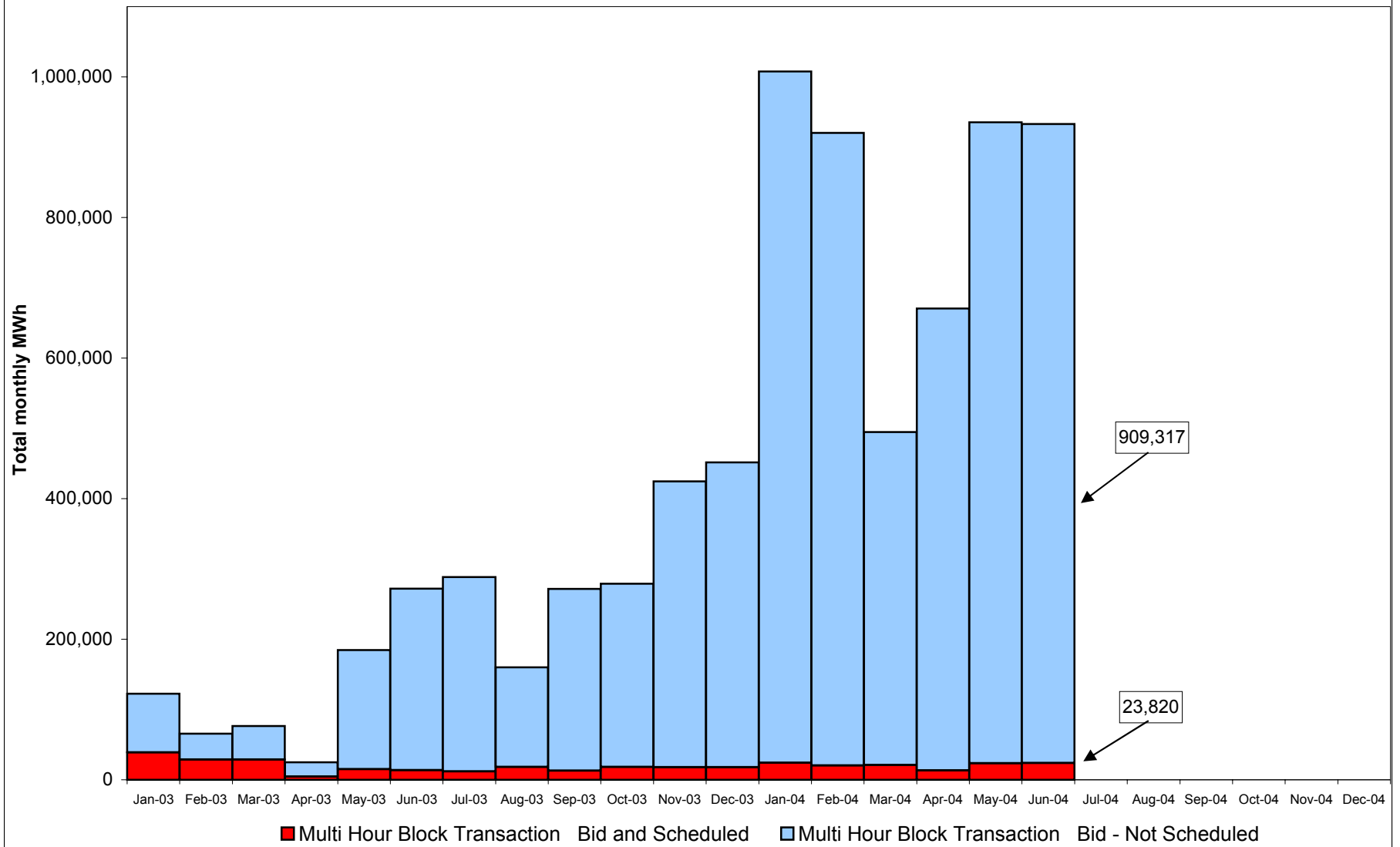


## Virtual Load and Supply Zonal Statistics June 2004



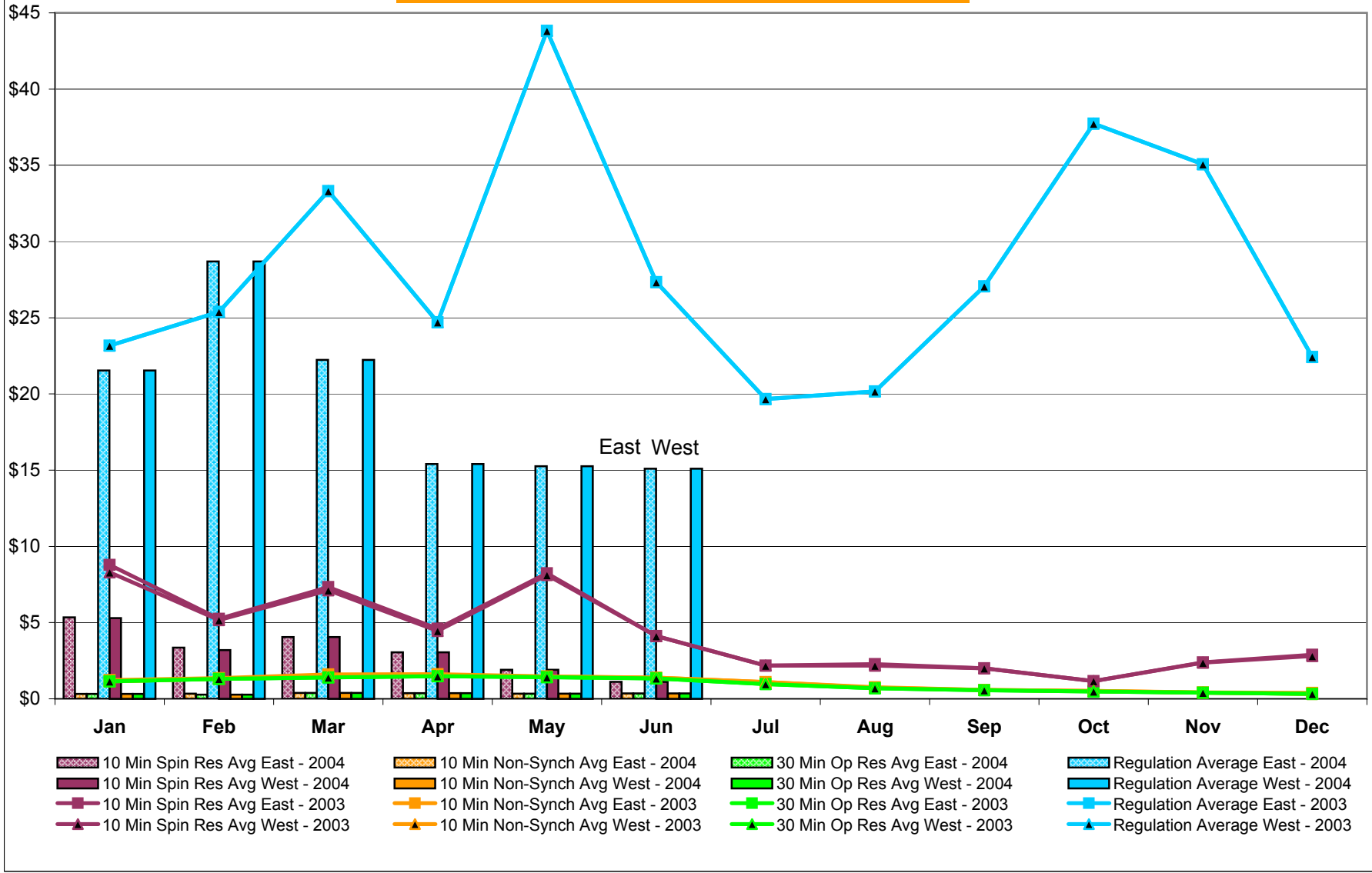
4-T

## NYISO Multi Hour Block Transactions Monthly Total MWh

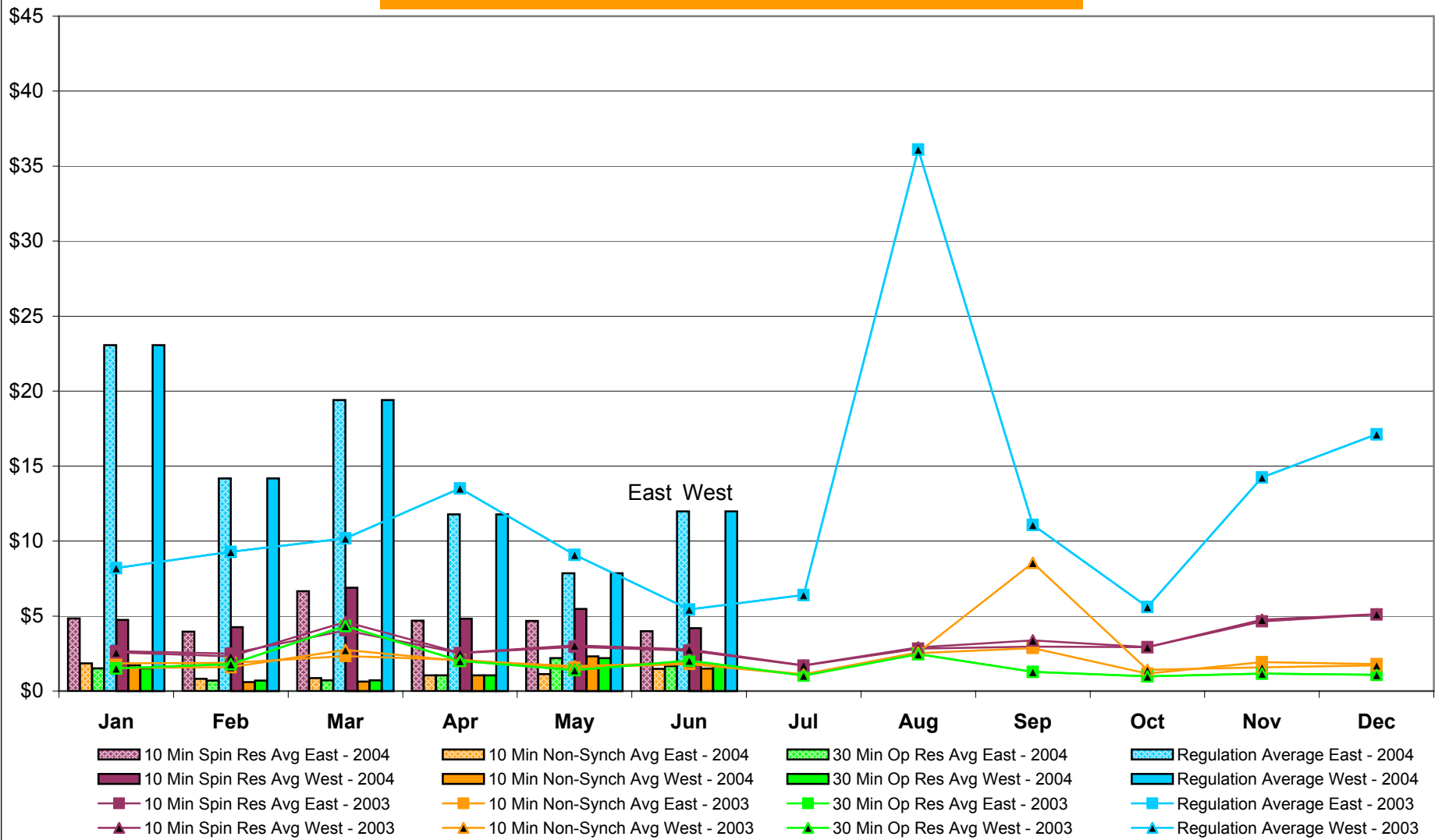




**NYISO Monthly Average Ancillary Service Prices  
Day Ahead Market 2003 - 2004**



## NYISO Monthly Average Ancillary Service Prices BME \* 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

## NYISO Markets Ancillary Services Statistics

January    February    March    April    May    June    July    August    September    October    November    December

### ANCILLARY SERVICES Unweighted Price (\$/MWH) 2004

#### Day Ahead Market

10 Min Spin East	5.35	3.36	4.05	3.04	1.91	1.11
10 Min Spin West	5.29	3.20	4.05	3.04	1.90	1.11
10 Min Non Synch East	0.33	0.33	0.39	0.38	0.34	0.35
10 Min Non Synch West	0.32	0.27	0.39	0.38	0.33	0.35
30 Min East	0.32	0.27	0.39	0.38	0.33	0.35
30 Min West	0.32	0.27	0.39	0.38	0.33	0.35
Regulation East	21.54	28.69	22.23	15.41	15.26	15.10
Regulation West	21.54	28.69	22.23	15.41	15.26	15.10

#### BME\* Market

10 Min Spin East	4.84	3.96	6.65	4.69	4.67	3.99
10 Min Spin West	4.75	4.27	6.89	4.82	5.48	4.20
10 Min Non Synch East	1.85	0.81	0.87	1.05	1.14	1.49
10 Min Non Synch West	1.71	0.60	0.64	1.06	2.31	1.49
30 Min East	1.51	0.70	0.72	1.06	2.20	1.67
30 Min West	1.51	0.70	0.72	1.06	2.20	1.67
Regulation East	23.07	14.18	19.41	11.78	7.85	11.98
Regulation West	23.07	14.18	19.41	11.78	7.85	11.98

### ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

#### Day Ahead Market

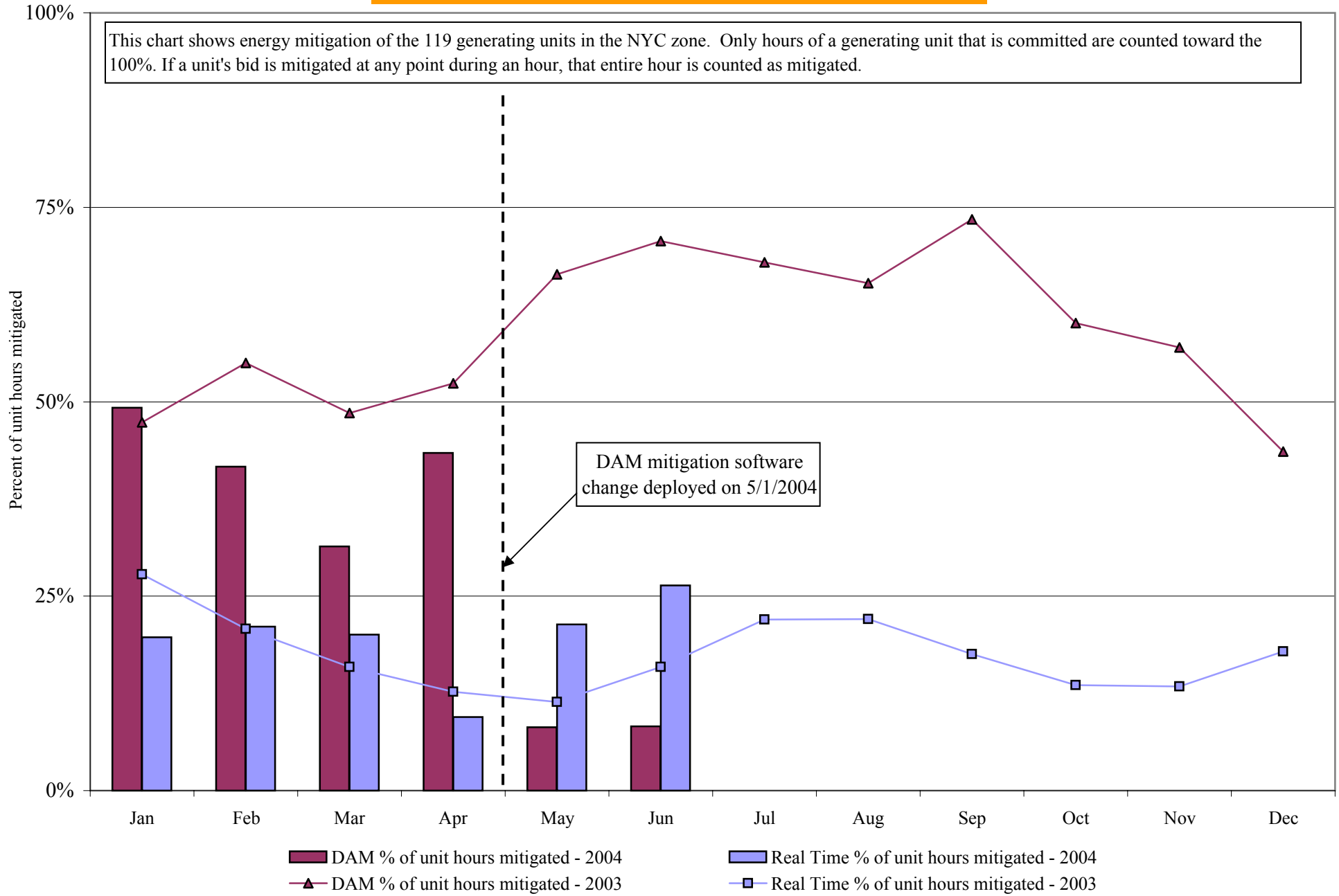
10 Min Spin East	8.78	5.24	7.33	4.60	8.24	4.12	2.18	2.28	2.01	1.17	2.39	2.89
10 Min Spin West	8.30	5.17	7.12	4.45	8.12	4.11	2.18	2.18	2.00	1.17	2.37	2.81
10 Min Non Synch East	1.22	1.36	1.60	1.61	1.48	1.40	1.09	0.76	0.58	0.52	0.41	0.38
10 Min Non Synch West	1.15	1.32	1.45	1.54	1.45	1.39	1.09	0.72	0.58	0.52	0.40	0.32
30 Min East	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
30 Min West	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
Regulation East	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43
Regulation West	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43

#### BME\* Market

10 Min Spin East	2.67	2.50	4.05	2.54	2.95	2.69	1.69	2.82	2.96	2.92	4.65	5.11
10 Min Spin West	2.59	2.32	4.61	2.55	3.04	2.78	1.72	2.91	3.38	2.94	4.76	5.13
10 Min Non Synch East	1.85	1.89	2.34	2.07	1.57	1.80	1.09	2.53	2.87	1.17	1.92	1.80
10 Min Non Synch West	1.53	1.59	2.75	2.02	1.67	1.88	1.11	2.58	8.55	1.41	1.57	1.71
30 Min East	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
30 Min West	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
Regulation East	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12
Regulation West	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12

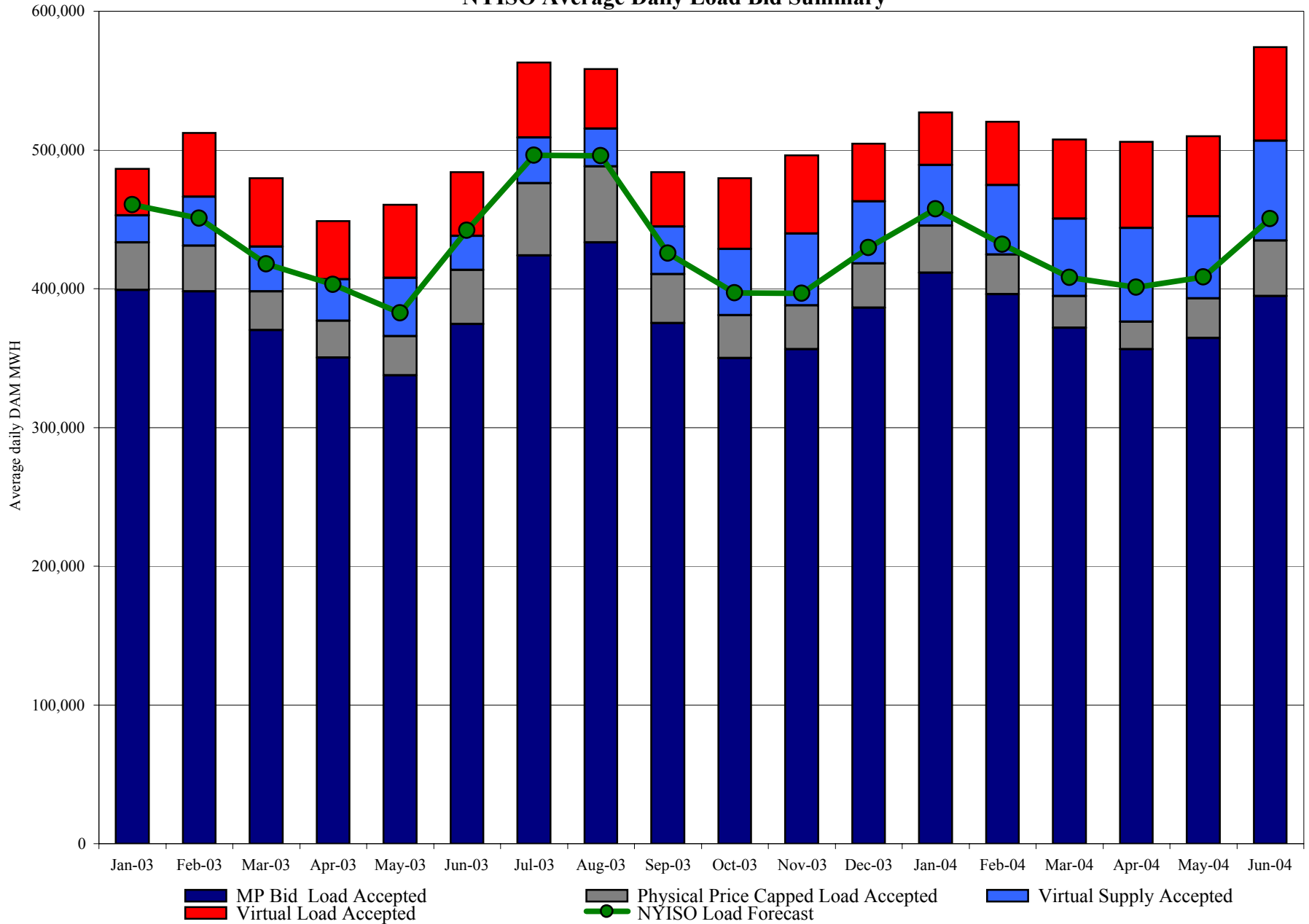
\* Commonly Referred to as Hour Ahead Market (HAM)

## NYISO In City Energy Mitigation (NYC Zone) 2003-2004 Percentage of committed unit-hours mitigated

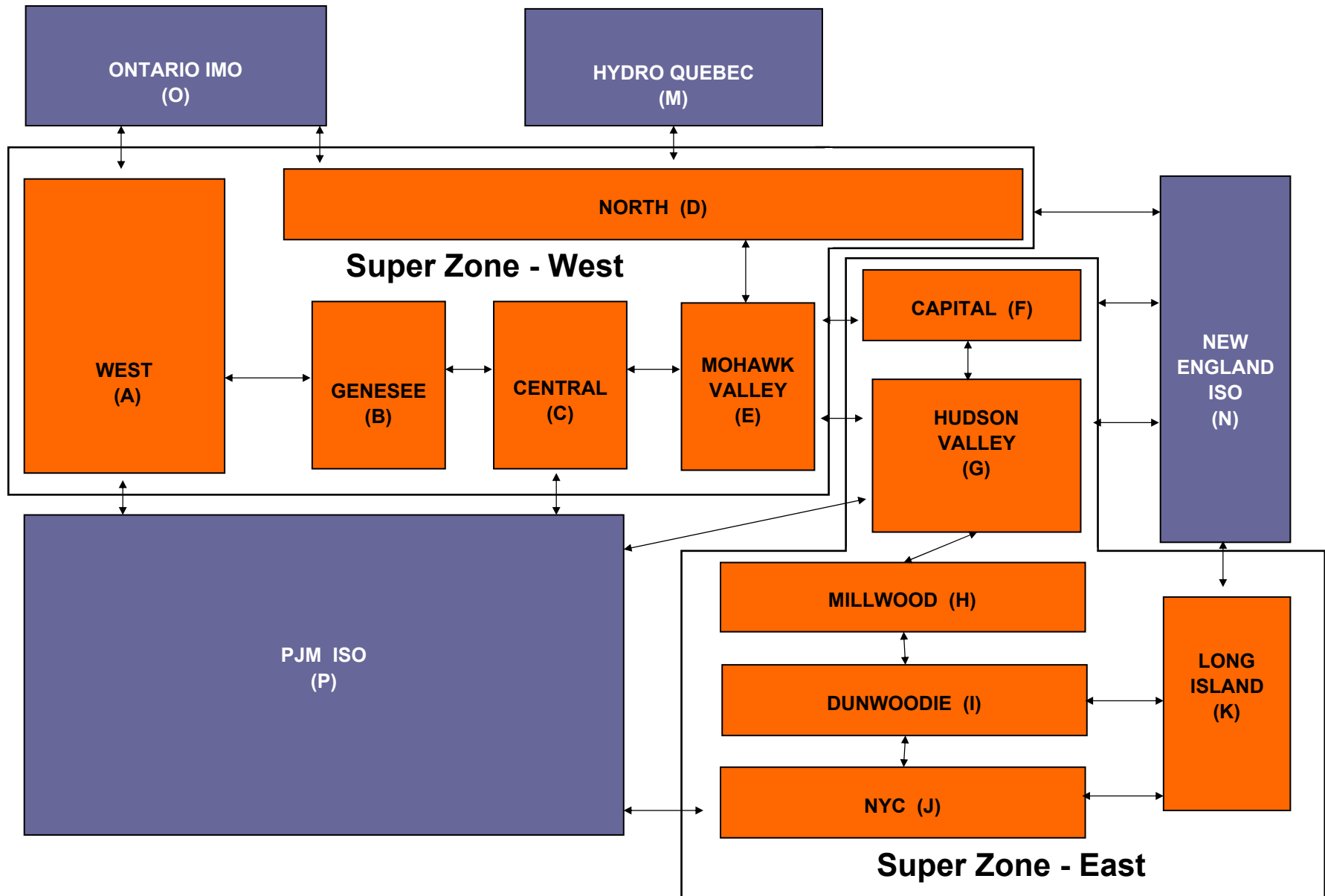


4-Y

### NYISO Average Daily Load Bid Summary



# NYISO LBMP ZONES



## RELIABILITY GATEWAY GOAL

1. Maintain service to NYCA load. No interruption of load because of improper implementation of NYISO operating procedures by the NYISO.		--	No loss of load or deliberate load shedding triggering a NERC reportable event (>300MW for >15 minutes)
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## MARKET GATEWAY GOAL

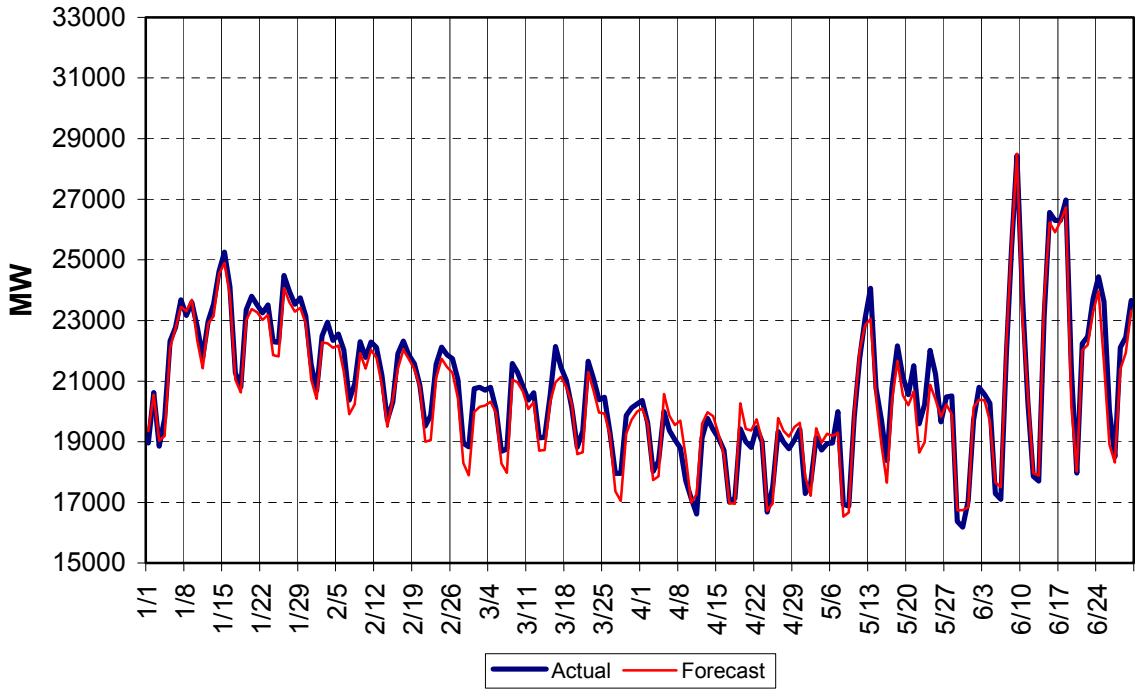
2. Successfully post DAM schedules/forward contracts.		--	DAM schedules/forward contracts are posted >=99.7% of the time during 2004
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### Goal Values

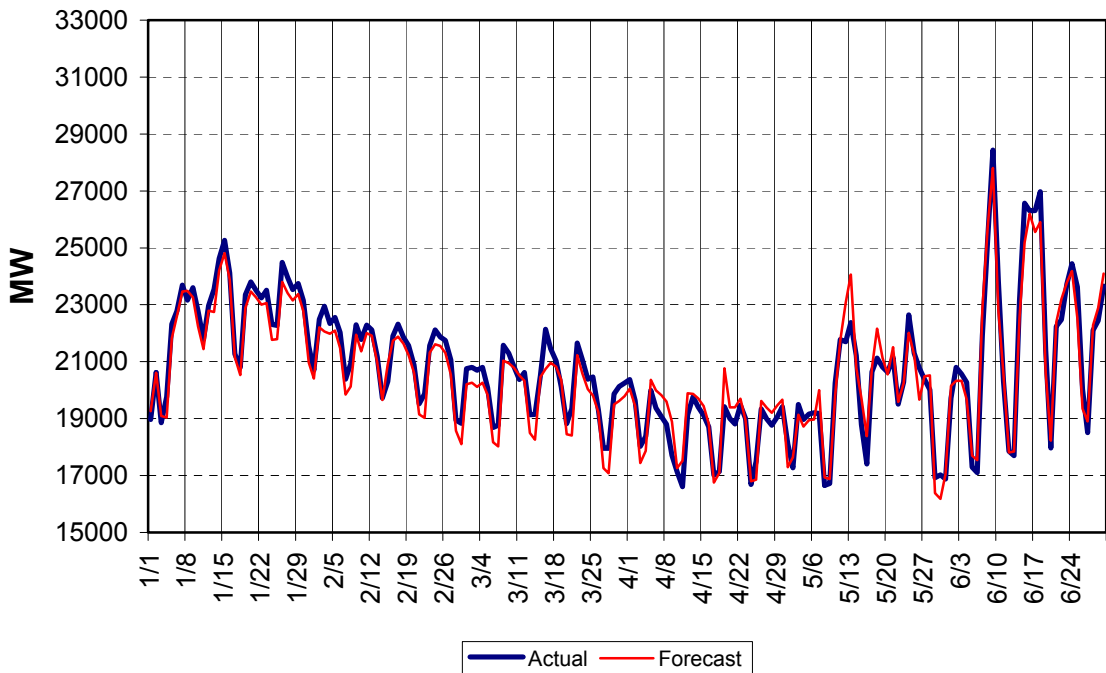
Goal Description	YTD Data	Threshold Payout-50%	Target Payout-100%	Superior Payout-150%
3. Comprehensive Electric System Planning a. Complete Phase I Study b. Complete FERC filing of Phase II	 Submitted 5/15	7/1/04	6/1/04	5/15/04
4. Comply with NERC/NAERO Operating Standards a. CPS-2: b. Disturbance Control Standards (DCS):	 6/6 months May – 95.88	10 of 12 months	12 of 12 months	--
5.a. Achieve timely posting of DAM schedules and forward contracts. Post by 11 a.m.: b. i) MIS availability >= 9x.x% as planned, based on current availability metrics ii) During the year, an individual occurrence of unplanned (i.e., <48 hours' notice) service interruptions will not be greater than 4 hours; there won't be more than:	 182/182 postings   5 occurrences	360/366 postings  10 of 12 months  3 occurrences of 1-4 hours each	363/366 postings  11 of 12 months  2 occurrences of 1-4 hours each	366/366 postings  12 of 12 months  1 occurrence of 1-4 hours
6. Improve the certainty and accuracy of Real-Time prices: a. Hours reserved: b. Intervals corrected:	 Through June – 8.47%   1.72%	<= 12%  <= 0.6%	<= 10%  <= 0.5%	<= 8%  <= 0.4%
7. Improve the billing and true-up process: a. Posting of all invoices within 5 business-days of the month according to invoice schedule b. Metering improvements c. Turnaround of Billing Defects (from NYISO notification)	 5/6 months   --   29 B-Ds	10 of 12 months  Finalize a formal meter quality and tracking program  40 B-Ds	11 of 12 months  Implement program with Meter Authority agreement 35 B-Ds	12 of 12 months  Finalize test schedule & replacement with meter authorities 30 B-Ds
8. Improve Customer Satisfaction with NYISO services as determined via surveying three times annually (average baseline score: 6.397)	 April survey: 6.747	Score of >= 6.525	Score of >= 6.653	Score of >= 6.781
9. Project execution (weighted 20%) a. 1) Project Management – Scheduling 2) Project Management - Costs b. SMD 2.0	 9 projects qualified – 0 miss (sch);  0 miss (cost)   --	3 misses  3 misses  11/16	2 misses  2 misses  10/12**	<=1 miss  <=1 miss  --

\*\* internal schedule driving to 10/5 deployment

**NYISO Daily Peak Load  
Actual vs. Weather-Adjusted Forecast**

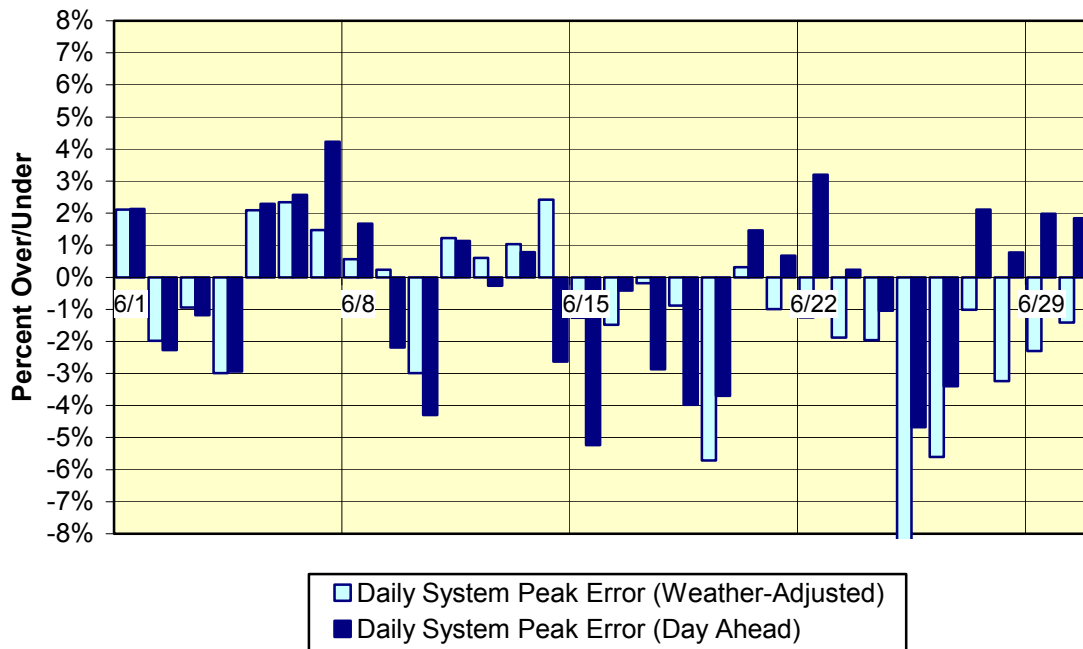


**NYISO Daily Peak Load  
Actual vs. Forecast**

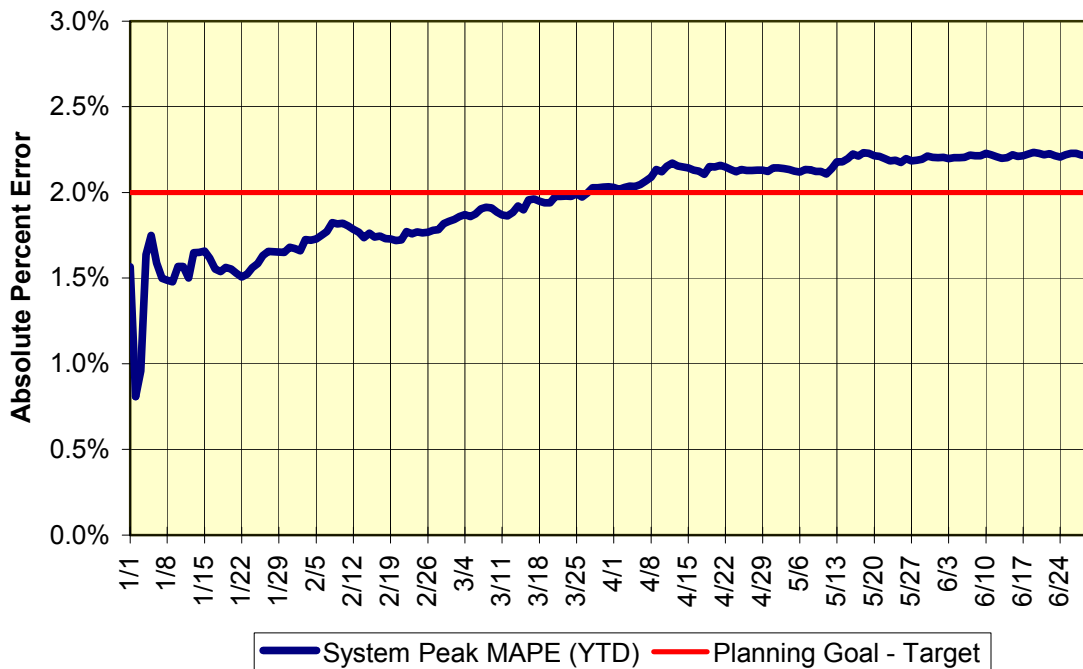




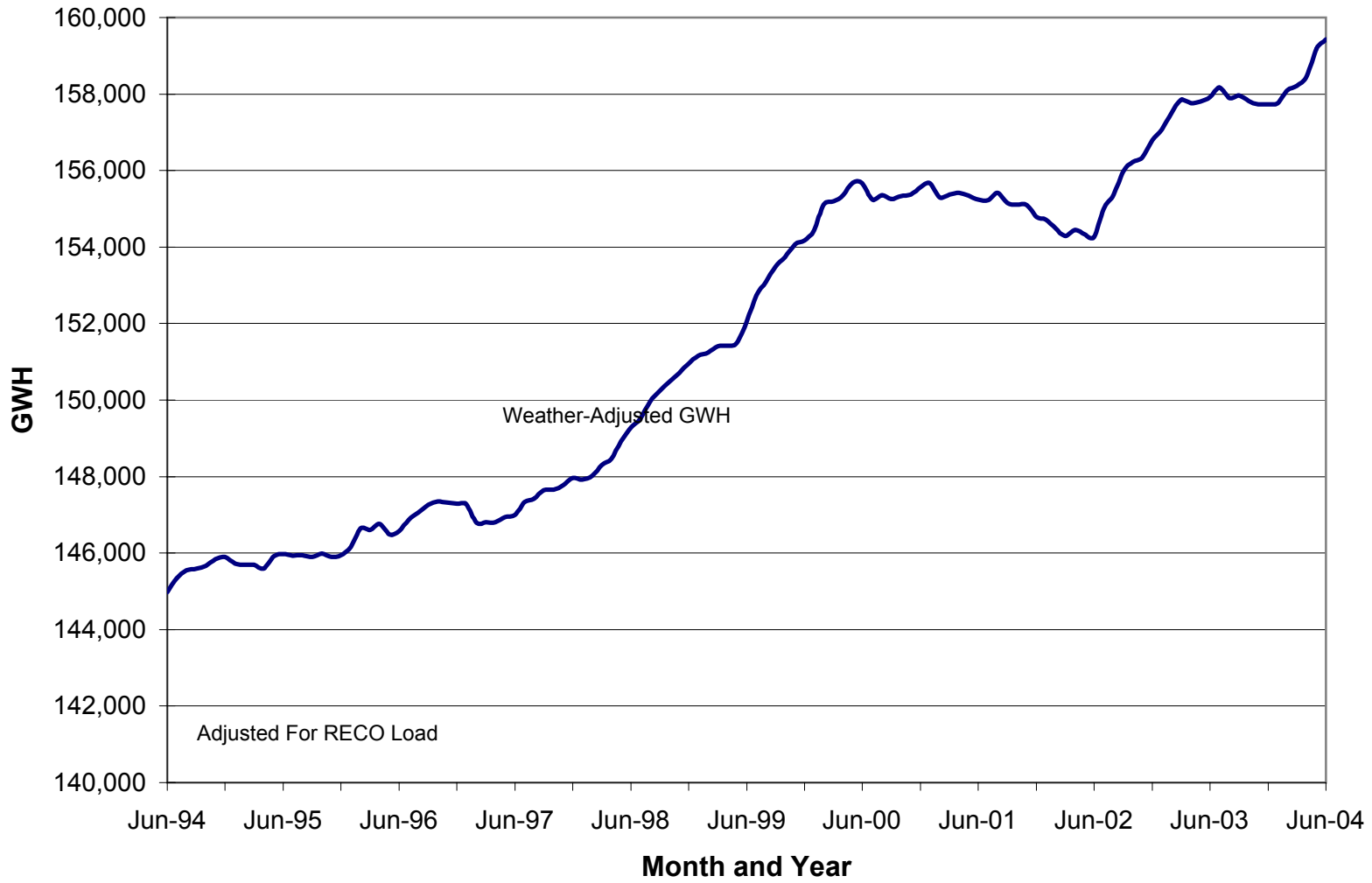
### Day-Ahead Forecast Daily Forecast Errors of System Peak June, 2004



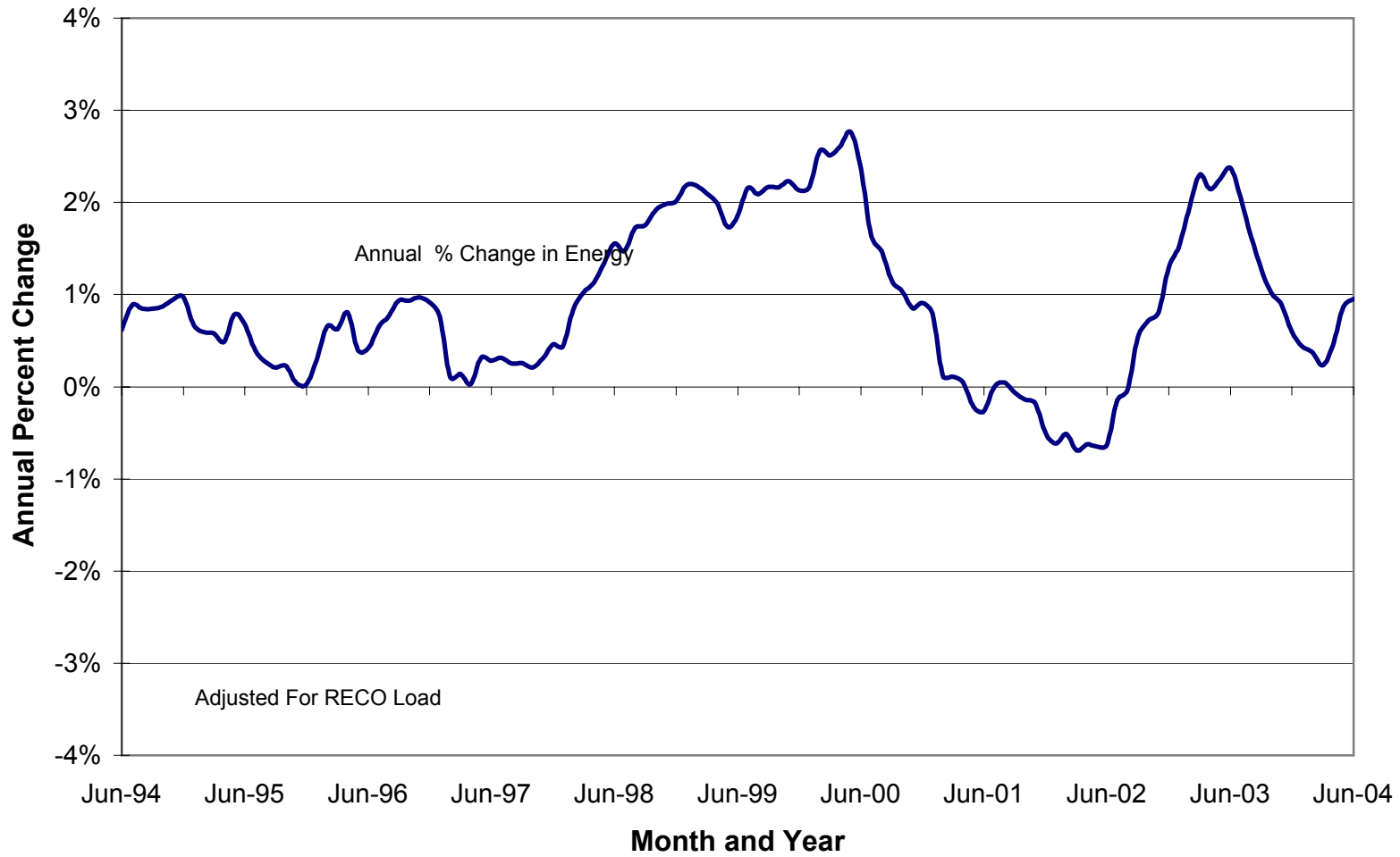
### Day-Ahead Forecast Cumulative Performance - Daily System Peak 2004 Year-to-Date



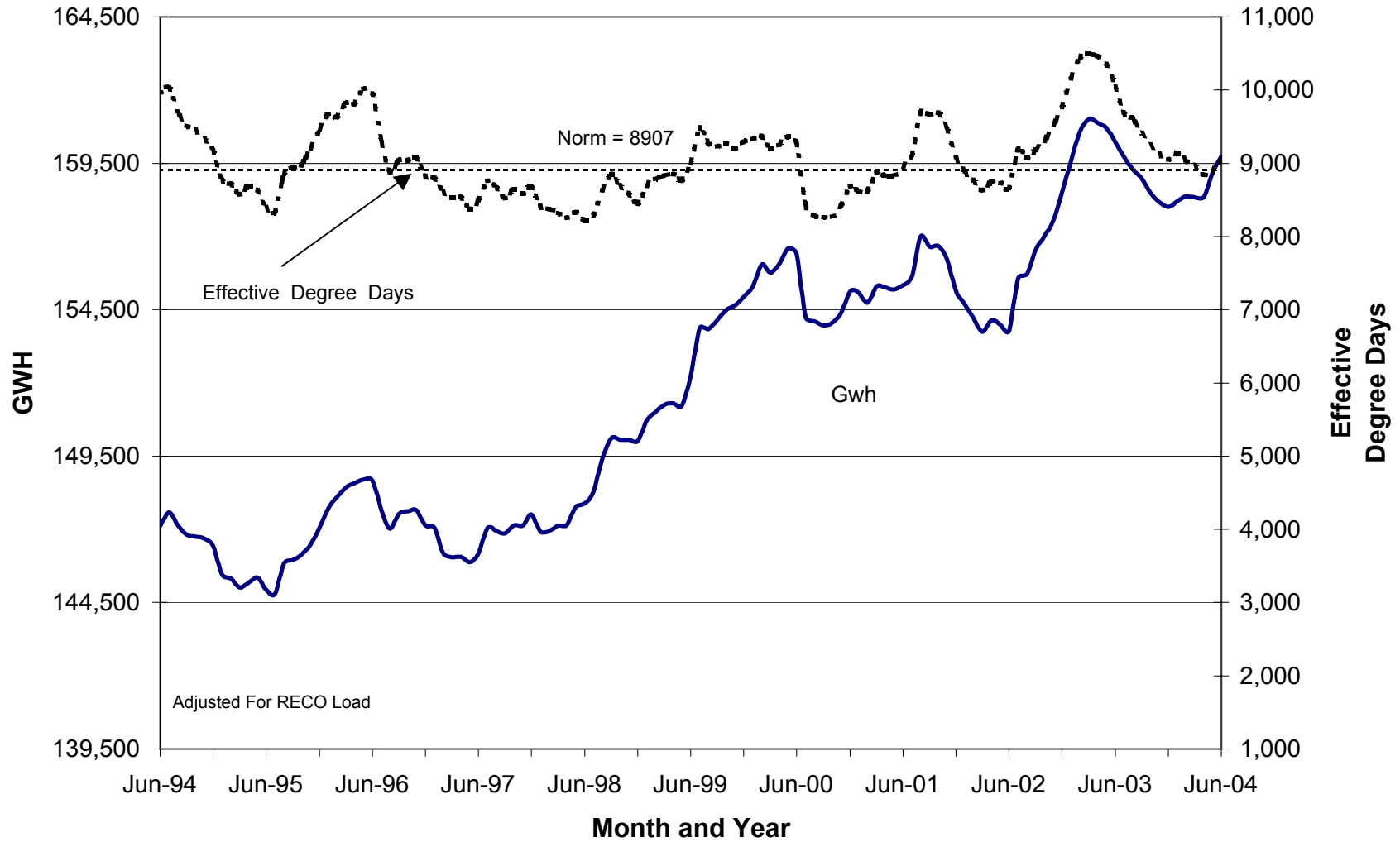
**Plot Of 12 Month Moving Total Of NYCA Weather Adjusted Energy Sendout**



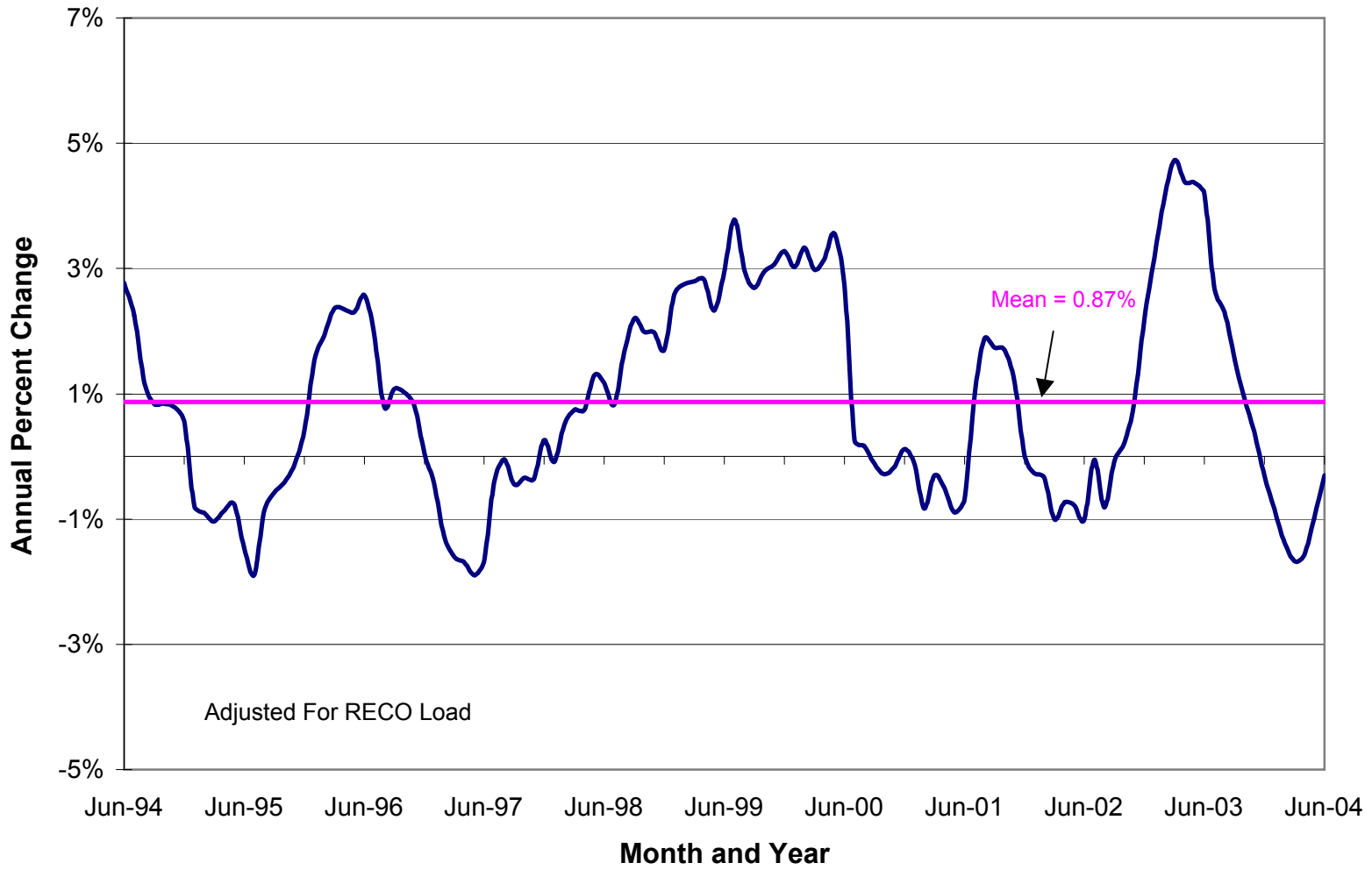
### Plot Of Weather Adjusted 12 Month Moving Total Energy Sendout Annual Percent Change



**Plot Of 12 Month Moving Total Of NYCA Energy Sendout  
And Effective Degree Days For 10 Years**



**Plot Of 12 Month Moving Total Energy Sendout  
Annual Percent Change For 10 Years**



NYISO Regulatory Filings  
June 2004

- June 1, 2004 NYISO filing of motion to intervene of the application submitted to FERC by LIPA and Cross Sound Cable regarding the usage of the Cross Sound Cable (TX04-3-000)
- June 1, 2004 NYISO filing of sixth semi-annual compliance report on demand response programs on wholesale process and the status of new generation resources in the NY control area (ER01-3001-010)
- June 4, 2004 NYISO filing request of FERC to defer taking any action on the previous submitted tariff revisions concerning the proposed interim scheduling procedure for external transactions at the Shoreham proxy generator bus (ER04-791-000)
- June 4, 2004 NYISO filing of privileged documents requested by FERC's Office of Market Oversight and Investigations and request for limited waivers of regulations
- June 7, 2004 NYISO filing of proposed compliance revisions to its Services Tariff regarding its Day Ahead Energy Market involving the default bid rule (ER04-230-005)
- June 9, 2004 NYISO filing jointly a brief of intervenors to the US Court of Appeals on behalf of FERC involving the Edison Mission Energy v. FERC proceeding (No. 03-1228)
- June 14, 2004 NYISO filing of a final non-financial settlement agreement regarding the Keyspan complaint v NYISO involving cost allocation for new interconnection facilities (EL02-125-000/001)
- June 16, 2004 NYISO section 205 tariff filing to add a component for wholesale transmission service charges to the operating requirement under the customer creditworthiness requirements and clarify the unsecured credit starting point for affiliated municipal electric systems (ER04-932-000)
- June 18, 2004 NYISO filing of request for emergency waivers of tariff provisions, cancel the upcoming July reconfiguration auction and expedited action regarding this request involving TCC Reconfiguration Auctions (EL04-110-000)
- June 21, 2004 NYISO section 205 tariff filing to eliminate rate pancaking on exports from the NYCA to the New England Control Area (ER04-943-000)
- June 23, 2004 NYISO filing of a letter with the NYPSC supporting the ALJ recommendation that the NYPSC move ahead and issue a policy statement on the basic renewable portfolio standard infrastructure issues (Case 03-E-0188)
- June 24, 2004 CHG&E, LIPA, NYPA, NYSEG, NMPC and RG&E joint filing of a complaint v. NYISO regarding administration of its Transmission Congestion Contract authority (EL04-113-000)
- June 25, 2004 NYISO filing of OATT tariff revisions regarding LIPA's wholesale transmission service charge (ER04-958-000)
- June 25, 2004 NYISO filing of motion to reopen the record and for disposition on remand to receive evidence regarding and order spinning reserve and non- spinning reserve refunds to the NYISO (ER00-1969-000)

NYISO Regulatory Filings  
June 2004

- June 25, 2004 NYISO submits comments and motions to intervene regarding in response to technical conference comments involving creditworthiness standards (AD04-8-000)
- June 29, 2004 ALJ filing of a report regarding the settlement process concerning a complaint v. NYISO involving the interconnection of new generating facilities (EL02-125-001)

NYISO Related FERC Orders  
June 2004

- June 2, 2004 FERC order conditionally accepting NYISO's compliance filing regarding revisions to its creditworthiness policies  
(ER03-552-006/007/008, ER03-984-004/005/006)
- June 18, 2004 FERC letter order accepting NYISO's compliance filing regarding revisions to NYSEG's transmission service charge  
(EL04-56-001)
- June 22, 2004 FERC order granting NYISO a one-time waiver of certain Transmission Congestion Contracts (TCC) tariff provisions that require NYISO to conduct monthly TCC reconfiguration auctions  
(EL04-110-000)
- June 22, 2004 FERC order granting NYISO a limited waiver of tariff dispute resolution provisions regarding a complaint v NYISO concerning its use of temporary emergency procedures  
(EL01-19-000/001, EL02-16-000/001)



## **NYISO Management Committee Meeting**

June 4, 2004

Consolidated Edison, New York, NY

### **MOTION FROM THE MEETING**

#### **Motion #1:**

Motion to approve the Minutes from the May 5, 2004 MC meeting.

**(Motion passed unanimously by show of hands)**

#### **Motion #2:**

Motion to approve the Minutes from the April 19, 2004 MC meeting.

**(Motion passed unanimously by show of hands)**

#### **Motion #3:**

##### **Motion Re: Elimination of TSCs and NTACs for Exports and Wheels-Through to New England**

The Management Committee approves amending the NYISO tariff to eliminate export charges (TSC and NTAC) for exports to New England in a manner consistent with the Management Committee presentation of June 4, 2004 with an effective date the same date that New England eliminates export fees to New York on a reciprocal and unconditional basis and requests that the Board authorize a filing to the FERC pursuant to Section 205 of the Federal Power Act.

**(Motion passed with 93.00 % affirmative votes)**

#### **Motion #4:**

##### **Motion to Accept Recommendation of BSP Committee Regarding Rate Schedule 1 Allocation**

WHEREAS, the Management Committee, based on a FERC Order, charged the Budget, Standards & Performance Committee ("BSP Committee") to review the allocation between Market Participants of the portion of the NYISO's Rate Schedule 1 charges attributable to its operating budget and FERC fees (hereinafter "Rate Schedule 1 Charges");

WHEREAS, to provide input into this review, the NYISO retained RJ Rudden & Associates ("Rudden") to develop its recommendation for an unbundled structure for the Rate Schedule 1 Charges ("Rudden Study");

WHEREAS, the BSP Committee has held several meetings over the past six months that were widely attended by Market Participants from each sector to address the aforementioned issue;

WHEREAS, Rudden initially formed assumptions and completed the Rudden Study by developing an unbundled structure for the Rate Schedule 1 Charges.

WHEREAS, based upon estimates of the earliest implementation dates and programming costs that would be necessary to implement the unbundled structure and the resulting shift in priorities, Rudden subsequently recommended that the results of the Unbundling Study be implemented as a simple percentage cost allocation to be assessed to loads and suppliers in the ratio of 77%/23% with the further recommendation that reasonable modifications to that percentage allocation would be justified due to the significant number of assumptions that formed the basis of the Rudden Study; and finally that the composite rate be implemented on January 1, 2005.

WHEREAS, the BSP Committee has reviewed the Rudden Study, including Rudden's assumptions and recommendations, and, based on its analysis, finds that certain costs should reasonably be placed in categories other than those proposed by the Rudden Study with resulting changes in the proposed percentage allocations given the structure of the New York Markets at this time;

WHEREAS, based on its analysis of the Rudden Study including the assumptions incorporated therein, its analysis of the current allocation of the Rate Schedule 1 Charges and its analysis of the New York markets, the BSP Committee has reached consensus that, effective January 1, 2005, a straight percentage allocation of 80% to loads and 20% to suppliers in the New York market for the Rate Schedule 1 Charges is justified and further has reached consensus that the 80%/20% allocation shall remain in place, for the ensuing five years to be reviewed at the end of the fourth year if significant market changes merit its review; and

WHEREAS, NYISO Staff attended the BSP meetings addressing this issue and, based on its analysis of the Rudden Study including the assumptions incorporated therein, its analysis of the current allocation of the Rate Schedule 1 Charges and its analysis of the New York Markets, all as reflected in its June 4, 2004 Management Committee Presentation, NYISO Staff fully concurs with the BSP Committee's determinations on this issue;

NOW THEREFORE, based upon the analyses performed by the BSP Committee and NYISO Staff, the Management Committee hereby agrees with, and approves, the BSP Committee's determination to set a straight percentage allocation, effective January 1, 2005, of 80% to loads and 20% to suppliers in the New York market for the Rate Schedule 1 Charges imposed to recover NYISO costs and FERC fees. It is the Management Committee's intent that this 80%/20% split remain in place at least for the next five years and that this split be reviewed at the end of the fourth year if significant market changes merit its review. The Management Committee hereby further requests that the NYISO Board approve these determinations and direct its Staff to submit a tariff filing with these changes to the Federal Energy Regulatory Commission under Section 205 of the Federal Power Act.

**(Motion passed with 87.63 % affirmative votes)**

**Motion #4a:**

Motion to table Motion #4.

**(Motion failed with 34.40 % affirmative votes)**

**Motion #5:**

**Motion Re: Con Ed Appeal of OC Decision**

The Management Committee hereby grants Con Edison's appeal of the Operating Committee's decision at its April 29, 2004 meeting to amend the study scope for the SRIS of Con Edison's proposed Mott Haven substation. Accordingly, the Operating Committee's vote amending the Mott Haven SRIS study scope is hereby vacated and Con Edison's original study scope approved by TPAS and submitted to the Operating Committee for SRIS of its proposed Mott Haven substation is hereby approved.

**(Motion passed unanimously by show of hands with abstentions)**

**Motion #6:**

**Motion Re: Proposed Revisions to the NYISO Day Ahead Demand Response Program**

The NYISO Management Committee (MC) approves the proposed revisions to the NYISO Day-Ahead Demand Response Program that were presented and approved at the May 19, 2004 BIC meeting as amended to retain the bid floor price in the Market Services Tariff and presented at the MC meeting on June 4, 2004 and requests that the Board authorize a filing to the FERC pursuant to Section 205 of the Federal Power Act.

**(Motion passed unanimously by show of hands with abstentions)**

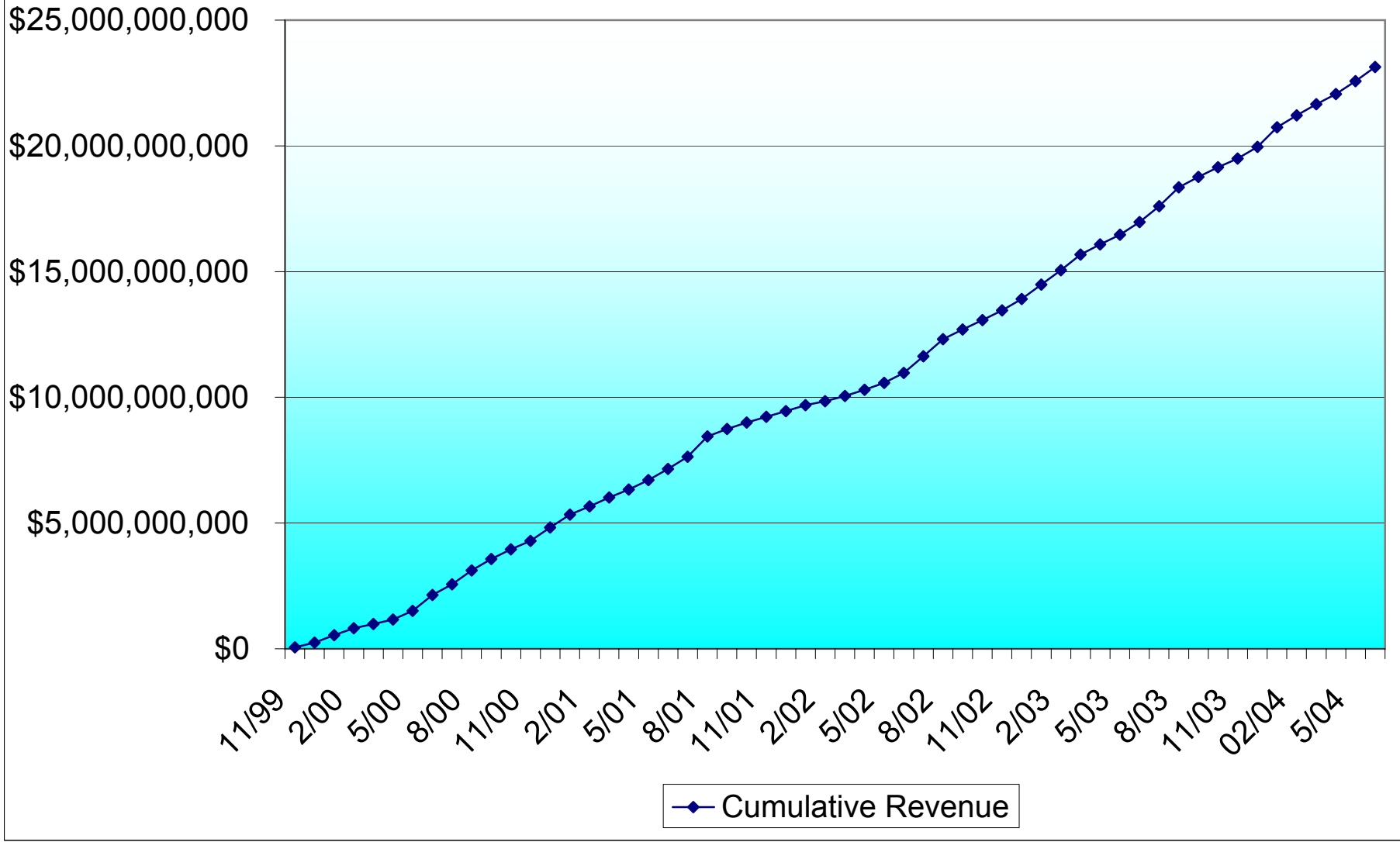


## 2004 BUDGET VS. ACTUAL VARIANCES

(dollar amounts in thousands)

	<u>YTD through June 2004</u>			
	<u>Budget</u>	<u>Actuals</u>	<u>\$ Var.</u>	<u>% Var.</u>
Capital Assets	\$ 9,078	\$ 3,915	\$ (5,163)	-57%
Salaries & Benefits	21,918	20,435	(1,483)	-7%
Consultants	12,583	10,553	(2,030)	-16%
Legal	3,000	2,953	(47)	-2%
Building Services	1,757	1,726	(31)	-2%
Computer Services	12,222	17,781	5,559	45%
Insurance	3,857	3,299	(557)	-14%
Telecommunications	1,438	2,240	803	56%
Board of Directors	463	397	(66)	-14%
Meetings, Travel, Training	1,451	1,249	(202)	-14%
NPCC Fees	763	848	86	11%
FERC Fees	4,000	4,000	0	0%
Debt Service & Bank Fees	<u>12,992</u>	<u>12,451</u>	<u>(542)</u>	-4%
<b>TOTAL BUDGET SPENDING</b>	<b><u>\$ 85,520</u></b>	<b><u>\$ 81,847</u></b>	<b><u>\$ (3,673)</u></b>	<b><u>-4%</u></b>
Less: Miscellaneous Revenues	(533)	(537)	(5)	1%
Less: Net Proceeds from Bank Financing	(23,000)	(23,000)	0	0%
Plus: Interest on 2004 Bank Financing	<u>229</u>	<u>82</u>	<u>(148)</u>	0%
<b>EQUALS: Funds Needed via RS#1</b>	<b><u>\$ 62,216</u></b>	<b><u>\$ 58,391</u></b>	<b><u>\$ (3,825)</u></b>	<b><u>-6%</u></b>
<b>COMPARED TO: Funds Received via RS#1</b>			<b><u>(2,048)</u></b>	
<b>EQUALS: Total Due (to)/from Market Participants</b>			<b><u>\$ (5,873)</u></b>	

## Cumulative Gross Revenue of all Monthly Components



NYISO  
 MARKET PARTICIPANT ENERGY BILLINGS  
 SUMMARY OF NET RECEIVABLES

**\*\*RECEIVABLES\*\***

	ORIGINAL INVOICE	4 MO TU	12 MO TU	24 MO TU	REBILL	Final Bill Challenge	TU TOTAL	% OF TU		
Nov-99	\$ 41,914,277	\$ -	\$ 4,601,583	11%	\$ 1,653,001	4%	\$ 435,491	1%	\$ 6,690,076	16%
Dec-99	\$ 133,158,638	\$ -	\$ 9,535,988	7%	\$ 1,707,927	1%	\$ 3,510,999	3%	\$ 14,754,914	11%
Jan-00	\$ 217,994,281	\$ -	\$ 13,514,891	6%	\$ 6,139,030	3%	\$ 3,934,882	2%	\$ 23,588,803	11%
Feb-00	\$ 186,799,918	\$ -	\$ 13,029,978	7%	\$ 1,518,328	1%	\$ 3,133,700	2%	\$ 17,682,007	9%
Mar-00	\$ 124,028,665	\$ -	\$ -	0%	\$ 889,309	1%	\$ 24,987,775		\$ 25,877,084	21%
Apr-00	\$ 135,512,224	\$ -	\$ -	0%	\$ 1,287,032	1%			\$ 1,287,032	1%
May-00	\$ 222,997,916	\$ -	\$ 19,374,704	9%	\$ 7,788,534	3%			\$ 27,163,238	12%
Jun-00	\$ 415,492,540	\$ -	\$ 27,121,792	7%	\$ 12,457,711	3%			\$ 39,579,503	10%
Jul-00	\$ 252,252,351	\$ -	\$ 19,489,697	8%	\$ 2,724,735	1%			\$ 22,214,432	9%
Aug-00	\$ 361,947,692	\$ -	\$ 35,775,647	10%	\$ 5,508,600	2%			\$ 41,284,247	11%
Sep-00	\$ 319,094,875	\$ -	\$ 31,071,138	10%	\$ 6,605,678	2%			\$ 37,676,816	12%
Oct-00	\$ 274,787,453	\$ 15,496,075	6%	\$ 3,205,891	1%	\$ 3,745,905	1%		\$ 22,447,871	8%
Nov-00	\$ 256,009,720	\$ 16,262,668	6%	\$ 2,052,169	1%	\$ 1,784,229	1%		\$ 20,099,066	8%
Dec-00	\$ 396,610,564	\$ 19,537,029	5%	\$ 4,026,996	1%	\$ 4,066,092	1%		\$ 27,630,117	7%
Jan-01	\$ 344,295,355	\$ 12,571,017	4%	\$ 2,521,671	1%	\$ 1,474,285	0%		\$ 16,566,973	5%
Feb-01	\$ 234,382,099	\$ 9,148,844	4%	\$ 1,699,302	1%	\$ 1,263,189	1%		\$ 12,111,335	5%
Mar-01	\$ 245,443,896	\$ 9,390,961	4%	\$ 1,698,249	1%	\$ 743,656	0%	\$ 796,426	\$ 12,629,292	5%
Apr-01	\$ 231,563,601	\$ 11,382,682	5%	\$ 2,133,766	1%	\$ 890,456	0%	\$ 658,768	\$ 15,065,671	7%
May-01	\$ 258,524,171	\$ 16,241,860	6%	\$ 9,994,318	4%	\$ 1,825,702	1%	\$ 1,368,697	\$ 29,430,577	11%
Jun-01	\$ 295,777,209	\$ 15,607,316	5%	\$ 4,491,251	2%	\$ 1,542,666	1%	\$ 1,187,881	\$ 22,829,115	8%
Jul-01	\$ 331,328,591	\$ 12,637,804	4%	\$ 1,772,024	1%	\$ 1,625,857	0%	\$ 1,603,042	\$ 17,638,727	5%
Aug-01	\$ 569,513,449	\$ 15,344,918	3%	\$ 3,305,630	1%	\$ 4,545,234	1%	\$ 4,801,994	\$ 27,997,775	5%
Sep-01	\$ 193,119,838	\$ 6,492,345	3%	\$ 1,089,635	1%	\$ 2,225,022	1%	\$ 689,003	\$ 10,496,005	5%
Oct-01	\$ 167,598,022	\$ 7,307,617	4%	\$ 1,514,234	1%	\$ 5,582,048	3%		\$ 14,403,899	9%
Nov-01	\$ 152,726,458	\$ 5,896,866	4%	\$ 1,932,100	1%	\$ 891,443	1%		\$ 8,720,410	6%
Dec-01	\$ 162,617,275	\$ 4,249,430	3%	\$ 995,912	1%	\$ 1,795,660	1%		\$ 7,041,002	4%
Jan-02	\$ 169,114,538	\$ 4,603,989	3%	\$ 1,328,924	1%	\$ 999,869	1%		\$ 6,932,782	4%
Feb-02	\$ 128,174,423	\$ 4,949,637	4%	\$ 988,313	1%	\$ 760,711	1%		\$ 6,698,661	5%
Mar-02	\$ 173,757,055	\$ 7,871,772	5%	\$ 1,361,075	1%	\$ 1,070,136	1%	\$ 591,897	\$ 10,894,880	6%
Apr-02	\$ 227,372,883	\$ 8,763,681	4%	\$ 799,348	0%	\$ 1,412,591	1%	\$ 3,012,033	\$ 13,987,653	6%
May-02	\$ 193,153,839	\$ 4,859,821	3%	\$ 1,976,821	1%	\$ 1,470,091	1%		\$ 8,306,733	4%
Jun-02	\$ 243,510,171	\$ 10,447,096	4%	\$ 2,158,556	1%	\$ 1,668,758	1%		\$ 14,274,410	6%
Jul-02	\$ 423,363,985	\$ 14,296,715	3%	\$ 3,381,899	1%				\$ 17,678,614	4%
Aug-02	\$ 417,275,164	\$ 10,037,896	2%	\$ 2,592,885	1%				\$ 12,630,782	3%
Sep-02	\$ 254,643,037	\$ 8,336,608	3%	\$ 3,209,330	1%				\$ 11,545,938	5%
Oct-02	\$ 259,006,539	\$ 5,948,283	2%	\$ 2,087,459	1%	\$ 2,139,799	1%		\$ 10,175,540	4%
Nov-02	\$ 253,526,260	\$ 5,452,407	2%	\$ 1,839,940	1%	\$ 2,351,205	1%		\$ 9,643,551	4%
Dec-02	\$ 299,517,867	\$ 8,205,366	3%	\$ 1,386,782	0%	\$ 2,029,395	1%		\$ 11,621,543	4%
Jan-03	\$ 399,263,104	\$ 9,844,614	2%	\$ 2,098,338	1%	\$ 1,191,493	0%		\$ 13,134,445	3%
Feb-03	\$ 418,175,564	\$ 11,981,141	3%	\$ 2,458,047	1%	\$ 1,187,456	0%		\$ 15,626,644	4%
Mar-03	\$ 426,467,140	\$ 9,873,309	2%	\$ 1,267,254	0%	\$ 1,773,369	0%		\$ 12,913,933	3%
Apr-03	\$ 288,946,161	\$ 7,395,252	3%	\$ 1,494,349	1%				\$ 8,889,601	3%
May-03	\$ 248,638,313	\$ 5,874,403	2%	\$ 1,274,495	1%				\$ 7,148,897	3%
Jun-03	\$ 300,747,684	\$ 7,396,478	2%	\$ 1,361,206	0%				\$ 8,757,684	3%
Jul-03	\$ 418,581,237	\$ 13,132,010	3%						\$ 13,132,010	3%
Aug-03	\$ 514,126,607	\$ 13,977,562	3%						\$ 13,977,562	3%
Sep-03	\$ 283,123,546	\$ 6,445,812	2%						\$ 6,445,812	2%
Oct-03	\$ 245,463,938	\$ 5,837,631	2%						\$ 5,837,631	2%
Nov-03	\$ 216,846,601	\$ 9,096,310	4%						\$ 9,096,310	4%
Dec-03	\$ 287,418,382	\$ 11,239,879	4%						\$ 11,239,879	4%
Jan-04	\$ 505,153,722	\$ 27,322,738	5%						\$ 27,322,738	5%
Feb-04	\$ 312,550,760	\$ 13,321,219	4%						\$ 13,321,219	4%
<b>SUBTOTAL</b>	<b>\$ 14,433,409,598</b>	<b>\$ 424,079,061</b>	<b>\$ 249,013,587</b>	<b>\$ 89,663,483</b>	<b>\$ 50,370,235</b>		<b>\$ 824,141,440</b>	<b>6%</b>		
Mar-04	\$ 300,111,357									
Apr-04	\$ 275,622,576									
May-04	\$ 325,883,910									
Jun-04	\$ 352,125,882									
<b>GRAND TOTAL</b>	<b>\$ 15,687,153,323</b>	<b>\$ 424,079,061</b>	<b>\$ 249,013,587</b>	<b>\$ 89,663,483</b>	<b>\$ 50,370,235</b>		<b>\$ 824,141,440</b>	<b>5%</b>		

\*\*24 month True ups for May 2000 & June 2000 were fairly high due to significant adjustments to two customers' congestion rent. (\$5M in May 2000 & \$11M in June 2000)

**NYISO  
MARKET PARTICIPANT ENERGY BILLINGS  
SUMMARY OF NET PAYABLES**

**\*\*PAYABLES\*\***

	ORIGINAL INVOICE	4 MO TU	12 MO TU	24 MO TU	REBILL	Final Bill Challenge	TU TOTAL	% OF TU			
Nov-99	\$ 35,518,827	\$ -	\$ 4,367,509	12% \$ 1,679,571	5%		\$ 7,385,458	21%			
Dec-99	\$ 102,079,272	\$ -	\$ 8,340,216	8% \$ 1,696,026	2%		\$ 22,876,134	22%			
Jan-00	\$ 183,037,026	\$ -	\$ 12,925,858	7% \$ 6,158,187	3%		\$ 32,697,224	18%			
Feb-00	\$ 185,282,663	\$ -	\$ 12,448,203	7% \$ 1,547,338	1%		\$ 25,036,185	14%			
Mar-00	\$ 122,503,213	\$ -	\$ -	0% \$ 1,160,468	1%	\$ 25,013,672	\$ 31,123,571	25%			
Apr-00	\$ 124,848,119	\$ -	\$ 9,564,586	8% \$ 1,593,548	1%		\$ 11,158,134	9%			
May-00	\$ 232,582,089	\$ -	\$ 18,902,475	8% \$ 7,780,529	3%		\$ 26,683,004	11%			
Jun-00	\$ 406,914,315	\$ -	\$ 26,020,673	6% \$ 12,146,262	3%		\$ 38,166,935	9%			
Jul-00	\$ 243,016,054	\$ -	\$ 18,485,919	8% \$ 2,720,323	1%		\$ 21,206,242	9%			
Aug-00	\$ 361,347,651	\$ -	\$ 35,133,640	10% \$ 5,522,743	2%		\$ 40,656,383	11%			
Sep-00	\$ 294,082,367	\$ -	\$ 30,486,502	10% \$ 6,594,252	2%		\$ 37,080,754	13%			
Oct-00	\$ 266,390,264	\$ -	\$ 2,714,042	1% \$ 3,747,010	1%		\$ 21,819,570	8%			
Nov-00	\$ 246,642,946	\$ -	\$ 1,641,605	1% \$ 1,788,082	1%		\$ 15,630,189	6%			
Dec-00	\$ 385,457,152	\$ -	\$ 3,608,151	1% \$ 4,070,768	1%		\$ 27,238,727	7%			
Jan-01	\$ 334,775,998	\$ 12,164,291	4% \$ 2,555,817	1%	\$ 1,505,088	0%	\$ 20,149,851	6%			
Feb-01	\$ 227,544,273	\$ 8,654,168	4% \$ 1,776,808	1%	\$ 1,256,091	1%	\$ 14,800,320	7%			
Mar-01	\$ 234,105,528	\$ 7,955,548	3% \$ 1,720,487	1%	\$ 748,584	0%	\$ 14,489,543	6%			
Apr-01	\$ 223,148,288	\$ 11,261,833	5% \$ 2,545,748	1%	\$ 891,614	0%	\$ 15,357,752	7%			
May-01	\$ 250,351,122	\$ 16,266,662	6% \$ 10,011,715	4%	\$ 1,839,840	1%	\$ 29,498,559	12%			
Jun-01	\$ 283,165,040	\$ 15,595,541	6% \$ 4,128,716	1%	\$ 1,542,154	1%	\$ 22,577,694	8%			
Jul-01	\$ 319,423,484	\$ 13,300,599	4% \$ 2,091,582	1%	\$ 1,642,515	1%	\$ 18,627,000	6%			
Aug-01	\$ 554,917,297	\$ 15,292,776	3% \$ 3,690,366	1%	\$ 4,308,889	1%	\$ 28,089,500	5%			
Sep-01	\$ 182,063,076	\$ 6,493,353	4% \$ 1,429,526	1%	\$ 2,218,595	1%	\$ 10,830,471	6%			
Oct-01	\$ 157,220,616	\$ 7,283,603	5% \$ 1,830,221	1%	\$ 2,087,459	1%	\$ 11,201,283	7%			
Nov-01	\$ 143,420,554	\$ 5,970,571	4% \$ 1,932,886	1%	\$ 870,293	1%	\$ 8,773,751	6%			
Dec-01	\$ 154,098,810	\$ 4,286,144	3% \$ 999,872	1%	\$ 1,765,734	1%	\$ 7,051,750	5%			
Jan-02	\$ 160,819,725	\$ 4,626,721	3% \$ 1,299,584	1%	\$ 1,005,172	1%	\$ 6,931,478	4%			
Feb-02	\$ 120,848,588	\$ 4,931,677	4% \$ 989,372	1%	\$ 743,028	1%	\$ 6,664,077	6%			
Mar-02	\$ 165,725,539	\$ 7,827,174	5% \$ 1,411,595	1%	\$ 1,045,083	1%	\$ 10,876,406	7%			
Apr-02	\$ 222,151,382	\$ 8,779,909	4% \$ 832,067	0%	\$ 1,398,781	1%	\$ 13,992,808	6%			
May-02	\$ 183,815,292	\$ 4,546,883	2% \$ 1,976,201	1%	\$ 1,460,993	1%	\$ 7,984,076	4%			
Jun-02	\$ 246,221,592	\$ 10,434,484	4% \$ 2,155,248	1%	\$ 1,657,710	1%	\$ 14,247,443	6%			
Jul-02	\$ 409,240,558	\$ 14,528,756	4% \$ 3,375,870	1%			\$ 17,904,627	4%			
Aug-02	\$ 404,158,825	\$ 10,211,707	3% \$ 2,426,894	1%			\$ 12,638,601	3%			
Sep-02	\$ 243,973,745	\$ 8,363,796	3% \$ 3,174,497	1%			\$ 11,538,293	5%			
Oct-02	\$ 248,659,897	\$ 5,971,255	2% \$ 1,740,455	1%	\$ 2,130,811	1%	\$ 9,842,521	4%			
Nov-02	\$ 243,580,981	\$ 5,477,164	2% \$ 1,818,673	1%	\$ 2,336,086	1%	\$ 9,631,923	4%			
Dec-02	\$ 288,570,651	\$ 8,221,256	3% \$ 1,368,392	0%	\$ 2,029,091	1%	\$ 11,618,739	4%			
Jan-03	\$ 386,692,211	\$ 9,867,267	3% \$ 2,071,685	1%	\$ 1,195,113	0%	\$ 13,134,066	3%			
Feb-03	\$ 407,240,054	\$ 12,015,097	3% \$ 2,443,568	1%	\$ 1,185,813	0%	\$ 15,644,478	4%			
Mar-03	\$ 415,026,752	\$ 9,888,707	2% \$ 1,259,304	0%	\$ 1,773,369	0%	\$ 12,921,381	3%			
Apr-03	\$ 278,826,241	\$ 7,393,788	3% \$ 1,500,815	1%			\$ 8,894,603	3%			
May-03	\$ 238,359,528	\$ 5,856,019	2% \$ 1,306,262	1%			\$ 7,162,280	3%			
Jun-03	\$ 289,166,413	\$ 7,355,535	3% \$ 1,414,076	0%			\$ 8,769,611	3%			
Jul-03	\$ 404,807,368	\$ 13,029,763	3%				\$ 13,029,763	3%			
Aug-03	\$ 494,075,742	\$ 14,065,141	3%				\$ 14,065,141	3%			
Sep-03	\$ 271,779,605	\$ 6,246,294	2%				\$ 6,246,294	2%			
Oct-03	\$ 234,334,309	\$ 5,816,672	2%				\$ 5,816,672	2%			
Nov-03	\$ 206,281,555	\$ 9,061,998	4%				\$ 9,061,998	4%			
Dec-03	\$ 275,110,914	\$ 11,168,245	4%				\$ 11,168,245	4%			
Jan-04	\$ 491,534,651	\$ 27,111,865	6%				\$ 27,111,865	6%			
Feb-04	\$ 300,622,192	\$ 13,327,763	4%				\$ 13,327,763	4%			
<b>SUBTOTAL</b>	<b>\$ 13,885,560,353</b>	<b>\$ 370,650,026</b>	<b>3%</b>	<b>\$ 251,917,678</b>	<b>2%</b>	<b>\$ 86,192,733</b>	<b>1%</b>	<b>\$ 50,464,227</b>	<b>0%</b>	<b>\$ 860,431,135</b>	<b>6%</b>
Mar-04	\$ 287,880,497										
Apr-04	\$ 264,840,195										
May-04	\$ 313,585,273										
Jun-04	\$ 338,972,977										
<b>GRAND TOTAL</b>	<b>\$ 15,090,839,295</b>	<b>\$ 370,650,026</b>		<b>\$ 251,917,678</b>		<b>\$ 86,192,733</b>		<b>\$ 50,464,227</b>		<b>\$ 860,431,135</b>	

# NYISO Projects Portfolio Status Report June 2004

This report provides the current status of projects prioritized by the Project Prioritization Team (PPT). Please refer to the accompanying Projects Portfolio (Gantt chart) for the latest scheduling and deployment information. This information is updated monthly for the PPT meetings.

## Priority Projects

### **A725 2004 SAS 70 Type 2 Audit**

- KPMG auditing NYISO Bid-to-Bill process – progress continues.
- Audit scope period ends November 30.
- Designated as “exempt” priority meaning that resources are made available when and as needed to support the audit.

### **A683 BEA Upgrade**

- Work on the project has been put on hold since March 11 as resources were reallocated to address production issues.
- Management is reviewing whether or not to implement clustering in the legacy environment this close to SMD go-live.
- The resource requirements and risks may be too high to justify going forward with the implementation at this time.
- A final decision concerning implementation will be made in the next week.

### **A573 SMD 2.0 Internal NYISO System Implementation**

- MIS interfaces are in Phase E – Project System Operation/Functional Test Phase.
- BAS re-bills are in Phase E – Project System Operation/Functional Test Phase.
- MIS rules changes are in Phase E – Project System Operation/Functional Test Phase.
- BAS rules changes are in Phase E – Project System Operation/Functional Test Phase.
- Upload/Download is in Phase E – Project System Operation/Functional Test Phase.
- Bid Post is in Phase E – Project System Operation/Functional Test Phase.
- The PTS replacement is in Phase D – Build/Unit-Sub System Test.
- Price Verification is in Phase E – Project System Operation/Functional Test Phase.
- MMRD Replacement is in Phase E – Project System Operation/Functional Test Phase.
- Probe support is in Phase D – Build/Unit-Sub System Test.
- The new Load Forecaster is in Phase E – Project System Operation/Functional Test Phase.

### **A574 SMD 2.0 ABB System Implementation Support**

#### Factory Acceptance Testing:

- The ABB Factory Acceptance Testing (FAT) for Phase 2a software (functional components) was completed on May 28th. This milestone represents that the NYISO has successfully executed the application functional test procedures for features as specified in the project Technical Specification.
- By completing the “Phase 2a FAT Complete” milestone before the end of May, ABB has achieved a significant project milestone.

# NYISO Projects Portfolio Status Report June 2004

- The number of defects discovered during the Phase 2a FAT, and the severity of those defects, are significantly lower than those found during the Phase 1 exercises. ABB has supplied fixes, or acceptable schedules for fixes, for all identified software defects.
- The next round of acceptance tests started on June 1st and includes integration tests designed to validate system performance, recovery, and stability.

## Market Trials:

- Market Participant sandbox testing has been successfully proceeding for Upload / Download and Web Interfaces since late April.
- A significant number of MPs have participated in the sandbox testing. Customer Relations has been monitoring test activities and training records for all MPs. Customers not participating at targeted levels have been contacted.
- Internal NYISO integration testing has been continuing for several months. These tests include an extensive battery of tests to validate integration between the ABB and NYISO system software.
- The next phase of Market Trial exercises will include a simulated Day Ahead Market starting during the third week of June. These tests will be the first iteration of interactive market simulation with MPs.
- Interactive Market Trial activities will continue through mid-August with exercises of continually increased scope and intensity.

## Department Readiness:

- Dispatcher training cycles have been formally initiated. All required Operations staff will participate in a structured training program to meet readiness criteria.
- Internal NYISO department representatives have been meeting to ensure that departmental processes and procedures are revised to meet the SMD market changes, and that staff training requirements are fulfilled.

### **A688 Inadvertent Package Replacement**

- Project is now in Phase G - Closure.
- Deployed successfully on June 30.

### **A697 Auto Sys Replacement**

- Project script development is complete.
- Unit testing of the scripts is near complete and end user testing has officially begun.
- Control M servers are clustered for failover and recovery.
- Testing failover from cluster to cluster was successfully testing.
- Site failover testing is scheduled for July 12-13.

## Next Steps:

- Continue to track progress on all testing tasks.
- Continue coordination efforts with the other SMD project managers in order to integrate all work and testing schedules.

### **A696 SMD-DAC**

- All development is complete and testing is underway.



# NYISO Projects Portfolio Status Report June 2004

- The project team continues tracking open SPR's with ABB and working to get them fixed and retested.
- Mapboard point-to-point testing is being coordinated with the Operations group as well as the SMD teams.

## Next Steps:

- Continue to track progress on all pending SPRs.
- Continue coordination efforts with the other SMD project managers in order to integrate all work and testing schedules.

### **A667 Scarcity Pricing in SMD**

- This project is required for performing Scarcity Pricing calculations in SMD2.
- FRS approval complete.
- Code development in process
- Scheduled for SMD integration in August.

### **A710 SMD Web Environment**

- Final Configuration of all SMD Production Web and Staging Web environments has been completed.
- SMD2's marketplace.nyiso.com, bidpost.nyiso.com and mis.nyiso.com have successfully supported the first exercise in the Market Trails. Further deployments to the Market Trial environment are planned as enhancements continue.
- 90% of SMD's OASIS Web Posting are complete, and have been deployed to support Market Trials. Phase E QA activities will resume once the SMD2 EMS and BMS systems are generating production-level quantities of data.
- Phase D Development activities have completed for the billing information changes to bidpost.nyiso.com (i.e., the download templates to temporarily replace Customer Settlement Statements). Phase E is targeted for completion by end of July.

### **A709 Reserve Pickup Reporting**

- Project is currently in Phase E - System Operational / Functional Test.
- Still waiting resolution of SMD2 PI tags and PI data issues.
- Scheduled deployment with SMD.

### **A577 SMD2 Integration**

- While project activities remain in Phase D for additional development and Phase E for continued QA Testing, there are Market Trial versions of the EAI interfaces currently deployed to production to actively support the Interactive Market Trial exercises.
- The preMGF file interface for Transmission Owners has completed Phase E's QA activities; TO's are scheduled to test connectivity to the new SMD FTP site. Phase D development for the DA Operating Plan will resurrect in July after the conclusion of all FAT activities, for inclusion in the Market Exercise 3.
- The EAI PI interface to provide actual load values to the Load Forecast application is supporting the Interactive Market Trial exercises. Further revisions are anticipated as the PI system implementation progresses.

## NYISO Projects Portfolio Status Report June 2004

- The Price Verification interface (Ph II) for LECG is currently supporting the Interactive Market Trial exercises, feeding the exercise results to LECG. Definition and development of the Phase III interface continues.

### **A729 MIS / BAS Cluster and Site Failover**

- Clustering has been postponed until a later date.
- Failover includes hardware mirror for MIS/LF & BAS/HIST, DataGuard for MIS/LF & Oracle Forms failover.
- Configuration of Hitachi TruCopy mirror was completed.
- MIS DataGuard configuration complete for production systems.
- DataGuard of QA systems in progress.

### **A690 Grouped Units**

- FRS approval complete
- QA testing in progress.
- Scheduled for SMD integration in July.
- Scheduled Legacy deployment date is August 10.
- For prioritization, this project is considered part of the Billing Automation projects.

### **A600 Open Billing Issues**

- The Billing Issues Group (BIG), chaired by the CFO, is responsible for resolving all identified billing issues. The A600 project was established to ensure timely action on internal billing issues (not including external items such as bad or missing metering data). Incentive Goal 7 tracks performance on the timely correction of these internal billing issues. The table below shows the total number of open billing issues coincident with the last BIG meeting, the meeting a month prior and the meeting six-months prior. Note that the four issues currently open are non-IT issues. Two pertain to FERC regulatory actions; two, to ongoing disputes between market participants.

A600 – Open Billing Issues Status			
Number of Open Issues	6/23/04	5/26/04	12/26/03
Total Goal 7 Issues	6	2	2
Total Non-Goal 7 Issues	5	4	6
Total Issues	11	6	8

### **A630 Automate Voltage Support Billing Calculation**

- Project is in Phase B – Requirements Development however, the ability to move forward with the project is dependent upon the availability of resources.
- For prioritization, this project is considered part of the Billing Automation projects.

### **A687 Automate Local Black Start Calculation**

- Project is delayed pending availability of resources
- For prioritization, this project is considered part of the Billing Automation projects.

# NYISO Projects Portfolio Status Report June 2004

## **A636 85/15 Schedule 1 Split - Phase 1**

- This project has been placed on hold pending the availability of resources.
- Customer Settlements will continue to calculate this component of customer bills manually until a software solution is made available.
- For prioritization, this project is considered part of the Billing Automation projects.

## **A689 Store Intermediate Billing Calculation Data**

- The project is currently on hold.

## **A676 Automate DAM Congestion Shortfall Calculation**

- Automation of the billing process is delayed pending availability of resources.
- For prioritization, this project is considered part of the Billing Automation projects.

## **A619 Controllable Tie Lines Scheduling & Pricing**

- Project is currently in Phase C – Design
- FRS sign-off by VPs completed.

## **A707 Process to Enhance the Settlement Cycle**

- Project requirements are currently being defined.

## **A675 Billing Simulator**

- Use cases completed in April for first phase.
- Demo of Initial Version V0.2 completed in May.
- Requirements in Final Phase.

## **A708 Consolidate NYISO Offices**

- Development of a detailed layout (Phase II Lamb Report) is in progress.
- Site Selection process is continuing.
- Additional options and cost analysis (ie a new ACC only) are being evaluated.
- An ISO questionnaire was sent to all ISOs concerning infrastructure and security issues.

## **A724 PCC Modifications – Security**

- Phase I includes work in the Lobby and Guard House at the PCC and is in progress.
- Site work around the PCC has been approved and is proceeding. This work includes a berm, new sidewalk access and landscaping.
- Phase I and site work is expected to be completed in early September.

## **A734 Guard Deployment – 24 x 7**

- Security stations have been set up at all four NYSIO facilities.
- The new security system (Diamond II) has been configured and rolled out to Wolf, Annex and Washington Ave. offices.
- Guards have been deployed at all facilities.
- The security system will be rolled out to the PCC upon completion of the Guard House.

## **A737 Migration to New Facility**

- A preliminary project plan has been developed.

# NYISO Projects Portfolio Status Report June 2004

- Advisory committees have been identified to break down the work of the migration and develop a detailed plan.
- Discussions with third parties are in progress to generate cost estimates for the migration.

## **A739 Capital Improvements at PCC in Guilderland**

- A preliminary report has been written identifying possible modifications to be made.
- A five-year capital improvement plan is begin developed.

## **A649 Oracle Financials 9i Upgrade**

- This project includes upgrading the Oracle Financials application to 11i, upgrading the database to 9i, and moving application & data to new hardware.
- Project on hold pending assessment by outside consultants beginning July 12.

## **A732 Oracle Forms Upgrade to 6i**

- FRS draft pending approval.
- Legacy Forms 6i server upgrade completed.
- SMD2 Forms to be recompiled under 6i week of July 12.
- Legacy QA testing 90% complete, user testing in progress.

## **A658 Facilitated Checkout**

- ISO-NE checkout service deployed to production in late May (now available for NYISO production use).
- ISO-NE now using NYISO checkout service in production checkout application with excellent reviews.
- IMO and HQ plan to have checkout service in production by mid-July.
- Project team working with NYISO Operations to identify a convenient time to deploy Facilitated Checkout display to the NYISO control room in July.

## **A543 UCAP Market Automation**

- Project is currently in Phase E – Construction Phase.
- Coding by contractor was completed on June 30.
- QA testing of the delivered builds is underway.

## **A541 TCC Online Auction Automation**

- Project team has been identified.
- Development of use cases is underway.

## **A706 Develop a Virtual Regional Dispatch**

- Scope and project requirements/deliverables are not yet defined.

## **A664 DSS Enhancements V**

- Completed several enhancements to reduce data processing time
- Alternate Data Delivery (ADD) Phase 1
  - Held additional sessions with MPs to discuss impact of ADD
  - Distributed Revised Technical Bulletin 127
  - Team continue to test data validation and load testing. Delays due to QA
  - Deployment scheduled for July 7
- Grouped Units modifications

# NYISO Projects Portfolio Status Report June 2004

- Legacy track delayed due to undergen, zero pts issues, backfill and other issues
- Built 2nd instance of QA datamart to reduce risk of multiple tracks in QA.
- Deployment date unknown
- DSS/SMD 2 Integration
  - Completed requirements, working on Design
  - Currently behind schedule as resources assigned to redesign work to accommodate Grouped Units and ADD.
  - Potential risk of requirements changes as result of market trials.
  - Deployment planned for September 15
- Training and Mentoring:
  - Quickstart Mentoring program: 80 % completed with Customer Settlements, Continue working with Market Monitoring, Started sessions with Credit and other internal departments
  - Conduct DSS Introduction and Intermediate trainings (both internal and external sessions).
  - Completed DSS Marketing Brochure, awaiting approvals.

## **A700 Computer System Availability Monitoring**

- Scope and requirements have yet to be fully defined.

## **A699 MDEX Enhancements**

- Scope and requirements have yet to be fully defined.

## **A704 Operational Information to the Marketplace**

- Scope and project requirements/deliverables are not yet defined.

## **A705 Inter-ISO Standards for Market Messages**

- Scope and requirements have yet to be fully defined.

## **A740 Documentum - IT Implementation**

- SOWs for both Trinity and Structure have been approved.
- Scope of this phase was finalized and includes both IT and Customer Technical Services.
- The FRS and SDS have been approved.
- A detailed project plan has been developed.
- Development and knowledge transfer to NYISO resources is underway.

## **A703 SW Development Lifecycle Tools**

- Bearing Point was contracted to perform an assessment of SW development lifecycle.

## **A701 New Technology Initiatives**

- Scope and requirements have yet to be fully defined.

## **A657 OSS SMD2 Support (15-Minute Schedules and ICAP Prescheduling)**

- Development complete. Targeted for integration with SMD SAT testing.

## **A702 Enhanced Market Security**

- Scope and requirements have yet to be fully defined.

NYISO Projects Portfolio  
Status Report  
June 2004


**Studies & Training Projects**

The NYISO Projects Portfolio (Gantt chart) also shows a number of projects under the category Studies and Training. These projects are internal to the NYISO organization and for that reason their individual status and priority is not included in this report.

Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2004						2005					
								Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>1 -- Priority Projects</b>																			
A725	2004 SAS 70 Type 2 Audit	Exempt		RUBIN	BUDD	N/A	N/A												
A683	BEA Upgrade	1	On Hold	FARNEY	FELL	2	614												
A573	SMD 2.0 Internal NYISO System Implementation	2	09/15/04	SMITH	CALIMANO & KING	2	8,563												
A574	SMD 2.0 ABB System Impementation Support	2	09/15/04	MILLS	CALIMANO & KING	2	16,840												
A688	Inadvertent Package Replacement	2	Deployed	DEVINE	DAVIS	2	189												
A697	AutoSys Replacement	2	Deploy w/ SMD	VETTER	FELL	3	1,247												
A696	SDAC Replacement	2	Deploy w/ SMD	VETTER	FELL	3	671												
A667	Scarcity Pricing in SMD	2	Deploy w/ SMD	RINALDI	KING	2	360												
A710	SMD Web Environment	2		MILLER	FELL	2	292												
A709	Reserve Pickup Reporting	2	Deploy w/ SMD	DEVINE	CALIMANO	3	910												
A577	SMD 2.0 Integration	2		MILLER	FELL	2	525												
A729	MIS / BAS Cluster and Site Failover	2		RINALDI	FELL	1	127												
A690	Grouped Units	3	08/09/04	RINALDI	DAVIS	2	676												
A600	Open Billing Issues	3		DUFFY	DAVIS	1	5,627												
A630	Automate the Voltage Support Service Corrections	3		TBD	DAVIS	N/A	N/A												
A687	Automate Local Black Start Calculation	3		TBD	DAVIS	N/A	N/A												
A636	85/15 Rate Schedule 1 Split - Phase 1	3		TBD	DAVIS	N/A	N/A												
A689	Store Intermediate Billing Calculation Data	3		TBD	DAVIS	N/A	N/A												
A676	Automate DAM Congestion Shortfall Calculation	3		TBD	DAVIS	N/A	N/A												
A619	Controllable Tie Lines Scheduling and Pricing	4		FITTS	CALIMANO	2	4,975												
A707	Process to Enhance the Settlement Cycle	5		TBD	DAVIS	N/A	N/A												
A675	Billing Simulator	6		PELUSO	FELL	1	1,285												
A708	New NYISO Facility	7		FARNEY	RAGOGNA	N/A	N/A												
A724	PCC Modifications - Security	7	09/15/04	FARNEY	RAGOGNA	2	606												
A734	Guard Deployment - 24 x 7	7	10/01/04	FARNEY	RAGOGNA	2	56												

**Legend**
**12-B**
**Estimate Level**

- 1 - Class 100 Estimate Based on Concept of Operations
- 2 - Class 50 Estimate Based on Functional Requirements Specification
- 3 - Class 10 Estimate Based on Detailed Design
- \* - Estimate Through Identified Deployments Only

 Duration Based Schedule 

 Resource Limited Schedule 

 Deployment Milestone 

 Estimated FRS Completion 






Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2004						2005									
								Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul			
<b>2 -- Studies &amp; Training</b>																							
A680	Annual (2003) New York Area Transmission Review	1	09/14/04	COREY	BROWN	2	N/A																
A037	NYISO/TO Baseline Plan Study - 2001	2		COREY	BROWN	2	N/A																
A591	Calpine (was SkyGen) Waterford	3	08/30/04	COREY	BROWN	2	N/A																
A208	NYSEG Solutions So. Glens Falls Expansion (Reimbursable)	4		COREY	BROWN	2	N/A																
A679	SIS for Liberty Proposed Transmission Expansion	5	09/24/04	COREY	BROWN	2	N/A																
A682	NYISO Transmission Planning Process	6	12/28/04	COREY	BROWN	2	N/A																
A692	NYISO-NYSERDA Wind Generation Integration Study	7	01/06/05	COREY	BROWN	2	N/A																
A726	SRIS for the East Coast Power Linden Gen Expansion Project	8		COREY	BROWN	2	N/A																
A727	SRIS for the East Coast Power Linden VFT Inter-Tie Project	9		COREY	BROWN	2	N/A																
A741	SRIS for the Chautauqua Windpower (Reimbursable)	10		COREY	BROWN	2	N/A																
A742	SRIS - NM-NGrid Leeds-Pleasant Vly Prj.(Reimbursable)	11		COREY	BROWN	2	N/A																
A743	SRIS for the RG&E Ginna Uprate Project (Reimbursable)	12		COREY	BROWN	2	N/A																
A744	SRIS for the Invenergy High Sheldon Windfarm Project	13		COREY	BROWN	2	N/A																
A745	SRIS for the Summer 2004 Mobile Gen. (Reimbursable)	14		COREY	BROWN	2	N/A																
A746	SRIS for the ConEd Mott Haven Subst. (Reimbursable)	15		COREY	BROWN	2	N/A																
A621	Restoration Sensitivity Studies	N/A		WALDELE	CALIMANO	N/A	N/A																
A645	Operations Reactive Study	N/A		WALDELE	CALIMANO	N/A	N/A																
A672	Quebec - New York Interconnection Limit Analysis	N/A		WALDELE	CALIMANO	N/A	N/A																
A673	Athens Generation In-Service Operating Study	N/A		WALDELE	CALIMANO	N/A	N/A																

**Legend**
**12-B**
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