




System Operating Procedures

SOP-RTMKTS.0020.0040

Mitigating Unauthorized External Transactions

Effective Date: January 11, 2011
Revision No. 6

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|  | © ISO New England Inc. 2011 | Procedure: Mitigating Unauthorized External Transactions |
| | Process Name: Evaluate Real-Time External Transactions | |
| | Procedure Number: RTMKTS.0020.0040 | Revision Number: 6 |
| | Procedure Owner: Steve Weaver | Effective Date: January 11, 2011 |
| | Approved By: Director, Operations | Valid Through: January 11, 2013 |

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1. Objective

The objective of this procedure is to annul Real-Time External Transactions when a Market Participant trading privileges are suspended due to inadequate credit. This procedure documents the responsibilities and the process of annulling unauthorized external transactions.


2. Background

The submittal and dispatch of external transactions are governed by ISO New England Operating Procedure No. 9 - Scheduling and Dispatch of External Transactions (OP-9).

The Finance Department on a daily basis performs a credit suspension test for each Market Participant. When a Market Participant's credit suspension test result equals or exceeds 100%, the Finance Department communicates a Notice of Market Participant Suspension to the Tariffs, Schedules & OASIS (TSO) Administrator. The TSO Administrator will then perform certain actions described in this procedure to annul pending Real-Time External Transactions. The Customer Support Department separate from this procedure will disable the Market Participants ability to submit Real-Time External Transactions on a going forward basis until the suspension is removed by the Finance Department.


3. Responsibilities

1. The Finance Department is responsible for providing a Notice of Market Participant Suspension to the TSO Administrator.
2. The TSO Administrator is responsible for annulling all Real-Time External Transactions to which the Market Participant is a party from the effective date of suspension forward following receipt of Notice of Market Participant Suspension.

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4. Controls

- ISO New England (ISO) personnel performing this process shall have obtained system access through the appropriate security process as administered by ISO Security Services
- Only ISO personnel authorized by the Manager, Control Room Operations shall annul Real-Time External Transactions
- When the Finance department issues a Notice of Market Participant Suspension, all Real-Time External Transactions to which the Market Participant is a party from effective date of suspension forward shall be annulled following such notice

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5. Instructions

5.1 Notification of Unauthorized Transactions

1. The TSO Administrator shall receive a Notice of Market Participant Suspension from the Finance Department stating the effective date/time of the suspension.

NOTE

The transmittal from the Finance Department should include the Market Participant name, Customer ID number and their effective date of suspension.


2. The TSO Administrator shall retain this transmittal for reference in annulling transactions.
3. The TSO Administrator shall deny Market Participant transactions, until a Notice of Market Participant Cure is received from Finance.

5.2 Annulling Unauthorized Transactions

1. The TSO Administrator shall access the Enhanced Energy Scheduler (EES) Market Operator Interface (MOI) and identify all Real-Time External Transactions that the Market Participant is a party to from effective date of suspension forward and:
 - A. Set the status of the transaction to Denied.
 - B. Enter the following reason, “Not authorized to conduct business in New England as of (suspension date)”.
2. The TSO Administrator shall repeat the above step hourly, until receiving notification that the ability of the Market Participant to submit additional transactions has been disabled or that the Market Participant has been reinstated.

5.3 Communications

1. The TSO Administrator shall attach copies of the annulled Real-Time External Transactions to the communication received from the Finance Department and deliver it to the Supervisor Contract Scheduling.
2. The TSO Administrator shall note actions taken when annulling Real-Time External Transactions in the Control Room Event Logserver.

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6. Performance Measures

None.

7. References

ISO New England Operating Procedure No. 9 - Scheduling and Dispatch of External Transactions (OP-9)

8. Revision History

| Rev. No. | Date | Reason | Contact |
|----------|----------|--|--------------|
| A | 8-07-02 | Revised per Integration Testing | |
| B | 10-22-02 | Revised to mitigate all Real-Time External Transactions | |
| 0 | 02/12/03 | Initial procedure for SMD | Don Gates |
| 1 | 5/6/03 | Update Procedure for current practices | Don Gates |
| 2 | 02/01/05 | Updated SOP for RTO terminology | Mike Zeoli |
| 3 | 06/30/05 | Deleted the exclusive correspondence using Fax | Mike Zeoli |
| 4 | 10/01/07 | Minor clerical changes as a result of annual review | Mike Zeoli |
| 5 | 03/16/09 | Biennial Review performed, Management changes reflected in Header, Clarified periodic time to review denied transactions and added that Market Participants can be reinstated | Steve Weaver |
| 6 | 01/11/11 | Biennial review by procedure owner; Updated Header copyright date; Replaced page numbers in Footers with Page X of Y format; Section 2 replaced "Customer Service and Training (DS&T) Department" with "Customer Support Department" Section 4 defined acronym ISO and replaced "...Operations Support..." with "...Control Room Operations..."; | Steve Weaver |
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9. Attachments

None.