



Monthly Report

December 2008

Rana Mukerji

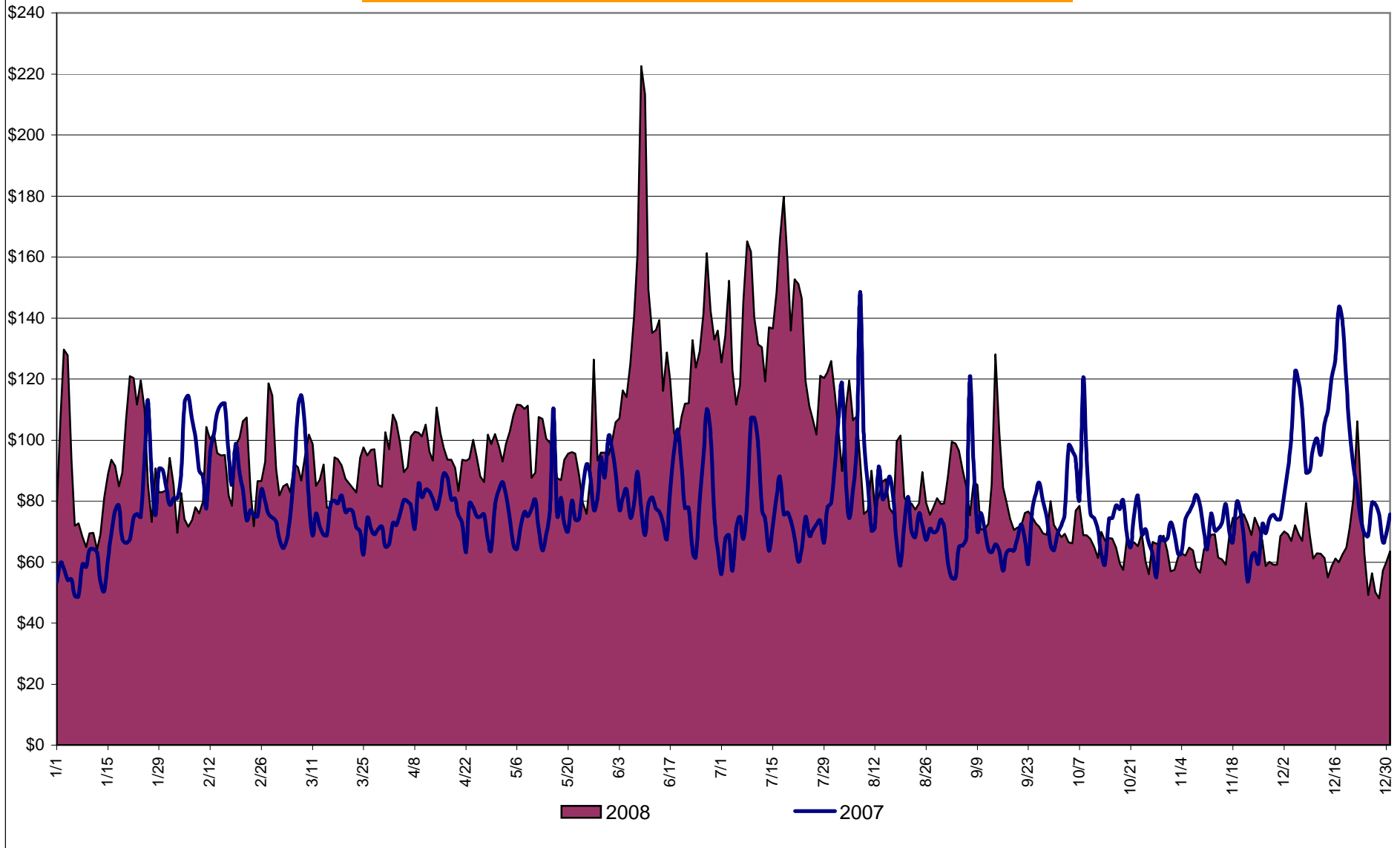
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Market Performance Highlights for December 2008

- LBMP for December is \$63.73/MWh, which is slightly up compared to \$62.54/MWh in November 2008.
 - Average monthly cost is \$66.48/MWh, which is slightly higher compared to \$65.69/MWh in November 2008.
 - Day Ahead LBMP is comparable to the previous month and Real Time LBMP has slightly decreased compared to November 2008.
- Average daily sendout is 452GWh/day in December, an increase from 424GWh/day in November 2008 and is lower compared to December 2007.
- Average fuel prices have declined this month with the exception of Natural Gas.
 - Kerosene is \$11.23/MMBTU, down from \$14.83/MMBTU in November.
 - No. 2 Fuel Oil is \$9.91/MMBTU, down from \$13.21/MMBTU in November.
 - No. 6 Fuel Oil is \$6.49/MMBTU, down from \$7.94/MMBTU in November.
 - Natural Gas is \$7.79/MMBTU, up from \$7.52/MMBTU in November.
- Uplift is higher compared to November 2008, and lower than in December 2007.
 - Total uplift (Schedule 1 components including NYISO Cost of Operations) increased from \$9.9 million in November 2008 to \$15.2 million in December 2008.
 - Uplift per MWh (not including NYISO cost of operations) is \$0.41/MWh, up from \$0.11/MWh in November 2008 and is below \$1.35/MWh in December 2007..

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*
 2007 Annual Average \$80.29/MWh
 December 2007 YTD Average \$80.29/MWh
 Decemberr 2008 YTD Average \$95.40/MWh



* Excludes ICAP payments.

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Market Monitoring
 Prepared: 01/07/2009 14:30

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

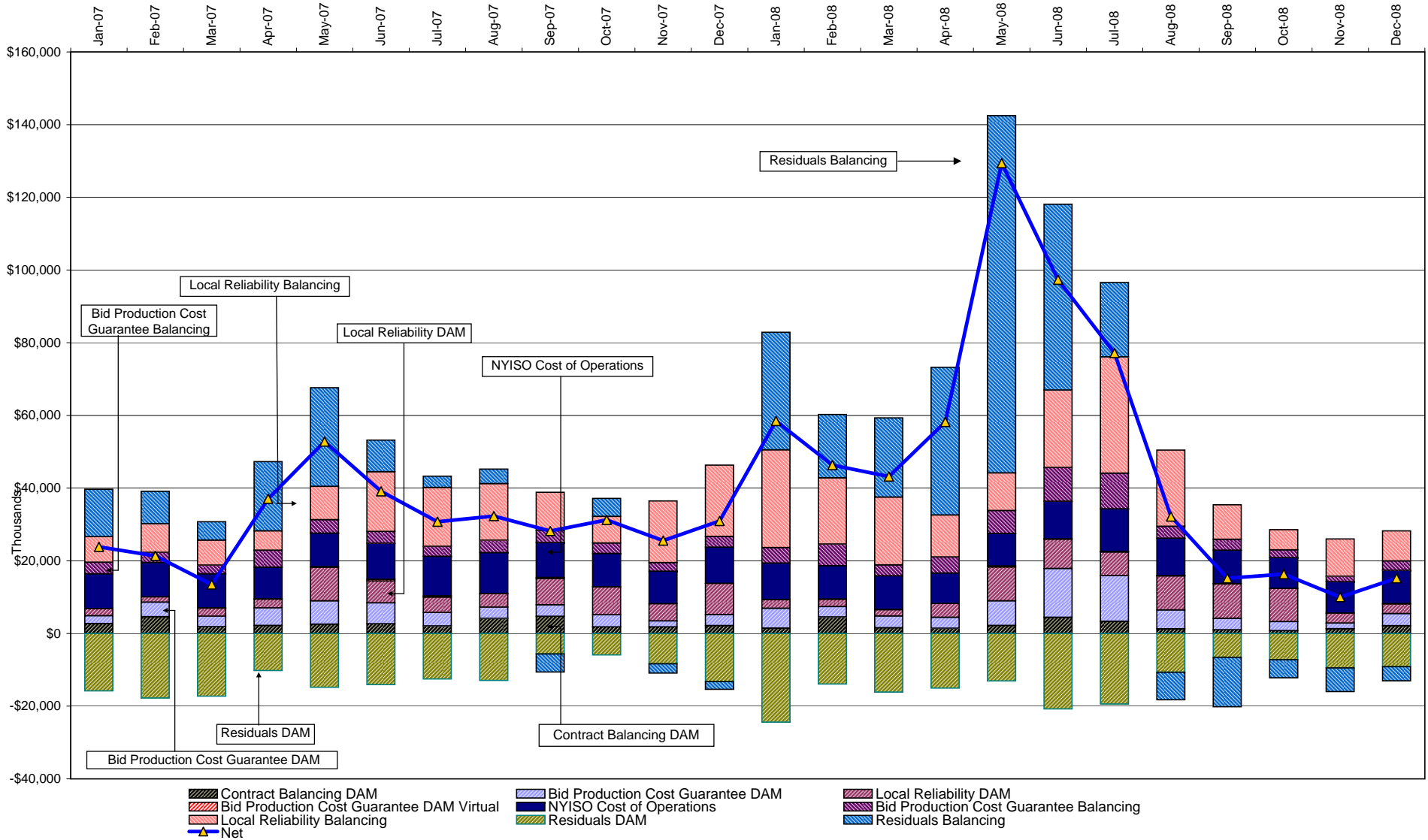
2008	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	86.98	85.69	85.21	90.91	87.18	128.17	131.33	85.60	80.15	63.61	62.54	63.73
NTAC	0.35	0.43	0.41	0.62	0.48	0.78	1.04	0.66	0.69	0.58	1.28	0.63
Reserve	0.38	0.48	0.55	0.47	0.34	0.27	0.28	0.25	0.27	0.35	0.27	0.26
Regulation	0.54	0.57	0.61	0.54	0.50	0.52	0.44	0.49	0.54	0.53	0.49	0.44
NYISO Cost of Operations	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Uplift	3.06	2.57	2.31	3.80	8.52	5.50	3.56	1.37	0.43	0.59	0.11	0.41
Voltage Support and Black Start	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Avg Monthly Cost	92.31	90.75	90.11	97.34	98.03	136.24	137.66	89.39	83.09	66.67	65.69	66.48
Avg YTD Cost	92.31	91.57	91.09	92.55	93.60	101.54	108.19	105.74	103.45	100.44	97.74	95.40

2007	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	67.23	89.14	75.09	73.14	75.28	79.28	73.10	81.50	68.22	73.49	67.46	93.44
NTAC	0.46	0.56	0.57	0.53	0.58	0.74	0.51	0.34	0.44	0.33	0.69	1.00
Reserve	0.43	0.23	0.34	0.36	0.28	0.23	0.21	0.13	0.11	0.29	0.31	0.25
Regulation	0.46	0.47	0.55	0.35	0.37	0.43	0.39	0.36	0.41	0.52	0.65	0.69
NYISO Cost of Operations	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66
Uplift	1.00	0.88	0.29	2.14	3.08	1.96	1.21	1.29	1.26	1.62	1.26	1.35
Voltage Support and Black Start	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
Avg Monthly Cost	70.57	92.29	77.85	77.52	80.59	83.65	76.41	84.62	71.43	77.24	71.37	97.73
Avg YTD Cost	70.57	81.65	80.36	79.68	79.86	80.51	79.84	80.55	79.57	79.36	78.70	80.29

* Excludes ICAP payments.

These numbers reflect the rebilling of prior periods.

NYISO Dollar Flows - Uplift - OATT Schedule 1 components - Data through December 31, 2008



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 consist of both energy and loss revenue collections and payments. By design, there is a net over collection of revenues due to the difference between the marginal losses paid to generation and the average losses charged to loads.

NYISO Markets Transactions

2008	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWh	14,984,732	13,722,512	13,744,999	12,645,499	13,325,474	15,365,697	17,761,482	15,971,685	13,927,588	13,081,095	13,117,299	13,947,259
DAM LSE Internal LBMP Energy Sales	42%	42%	45%	48%	42%	45%	47%	45%	45%	44%	41%	44%
DAM External TC LBMP Energy Sales	9%	7%	5%	4%	6%	5%	8%	7%	4%	3%	5%	2%
DAM Bilateral - Internal Bilaterals	43%	43%	43%	40%	45%	43%	39%	42%	44%	46%	46%	47%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	5%	5%	5%	5%	4%	4%	4%	4%	5%	4%	5%	5%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	2%	2%	2%	1%	1%	1%	2%	2%	2%
DAM Bilateral - Wheel Through Bilaterals	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%
Balancing Energy Market MWh	918,715	806,490	975,279	617,058	904,576	1,111,429	831,789	389,876	644,897	397,842	605,209	613,724
Balancing Energy LSE Internal LBMP Energy Sales	24%	48%	15%	-29%	2%	35%	47%	45%	65%	29%	43%	50%
Balancing Energy External TC LBMP Energy Sales	68%	49%	81%	121%	98%	56%	53%	47%	35%	84%	64%	55%
Balancing Energy Bilateral - Internal Bilaterals	6%	1%	3%	5%	-2%	5%	3%	6%	4%	7%	0%	1%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	0%	0%	-1%	0%	0%	0%	1%
Balancing Energy Bilateral - Wheel Through Bilaterals	2%	1%	1%	2%	2%	5%	-2%	3%	-4%	-20%	-7%	-6%
Transactions Summary												
LBMP	53%	52%	53%	55%	52%	53%	57%	53%	51%	49%	49%	49%
Internal Bilaterals	41%	41%	41%	38%	42%	40%	37%	41%	42%	45%	44%	45%
Import Bilaterals	5%	5%	4%	5%	4%	4%	4%	4%	5%	4%	5%	5%
Export Bilaterals	1%	1%	1%	2%	2%	2%	1%	1%	1%	2%	2%	2%
Wheels Through	0%	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%
Market Share of Total Load												
Day Ahead Market	94.2%	94.4%	93.4%	95.3%	93.6%	93.3%	95.5%	97.6%	95.6%	97.0%	95.6%	95.8%
Balancing Energy +	5.8%	5.6%	6.6%	4.7%	6.4%	6.7%	4.5%	2.4%	4.4%	3.0%	4.4%	4.2%
Total MWh	15,903,447	14,529,002	14,720,278	13,262,557	14,230,050	16,477,126	18,593,271	16,361,561	14,572,486	13,478,936	13,722,508	14,560,983
Average Daily Energy Sendout/Month GWh	456	455	432	406	403	499	541	488	461	412	424	452
2007	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWh	14,164,585	13,771,553	13,677,039	12,880,994	13,514,244	14,692,700	16,038,367	16,703,812	14,127,144	13,430,445	12,748,392	14,451,609
DAM LSE Internal LBMP Energy Sales	45%	44%	48%	46%	44%	46%	48%	48%	46%	45%	47%	44%
DAM External TC LBMP Energy Sales	4%	7%	4%	6%	6%	4%	4%	5%	4%	2%	2%	5%
DAM Bilateral - Internal Bilaterals	47%	45%	44%	44%	45%	45%	42%	41%	43%	46%	43%	45%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	2%	2%	2%	2%	2%	3%	4%	4%	5%	6%	6%	5%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	2%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	0%
Balancing Energy Market MWh	436,345	630,212	626,488	471,340	563,349	443,615	515,326	469,749	506,866	579,078	819,666	709,510
Balancing Energy LSE Internal LBMP Energy Sales	51%	49%	43%	33%	71%	85%	58%	47%	84%	45%	36%	39%
Balancing Energy External TC LBMP Energy Sales	56%	59%	58%	68%	33%	25%	58%	62%	34%	61%	63%	54%
Balancing Energy Bilateral - Internal Bilaterals	-1%	-4%	1%	0%	8%	6%	4%	8%	3%	7%	1%	5%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	4%	6%	1%	0%	0%	1%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-7%	-4%	-2%	-1%	-15%	-23%	-22%	-18%	-21%	-15%	0%	1%
Transactions Summary												
LBMP	51%	54%	54%	54%	52%	51%	53%	55%	52%	49%	52%	51%
Internal Bilaterals	45%	42%	42%	42%	44%	43%	41%	40%	41%	44%	41%	43%
Import Bilaterals	2%	2%	2%	2%	2%	3%	4%	4%	5%	5%	5%	5%
Export Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	1%	0%
Market Share of Total Load												
Day Ahead Market	97.0%	95.6%	95.6%	96.5%	96.0%	97.1%	96.9%	97.3%	96.5%	95.9%	94.0%	95.3%
Balancing Energy +	3.0%	4.4%	4.4%	3.5%	4.0%	2.9%	3.1%	2.7%	3.5%	4.1%	6.0%	4.7%
Total MWh	14,600,930	14,401,765	14,303,527	13,352,334	14,077,594	15,136,315	16,553,693	17,173,561	14,634,010	14,009,523	13,568,057	15,161,119
Average Daily Energy Sendout/Month GWh	449	471	438	414	423	484	510	523	468	436	428	458

+ 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 2008 Energy Statistics

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$83.07	\$82.66	\$83.11	\$89.77	\$89.35	\$121.83	\$125.89	\$81.02	\$74.07	\$61.37	\$60.60	\$60.02
Standard Deviation	\$28.43	\$22.45	\$17.97	\$19.87	\$23.21	\$41.13	\$38.25	\$21.91	\$17.78	\$13.20	\$13.04	\$16.61
Load Weighted Price **	\$86.14	\$85.14	\$85.09	\$92.37	\$92.48	\$128.61	\$131.60	\$84.41	\$76.77	\$63.06	\$62.23	\$61.76
<u>RTC LBMP</u>												
Price *	\$79.46	\$85.91	\$83.81	\$90.48	\$96.21	\$120.88	\$119.78	\$80.23	\$75.23	\$60.39	\$61.67	\$60.24
Standard Deviation	\$35.00	\$60.79	\$34.42	\$31.97	\$61.32	\$64.44	\$53.84	\$39.90	\$49.92	\$26.42	\$16.96	\$31.25
Load Weighted Price **	\$81.98	\$88.30	\$85.82	\$92.22	\$99.59	\$127.40	\$123.71	\$82.76	\$78.66	\$61.95	\$63.08	\$62.14
<u>REAL TIME LBMP</u>												
Price *	\$79.00	\$85.89	\$83.51	\$89.37	\$93.72	\$120.05	\$118.37	\$77.34	\$72.47	\$57.30	\$60.24	\$59.55
Standard Deviation	\$38.83	\$49.87	\$33.64	\$31.14	\$59.68	\$80.00	\$49.42	\$33.97	\$56.87	\$22.16	\$17.79	\$31.29
Load Weighted Price **	\$81.97	\$88.72	\$85.68	\$91.31	\$97.50	\$128.95	\$122.64	\$80.09	\$77.60	\$58.81	\$61.91	\$62.19
Average Daily Energy Sendout/Month GWh	456	455	432	406	403	499	541	488	461	412	424	452

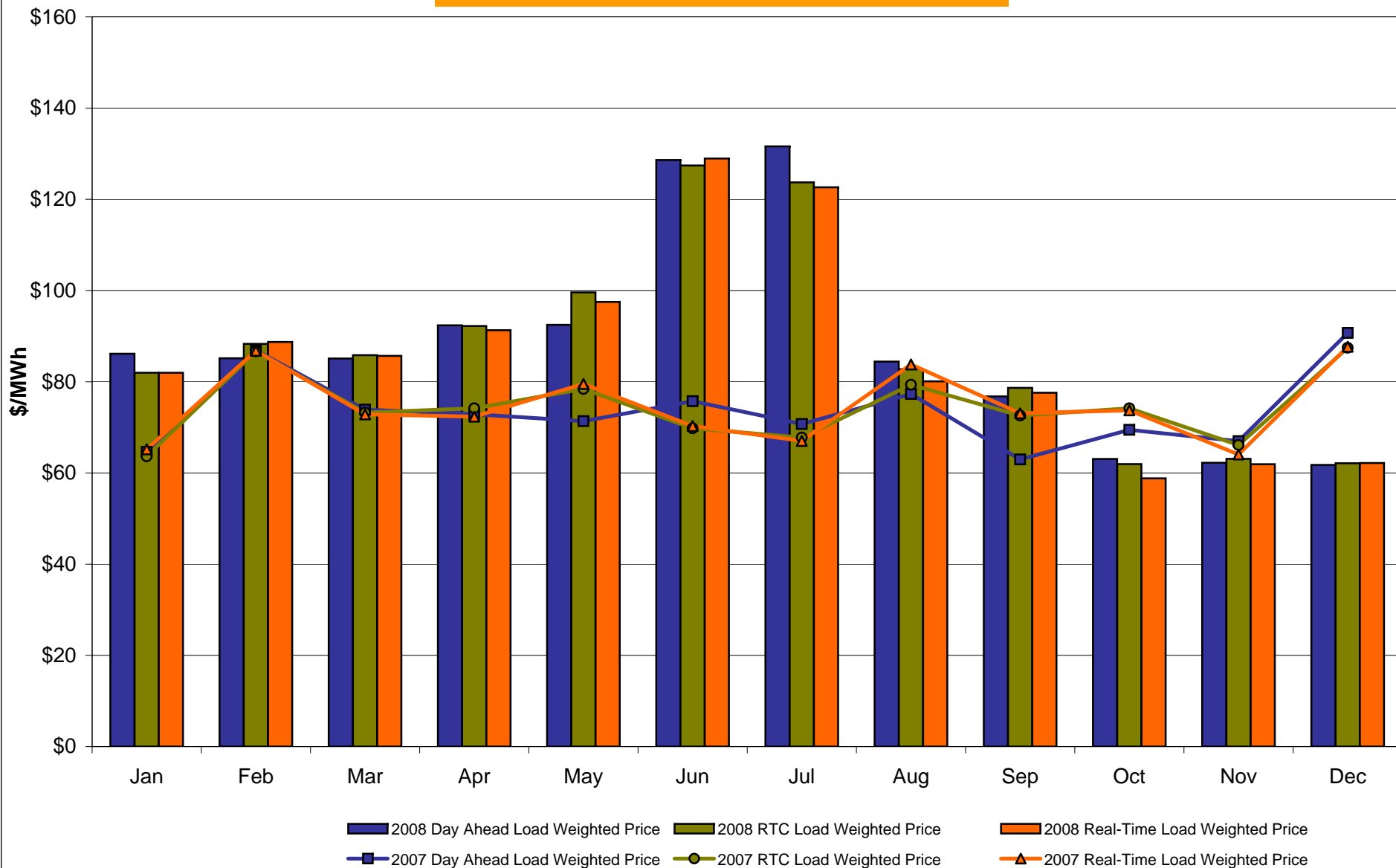
NYISO Markets 2007 Energy Statistics

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$62.20	\$84.73	\$71.75	\$70.56	\$68.38	\$71.78	\$67.05	\$73.24	\$60.14	\$66.23	\$65.01	\$87.50
Standard Deviation	\$21.16	\$21.02	\$19.36	\$18.29	\$19.79	\$23.08	\$22.12	\$24.41	\$17.87	\$21.71	\$15.99	\$29.30
Load Weighted Price **	\$64.61	\$86.87	\$73.90	\$72.88	\$71.37	\$75.73	\$70.73	\$77.30	\$62.95	\$69.45	\$66.99	\$90.70
<u>RTC LBMP</u>												
Price *	\$61.44	\$84.30	\$70.97	\$71.30	\$74.54	\$66.19	\$64.91	\$73.23	\$67.49	\$70.80	\$64.27	\$84.99
Standard Deviation	\$28.08	\$40.04	\$29.30	\$37.47	\$62.84	\$30.91	\$24.66	\$77.17	\$76.02	\$54.01	\$26.78	\$34.52
Load Weighted Price **	\$63.64	\$86.66	\$73.23	\$74.18	\$78.42	\$69.78	\$67.75	\$79.33	\$72.59	\$74.17	\$66.11	\$87.44
<u>REAL TIME LBMP</u>												
Price *	\$62.38	\$84.03	\$70.46	\$69.75	\$74.79	\$65.78	\$63.20	\$75.33	\$65.87	\$69.23	\$62.03	\$84.46
Standard Deviation	\$32.76	\$42.22	\$28.57	\$30.57	\$61.97	\$31.86	\$27.37	\$84.24	\$78.46	\$57.31	\$25.48	\$35.40
Load Weighted Price **	\$65.19	\$86.80	\$72.85	\$72.35	\$79.53	\$70.28	\$67.02	\$83.79	\$73.09	\$73.74	\$64.05	\$87.67
Average Daily Energy Sendout/Month GWh	449	471	438	414	423	484	510	523	468	436	428	458

* Average zonal load weighted prices.

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

NYISO Monthly Average Internal LBMPs 2007 - 2008



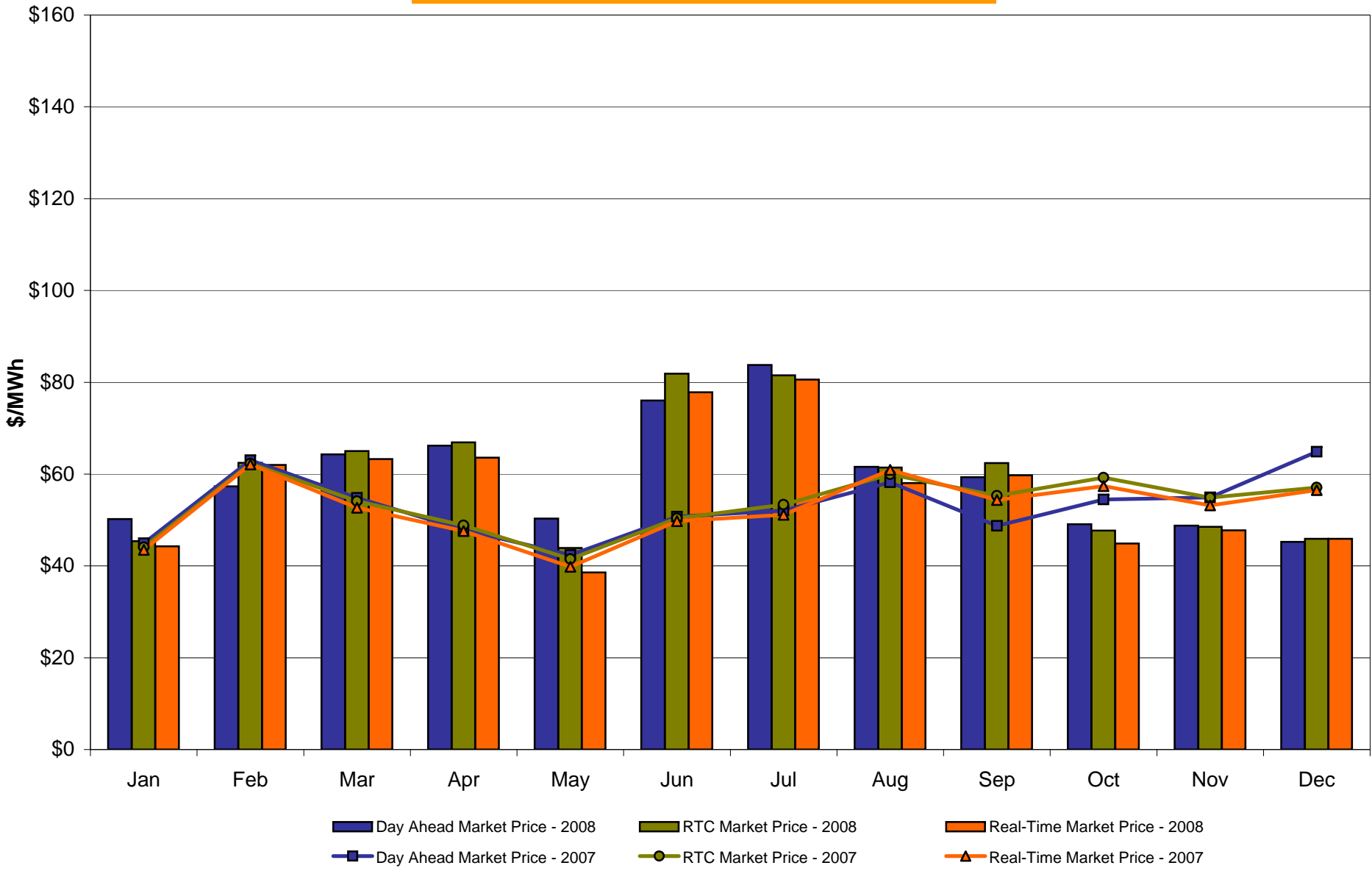
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December 2008 Zonal LBMP Statistics for NYISO (\$/MWh)

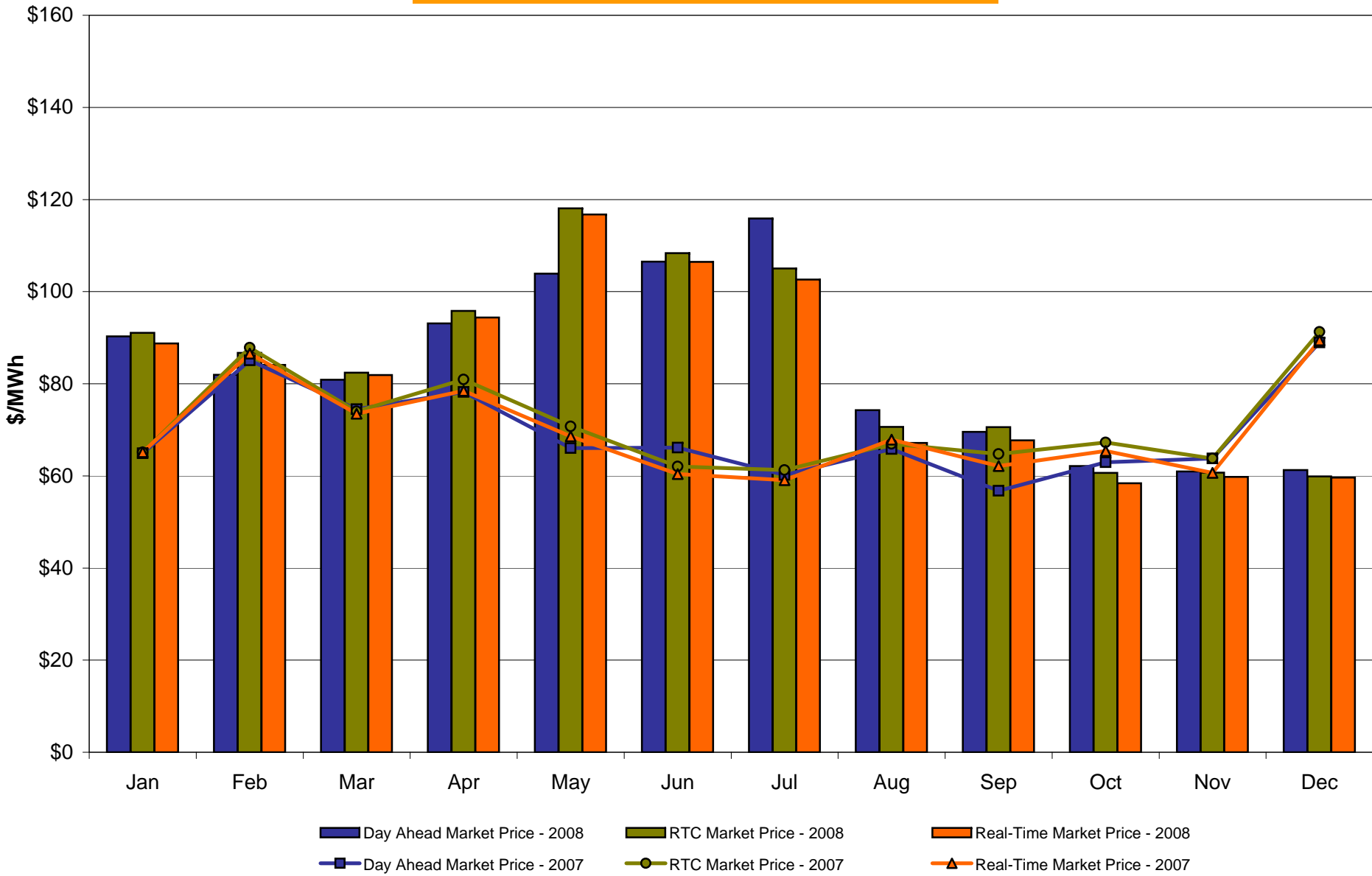
	WEST	GENESEE	NORTH	CENTRAL	MOHAWK	CAPITAL	HUDSON	MILLWOOD	DUNWOODIE	NEW YORK	LONG
	<u>Zone A</u>	<u>Zone B</u>	<u>Zone D</u>	<u>Zone C</u>	<u>Zone E</u>	<u>Zone F</u>	<u>Zone G</u>	<u>Zone H</u>	<u>Zone I</u>	<u>Zone J</u>	<u>Zone K</u>
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	45.24	52.64	53.37	54.39	55.96	61.26	61.45	61.58	61.82	66.10	64.95
Standard Deviation	13.38	15.15	14.79	15.25	15.54	16.35	16.49	16.56	16.66	20.18	18.13
<u>RTC LBMP</u>											
Unweighted Price *	45.88	52.27	52.35	54.03	55.36	59.91	59.99	60.06	60.12	66.73	67.81
Standard Deviation	27.03	30.73	30.39	31.12	31.70	31.85	32.03	32.14	32.09	36.98	33.31
<u>REAL TIME LBMP</u>											
Unweighted Price *	45.89	52.21	52.33	53.97	55.31	59.61	59.81	59.92	59.94	65.57	66.52
Standard Deviation	24.96	30.14	30.16	30.71	31.48	31.92	32.05	32.25	32.17	36.58	34.67
	ONTARIO	HYDRO	HYDRO		NEW	CROSS	NORTHPORT-				
	IESO	QUEBEC	QUEBEC	PJM	ENGLAND	SOUND	NORWALK	NEPTUNE			
		(Wheel)	(Import/Export)			CABLE					
	<u>Zone O</u>	<u>Zone M</u>	<u>Zone M</u>	<u>Zone P</u>	<u>Zone N</u>	<u>Controllable</u>	<u>Controllable</u>	<u>Controllable</u>			
						<u>Line</u>	<u>Line</u>	<u>Line</u>			
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	48.34	53.53	53.52	56.19	60.83	63.21	62.84	62.21			
Standard Deviation	14.32	14.73	14.73	15.18	15.93	16.92	16.81	16.81			
<u>RTC LBMP</u>											
Unweighted Price *	44.88	61.76	60.73	55.43	59.90	63.09	62.45	62.34			
Standard Deviation	19.18	124.26	124.48	16.60	17.23	23.02	22.89	23.10			
<u>REAL TIME LBMP</u>											
Unweighted Price *	44.92	51.68	50.74	52.49	59.28	63.15	62.53	62.33			
Standard Deviation	27.87	29.75	30.30	24.77	26.81	33.38	33.26	33.60			

* Straight LBMP averages

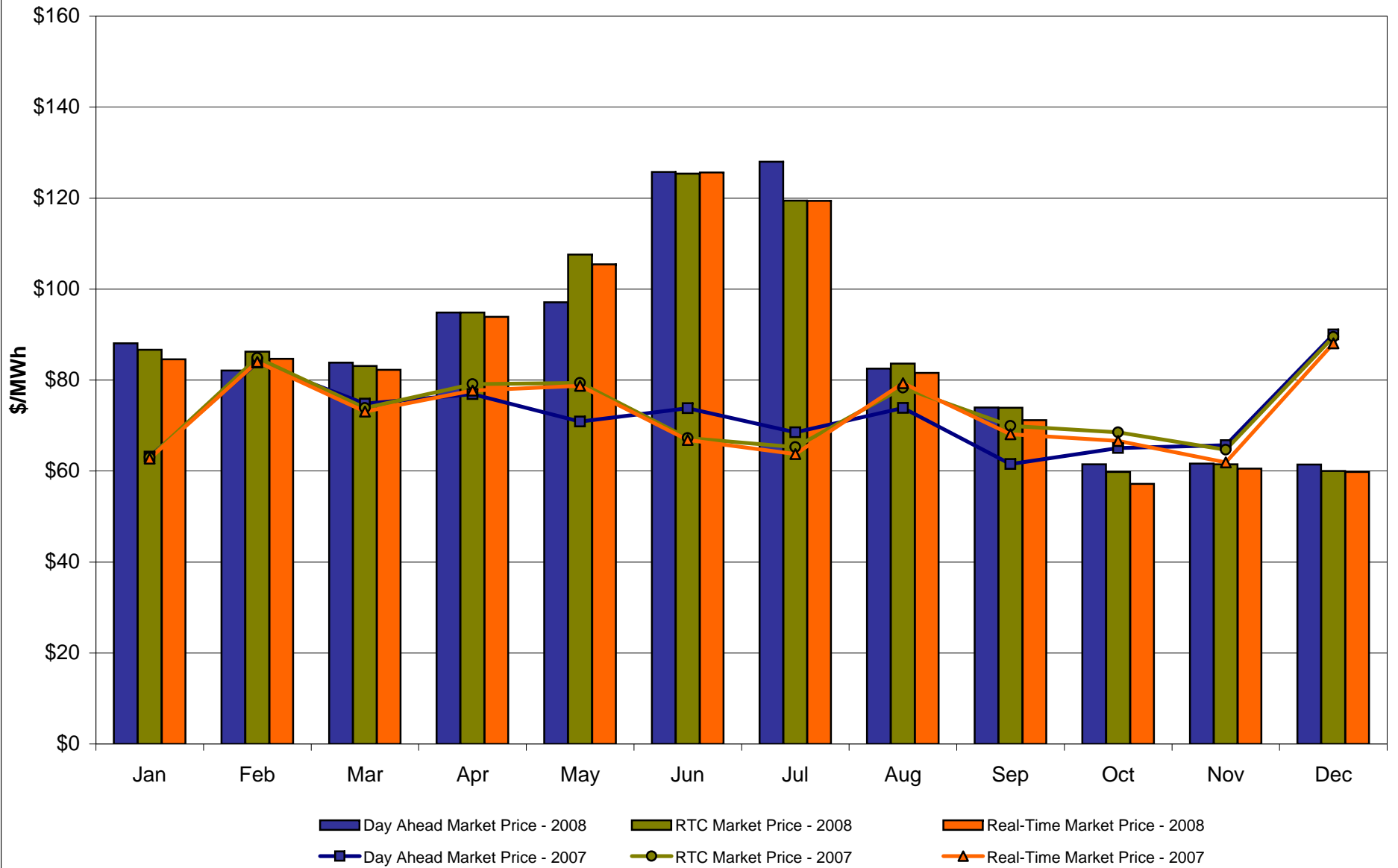
West Zone A Monthly Average LBMP Prices 2007 - 2008



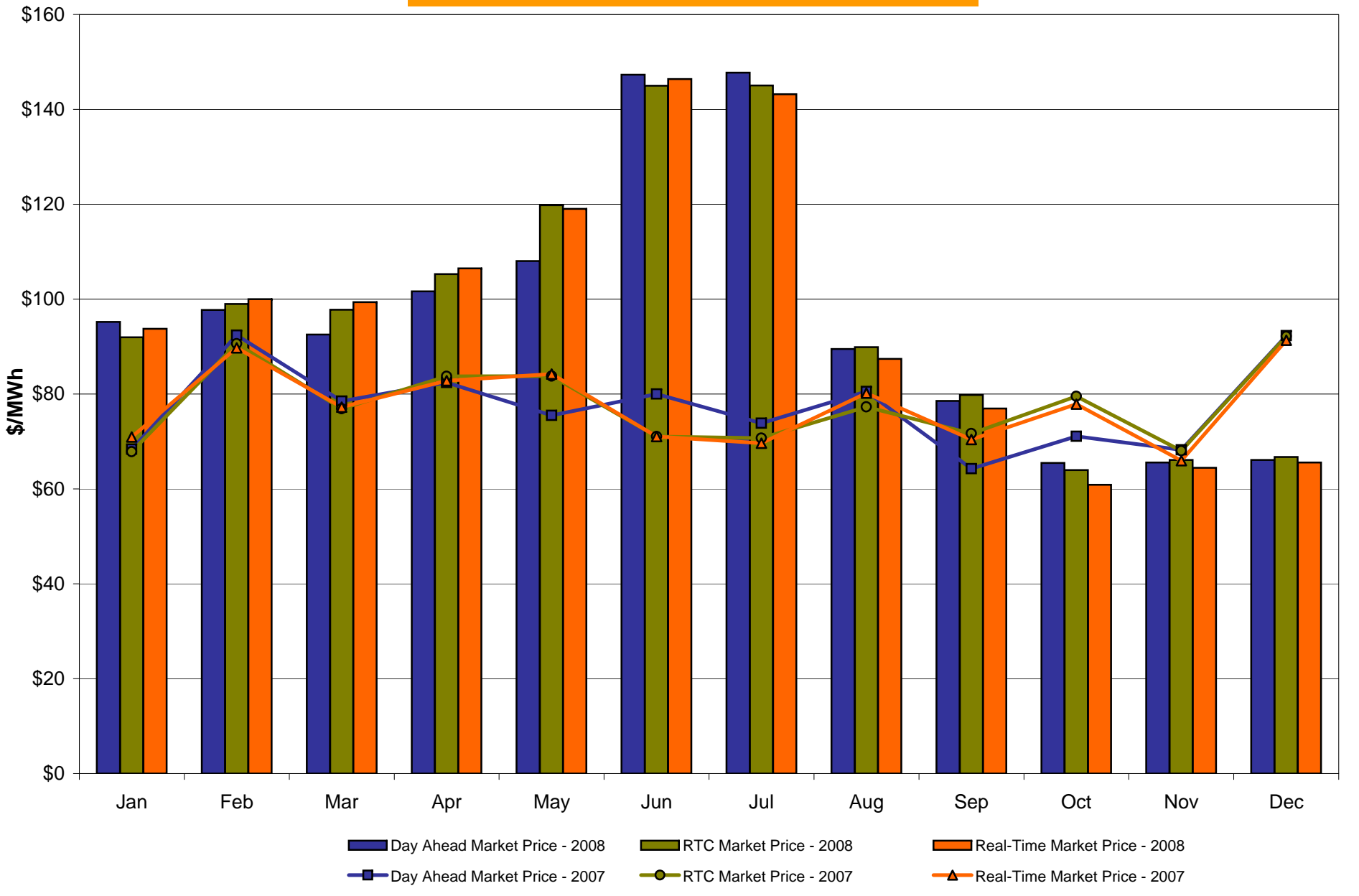
Capital Zone F Monthly Average LBMP Prices 2007 - 2008



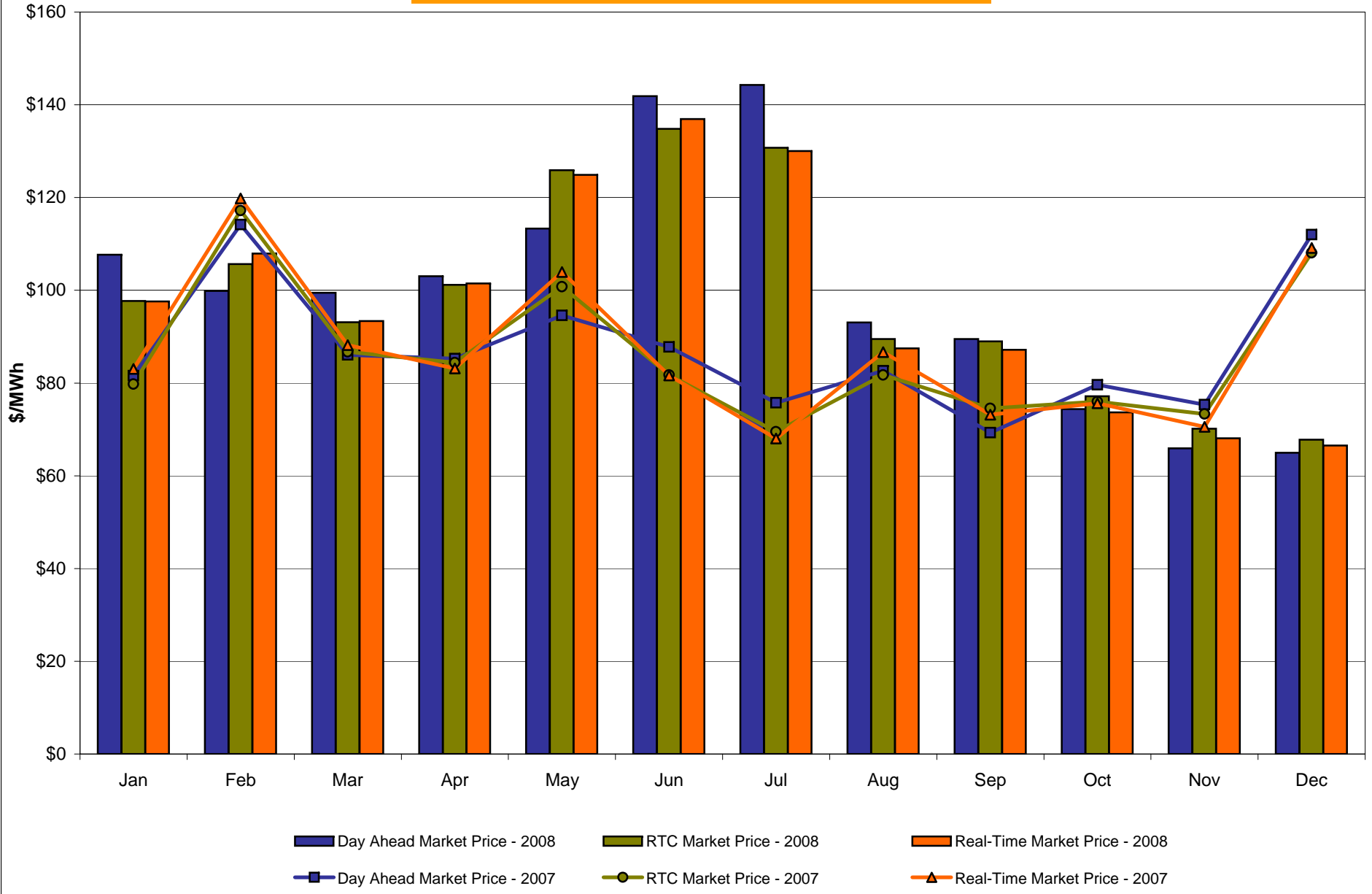
Hudson Valley Zone G Monthly Average LBMP Prices 2007 - 2008



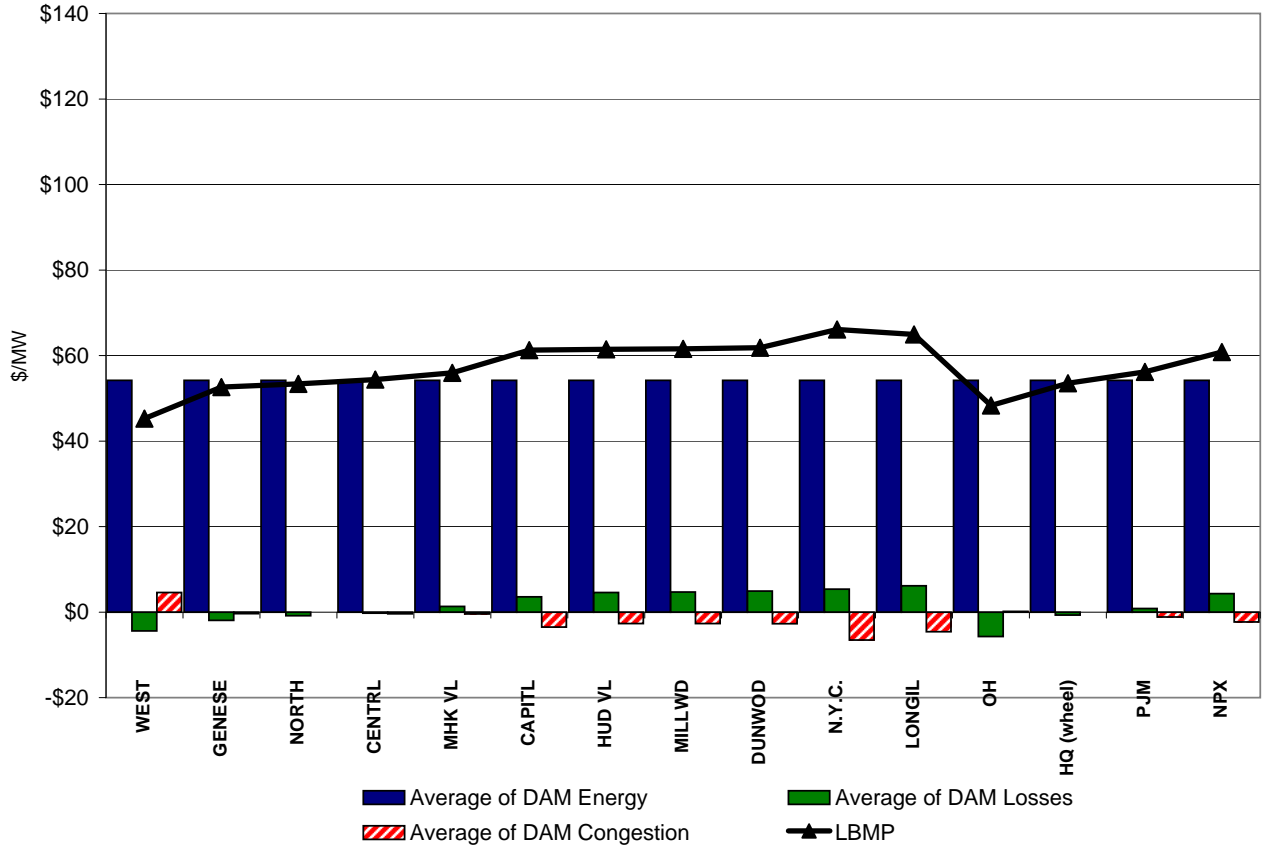
NYC Zone J Monthly Average LBMP Prices 2007 - 2008



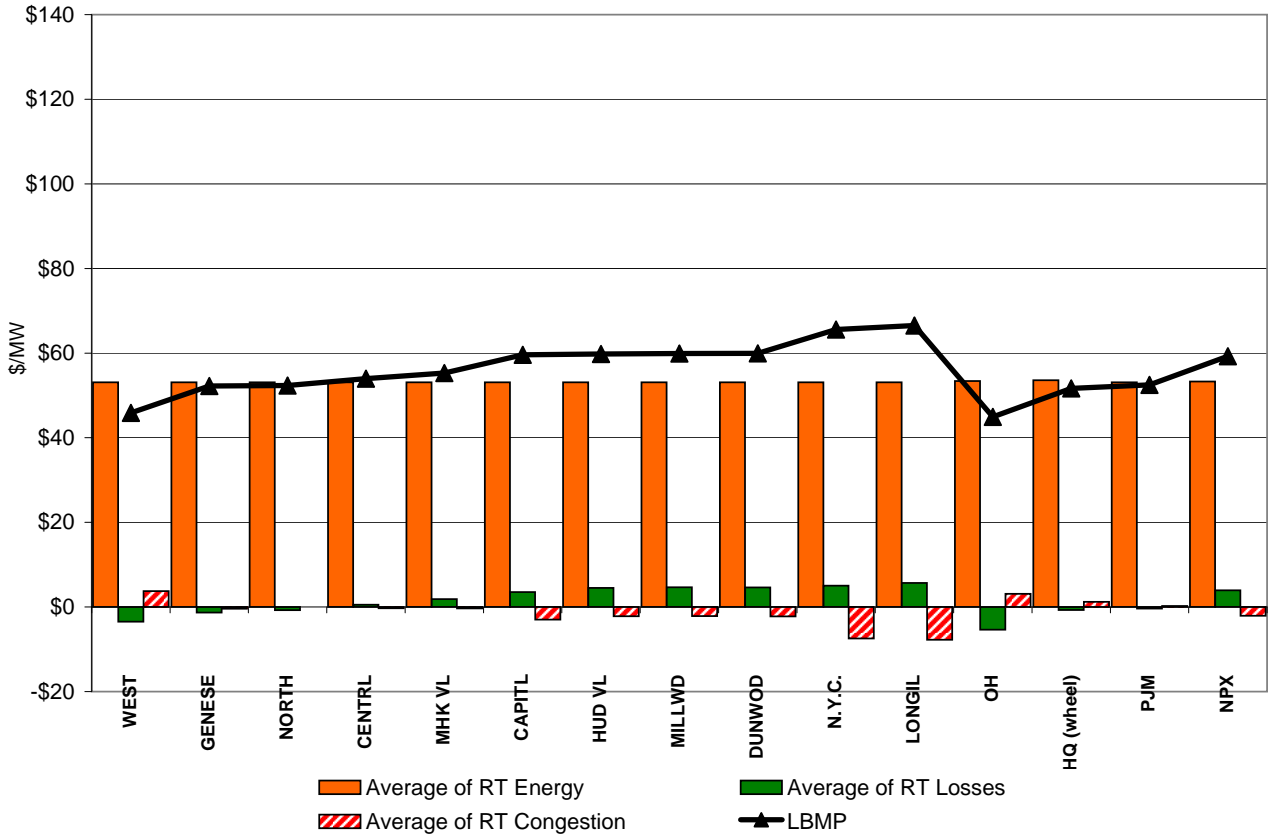
Long Island Zone K Monthly Average LBMP Prices 2007 - 2008



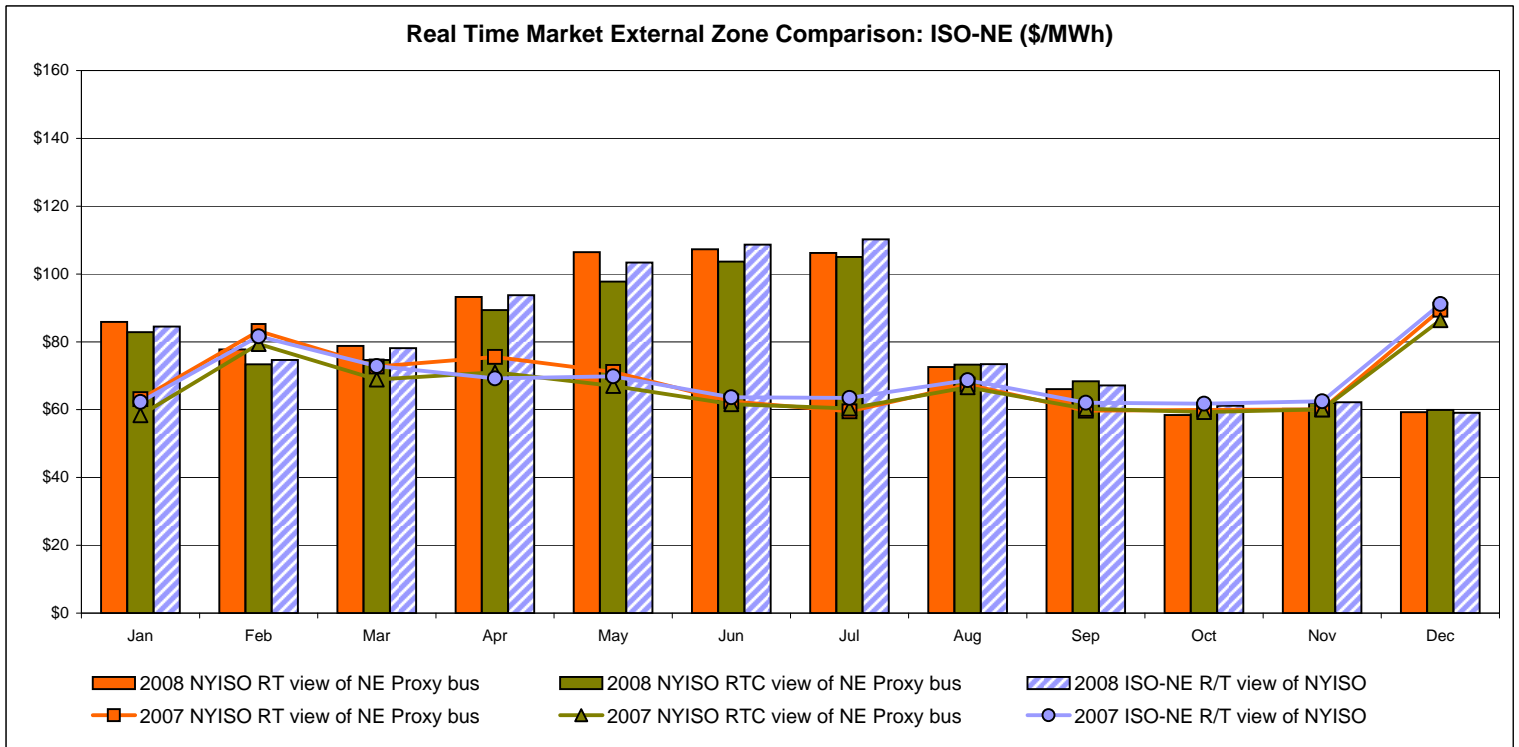
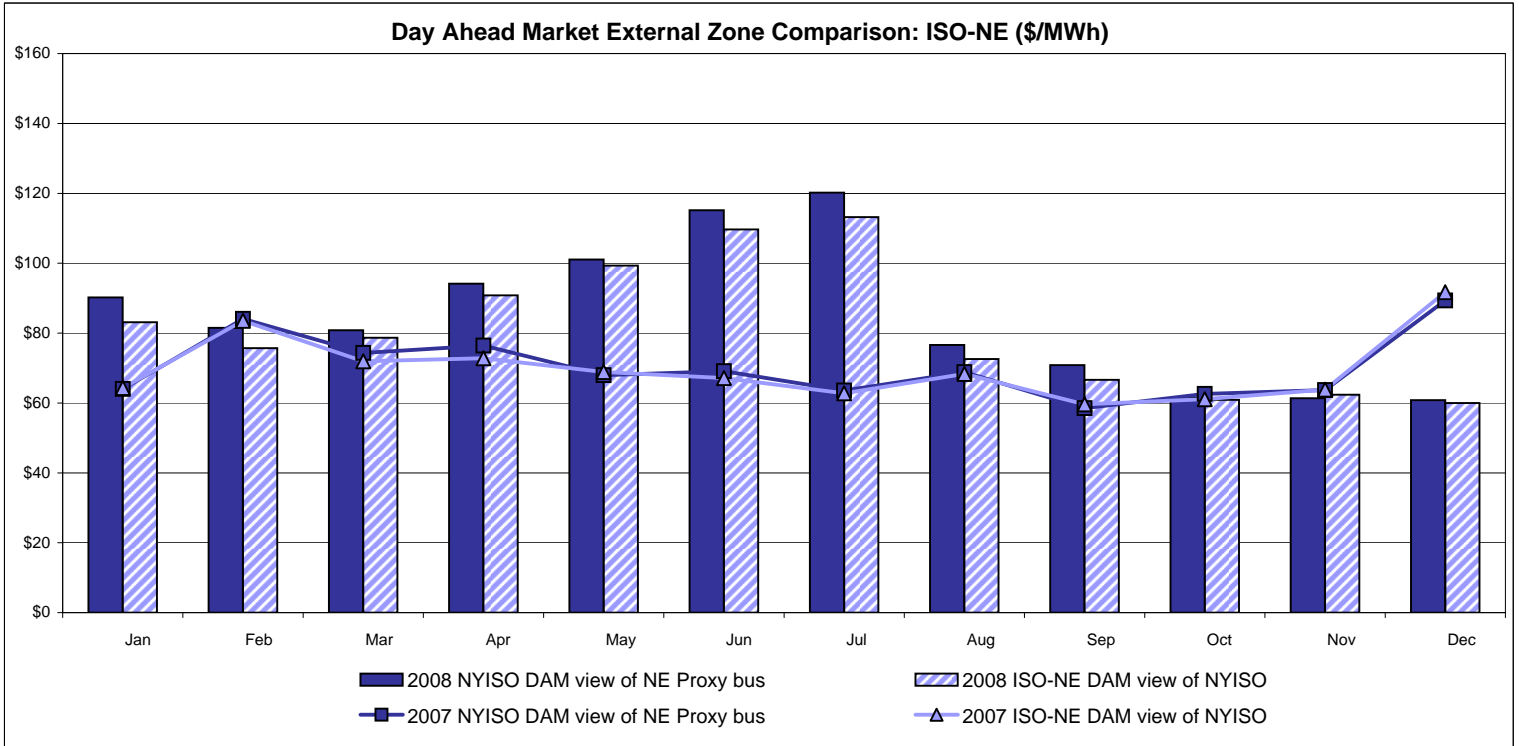
DAM Zonal Unweighted Monthly Average LBMP Components December 2008



RT Zonal Unweighted Monthly Average LBMP Components December 2008



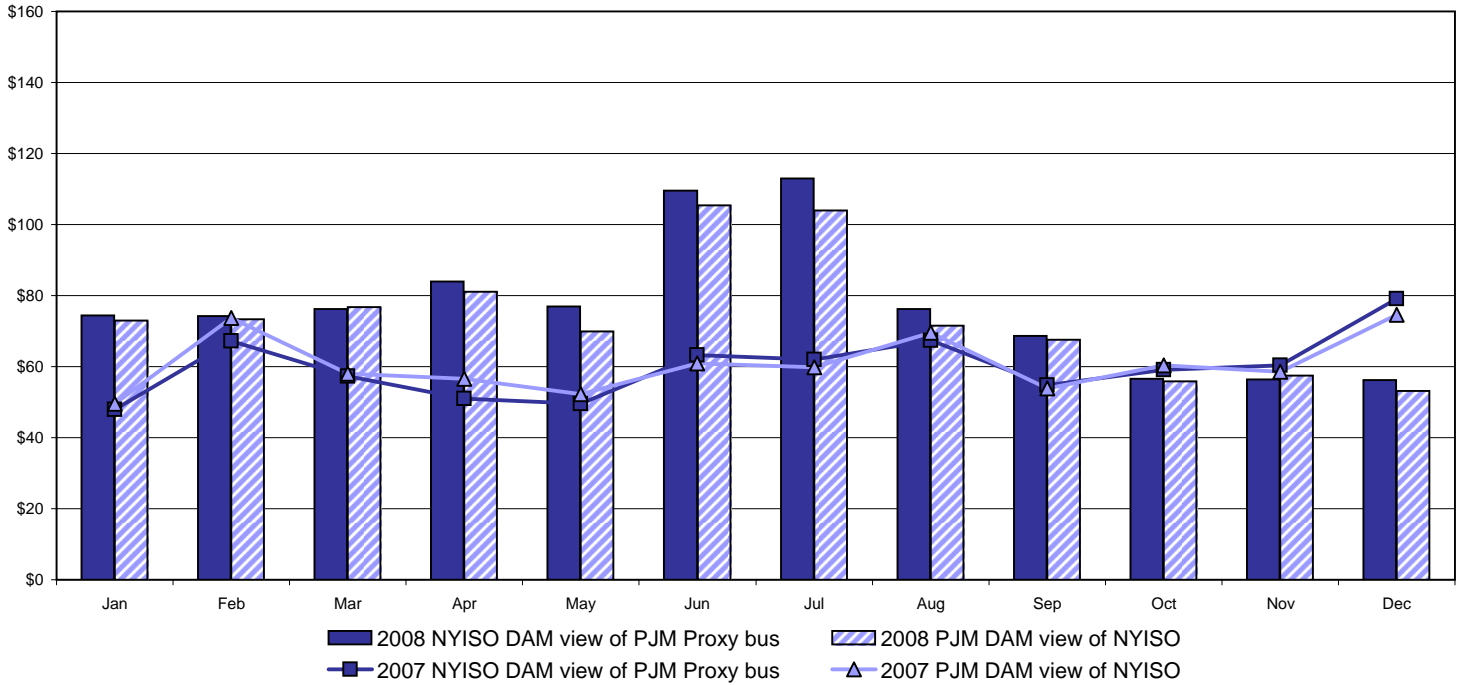
External Comparison ISO-New England



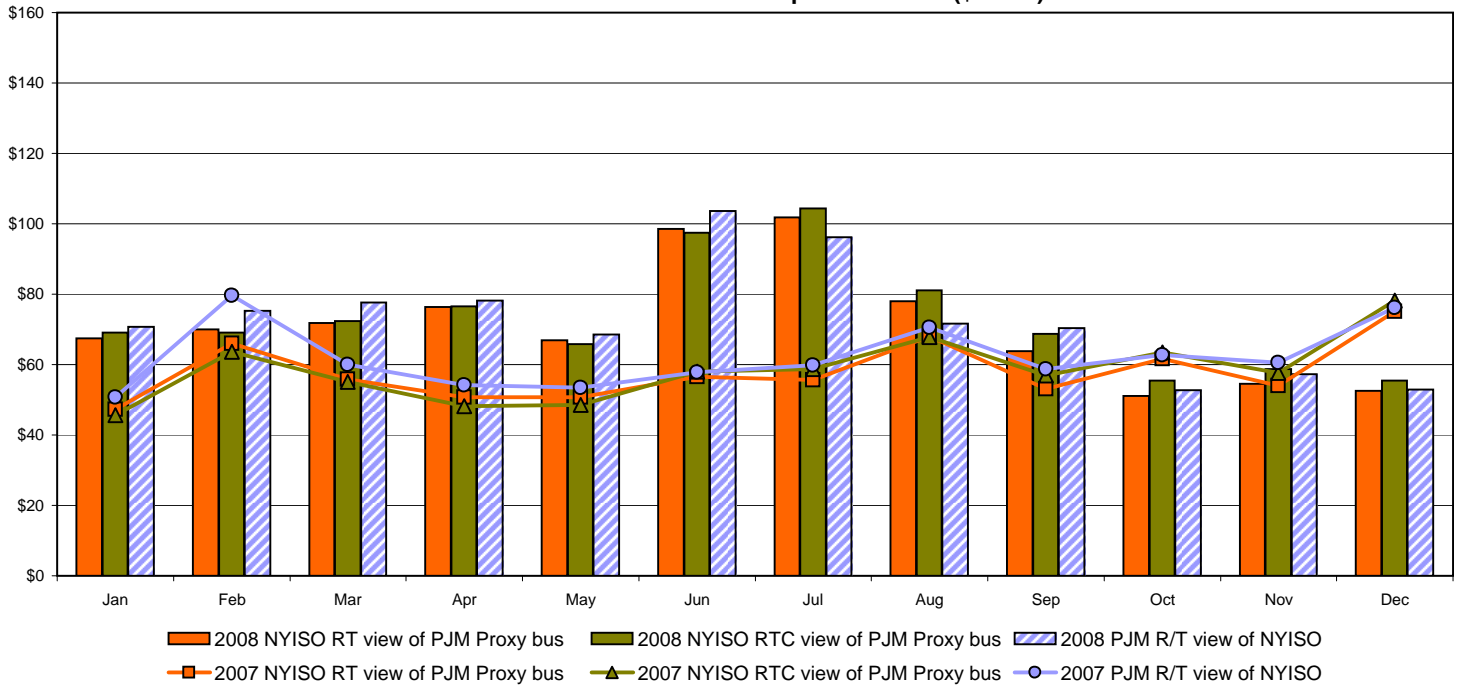
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Roseton interface are used for ISO-NE.
 The DAM and R/T prices at the SandyPond interface are used for NYISO.

External Comparison PJM

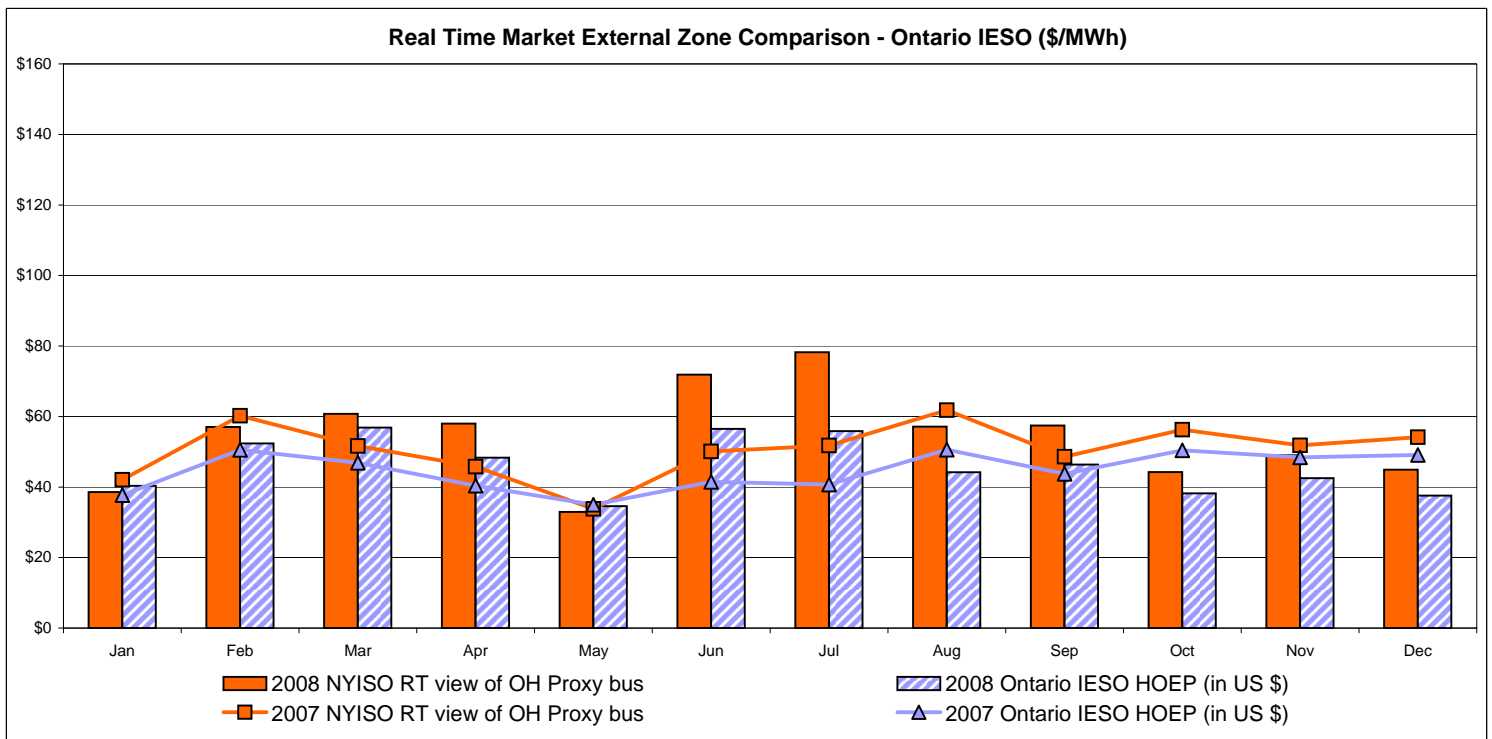
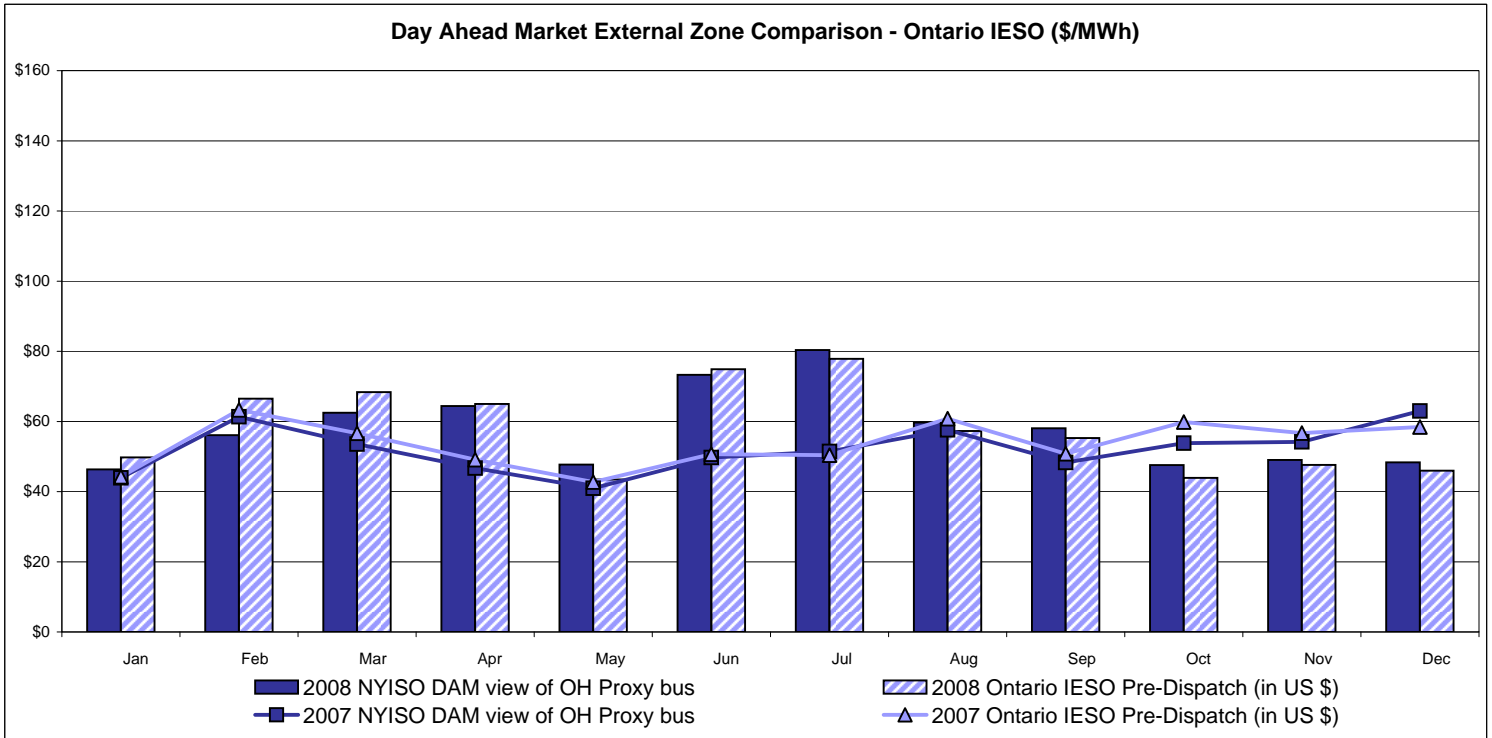
Day Ahead Market External Zone Comparison - PJM (\$/MWh)



Real Time Market External Zone Comparison - PJM (\$/MWh)

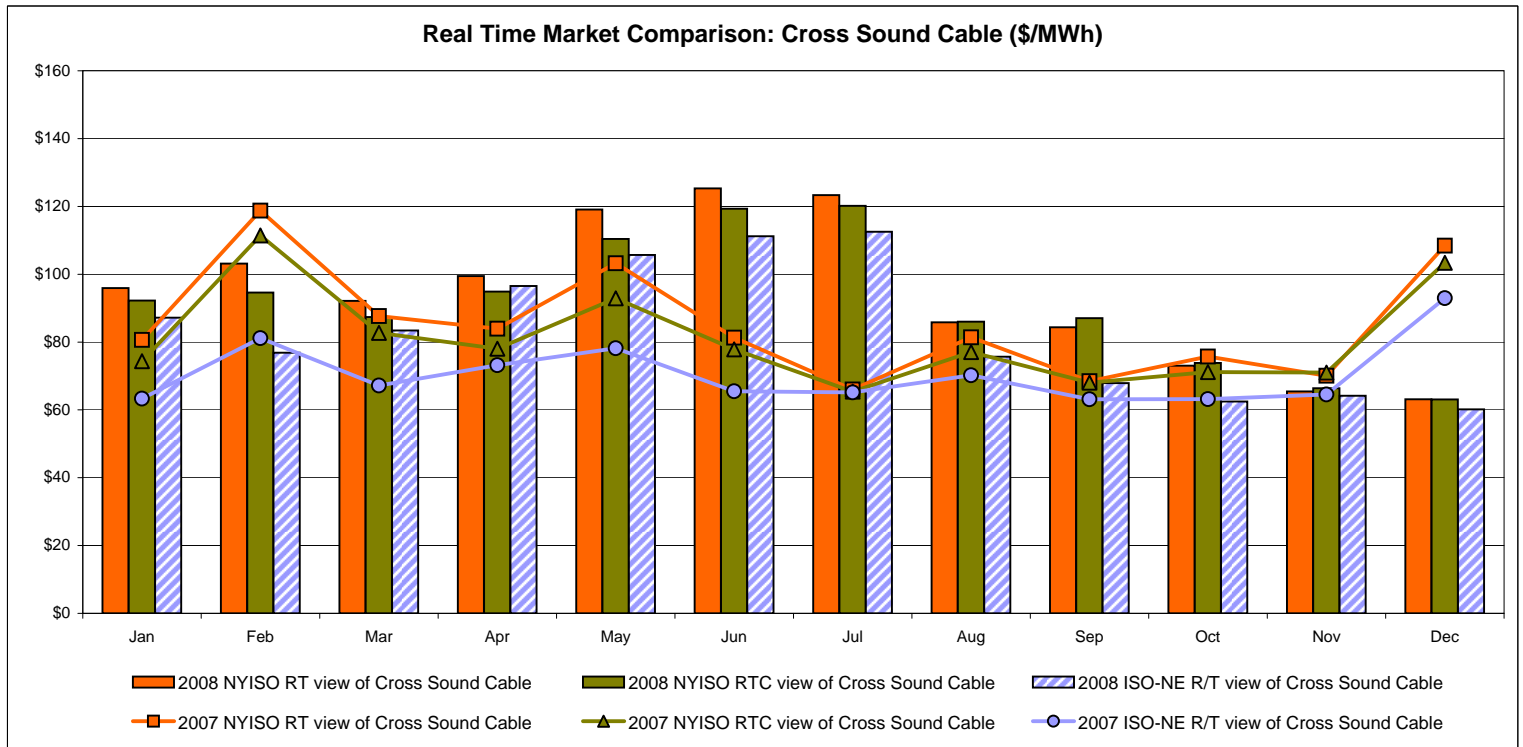
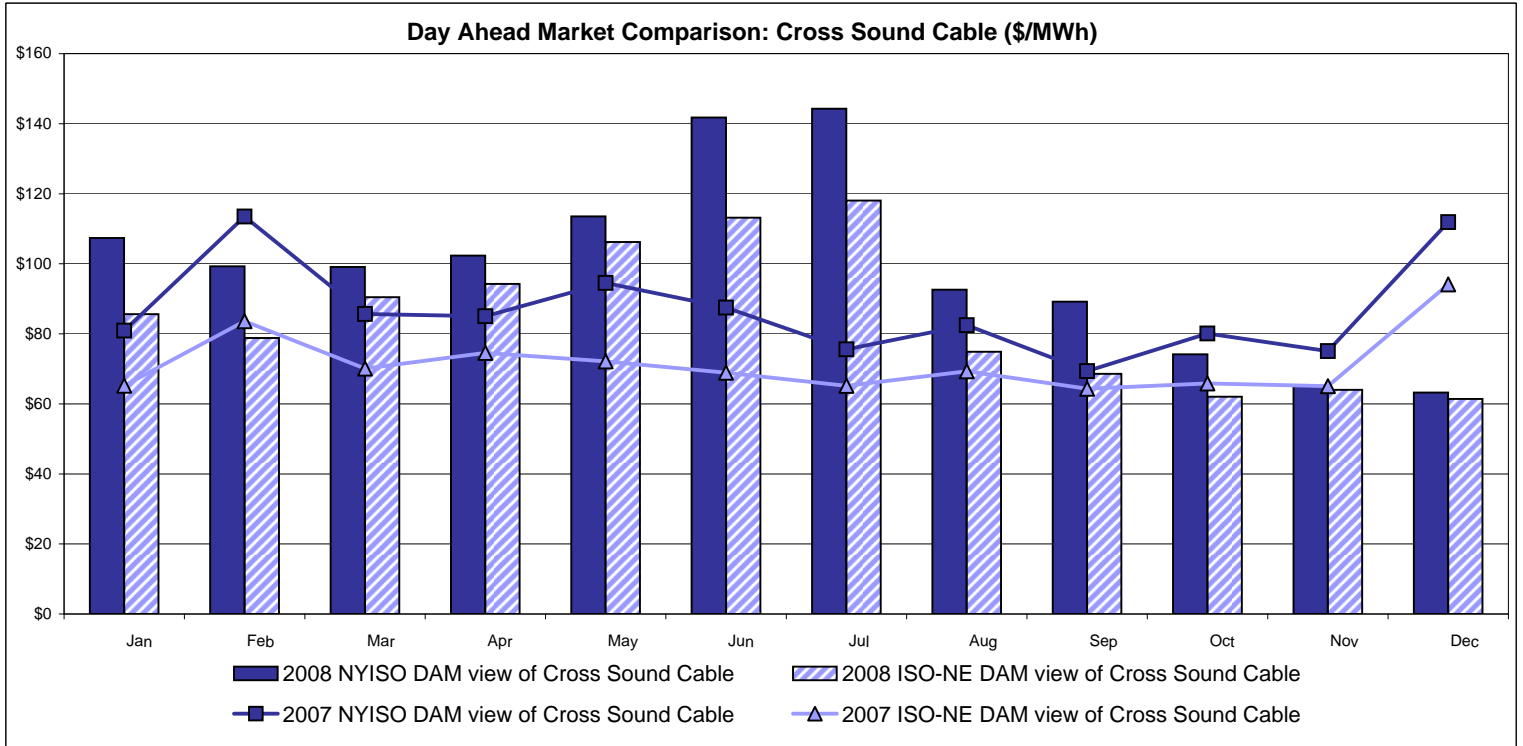


External Comparison Ontario IESO



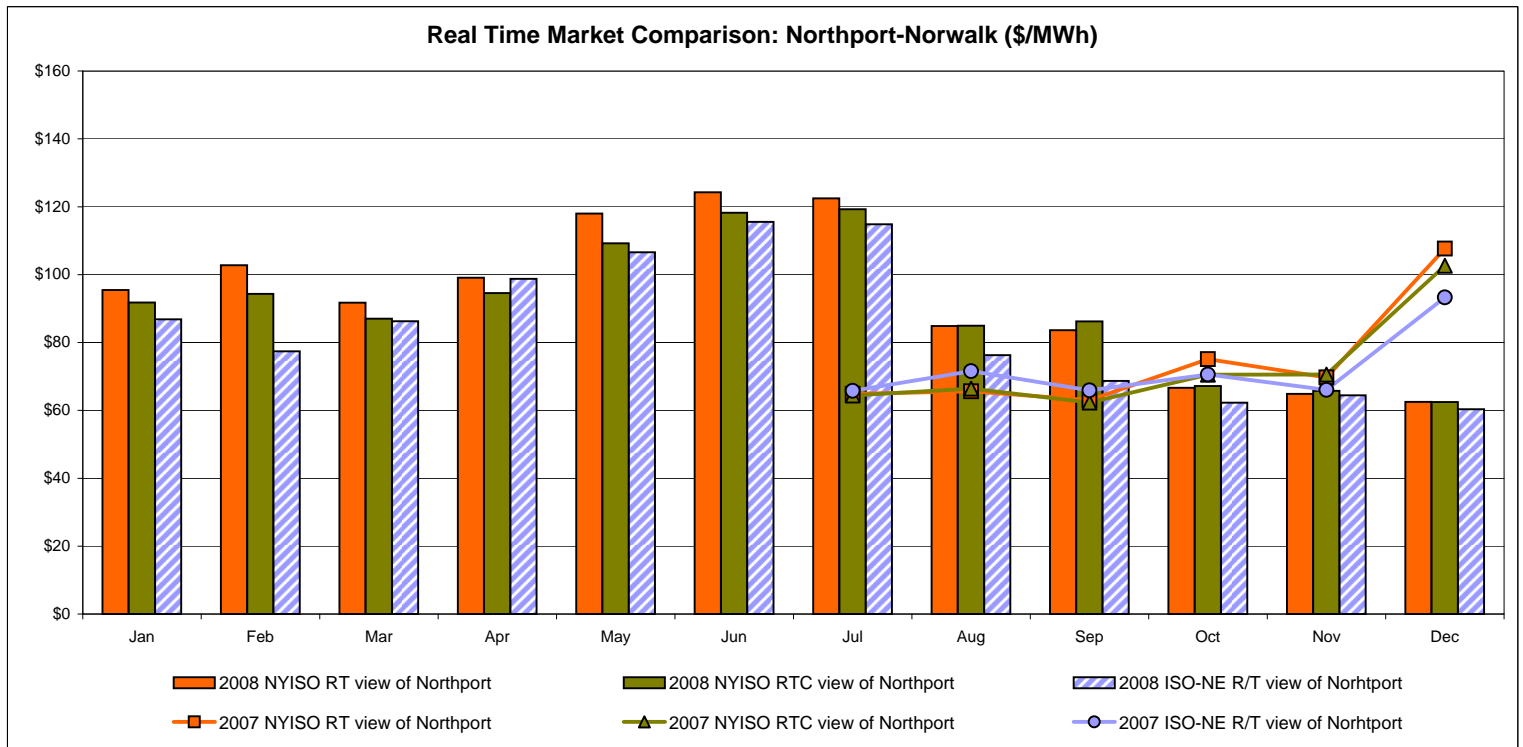
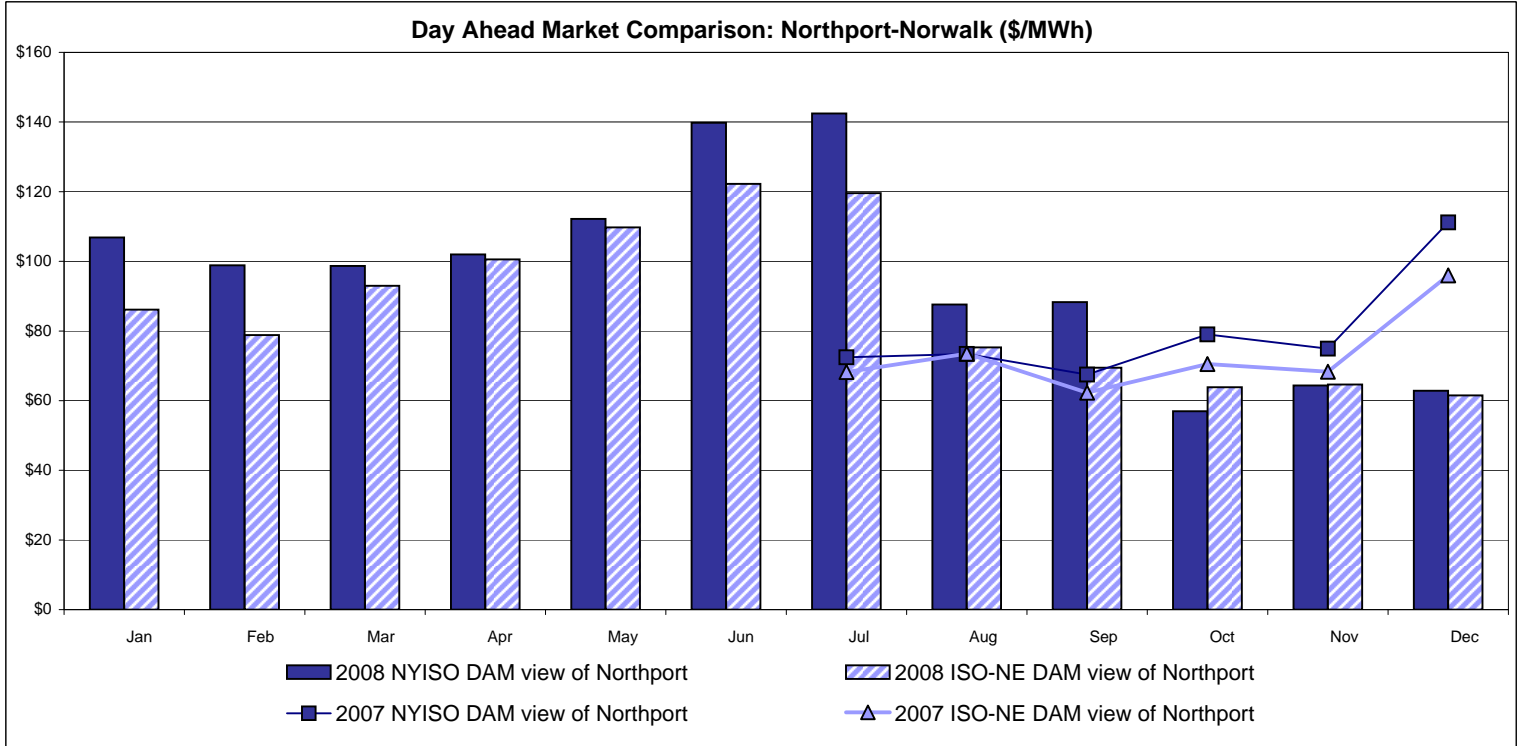
Notes: Exchange factor used for December 2008 was .81 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

External Controllable Line: Cross Sound Cable (New England)



Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Shorham138 99 interface are used for ISO-NE.
 The DAM and R/T prices at the CSC interface are used for NYISO.

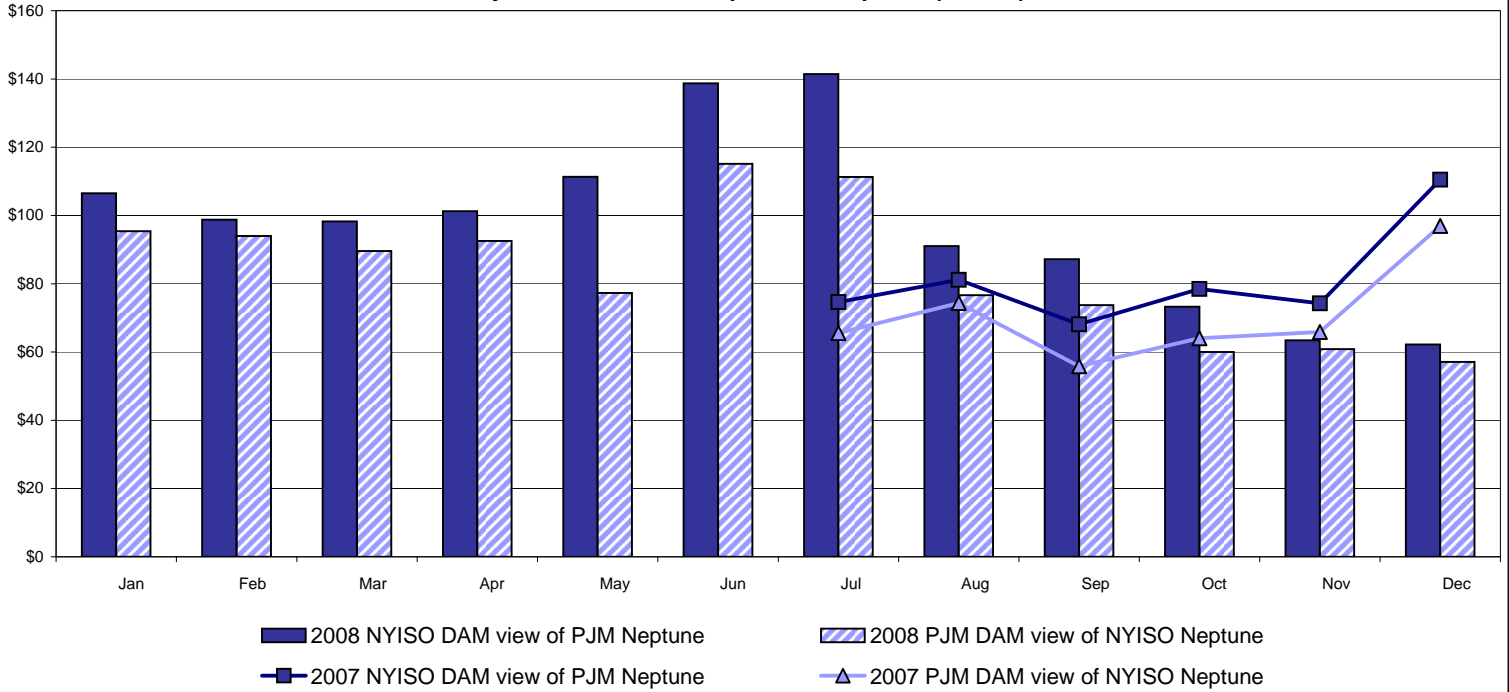
External Controllable Line: Northport - Norwalk (New England)



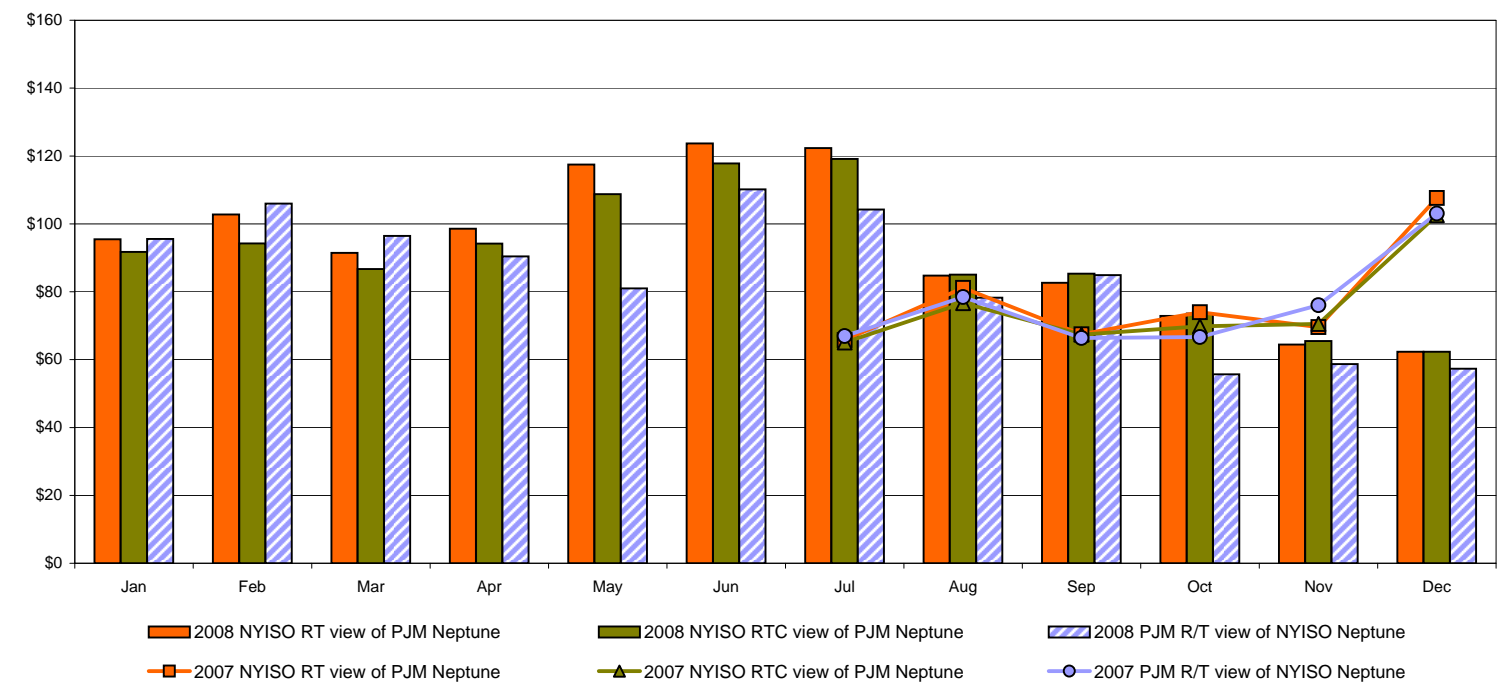
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Northport 138 interface are used for ISO-NE.
 The DAM and R/T prices at the 1385 interface are used for NYISO.
 Data available beginning 7/1/2007.

External Controllable Line: Neptune (PJM)

Day Ahead Market Comparison: Neptune (\$/MWh)

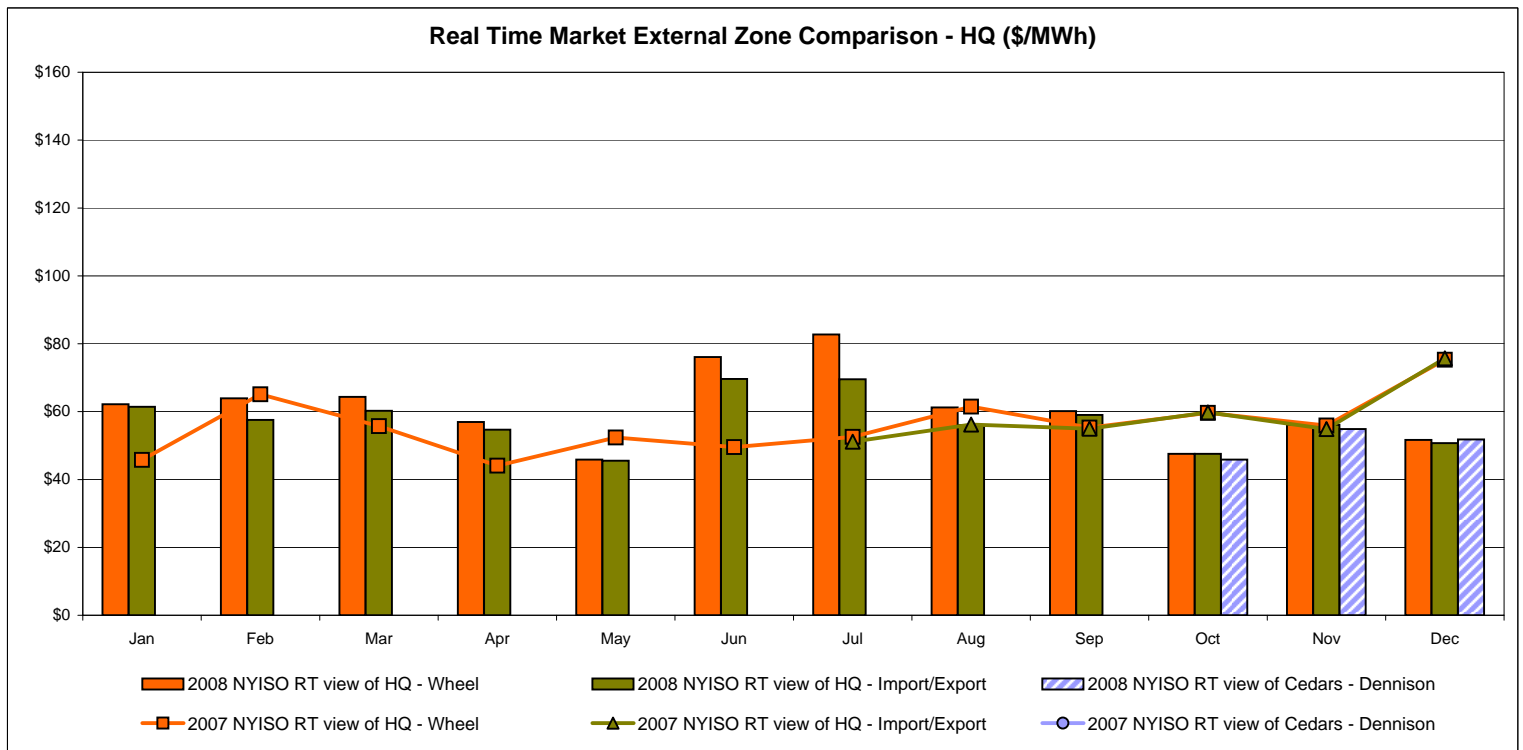
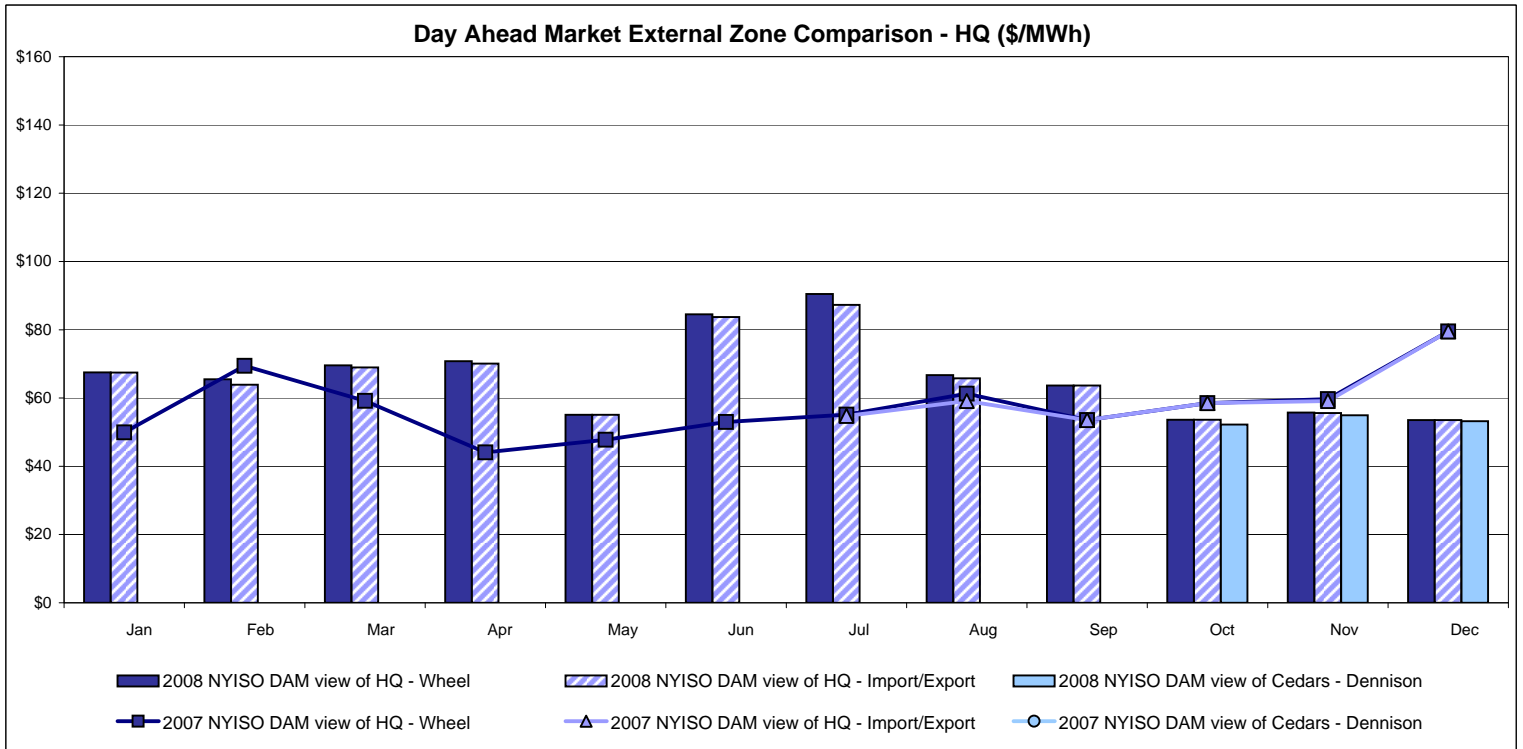


Real Time Market Comparison: Neptune (\$/MWh)



Note:
Data available beginning 7/1/2007.

External Comparison Hydro-Quebec

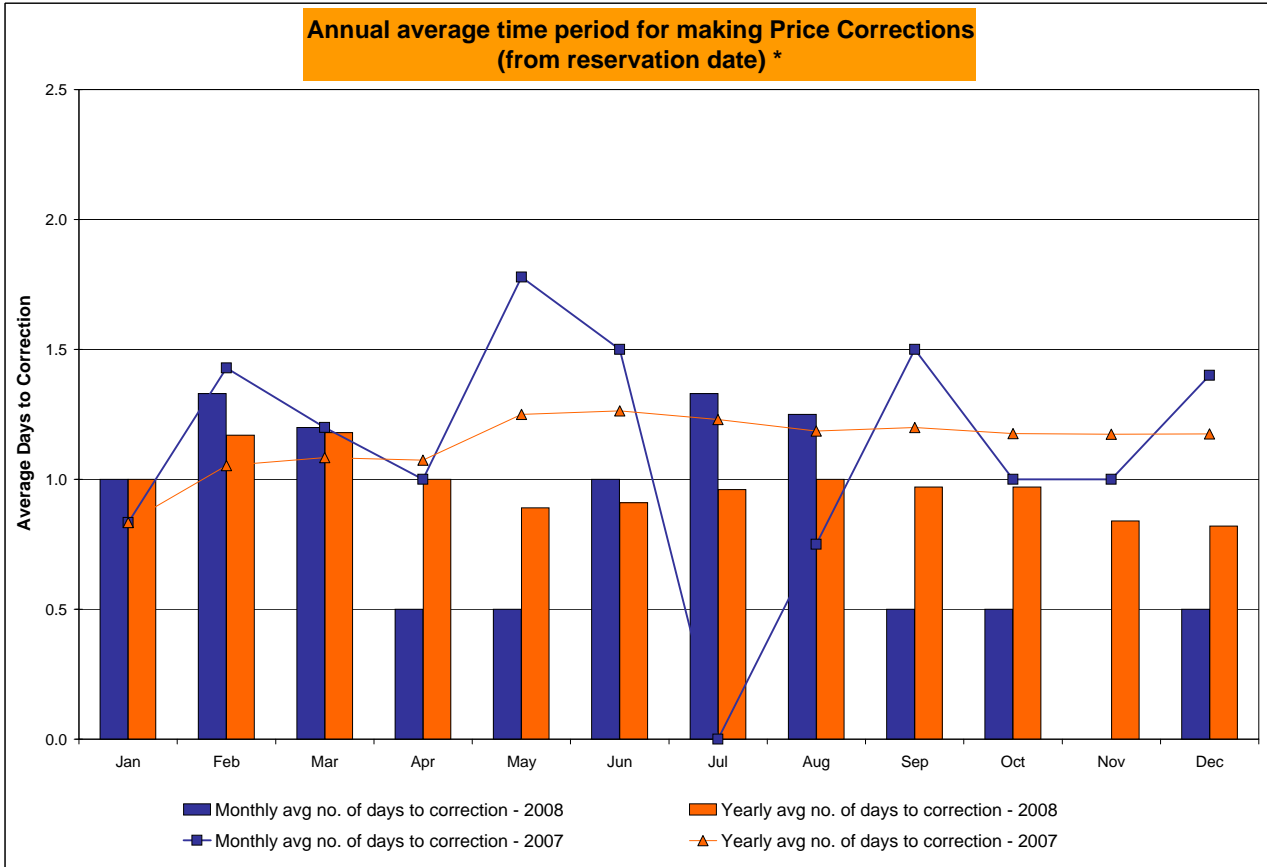
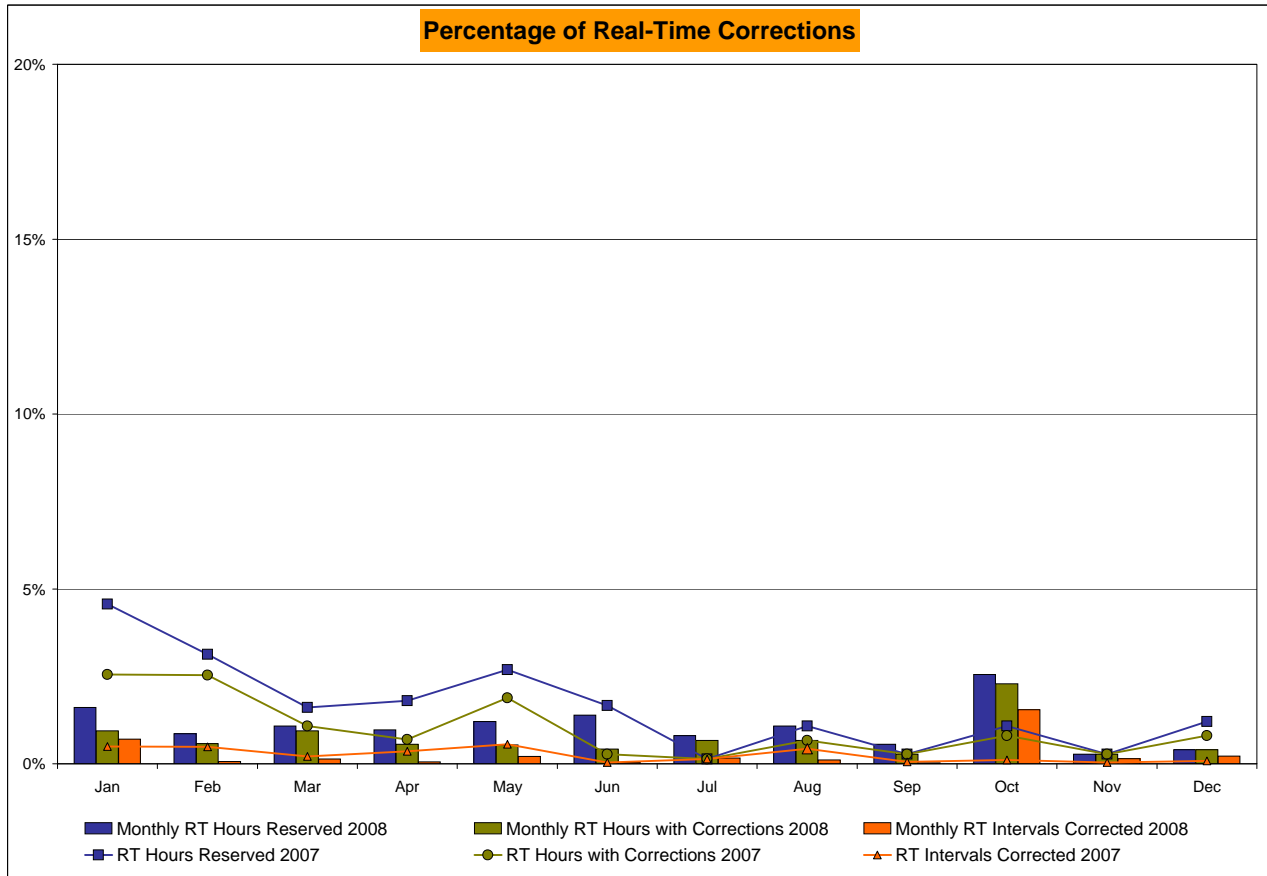


Note:
 Hydro-Quebec Prices are unavailable.
 Dennison Scheduled Line Data available beginning 10/1/2008.

NYISO Real Time Price Correction Statistics

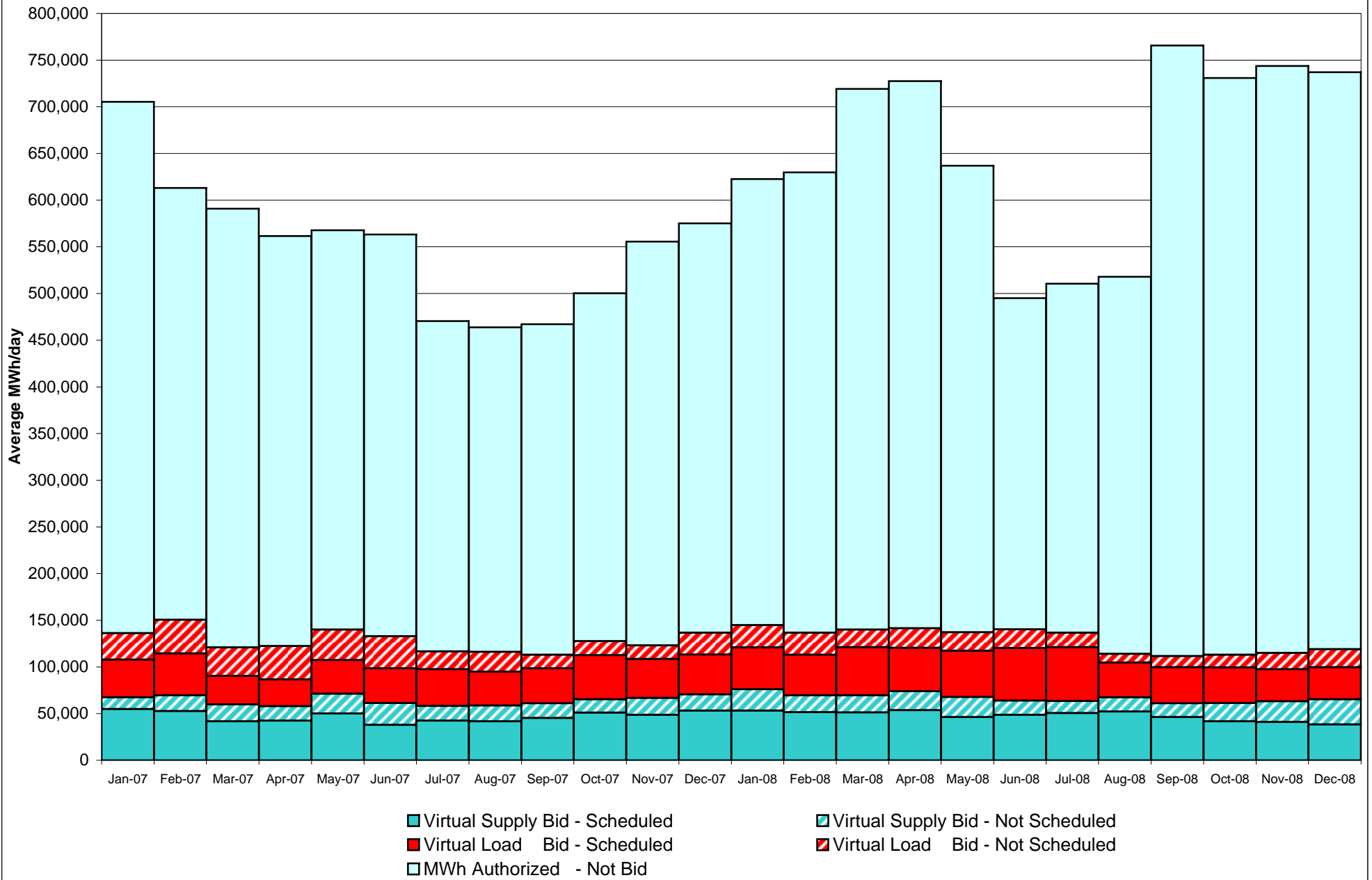
2008		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	7	4	7	4	4	3	5	5	2	17	2	3
Number of hours	in the month	744	696	744	720	744	720	744	744	720	744	720	744
% of hours with corrections	in the month	0.94%	0.57%	0.94%	0.56%	0.54%	0.42%	0.67%	0.67%	0.28%	2.28%	0.28%	0.40%
% of hours with corrections	year-to-date	0.94%	0.76%	0.82%	0.76%	0.71%	0.66%	0.67%	0.67%	0.62%	0.79%	0.75%	0.72%
Interval Corrections													
Number of intervals corrected	in the month	63	5	12	5	19	3	15	10	2	139	13	20
Number of intervals	in the month	8,956	8,387	8,939	8,650	8,989	8,643	8,993	8,995	8,682	8,971	8,689	8,979
% of intervals corrected	in the month	0.70%	0.06%	0.13%	0.06%	0.21%	0.03%	0.17%	0.11%	0.02%	1.55%	0.15%	0.22%
% of intervals corrected	year-to-date	0.70%	0.39%	0.30%	0.24%	0.24%	0.20%	0.20%	0.19%	0.17%	0.31%	0.30%	0.29%
Hours Reserved													
Number of hours reserved	in the month	12	6	8	7	9	10	6	8	4	19	2	3
Number of hours	in the month	744	696	744	720	744	720	744	744	720	744	720	744
% of hours reserved	in the month	1.61%	0.86%	1.08%	0.97%	1.21%	1.39%	0.81%	1.08%	0.56%	2.55%	0.28%	0.40%
% of hours reserved	year-to-date	1.61%	1.25%	1.19%	1.14%	1.15%	1.19%	1.13%	1.13%	1.06%	1.22%	1.13%	1.07%
Days to Correction *													
Avg. number of days to correction	in the month	1.00	1.33	1.20	0.50	0.50	1.00	1.33	1.25	0.50	0.50	0.00	0.50
Avg. number of days to correction	year-to-date	1.00	1.17	1.18	1.00	0.89	0.91	0.96	1.00	0.97	0.97	0.84	0.82
Days Without Corrections													
Days without corrections	in the month	28	26	26	26	27	27	28	27	28	26	28	28
Days without corrections	year-to-date	28	54	80	106	133	160	188	215	243	269	297	325
2007		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	19	17	8	5	14	2	1	5	2	6	2	6
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours with corrections	in the month	2.55%	2.53%	1.08%	0.69%	1.88%	0.28%	0.13%	0.67%	0.28%	0.81%	0.28%	0.81%
% of hours with corrections	year-to-date	2.55%	2.54%	2.04%	1.70%	1.74%	1.50%	1.30%	1.22%	1.11%	1.08%	1.01%	0.99%
Interval Corrections													
Number of intervals corrected	in the month	44	39	19	31	50	3	12	39	5	10	3	7
Number of intervals	in the month	8,954	8,115	9,006	8,742	9,025	8,707	9,008	8,994	8,685	8,970	8,695	8,979
% of intervals corrected	in the month	0.49%	0.48%	0.21%	0.35%	0.55%	0.03%	0.13%	0.43%	0.06%	0.11%	0.03%	0.08%
% of intervals corrected	year-to-date	0.49%	0.49%	0.39%	0.38%	0.42%	0.35%	0.32%	0.34%	0.31%	0.29%	0.26%	0.25%
Hours Reserved													
Number of hours reserved	in the month	34	21	12	13	20	12	1	8	2	8	2	9
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours reserved	in the month	4.57%	3.13%	1.61%	1.81%	2.69%	1.67%	0.13%	1.08%	0.28%	1.08%	0.28%	1.21%
% of hours reserved	year-to-date	4.57%	3.88%	3.10%	2.78%	2.76%	2.58%	2.22%	2.07%	1.88%	1.80%	1.66%	1.62%
Days to Correction *													
Avg. number of days to correction	in the month	0.83	1.43	1.20	1.00	1.78	1.50	0.00	0.75	1.50	1.00	1.00	1.40
Avg. number of days to correction	year-to-date	0.83	1.05	1.08	1.07	1.25	1.26	1.23	1.19	1.20	1.18	1.17	1.18
Days Without Corrections													
Days without corrections	in the month	19	21	26	27	22	28	30	27	28	25	29	26
Days without corrections	year-to-date	19	40	66	93	115	143	173	200	228	253	282	308

* Calendar days from reservation date.



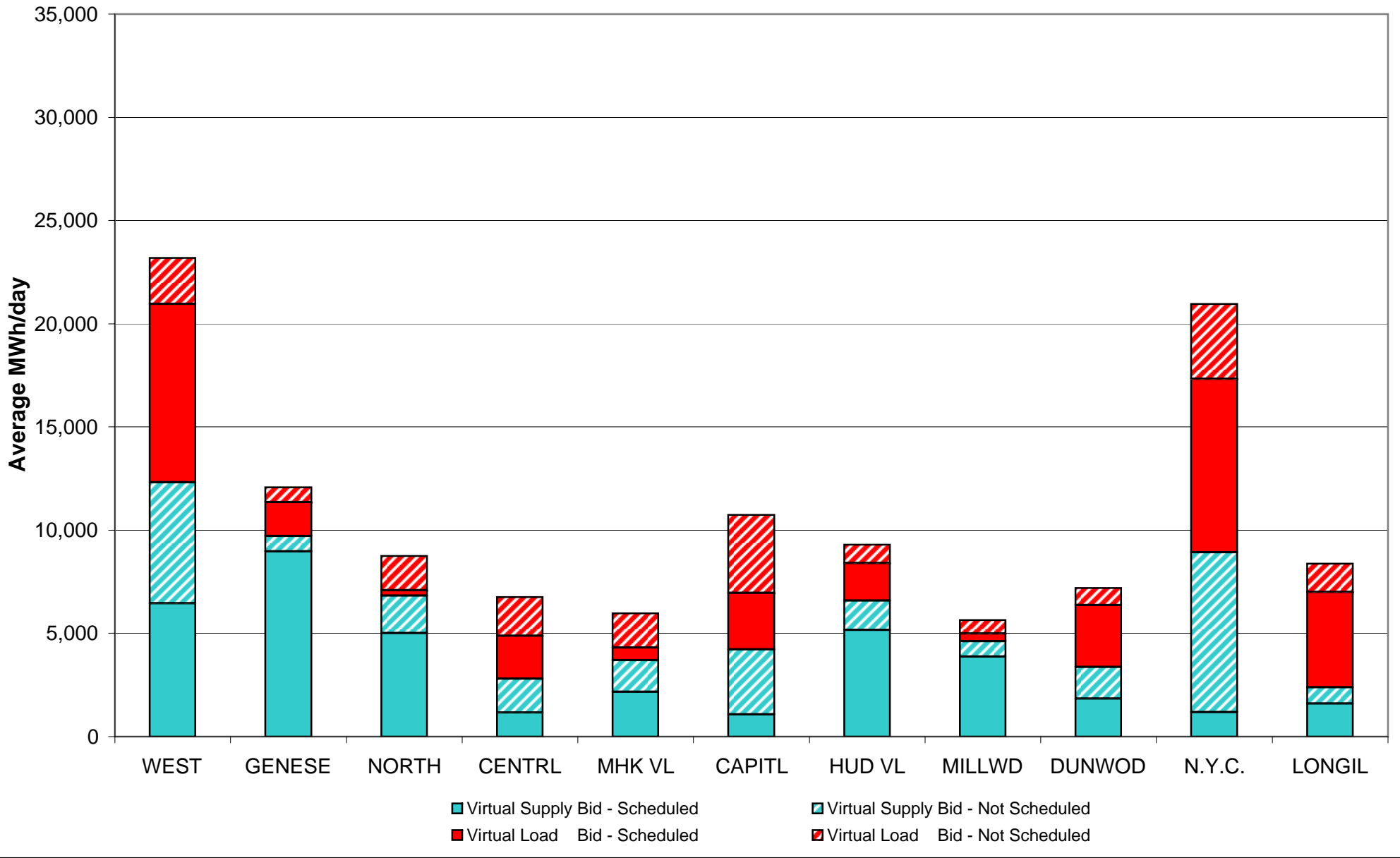
* Calendar days from reservation date.

NYISO Virtual Trading Average MWh per day



4-W

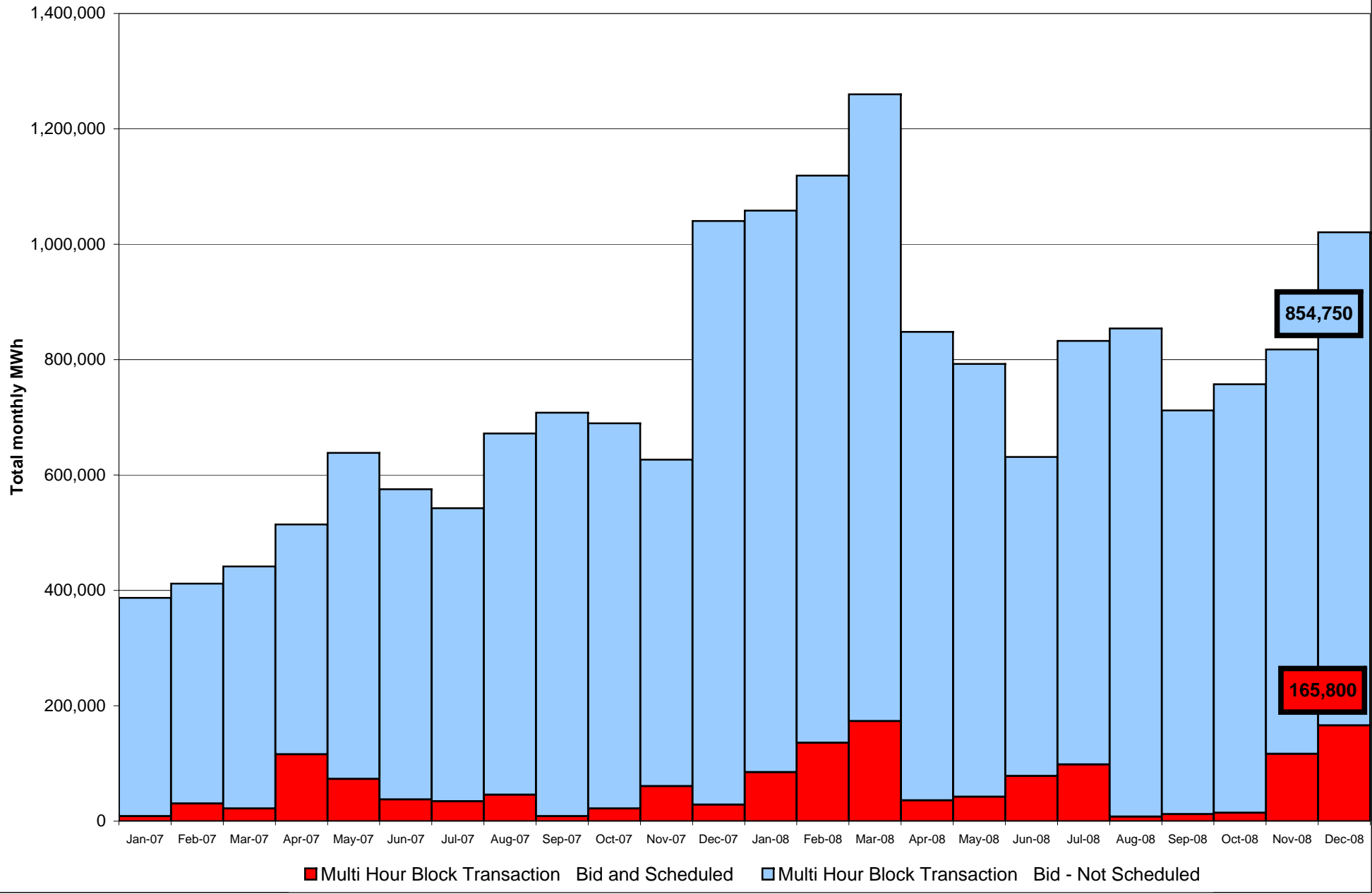
Virtual Load and Supply Zonal Statistics December 2008



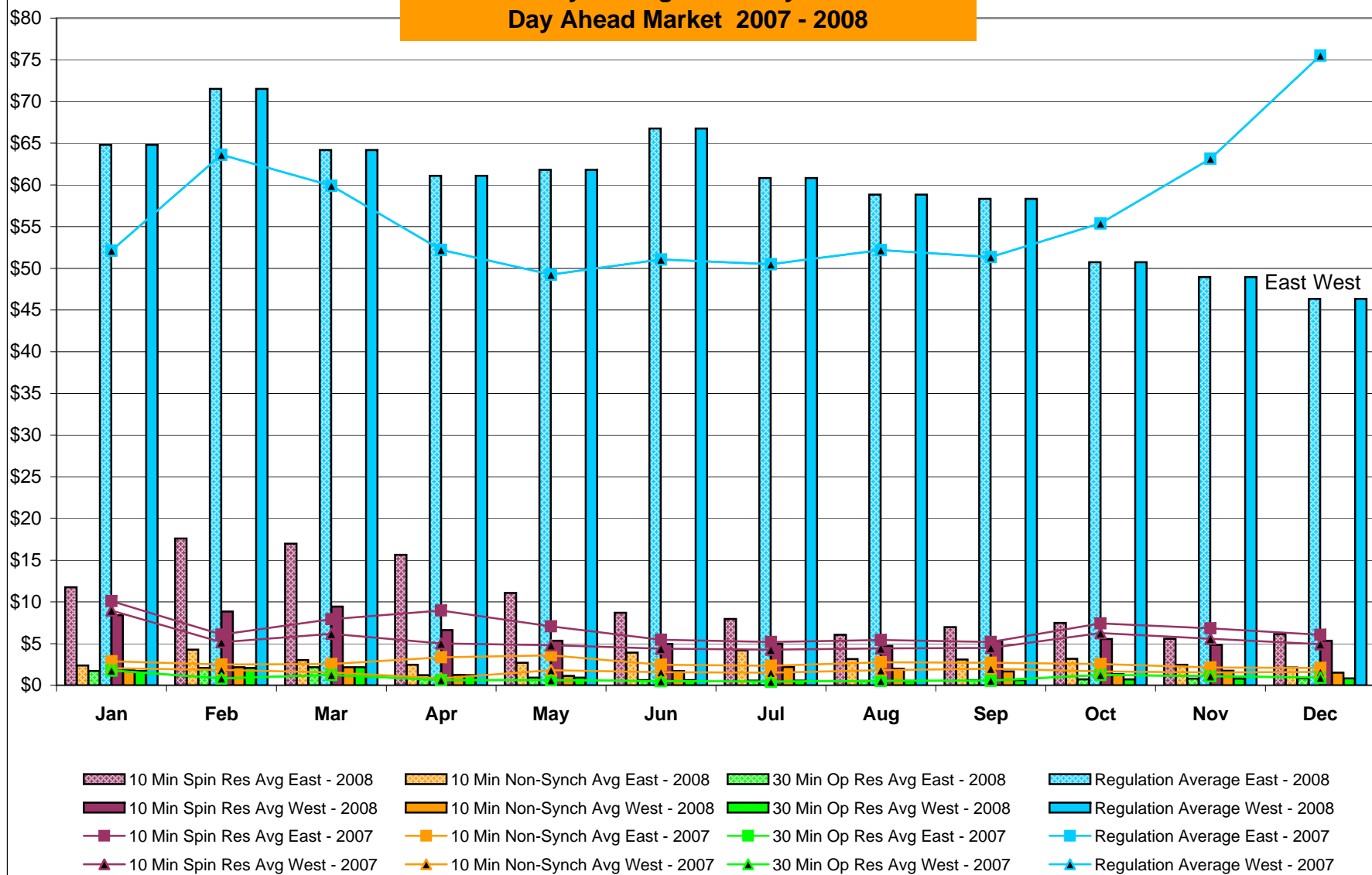
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2008

		Virtual Load Bid		Virtual Supply Bid				Virtual Load Bid		Virtual Supply Bid				Virtual Load Bid		Virtual Supply Bid		
Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled	Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled	Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled	
WEST	Jan-08	10,054	1,200	11,636	3,279	MHK VL	Jan-08	454	868	4949	623	DUNWOD	Jan-08	215	287	519	175	
	Feb-08	4,716	3,140	18,976	3,735		Feb-08	710	911	3597	424		Feb-08	754	200	306	228	
	Mar-08	10,105	2,000	7,686	1,870		Mar-08	611	918	5237	391		Mar-08	10,146	405	1,119	84	
	Apr-08	9,490	2,185	6,767	2,175		Apr-08	419	1142	4557	468		Apr-08	5,530	559	2,270	177	
	May-08	5,936	2,460	8,722	3,188		May-08	987	1011	3674	648		May-08	4,526	521	1,091	129	
	Jun-08	7,230	2,122	11,020	2,194		Jun-08	1017	1024	2950	550		Jun-08	5,337	1,313	585	281	
	Jul-08	11,933	750	12,254	1,691		Jul-08	360	976	3165	540		Jul-08	4,979	1,373	878	487	
	Aug-08	9,158	610	10,683	1,453		Aug-08	187	972	2292	672		Aug-08	4,173	521	839	1,153	
	Sep-08	6,012	684	6,337	1,059		Sep-08	327	1094	2176	919		Sep-08	4,099	738	1,505	816	
	Oct-08	12,974	750	9,305	1,627		Oct-08	333	803	2462	1042		Oct-08	2,669	449	2,222	1,426	
	Nov-08	10,070	1,459	5,135	3,176		Nov-08	335	1524	2563	1228		Nov-08	1,899	1,001	2,070	1,224	
	Dec-08	8,637	2,234	6,449	5,870		Dec-08	615	1668	2165	1527		Dec-08	2,992	826	1,845	1,528	
GENESE	Jan-08	1,115	136	12,158	1,807	CAPITL	Jan-08	7278	5128	1203	1968	N.Y.C.	Jan-08	11,271	6,374	2,514	6,494	
	Feb-08	1,409	33	7,931	602		Feb-08	4964	4055	1592	1405		Feb-08	9,855	6,111	2,620	5,794	
	Mar-08	2,382	60	8,175	928		Mar-08	4880	4158	2120	1518		Mar-08	10,460	4,375	1,546	8,273	
	Apr-08	1,800	235	5,680	1,324		Apr-08	3831	4648	3080	1694		Apr-08	12,968	5,245	1,621	8,151	
	May-08	1,319	218	6,061	1,036		May-08	4848	3650	2621	2341		May-08	12,279	4,985	1,180	6,881	
	Jun-08	864	171	6,703	144		Jun-08	2973	1013	4419	2355		Jun-08	17,231	6,414	817	5,943	
	Jul-08	578	102	5,329	80		Jul-08	4215	3007	3283	1741		Jul-08	17,405	3,708	3,591	5,856	
	Aug-08	1,224	85	6,407	105		Aug-08	2365	1281	5195	1823		Aug-08	7,031	1,894	5,048	5,954	
	Sep-08	877	227	7,614	247		Sep-08	4283	1962	3400	2030		Sep-08	9,800	2,468	6,000	5,237	
	Oct-08	1,913	319	9,131	396		Oct-08	5587	3072	1375	1557		Oct-08	5,669	3,718	1,750	6,826	
	Nov-08	2,139	683	8,504	682		Nov-08	3604	3531	2158	2733		Nov-08	5,917	3,520	2,709	7,445	
	Dec-08	1,628	722	8,966	749		Dec-08	2752	3783	1077	3138		Dec-08	8,403	3,628	1,188	7,742	
NORTH	Jan-08	502	1,536	5,617	2,663	HUD VL	Jan-08	7667	911	10378	2385	LONGIL	Jan-08	2,333	6,093	1,837	2,651	
	Feb-08	345	1,069	4,688	1,206		Feb-08	13898	1564	7647	2191		Feb-08	2,509	4,638	1,475	2,079	
	Mar-08	402	961	7,771	1,534		Mar-08	5814	1079	8918	1164		Mar-08	2,459	2,736	1,550	2,103	
	Apr-08	331	1,160	10,322	1,888		Apr-08	4318	1456	5552	1470		Apr-08	1,626	2,385	2,724	2,322	
	May-08	1,227	1,346	6,625	2,780		May-08	3838	1458	4391	2230		May-08	3,481	2,563	1,698	1,487	
	Jun-08	3,221	1,371	6,305	532		Jun-08	4557	1898	5188	1488		Jun-08	3,678	3,360	936	1,082	
	Jul-08	2,426	1,720	9,543	852		Jul-08	5971	442	2390	212		Jul-08	2,058	1,560	955	745	
	Aug-08	1,226	1,302	4,697	627		Aug-08	5677	429	5671	1660		Aug-08	1,987	986	2,478	933	
	Sep-08	1,420	1,559	5,905	1,060		Sep-08	6213	5,905	445	4947		1267	Sep-08	3,635	1,192	1,674	960
	Oct-08	380	806	6,389	2,682		Oct-08	2473	378	2935	1057		Oct-08	3,624	2,050	1,743	1,242	
	Nov-08	218	1,569	4,894	1,591		Nov-08	3207	787	6615	1100		Nov-08	4,404	1,026	1,443	1,005	
	Dec-08	275	1,657	5,009	1,813		Dec-08	1817	896	5168	1415		Dec-08	4,621	1,381	1,590	793	
CENTRL	Jan-08	3,713	1,225	1,758	742	MILLWD	Jan-08	176	22	686	42	NYISO	Jan-08	44,779	23,778	53,254	22,829	
	Feb-08	3,975	1,768	2,046	531		Feb-08	343	46	562	3		Feb-08	43,478	23,534	51,441	18,198	
	Mar-08	2,835	2,088	2,516	418		Mar-08	1468	67	4662	21		Mar-08	51,561	18,848	51,300	18,305	
	Apr-08	2,078	1,782	2,398	437		Apr-08	4107	276	8576	156		Apr-08	46,497	21,073	53,547	20,261	
	May-08	2,526	1,114	2,231	693		May-08	8458	553	8003	107		May-08	49,424	19,880	46,297	21,519	
	Jun-08	1,630	1,220	1,668	548		Jun-08	8415	150	8075	163		Jun-08	56,153	20,056	48,666	15,280	
	Jul-08	746	1,233	1,847	552		Jul-08	7064	473	7370	109		Jul-08	57,735	15,344	50,605	12,867	
	Aug-08	540	1,193	2,317	726		Aug-08	3474	132	6664	121		Aug-08	37,044	9,406	52,291	15,226	
	Sep-08	1,267	1,325	1,389	750		Sep-08	785	225	5426	243		Sep-08	38,717	11,920	46,373	14,588	
	Oct-08	2,168	926	1,154	1,216		Oct-08	515	318	3263	385		Oct-08	38,304	13,590	41,728	19,456	
	Nov-08	2,063	1,758	1,942	1,285		Nov-08	378	640	3079	644		Nov-08	34,236	17,497	41,112	22,113	
	Dec-08	2,097	1,867	1,151	1,639		Dec-08	383	649	3873	741		Dec-08	34,221	19,312	38,480	26,955	

NYISO Multi Hour Block Transactions Monthly Total MWh

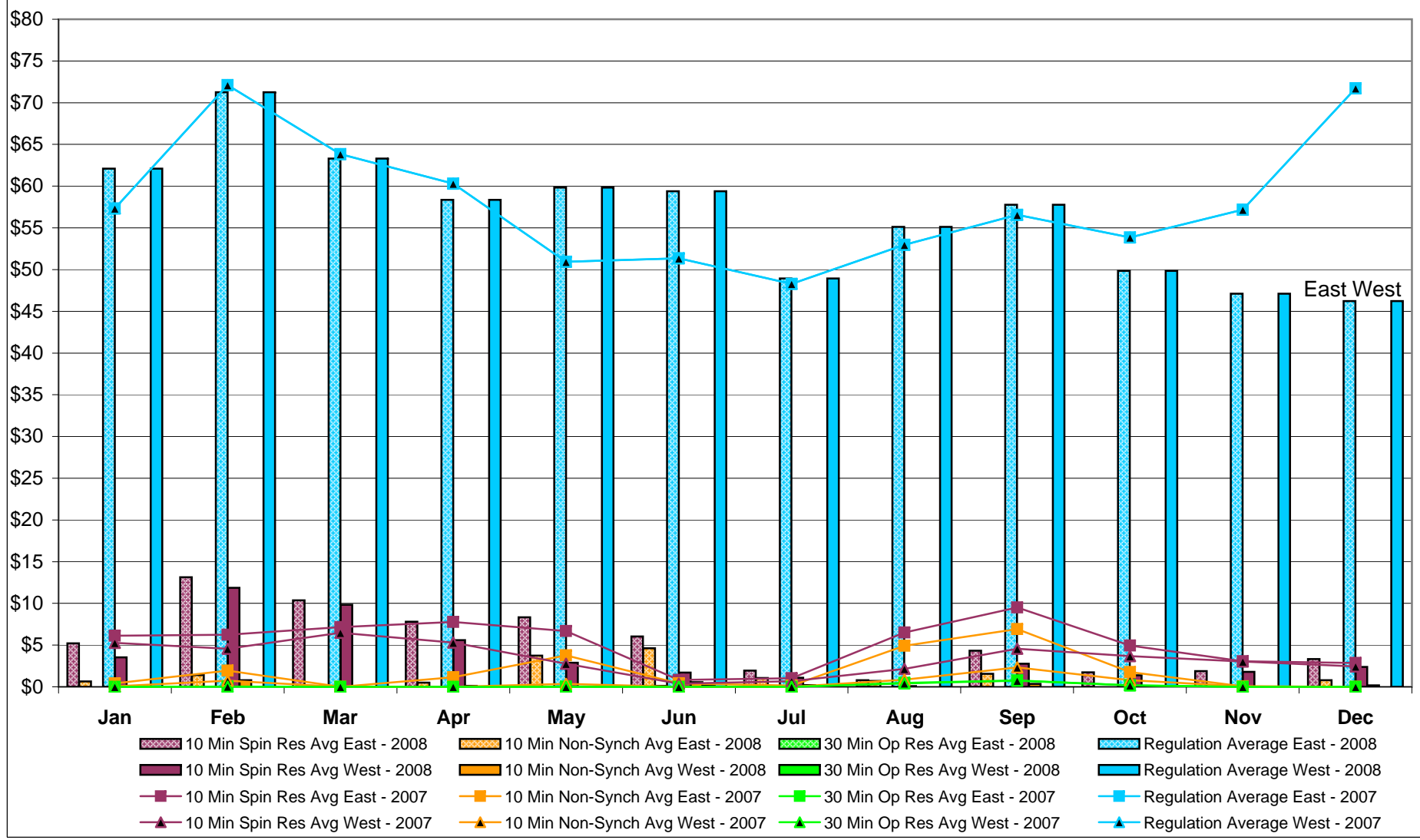


NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2007 - 2008

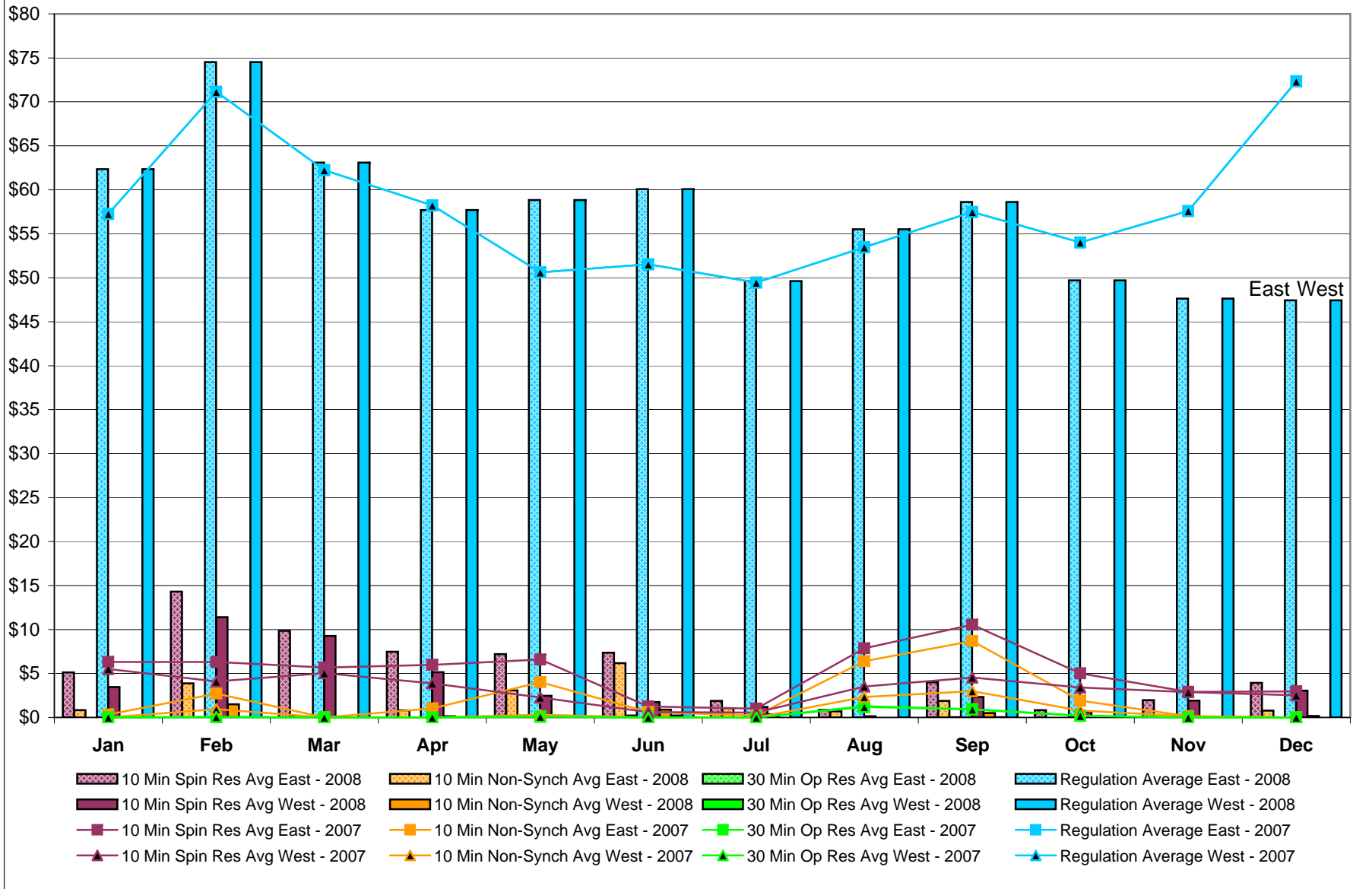


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NYISO Monthly Average Ancillary Service Prices RTC Market 2007 - 2008



NYISO Monthly Average Ancillary Service Prices Real Time Market 2007 - 2008



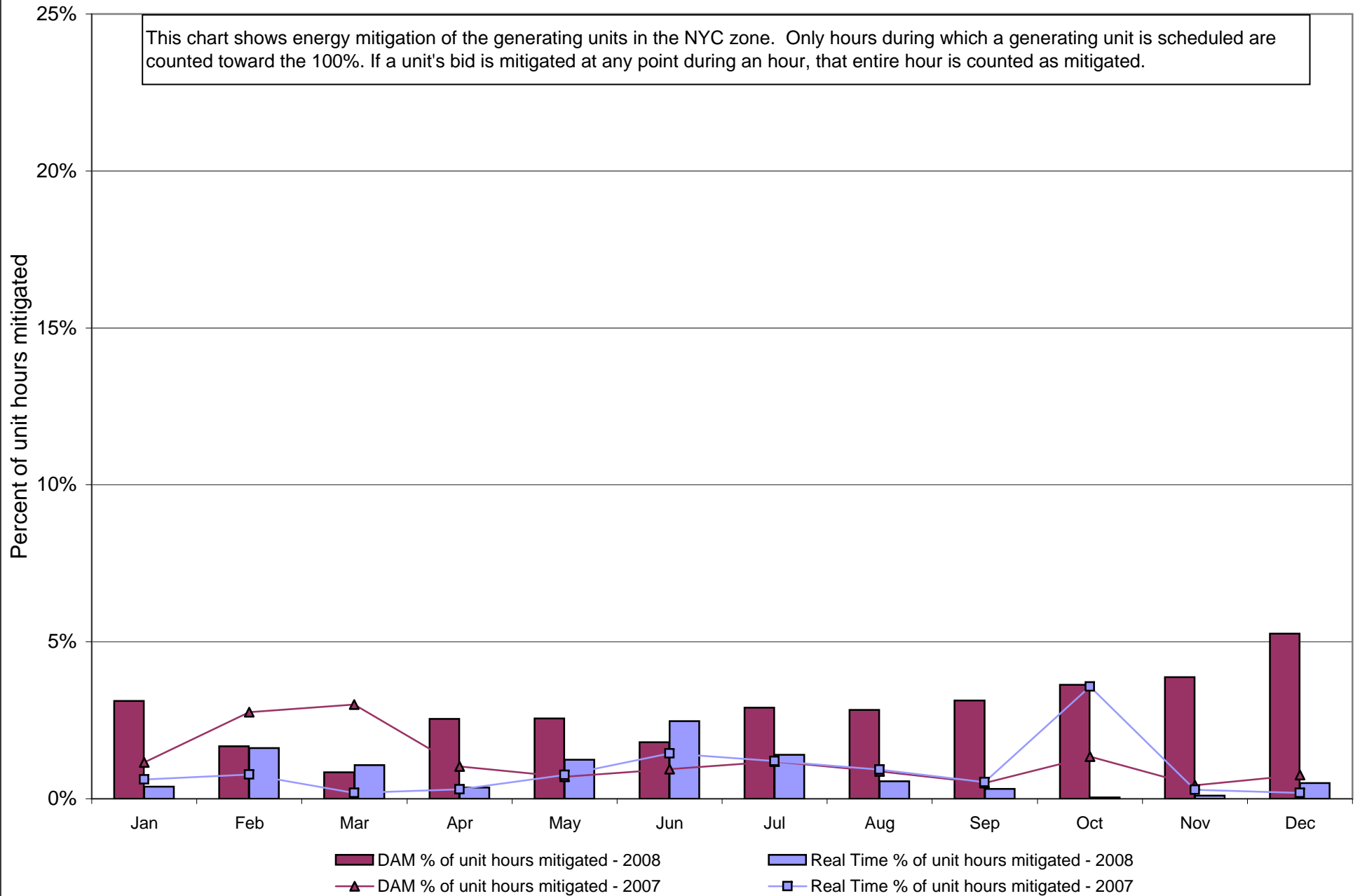
NYISO Markets Ancillary Services Statistics - Unweighted Price (\$/MWH)

2008	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market												
10 Min Spin East	11.76	17.59	16.98	15.66	11.07	8.68	7.96	6.06	6.97	7.50	5.57	6.14
10 Min Spin West	8.41	8.86	9.45	6.61	5.35	4.97	4.96	4.72	5.33	5.54	4.83	5.35
10 Min Non Synch East	2.36	4.26	3.04	2.46	2.69	3.93	4.18	3.16	3.09	3.18	2.46	2.14
10 Min Non Synch West	1.81	2.16	2.16	1.24	1.14	1.73	2.20	1.99	1.65	1.34	1.74	1.51
30 Min East	1.73	2.07	2.16	1.21	0.93	0.61	0.57	0.54	0.62	0.70	0.79	0.82
30 Min West	1.73	2.07	2.16	1.21	0.93	0.61	0.57	0.54	0.62	0.70	0.79	0.82
Regulation East	64.81	71.51	64.19	61.08	61.80	66.77	60.83	58.82	58.34	50.73	48.94	46.34
Regulation West	64.81	71.51	64.19	61.08	61.80	66.77	60.83	58.82	58.34	50.73	48.94	46.34
RTC Market												
10 Min Spin East	5.22	13.13	10.37	7.80	8.34	6.04	1.95	0.80	4.33	1.72	1.89	3.34
10 Min Spin West	3.55	11.86	9.83	5.61	2.89	1.71	1.09	0.09	2.76	1.39	1.80	2.39
10 Min Non Synch East	0.65	1.40	0.02	0.49	3.74	4.62	1.05	0.70	1.56	0.00	0.00	0.80
10 Min Non Synch West	0.00	0.79	0.00	0.12	0.04	0.56	0.21	0.00	0.35	0.00	0.00	0.17
30 Min East	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00
30 Min West	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00
Regulation East	62.09	71.26	63.30	58.35	59.84	59.38	48.94	55.11	57.78	49.85	47.11	46.22
Regulation West	62.09	71.26	63.30	58.35	59.84	59.38	48.94	55.11	57.78	49.85	47.11	46.22
Real Time Market												
10 Min Spin East	5.12	14.30	9.86	7.48	7.19	7.35	1.88	0.87	3.99	0.83	1.96	3.93
10 Min Spin West	3.45	11.40	9.27	5.16	2.45	1.73	1.19	0.15	2.33	0.62	1.90	3.05
10 Min Non Synch East	0.83	3.86	0.10	0.79	3.07	6.17	1.05	0.70	1.89	0.00	0.00	0.77
10 Min Non Synch West	0.02	1.49	0.00	0.13	0.01	0.88	0.37	0.00	0.49	0.00	0.00	0.17
30 Min East	0.00	0.00	0.00	0.00	0.00	0.21	0.00	0.00	0.02	0.00	0.00	0.00
30 Min West	0.00	0.00	0.00	0.00	0.00	0.21	0.00	0.00	0.02	0.00	0.00	0.00
Regulation East	62.33	74.53	63.09	57.71	58.83	60.07	49.61	55.50	58.60	49.69	47.61	47.42
Regulation West	62.33	74.53	63.09	57.71	58.83	60.07	49.61	55.50	58.60	49.69	47.61	47.42
2007	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market												
10 Min Spin East	10.10	6.08	7.94	8.95	7.06	5.47	5.18	5.42	5.20	7.42	6.82	6.05
10 Min Spin West	8.97	5.17	6.18	5.03	4.80	4.39	4.28	4.43	4.47	6.26	5.57	4.93
10 Min Non Synch East	2.87	2.49	2.56	3.35	3.59	2.47	2.34	2.77	2.70	2.56	2.14	2.08
10 Min Non Synch West	2.06	1.85	1.53	0.84	1.82	1.56	1.50	1.80	2.00	1.67	1.54	1.60
30 Min East	1.79	0.85	1.26	0.64	0.61	0.49	0.44	0.53	0.56	1.23	1.10	0.92
30 Min West	1.79	0.85	1.26	0.64	0.61	0.49	0.44	0.53	0.56	1.23	1.10	0.92
Regulation East	52.12	63.61	59.92	52.22	49.25	51.05	50.50	52.18	51.36	55.39	63.15	75.50
Regulation West	52.12	63.61	59.92	52.22	49.25	51.05	50.50	52.18	51.36	55.39	63.15	75.50
RTC Market												
10 Min Spin East	6.12	6.23	7.17	7.77	6.70	0.83	1.03	6.50	9.50	4.93	3.06	2.84
10 Min Spin West	5.26	4.57	6.49	5.29	2.78	0.38	0.66	2.14	4.57	3.67	3.04	2.43
10 Min Non Synch East	0.41	1.94	0.00	1.16	3.77	0.40	0.16	4.91	6.92	1.76	0.06	0.00
10 Min Non Synch West	0.05	0.75	0.00	0.00	0.36	0.00	0.00	0.84	2.32	0.80	0.06	0.00
30 Min East	0.00	0.04	0.00	0.00	0.03	0.00	0.00	0.47	0.76	0.18	0.00	0.00
30 Min West	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.41	0.73	0.18	0.00	0.00
Regulation East	57.33	72.11	63.84	60.31	50.95	51.35	48.30	52.97	56.56	53.84	57.18	71.74
Regulation West	57.33	72.11	63.84	60.31	50.95	51.35	48.30	52.97	56.56	53.84	57.18	71.74
Real Time Market												
10 Min Spin East	6.32	6.30	5.66	5.98	6.57	1.24	0.99	7.86	10.54	5.02	2.90	2.95
10 Min Spin West	5.51	4.10	5.04	3.89	2.28	0.60	0.55	3.51	4.55	3.41	2.87	2.53
10 Min Non Synch East	0.34	2.72	0.00	1.01	4.00	0.61	0.23	6.40	8.68	1.90	0.14	0.00
10 Min Non Synch West	0.01	0.95	0.00	0.00	0.32	0.00	0.00	2.32	3.00	0.78	0.13	0.00
30 Min East	-	0.05	0.00	0.00	0.11	0.00	0.00	1.28	0.95	0.21	0.00	0.00
30 Min West	-	0.05	0.00	0.00	0.07	0.00	0.00	1.19	0.92	0.21	0.00	0.00
Regulation East	57.26	71.13	62.24	58.23	50.62	51.51	49.45	53.46	57.47	54.01	57.60	72.33
Regulation West	57.26	71.13	62.24	58.23	50.62	51.51	49.45	53.46	57.47	54.01	57.60	72.33

NYISO In City Energy Mitigation (NYC Zone) 2007 - 2008

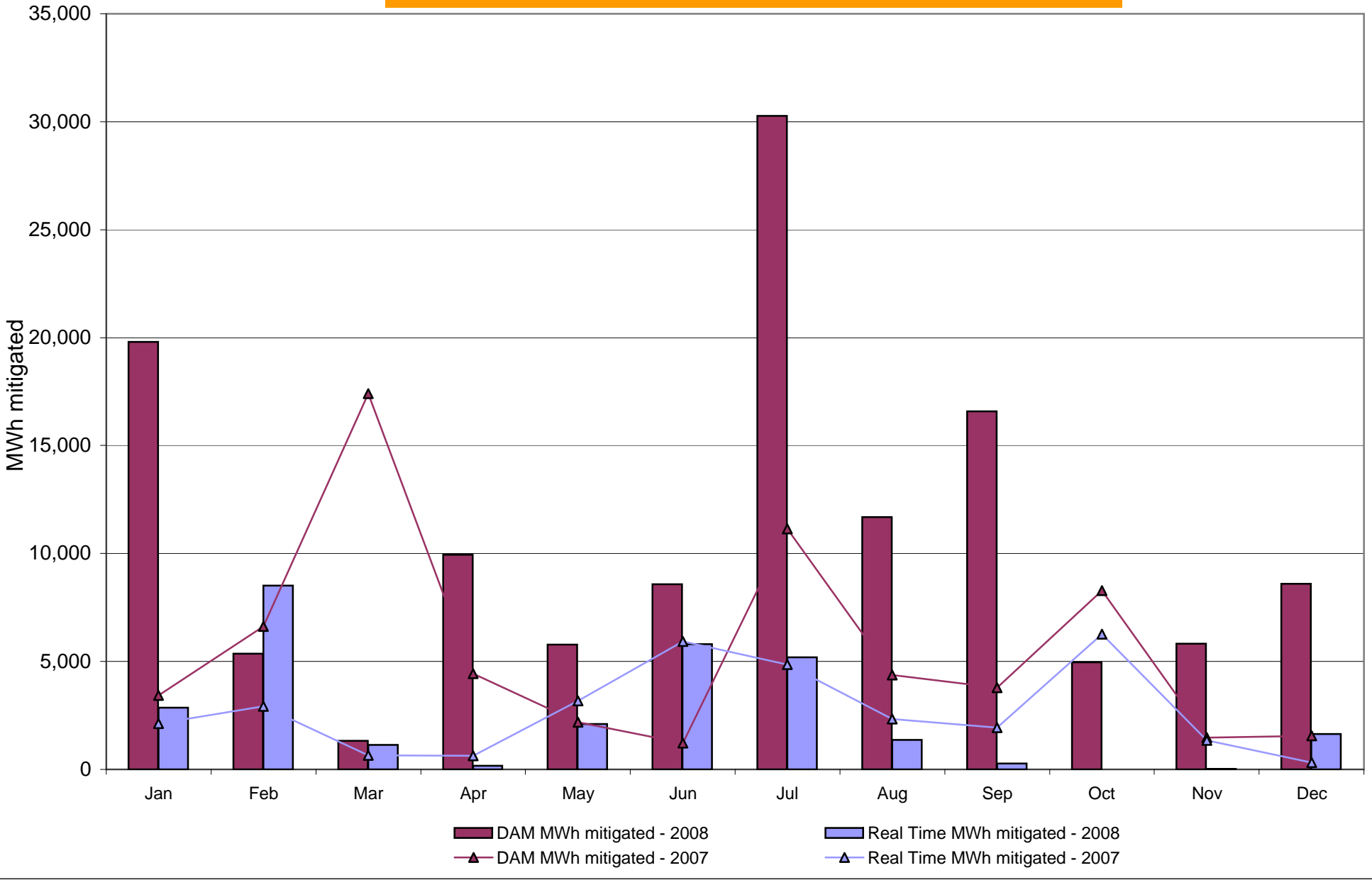
Percentage of committed unit-hours mitigated

This chart shows energy mitigation of the generating units in the NYC zone. Only hours during which a generating unit is scheduled are counted toward the 100%. If a unit's bid is mitigated at any point during an hour, that entire hour is counted as mitigated.

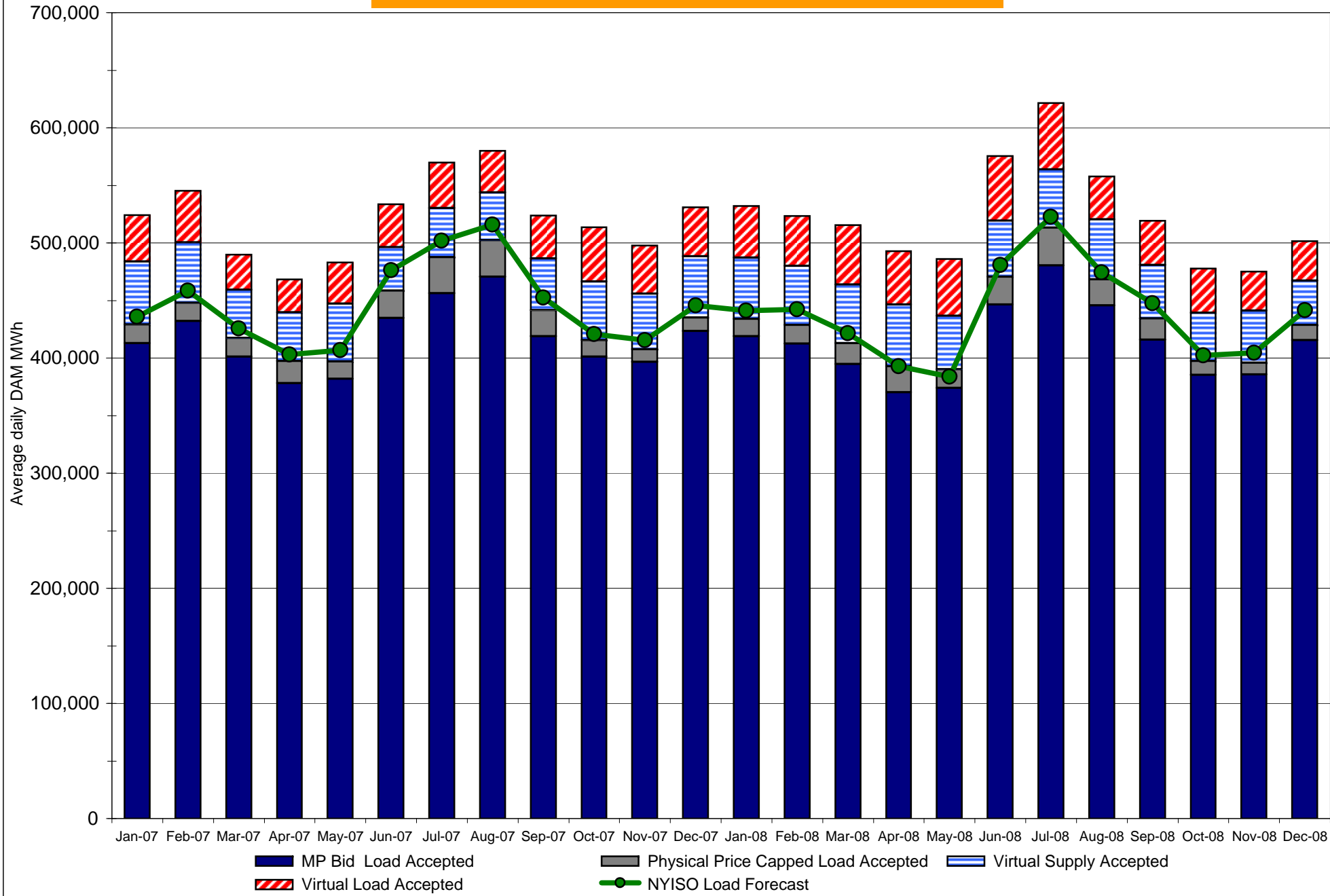


NYISO In City Energy Mitigation (NYC Zone) 2007 - 2008

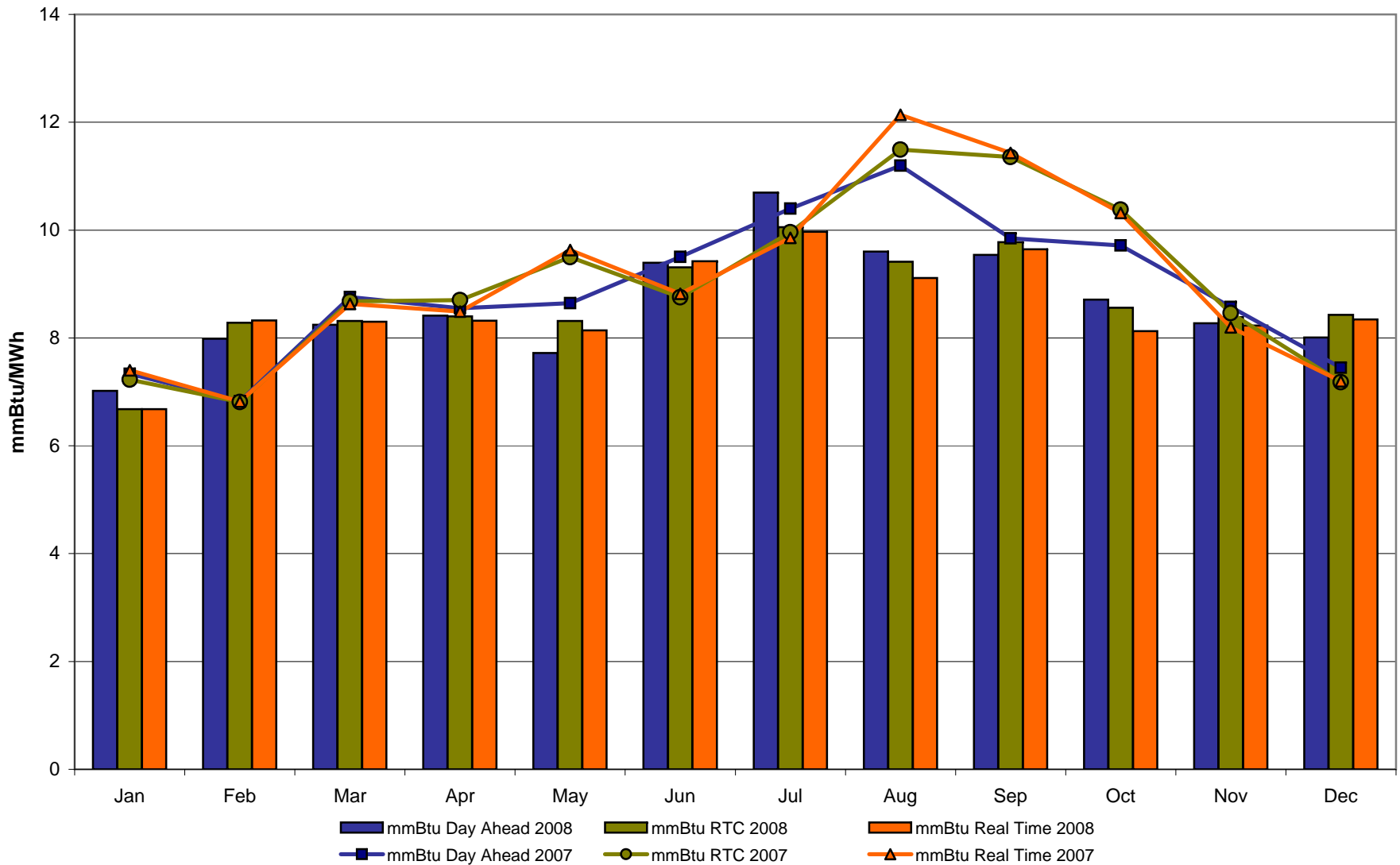
Monthly megawatt hours mitigated



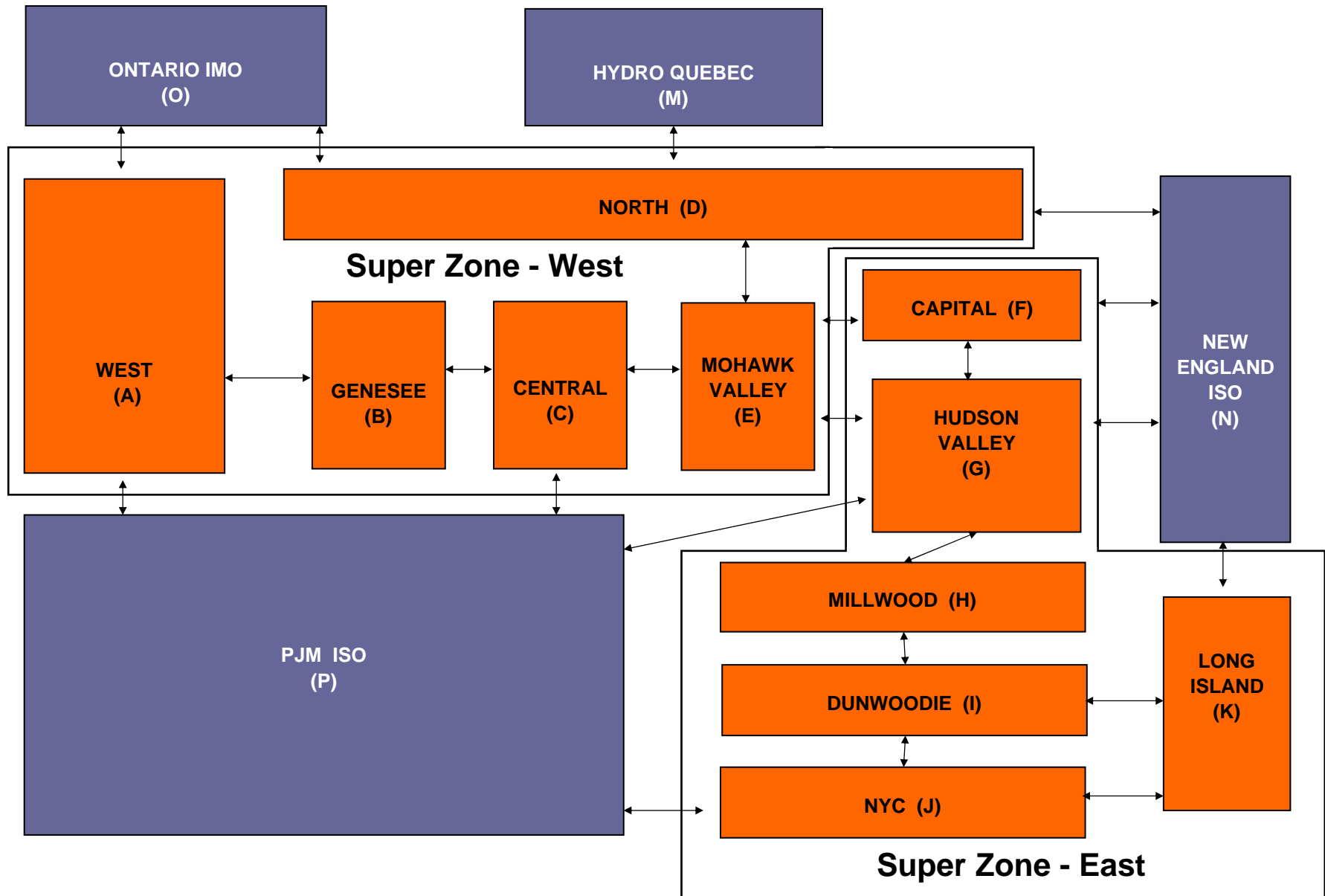
NYISO Average Daily DAM Load Bid Summary



Monthly Implied Heat Rate 2007-2008



NYISO LBMP ZONES

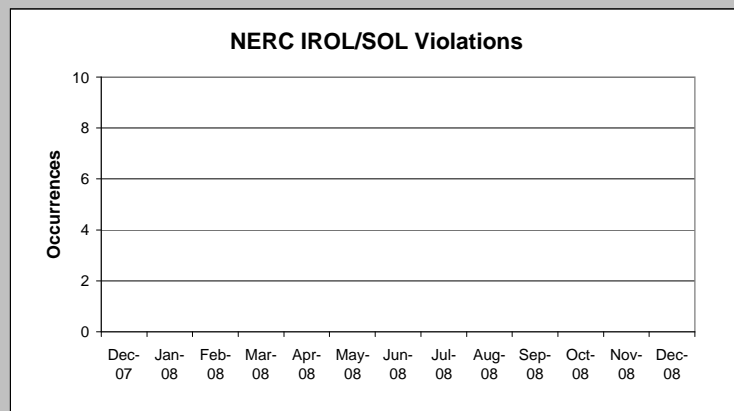
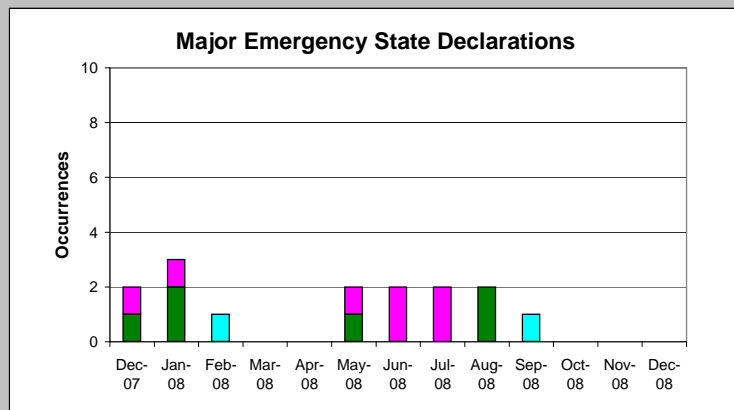
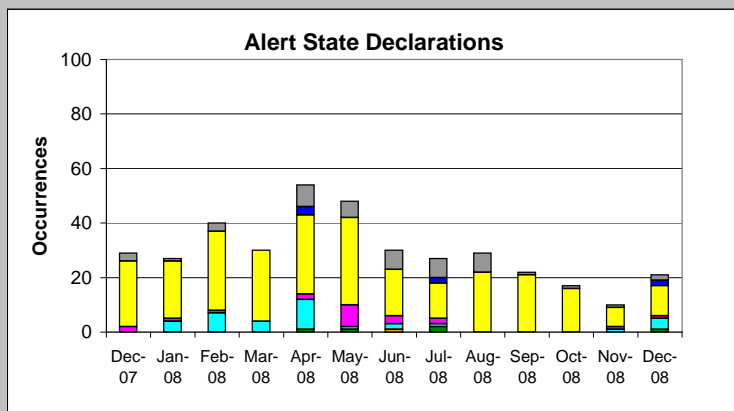


Billing Codes for Chart 4-C










Chart 4-C Category Name	Billing Code	Billing Category Name
Bid Production Cost Guarantee Balancing	81203	Balancing NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee Balancing	81204	Balancing NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee Balancing	81205	Balancing NYISO Bid Production Cost Guarantee Expenditure due to Curtailed Imports
Bid Production Cost Guarantee Balancing	81208	Balancing NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee Balancing	81209	Balancing NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee Balancing	81213	Balancing NYISO Bid Production Cost Guarantee Expenditure due to Curtailed Imports
Bid Production Cost Guarantee DAM	81201	DAM NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee DAM	81202	DAM NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee DAM	81206	DAM NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee DAM	81207	DAM NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee DAM Virtual	81501	DAM Virtual Bid Production Cost Guarantee
DAM Contract Balancing	81315	DAM Contract Balancing
DAM Contract Balancing	81317	DAM Contract Balancing
Local Reliability Balancing	81002	Balancing Local Reliability Bid Production Cost Guarantee
Local Reliability DAM	81001	DAM Local Reliability Bid Production Cost Guarantee
NYISO Cost of Operations	80901	NYISO Cost Of Operations
NYISO Cost of Operations	80902	NYISO Cost Of Operations
NYISO Cost of Operations	83501	NYISO Cost Of Operations
NYISO Cost of Operations	83502	NYISO Cost Of Operations
Residuals Balancing	81302	Balancing Market Energy Residual
Residuals Balancing	81304	Balancing Market Loss Residual
Residuals Balancing	81305	Balancing Market Congestion Balancing
Residuals Balancing	81306	Emergency Energy Purchases
Residuals Balancing	81307	Emergency Energy Sales
Residuals Balancing	81309	Balancing Market Energy Residual
Residuals Balancing	81311	Balancing Market Loss Residual
Residuals Balancing	81312	Balancing Market Congestion Balancing
Residuals Balancing	81313	Emergency Energy Purchases
Residuals Balancing	81314	Emergency Energy Sales
Residuals DAM	81301	Day Ahead Market Energy Residual
Residuals DAM	81303	Day Ahead Market Loss Residual
Residuals DAM	81308	Day Ahead Market Energy Residual
Residuals DAM	81310	Day Ahead Market Loss Residual

Report Overview




All reliability metric performances are normal. Frequency threshold exceedances primarily attributed to interconnection system events outside the NYISO.



System State Declarations

-  ACE Threshold Exceedance
-  Adverse Operating Conditions
-  Communications Degradation
-  Frequency Threshold Exceedance
-  Interface Transfer Limit (IROL) Exceedance
-  Neighboring System in Voltage Reduction
-  Operating Reserve Deficiency
-  Thermal Rating Limit (SOL) Exceedance
-  Voltage Rating Limit (SOL) Exceedance

NERC IROL/SOL Violations

-  NERC SOL - Thermal Rating Limit
-  NERC SOL - Voltage Rating Limit
-  NERC IROL - Interface Transfer Limit

Definitions

Alert State Declarations:

The number and causes of Alert State declarations reflect system operating conditions beyond thresholds associated with Normal and Warning States. Declaration of the Alert State allows the NYISO to take corrective actions not available in the Normal and Warning States.

Major Emergency State Declarations:

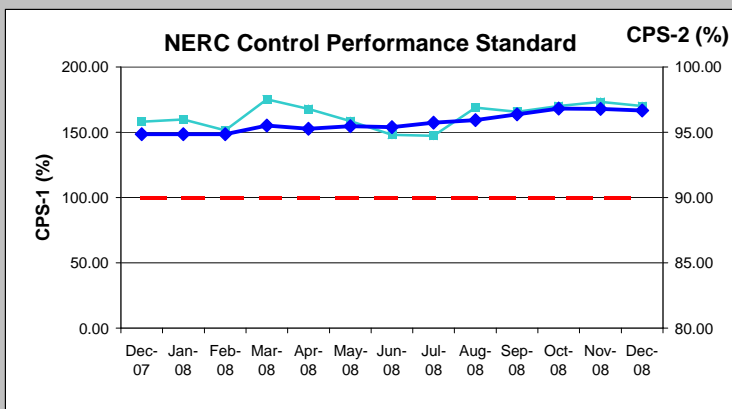
The number and causes of Major Emergency State declarations reflect system operating conditions beyond thresholds associated with the Alert State. Declaration of the Major Emergency State allows the NYISO to take aggressive corrective actions not available in the Alert State.

NERC IROL/SOL Violations:

The number and causes of NERC IROL/SOL violations reflect system operating conditions beyond thresholds associated with applicable NERC reliability standards. The NERC IROL/SOL violation thresholds are higher than those defined for the Major Emergency State.

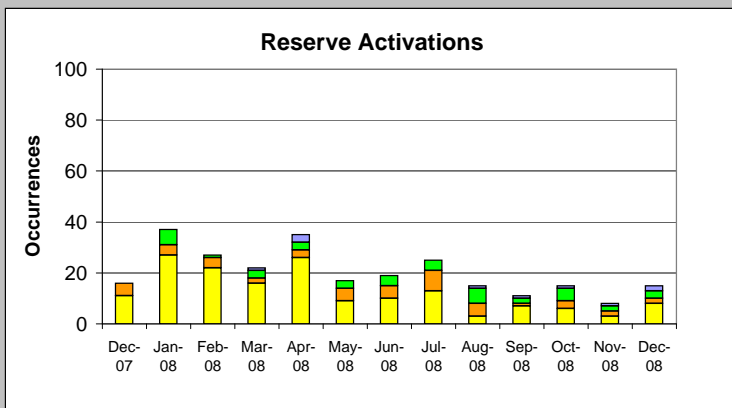
Report Overview

All reliability metric performances are normal.



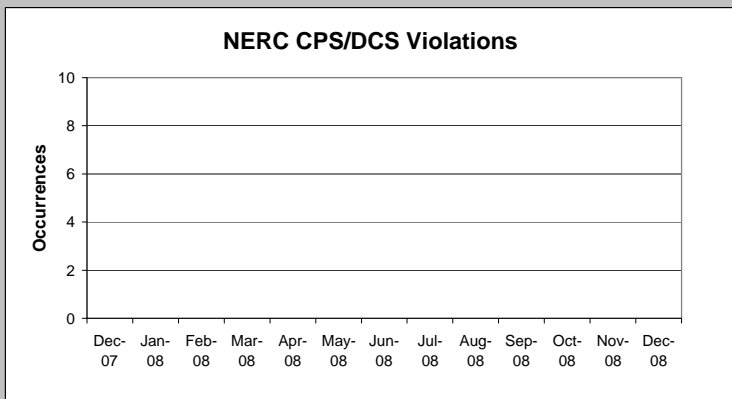
Control Performance

- CPS-1
- CPS-2
- CPS Limit



Reserve Activations

- ACE Not Normal
- NYCA Resource Loss < 500 MW
- NYCA Resource Loss > 500 MW
- Shared Activation of Reserves



NERC CPS/DCS Violations

- NERC CPS-1 - Balancing Standard
- NERC CPS-2 - Balancing Standard
- NERC DCS - ACE Recovery

Definitions

Control Performance Standards:

The values of NERC Control Performance Standards (CPS-1 and CPS-2) are indicators of the NYISO Area resource and demand balancing performance.

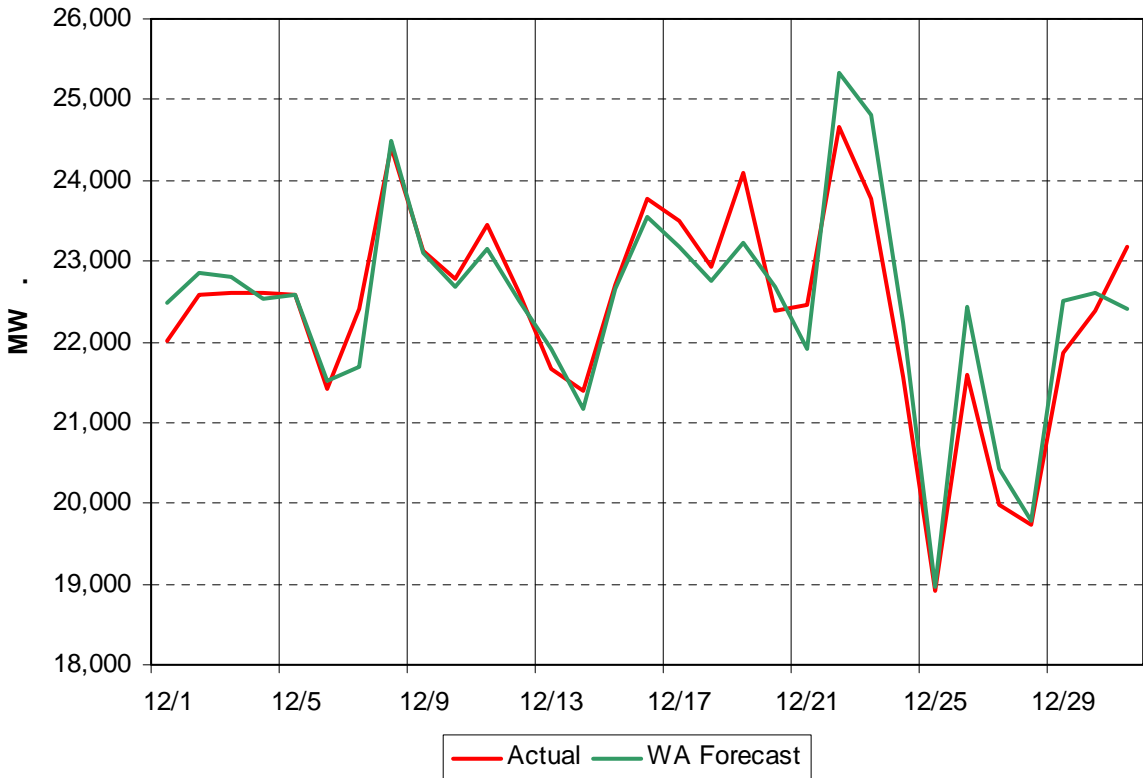
Reserve Activations:

The number and causes of NYISO Reserve Activations are indicators of the need to respond to unexpected operational conditions within the NYISO Area or to assist a neighboring Area (Shared Activation of Reserves) by activating an immediate resource and demand balancing operation.

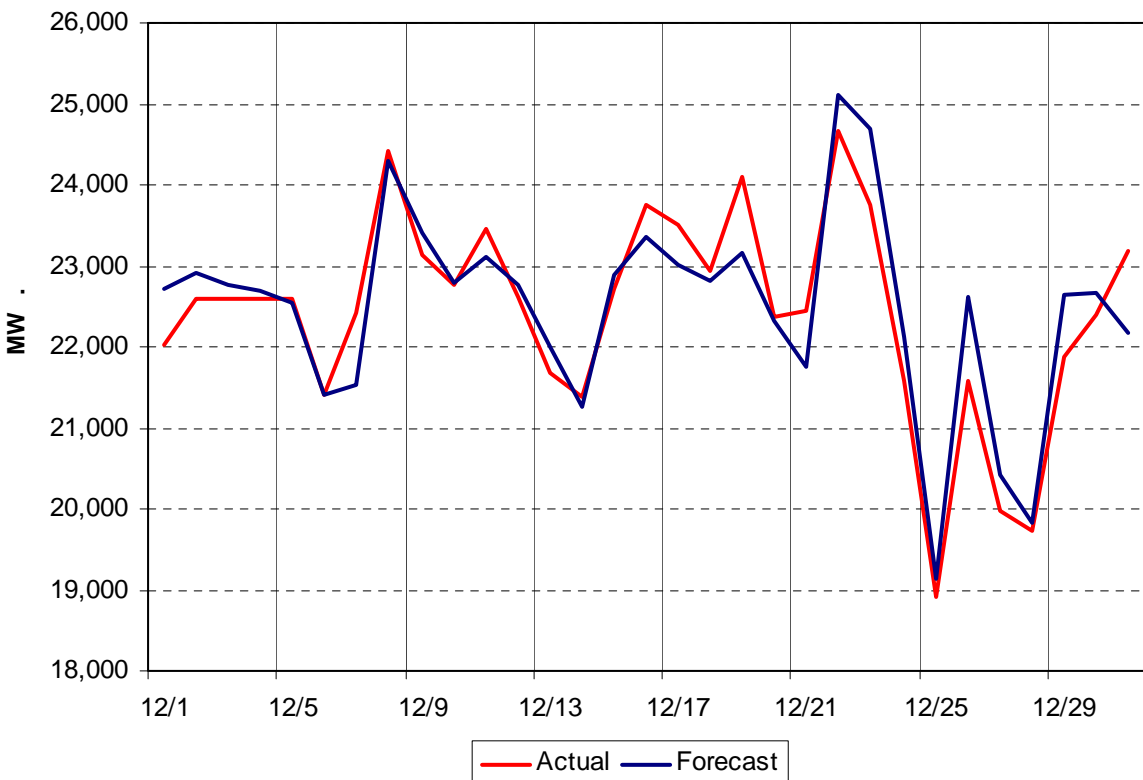
NERC Control Performance Standard/Disturbance Control Standard (CPS/DCS) Violations:

The number and causes of NERC CPS/DCS violations reflect system operating conditions beyond thresholds associated with applicable NERC reliability standards.

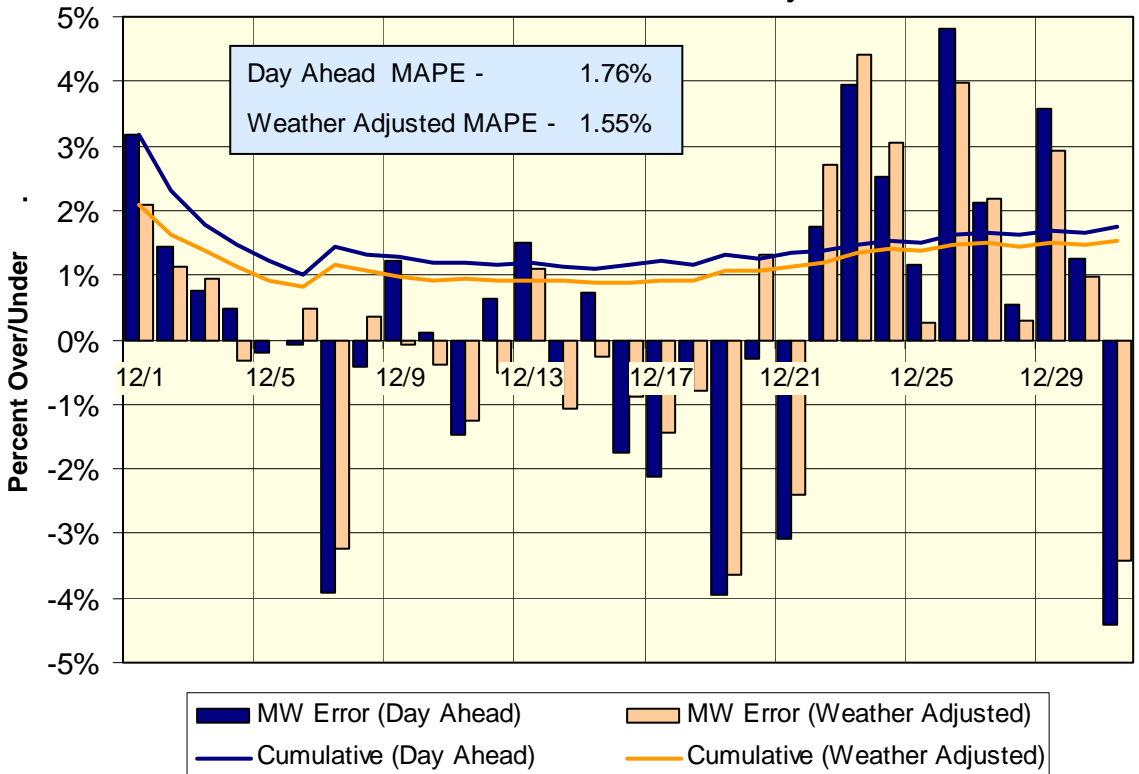
NYISO Daily Peak Load - December 2008
Actual vs Weather-Adjusted Forecast



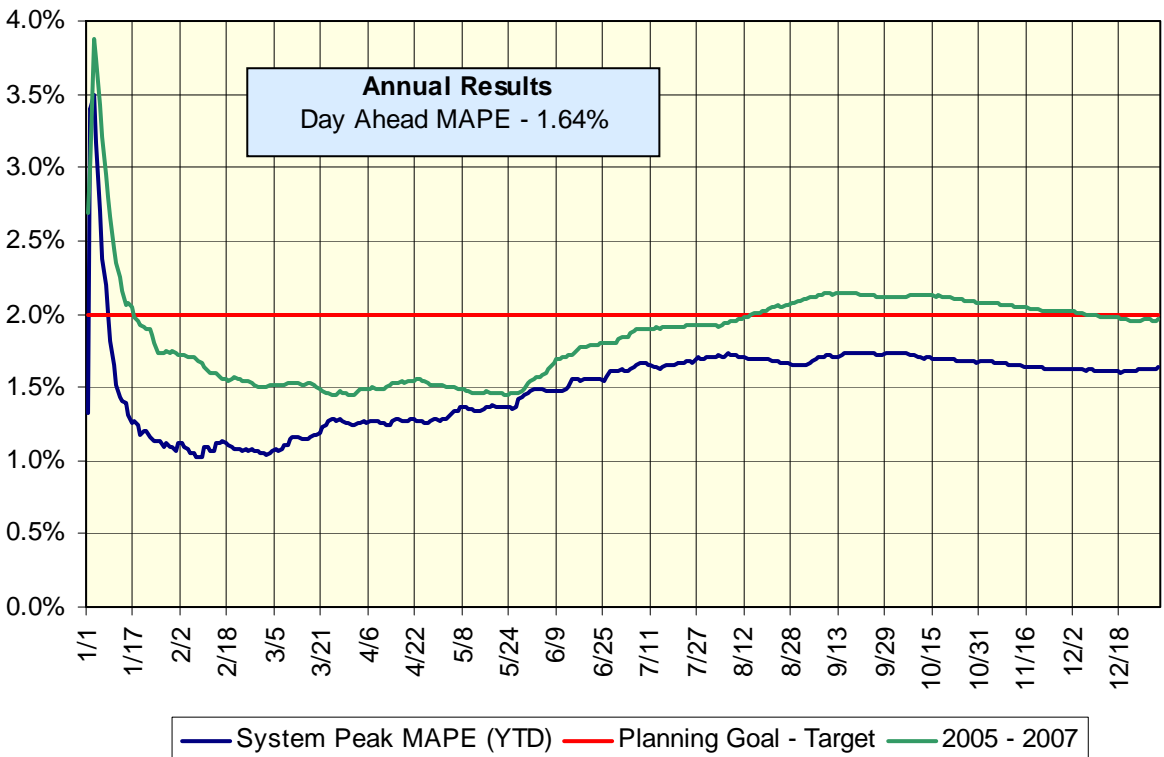
NYISO Daily Peak Load - December 2008
Actual vs Forecast



Day Ahead Forecast - December 2008 Percent Error - Actual & Weather Adjusted



Day-Ahead Forecast Accuracy - Cumulative Performance 2008 Year-to-Date



November 2008 Detailed Budget vs. Actual Results

<i>(\$ in millions)</i>	<u>ANNUAL AMOUNT</u>			<u>YTD AMOUNTS AS OF 11/30/08</u>		
<u>Cost Category</u>	<u>Original Budget</u>	<u>Year-End Projection</u>	<u>Variance</u>	<u>Original Budget</u>	<u>Actuals</u>	<u>Variance</u>
Capital	\$ 4.3	\$ 6.8	\$ 2.5	\$ 4.1	\$ 5.9	\$ 1.8
Salaries & Benefits	\$ 57.6	\$ 57.1	\$ (0.5)	\$ 52.7	\$ 51.2	\$ (1.5)
Professional Fees (including Legal)	\$ 34.7	\$ 35.9	\$ 1.2	\$ 31.8	\$ 32.0	\$ 0.2
Building Services	\$ 4.3	\$ 4.7	\$ 0.4	\$ 4.0	\$ 4.1	\$ 0.1
Computer Services	\$ 12.5	\$ 11.8	\$ (0.7)	\$ 11.4	\$ 10.5	\$ (0.9)
Insurance	\$ 3.6	\$ 2.9	\$ (0.7)	\$ 3.3	\$ 2.6	\$ (0.7)
Telecommunications	\$ 4.3	\$ 3.9	\$ (0.4)	\$ 3.9	\$ 3.4	\$ (0.5)
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 4.0	\$ 3.5	\$ (0.5)	\$ 3.8	\$ 3.1	\$ (0.7)
Current Year Needs (excluding FERC Fees)	\$ 125.3	\$ 126.6	\$ 1.3	\$ 115.0	\$ 112.8	\$ (2.2)
Debt Service from Prior Year Financings	\$ 27.8	\$ 24.5	\$ (3.3)	\$ 25.5	\$ 23.1	\$ (2.4)
Cash Budget (excluding FERC Fees)	\$ 153.1	\$ 151.1	\$ (2.0)	\$ 140.5	\$ 135.9	\$ (4.6)
Less: Miscellaneous Revenues	\$ (3.8)	\$ (3.0)	\$ 0.8	\$ (3.5)	\$ (2.8)	\$ 0.7
Less: Proceeds from 2008 Budget Debt	\$ (16.7)	\$ (16.7)	\$ -	\$ (16.7)	\$ (16.7)	\$ -
Less: Proceeds from 2007 budget underrun and volume overcollections	\$ (5.0)	\$ (5.0)	\$ -	\$ (4.6)	\$ (4.6)	\$ -
Add: Interest on 2008 Budget Debt	\$ 0.4	\$ 0.5	\$ 0.1	\$ 0.3	\$ 0.4	\$ 0.1
Net Budget Needs (excluding FERC Fees)	\$ 128.0	\$ 126.9	\$ (1.1)	\$ 116.0	\$ 112.2	\$ (3.8)
FERC Fees	\$ 8.3	\$ 8.9	\$ 0.6	\$ 7.6	\$ 8.1	\$ 0.5
Rate Schedule #1 Revenue Requirement	\$ 136.3	\$ 135.8	\$ (0.5)	\$ 123.6	\$ 120.3	\$ (3.3)

Description	Status and Milestone Deliverables
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Energy Marketplace Product Enhancements	
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A767	MIS Enhancements: Comprehensive Bid Management System	<p>Status: The first phase of this multi-phase project was successfully deployed into production in January 2007; the second phase was deployed on schedule in October 2007. The features that were deployed include the replacement of the load bidding and virtual bidding forms and upload / download templates. The next phase targets migration of the generation bidding pages and templates onto the new architecture. Phase 3 was successfully implemented in two deployments during 2008; the software for the first deployment was successfully deployed in early March, the second was successfully deployed in mid September. The 2008 version of this project is completed.</p> <p>Deliverables: This project will upgrade the web-based application structure to replace overlapping applications by allowing common components to support current application functionality and future application functional growth. One of the deliverables will be the implementation of a more flexible and reliable application infrastructure for the market applications. This project is part of a multi-year effort that is a necessary precursor for an eventual replacement of the Market Information System (MIS) and related bidding and scheduling applications.</p>
A871	Enhanced Price Validation	<p>Status: The first phase of this multi-phase project was successfully deployed into production in March 2007; a portion of the second phase was deployed in December 2007. One of the tracks from the second phase required additional testing and was combined with the third (and final) phase deployed in June of 2008. Software implementation for most of the remaining rules associated with the final phase 2 track was successfully deployed in late March; the software for the remaining phase 2 functionality, as well as all the phase 3 functionality, was successfully deployed in June. Process changes were completed in July to allow the transition of Price Validation functions to NYISO staff using new software.</p> <p>Deliverables: The NYISO has investigated all known causes of pricing errors, and has taken a systematic approach to determine features and functions that can significantly enhance the price validation process. Product enhancements are proposed to implement proactive price monitoring, improved price reservations, and enhanced price corrections. The project will entail a multi-phase, multi-year implementation of tools to enhance the price monitoring, reservation, and correction processes for the NYISO markets.</p>
A942	Wind Forecasting System	<p>Status: This project has completed all phases of the software development processes. AWS Truewind was selected as the supplier of this system from a pool of candidates. Implementation of the new software was completed in June. Integration of the wind power forecasts into the real-time dispatch software was completed in September.</p> <p>Deliverables: Specification and implementation of a third-party system to enable output from wind generators to be incorporated accurately in the NYISO market software. The addition of this capability will improve reliability and enhance the accuracy of market outcomes as influenced by wind resources.</p>
A857	Demand Response for Ancillary Services	<p>Status: This project has completed all phases of the software development processes. Technical design for the end-state solution had proven more difficult than expected, ultimately making meeting the commitment for a 4th quarter 2007 delivery impossible. The final design mitigated the political risk of missing the commitment by delivering more functionality than originally offered. Implementation of the new software was completed in June.</p> <p>Deliverables: As directed by the FERC, execution of software changes that will permit the integration of demand side resources ("DSRs") into the NYISO real-time ancillary services and energy markets.</p>

Description		Status and Milestone Deliverables
B107	Scheduling and Pricing Improvements	<p>Status: This first phase of the project has dealt with assessments of each of the penalties assessed to generators to determine the effectiveness and fairness of each. A number of changes have been completed, including the elimination of certain performance penalties for generators and grouped units during Start-up and Shut-down periods. The second phase of the project has dealt with establishing a market design that will capture the impact of units not following their schedules into the real-time pricing outcomes. Design of the necessary market rules, including new physical withholding provisions, has been completed and approved by the Market Participants. Implementation of the changes is included in the 2009 Product Enhancements, with deployments scheduled for 1st quarter and 4th quarter.</p> <p>Deliverables: Implementation of a series of market efficiency enhancements that have been requested by Market Participants. Each of the requested enhancements requires detailed analysis and study to determine the potential for market impact.</p>
Auxiliary Market Product Enhancements		
A990	ICAP Auction Redesign	<p>Status: This project has achieved an early delivery date of March 2008; ahead of the 2nd quarter 2008 commitment and ahead of the schedule for the Spring capacity auctions.</p> <p>Deliverables: In order to accommodate changes approved for the ICAP Demand Curve, and still maintain auction results compliant with applicable tariffs, changes were required to the ICAP auction engine, including an upgrade to the vendor software utilized in the design. This project implements the necessary changes, along with certain enhanced features that are available with the new version of the software.</p>
A910	ICAP In-City Mitigation	<p>Status: This project completed a multi-step software deployment in time for the Spring capacity auctions, and in line with an aggressive deployment schedule following a delayed FERC ruling on the NYISO proposal. Software deployments were successfully performed in March and April, ahead of a 2nd quarter corporate commitment. Production software continues to be monitored for accuracy and performance. Buyer-side In-city mitigation is a 2nd quarter 2009 commitment.</p> <p>Deliverables: As directed by FERC, changes to the ICAP In-City mitigation rules have been required. The software changes necessary to support these new rules are being developed and tested in conjunction with the ICAP auction redesign software; <u>provisionary accommodations will be made in the event of a delayed FERC ruling on the new rules.</u></p>
A907	Forward Capacity Market Design	<p>Status: This project is in the requirements and design phase. Preliminary straw proposals have been reviewed with stakeholders and are being evaluated through the governance process. A 4th quarter commitment was communicated to stakeholders for the finalization of a design, but efforts are being accelerated to provide an earlier solution.</p> <p>Deliverables: Design of a forward capacity market to supplement existing capacity market instruments. Following agreement on a design, and implementation plan and schedule will be developed and executed.</p>

Description	Status and Milestone Deliverables
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TCC Marketplace Product Enhancement	
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A925	TCC Auction Automation – Phase 2	<p>Status: This project is in the quality assurance and user acceptance testing phase. The software to implement the second phase of the TCC Auction Automation is planned to be ready in the third quarter of 2008, originally targeting a date prior to the start of the Fall 2008 round of auctions. Current project schedules will not yield a deliverable until after the start of the Fall auctions; risk assessment has yielded the business recommendation to defer activation of the new software until after the last Fall auction round in October. Project successfully deployed on October 28, 2008.</p> <p>Deliverables: Following the implementation of the first phase of the TCC Auction Automation software project (Automation of the Awards Process), following phases will deliver the Database / Inventory Automation (Phase 2) and Bidding (Phase 3) functionality required to fully automate the TCC markets.</p>
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A993	TCC Auction Automation – Phase 3	<p>Status: This project is in the development phases with iterative testing to begin the week of 11/10. The software to implement the third phase of the TCC Auction Automation is planned to be ready by the end of 2008, with a planned implementation in February 2009 prior to the Spring 2009 Capability Period Auction.</p> <p>Deliverables: Following the implementation of the first phase of the TCC Auction Automation software project (Automation of the Awards Process), following phases will deliver the Database / Inventory Automation (Phase 2) and Bidding (Phase 3) functionality required to fully automate the TCC markets.</p>
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Operations and Reliability Product Enhancements	
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B101	MMP Compliance Issues	<p>Status: This project entails multiple phases of delivery in order to achieve all stated objectives; certain items are being developed on the internal NYISO systems, while other components are being provided by Potomac Economics. Project milestones were achieved on time in March and June in order to support the schedule to meet the second quarter commitment for Phase 1. All Phases were successfully deployed - Phase 1 in June and Phase II in early November.</p> <p>Deliverables: A compliance review performed by Potomac Economics in 2007 identified certain issues with MMP systems and processes. A two-phase project has been identified to implement corrections to the known issues. The first phase (high-priority items) is scheduled for deployment in the 2nd quarter. A follow-up phase is scheduled for the 4th quarter of 2008.</p>
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A858	Integration of OOM and SRE Applications	<p>Status: This project is in the software design phase; detailed requirements specification has been completed on schedule to meet the 2nd quarter 2007 commitment; software development has started with two planned implementations in 2008. The first phase (SRE) was successfully deployed in mid September; the second phase (OOM) was successfully deployed in October.</p> <p>Deliverables: Replacement of the Out of Merit (OOM) and Supplemental Resource Evaluation (SRE) applications used by the control room floor. These applications are currently built upon an unsupported platform (Oracle Forms) and can be design to be more efficient and error prone if they are consolidated into a single suite of application functions.</p>
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Description	Status and Milestone Deliverables
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Financial Service Product Enhancements	
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A949	Credit Management System	<p>Status: This project is in the discovery and detailed requirements phase. A Request for Proposal (RFP) had been issued to a number of companies that may have viable commercial off-the-shelf products that could be integrated with the NYISO market software platforms. The multi-phase project will provide credit automation capabilities for each of the NYISO markets in a phased delivery fashion. Following review of the proposals, the cross-functional team selected the software product from the ROME Corporation as the platform on which to build the new system. Contract negotiations were finalized in late March; the project team has launched the discovery / detailed planning activities. Some internal credit functionality was deployed to production on November 18. The integration of the Credit Management System and the TCC Automated System is scheduled for a February 2009 deployment.</p> <p>Deliverables: Implementation of a rules-based system to integrate with the various NYISO market platforms for the purposes of providing a comprehensive Credit Management System for the NYISO enterprise. This multi-phase project will provide the tools necessary for the Credit Department to manage MP credit and collateral limits, provide Market Participants with tools and reports to manage their own credit, and provide integration to all NYISO market functions such that customer credit obligations are met. A multi-phased approach will be employed to target integration for the TCC markets first, with other market components to follow.</p>
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A904	Billing Process Automation (Ramapo PAR / Station 80 / Local Black Start)	<p>Status: This project to automate the manual processes associated with these charges was deployed ahead of schedule in late March. This project is completed.</p> <p>Deliverables: The NYISO is continuing to dedicate resources to identify automated solutions to the most prevalent manual billing adjustments; this program has been identified as critical and valuable by settlements stakeholders. This project will provide automated data processing solutions for the Ramapo PAR, Station 80, and Local Black Start charges.</p>
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A996	Billing Process Automation (Min Oil Burn)	<p>Status: This project to automate the manual processes associated with the NYISO administration and settlement of the Minimum Oil Burn compensation program was deployed on time in October. This project is completed.</p> <p>Deliverables: The NYISO is continuing to dedicate resources to identify automated solutions to the most prevalent manual billing adjustments; this program has been identified as critical and valuable by settlements stakeholders. This project will provide automated data processing solutions for Minimum Oil Burn charges.</p>
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Business Intelligence Product Enhancements	
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A938	MMP Data Mart	<p>Status: A scoping analysis was performed in 2007 that identified approximately seven (7) functional areas that could be addressed through the implementation of a Market Monitoring Data Mart. A multi-phase project has been defined with the target to deliver the infrastructure and core data set in 2008. The first phase of this effort has completed the requirements and design phase. The first phase was deployed to production on October 28; design and requirements for the second phase are nearing completion.</p> <p>Deliverables: Process and system reviews performed for the Market Monitoring and Performance unit during 2007 highlighted deficiencies in the tool-set available to the MMP team for performing certain monitoring and analysis functions. This project is a multi-phase, multi-year effort to provide and integrated and robust set of tools to augment</p>
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Description		Status and Milestone Deliverables
		existing processes and manual tools in place. Additional analysis capabilities beyond compliance requirements will be identified and provided.
Infrastructure Product Enhancements		
A926	Customer Issue Tracking System Replacement	<p>Status: Software development, product configuration, testing, and UAT activities for this project has been completed. Deployment of the new application was completed on schedule in March 2008. This project is completed.</p> <p>Deliverables: The NYISO Customer Relations Group has been using an outdated toolset to manage MP issues and trouble tickets since the inception of the NYISO. In order to achieve required service levels, a more robust application is required. This project will implement new functionality on top of the Service Desk architecture in place for managing internal tickets for the Information Technology group.</p>
A928	Oracle Forms Replacement	<p>Status: The project has been defined to multiple phases according to the individual business owner / functional area impacted. The first phase was completed in 2007 and involved the usage analysis and elimination of unnecessary forms. The second phase is directed at the Operations department functions and was successfully deployed in mid September. Parallel tracks of work are already addressing the other functional areas of the platform. Finance forms are targeted for a February 2009 deployment.</p> <p>Deliverables: A number of the internal use applications are developed on the Oracle Forms development platform. This technology is no longer supported by the vendor, and the replacement of this platform represents a gating factor for the upgrade of the Oracle database version. Oracle Forms applications are in use by almost every internal NYISO department for managing market data and supporting various NYISO business processes.</p>

NYISO REGULATORY FILINGS – December 2008

- Dec. 3, 2008 NYISO motion to leave to answer the New York Regional Interconnect request for rehearing
(OA08-52-000)
- Dec. 5, 2008 NYISO section 205 filing of proposed revisions to the transmission congestion contract creditworthiness provisions
(ER09-378-000)
- Dec. 8, 2008 NYISO filing of its Sixteenth Quarterly Report regarding combined cycle units and efforts to accommodate batch loads and flywheel energy storage technologies in its ancillary services markets
(ER04-230-000 and 034, ER01-3155-006, ER01-1385-015, EL01-45-014)
- Dec. 11, 2008 NYISO request for limited tariff waiver regarding its security constrained commitment
(ER09-405-000)
- Dec. 17, 2008 NYISO request for clarification of commission regulations concerning the regional transmission organizations market monitoring units
(RM07-19-000, AD07-7-000)
- Dec. 17, 2008 NYISO response to comments and protests of its 10/30/08 installed capacity in NYC market compliance filing
(EL07-39-000, ER08-695-003)
- Dec. 22, 2008 NYISO long term firm transmission rights compliance filing
(ER07-521-003/003)
- Dec. 23, 2008 NYISO Section 205 to revise the day-ahead market process to align scheduling and pricing outcomes and to clarify and correct relate tariff provisions
(ER09-466-000)
- Dec. 30, 2008 NYISO submission of wetland monitoring report

This list is current as of 2:00 P.M. January 5, 2009.

FERC ORDERS – December 2008

- Dec. 5, 2008 FERC order accepting NYISO's Order No. 890-A compliance filing (OA08-107-000)
- Dec. 5, 2008 FERC letter order accepting NYISO's compliance filing regarding certain aspects of Order No. 676-C and granting its request for waiver of certain NAESB business practice standards (ER09-11-000 and 001)
- Dec. 8, 2008 FERC letter order accepting an amended and restated large generator interconnection agreement between NYISO, NYSEG and Noble Wethersfield Windpark (ER09-80-000)
- Dec. 11, 2008 FERC letter order accepting a small generator interconnection agreement between NYISO, NYSEG and Casella Waste Systems, Inc. (ER09-159-000 and 001)
- Dec. 12, 2008 FERC letter order accepting tariff revisions regarding the shortening of NYISO's customer settlement cycle (ER09-193-000)
- Dec. 16, 2008 FERC letter order accepting an amended small generator interconnection agreement between NYISO, National Grid and Innovative Energy Systems (ER09-296-000)
- Dec. 18, 2008 FERC order denying the In-City Suppliers complaint v NYISO regarding adjustment to the New York City ICAP demand curves (EL09-4-000)
- Dec. 18, 2008 FERC order accepting and denying in part requests for rehearing regarding FERC's 1/29/08 order concerning updating the ICAP demand curves for the 2008/2009, 2009/2010, and 2010/2011 capability years and directing NYISO to make a compliance filing (ER08-283-002)
- Dec. 18, 2008 FERC letter order accepting an executed large generator interconnection agreement between NYISO, NYSEG and Sheldon Energy, LLC (ER09-309-000)
- Dec. 18, 2008 FERC letter order conditionally accepting a coordination agreement between ISO New England and NYISO subject to a compliance filing (ER09-289-000)
- Dec. 23, 2008 FERC letter order accepting tariff revisions regarding the method of calculating the amount of unforced capacity that limited run of river hydro resources may supply in the NYCA (ER09-273-000)

This list is current as of 7:54 A.M. December 29, 2008.