

Notice of Recoveries

November 1, 2007

The NYISO has recovered \$667,322.46, as further described below, relating to the previously-declared bad debt loss from the Enron bankruptcy. The recovered amount will be credited to customer invoices for October 2007, to be issued in November 2007, according to the customers' load ratio shares for February 2003. The amount recovered is being refunded to customers using the same allocation that customers were charged for the original bad debt loss.

Enron

On February 28, 2003, the NYISO declared bad debt losses in the amount of \$10,274,034.00 and \$907,842.00 for Enron Power Marketing, Inc. ("EPMI") and Enron Energy Services, Inc. ("EES") respectively, for a total Enron-related bad debt loss of \$11,181,876.00. These bad debt losses were collected according to customers' load ratio shares for February 2003.

As a result of distributions under the Chapter 11 bankruptcy proceeding for EPMI, the NYISO has previously received and refunded to customers a total of \$6,450,575.57. These previous refunds were included on the March 2006, May 2006, November 2006, May 2007, and August 2007 consolidated invoices. All amounts NYISO recovers for bad debt losses are refunded to customers using the same allocation that customers were charged for the original bad debt losses.

As a result of additional distributions under EPMI's Chapter 11 bankruptcy proceeding, NYISO has received \$667,322.46 and is likely to receive additional amounts which are currently unknown. The \$667,322.46 will be included on the October 2007 invoice to be issued on November 7, 2007.

Recoveries to date on the EPMI bad debt loss total \$7,117,898.03. Additionally, the entire bad debt loss of \$907,842.00 for EES has previously been recovered and refunded to customers. Therefore, NYISO has recovered \$8,025,740.03 of the total Enron-related bad debt loss, which represents approximately 72% of the original bad debt loss.

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