

NYISO President's Report

Management Committee Meeting

July 11, 2002

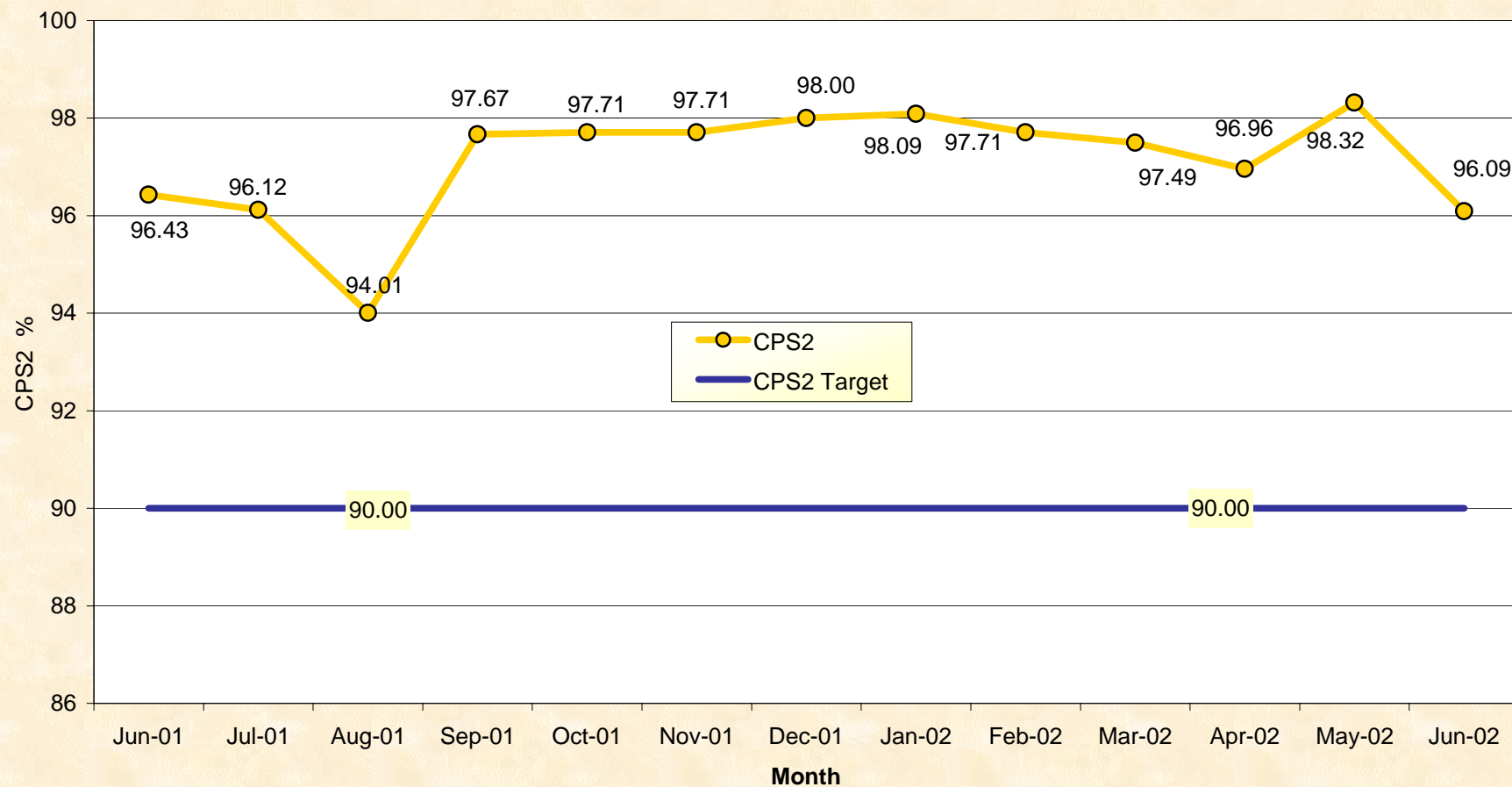
Agenda #3

Report Items

- 1) Reliability Indicators
 - *NERC Criteria (CPS-2 Curve)*
- 2) Market Performance Highlights
- 3) Enron Default Update
- 4) System and Market Performance (June 24 - July 5)
- 5) MPAAS Request on Overall Audit Program & KPMG Effort
- 6) Compensation Data Request

NERC Control Performance Standard

NYISO Compliance
Year 2001/2002



CPS2 for June = 96.09% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large
Area Control Error (ACE)

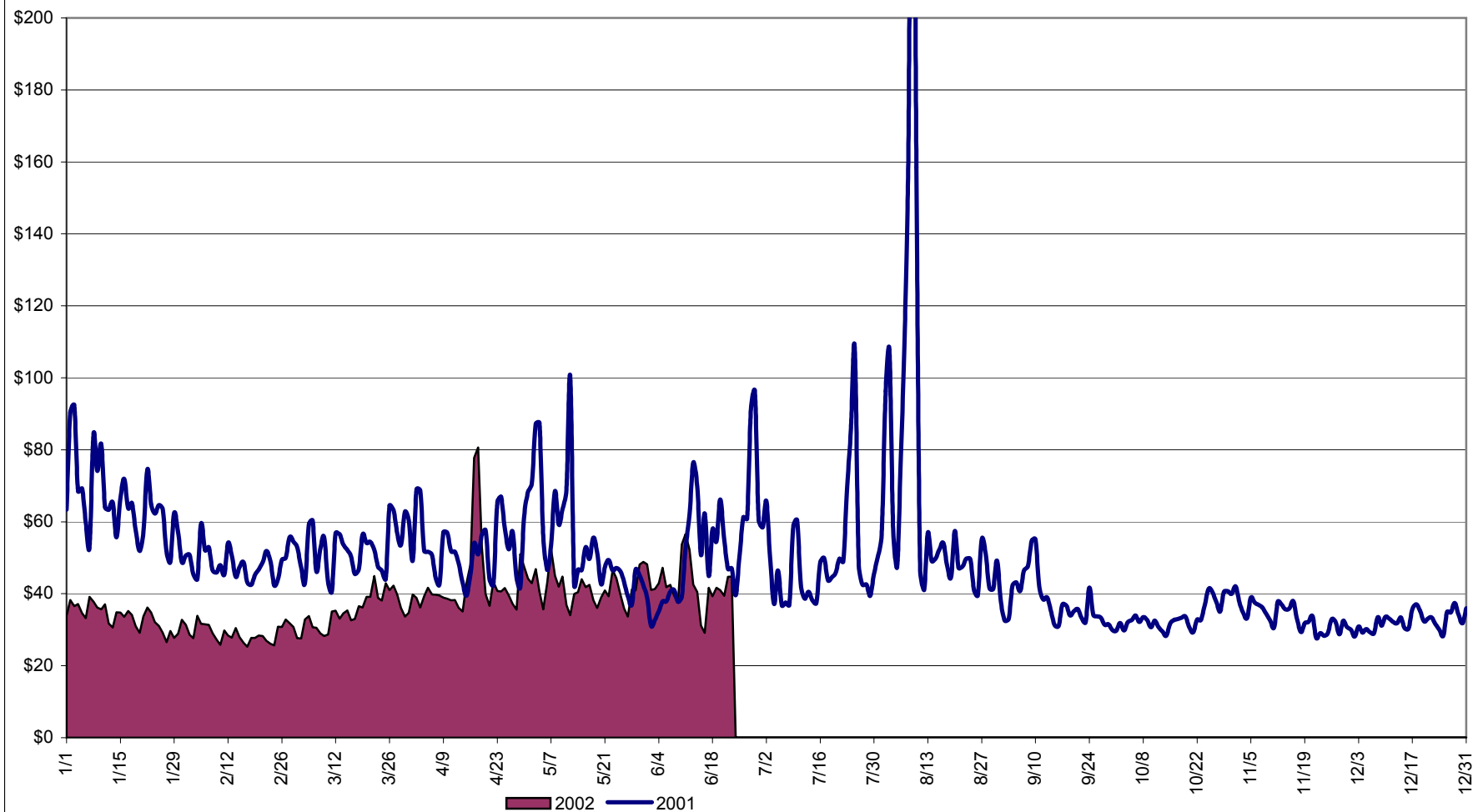
Average Daily NYISO - Administered Total Price (Energy & Ancillary Services)

2001 Annual Average \$51.39/MWH

January to June 2001 Average \$55.95/MWH

January to June 2002 Average \$37.88/MWH

August 9, 2001 Daily Average 337.84



4-A

Data through 6/23/2002 only

NYISO Markets 2002 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Unweighted Price	\$28.39	\$24.93	\$30.07	\$35.25	\$33.36	\$38.13						
Standard Deviation	\$7.26	\$4.61	\$7.28	\$11.57	\$8.76	\$13.95						
Load Wtg.Price	\$29.25	\$25.50	\$30.88	\$36.72	\$34.66	\$40.56						
<u>BME * LBMP</u>												
Unweighted Price	\$30.66	\$26.84	\$33.53	\$191.03	\$31.43	\$35.18						
Standard Deviation	\$11.22	\$7.60	\$13.84	\$1,020.88	\$13.91	\$14.42						
Load Wtg.Price	\$31.67	\$27.54	\$34.88	\$233.53	\$33.12	\$37.27						
<u>REAL TIME LBMP</u>												
Unweighted Price	\$25.36	\$23.73	\$29.78	\$35.44	\$29.80	\$32.93						
Standard Deviation	\$8.27	\$8.83	\$10.97	\$25.85	\$13.32	\$16.09						
Load Wtg.Price	\$26.17	\$24.39	\$30.67	\$38.10	\$31.42	\$35.55						
 Average Daily Energy Sendout/Month GWh	 427	 418	 403	 397	 388	 449						

NYISO Markets 2001 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Unweighted Price	\$56.41	\$42.09	\$46.94	\$45.53	\$46.19	\$42.47	\$40.99	\$57.96	\$32.27	\$29.90	\$29.00	\$27.06
Standard Deviation	\$17.87	\$9.65	\$11.93	\$14.27	\$15.77	\$21.07	\$14.15	\$64.21	\$8.58	\$6.23	\$6.80	\$6.73
Load Wtg.Price	\$58.34	\$43.25	\$48.23	\$47.48	\$48.57	\$46.48	\$43.26	\$64.71	\$33.67	\$30.65	\$29.85	\$23.88
<u>BME * LBMP</u>												
Unweighted Price	\$54.40	\$47.43	\$53.87	\$56.37	\$199.56	\$63.91	\$277.09	\$183.30	\$62.80	\$32.31	\$28.54	\$28.80
Standard Deviation	\$16.85	\$15.62	\$52.54	\$39.25	\$3,150.85	\$125.01	\$2,893.71	\$1,232.69	\$464.41	\$9.27	\$10.46	\$10.99
Load Wtg.Price	\$55.95	\$48.86	\$55.98	\$59.22	\$218.73	\$71.44	\$356.20	\$238.34	\$71.23	\$33.31	\$29.50	\$25.27
<u>REAL TIME LBMP</u>												
Unweighted Price	\$50.15	\$41.84	\$48.43	\$41.94	\$47.81	\$39.23	\$41.42	\$58.77	\$34.18	\$30.10	\$27.01	\$26.84
Standard Deviation	\$19.32	\$22.21	\$35.68	\$28.52	\$51.99	\$38.69	\$39.51	\$67.56	\$26.68	\$9.93	\$18.11	\$13.82
Load Wtg.Price	\$51.66	\$42.94	\$50.27	\$44.44	\$51.16	\$43.61	\$45.98	\$65.48	\$36.54	\$31.00	\$28.28	\$24.37
 Average Daily Energy Sendout/Month GWh	 443	 434	 423	 388	 397	 460	 460	 512	 421	 400	 399	 414

* Commonly referred as Hour Ahead Market (HAM)

NYISO Markets 2002 Transactions

	January	February	March	April	May	June &	July	August	September	October	November	December
<u>Transactions by Market</u>												
DAM LSE Internal LBMP Energy Sales	44%	42%	43%	45%	40%	42%						
DAM External TC LBMP Energy Sales	0%	1%	1%	1%	1%	2%						
DAM Bilateral - Internal Bilaterals	51%	52%	51%	49%	55%	52%						
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	3%	3%	3%	3%	2%	3%						
Day Ahead Market	100%	100%	100%	100%	100%	100%						
Balancing Energy LSE Internal LBMP Energy Sales	-17%	410%	821%	182%	-10%	-52%						
Balancing Energy External TC LBMP Energy Sales	5%	39%	-36%	-15%	44%	-19%						
Balancing Energy Bilateral - Internal Bilaterals	1%	-51%	8%	12%	10%	4%						
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	13%	27%	24%	3%	8%	3%						
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	1%	0%						
Balancing Energy Bilateral - Wheel Through Bilaterals	-103%	-524%	-717%	-84%	-154%	-37%						
Balancing Energy +	100%	100%	100%	100%	100%	100%						
<u>Transactions Summary</u>												
LBMP	45%	44%	46%	48%	42%	44%						
Internal Bilaterals	52%	52%	51%	49%	55%	53%						
Import Bilaterals	1%	1%	1%	0%	0%	0%						
Export Bilaterals	1%	1%	1%	1%	1%	1%						
Wheels Through	1%	2%	1%	1%	1%	2%						
<u>Market Share of Total Load</u>												
Day Ahead Market	101.60%	100.25%	99.75%	98.14%	100.79%	102.98%						
Balancing Energy +	-1.60% #	-0.25% #	0.25%	1.86%	-0.79% #	-2.98% #						
Total MWH	13,366,052	11,986,216	12,792,696	12,088,196	12,462,759	10,251,374						

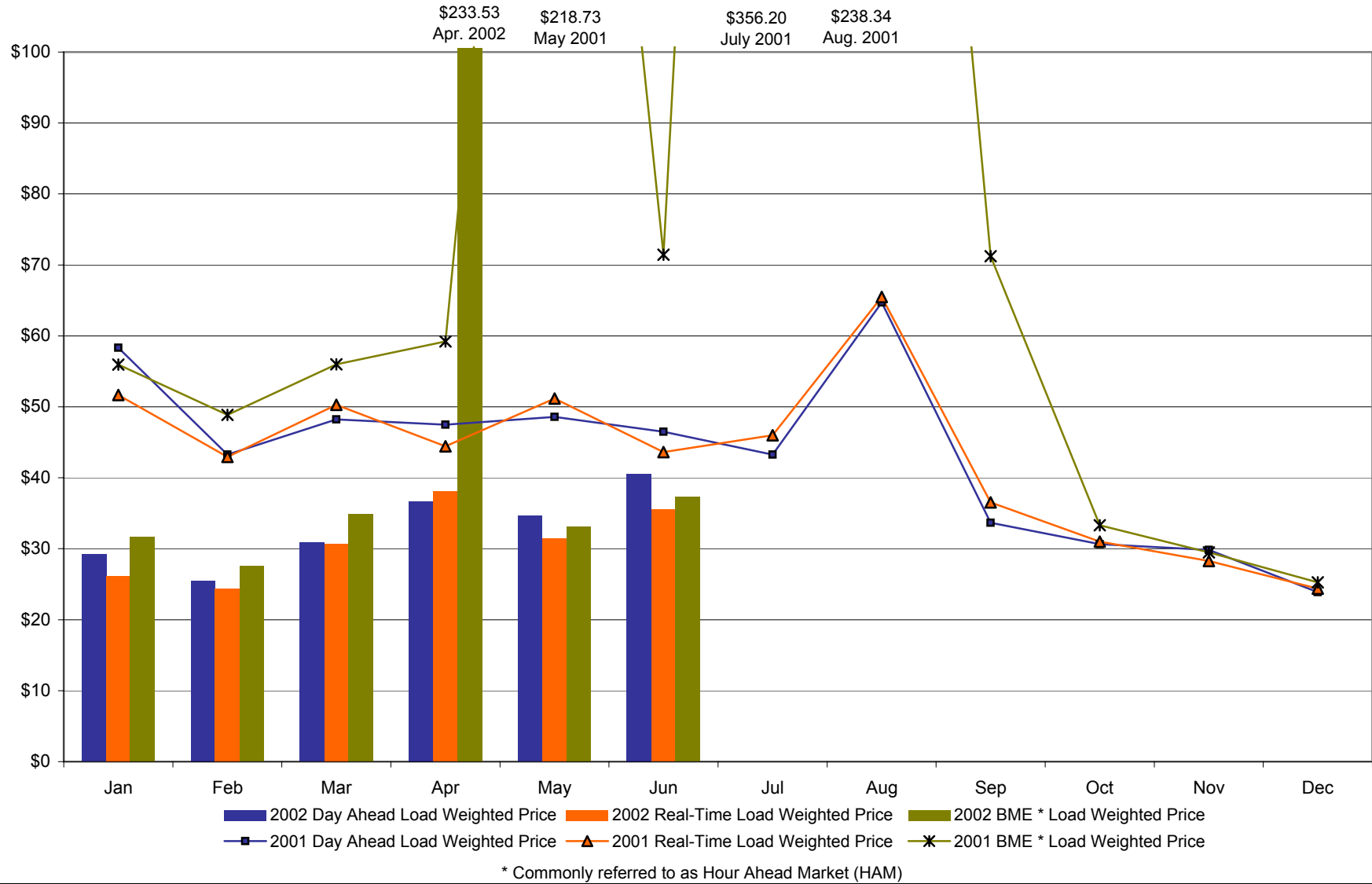
NYISO Markets 2001 Transactions

	January	February	March	April	May	June	July	August	September	October	November	December
<u>Transactions by Market</u>												
DAM LSE Internal LBMP Energy Sales	41%	39%	37%	36%	38%	43%	52%	53%	48%	49%	44%	44%
DAM External TC LBMP Energy Sales	3%	2%	1%	2%	1%	2%	1%	2%	2%	3%	1%	0%
DAM Bilateral - Internal Bilaterals	50%	51%	55%	55%	54%	51%	44%	41%	46%	45%	49%	52%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	4%	6%	5%	5%	4%	3%	2%	2%	2%	2%	3%	2%
Day Ahead Market	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balancing Energy LSE Internal LBMP Energy Sales	63%	13%	97%	-1%	65%	-4%	74%	85%	79%	132%	15%	8236%
Balancing Energy External TC LBMP Energy Sales	56%	81%	26%	39%	59%	93%	20%	11%	20%	-4%	7%	-663%
Balancing Energy Bilateral - Internal Bilaterals	-8%	-1%	-7%	138%	-2%	19%	8%	0%	8%	-1%	5%	-736%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	2%	23%	11%	6%	2%	14%	6%	15%	3%	5%	13%	1012%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	2%	1%	1%	0%	0%	0%	-3%
Balancing Energy Bilateral - Wheel Through Bilaterals	-13%	-17%	-27%	-82%	-24%	-24%	-8%	-11%	-10%	-31%	-140%	-7746%
Balancing Energy +	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<u>Transactions Summary</u>												
LBMP	45%	42%	40%	38%	41%	45%	54%	56%	53%	54%	46%	45%
Internal Bilaterals	49%	51%	54%	57%	54%	51%	43%	41%	45%	44%	51%	52%
Import Bilaterals	1%	1%	1%	0%	0%	1%	0%	1%	0%	0%	1%	1%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	4%	5%	4%	4%	4%	2%	1%	1%	1%	1%	2%	1%
<u>Market Share of Total Load</u>												
Day Ahead Market	97.71%	98.07%	98.03%	98.65%	98.20%	98.66%	97.35%	97.47%	95.95%	97.24%	101.25%	99.98%
Balancing Energy +	2.29%	1.93%	1.97%	1.35%	1.80%	1.34%	2.65%	2.53%	4.05%	2.76%	-1.25% #	0.02%
Total MWH	14,684,835	13,195,754	13,898,304	11,960,273	13,211,577	14,536,199	14,749,317	16,502,710	13,269,422	12,855,350	12,385,201	13,074,178

The sign convention has changed for the detail of Balancing Energy when the total monthly Balancing Energy is negative. The signs for the detail section more intuitively reflect the direction of power flow eliminating the use of double negatives.
This affects Nov. 2001, Jan. 2002 and Feb 2002.

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

NYISO Monthly Average Internal LBMPs 2001 - 2002



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NYISO Markets 2002 Ancillary Services Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<u>ANCILLARY SERVICES Unweighted Price (\$/MWH)</u>												
<u>Day Ahead Market</u>												
10 Min Spin East	2.09	1.95	2.85	2.29	1.93	1.90						
10 Min Spin West	1.85	1.81	2.40	2.11	1.81	1.75						
10 Min Non Synch East	1.68	1.58	1.64	1.55	1.52	1.46						
10 Min Non Synch West	1.34	1.36	1.39	1.40	1.34	1.32						
30 Min East	1.09	1.11	1.13	1.19	1.20	1.17						
30 Min West	1.09	1.11	1.13	1.19	1.20	1.17						
30 Min Regulation East	14.90	13.83	12.59	12.33	18.78	20.92						
30 Min Regulation West	14.90	13.83	12.59	12.33	18.78	20.92						
<u>BME* Market</u>												
10 Min Spin East	1.93	0.99	1.46	3.30	0.45	0.46						
10 Min Spin West	1.73	0.94	1.26	1.65	0.44	0.38						
10 Min Non Synch East	0.65	0.56	0.62	2.12	0.33	0.38						
10 Min Non Synch West	0.56	0.51	0.44	1.14	0.32	0.31						
30 Min East	0.52	0.47	0.41	1.08	0.28	0.17						
30 Min West	0.52	0.47	0.39	1.05	0.28	0.17						
30 Min Regulation East	0.52	0.74	0.50	0.60	0.44	1.28						
30 Min Regulation West	0.55	0.74	0.51	0.60	0.44	1.28						
<u>ANCILLARY SERVICES Standard Deviation (\$/MWH)</u>												
<u>Day Ahead Market</u>												
10 Min Spin East	0.64	0.49	8.19	1.72	0.72	1.04						
10 Min Spin West	0.61	0.29	7.86	0.60	0.15	0.26						
10 Min Non Synch East	0.60	0.51	0.50	0.43	0.47	0.45						
10 Min Non Synch West	0.38	0.36	0.32	0.27	0.30	0.29						
30 Min East	0.14	0.17	0.13	0.04	0.23	0.22						
30 Min West	0.14	0.17	0.13	0.04	0.23	0.22						
30 Min Regulation East	12.10	10.38	8.97	4.40	13.98	15.33						
30 Min Regulation West	12.10	10.38	8.97	4.40	13.98	15.33						
<u>BME* Market</u>												
10 Min Spin East	7.17	3.36	4.96	12.50	0.69	0.86						
10 Min Spin West	6.83	3.35	4.91	6.47	0.67	0.78						
10 Min Non Synch East	0.73	0.73	0.86	9.94	0.59	0.79						
10 Min Non Synch West	0.64	0.66	0.68	5.46	0.56	0.70						
30 Min East	0.58	0.58	0.60	5.27	0.48	0.54						
30 Min West	0.59	0.58	0.59	5.09	0.48	0.54						
30 Min Regulation East	2.05	1.99	2.26	2.73	2.31	5.00						
30 Min Regulation West	2.08	1.99	2.23	2.64	2.31	5.00						

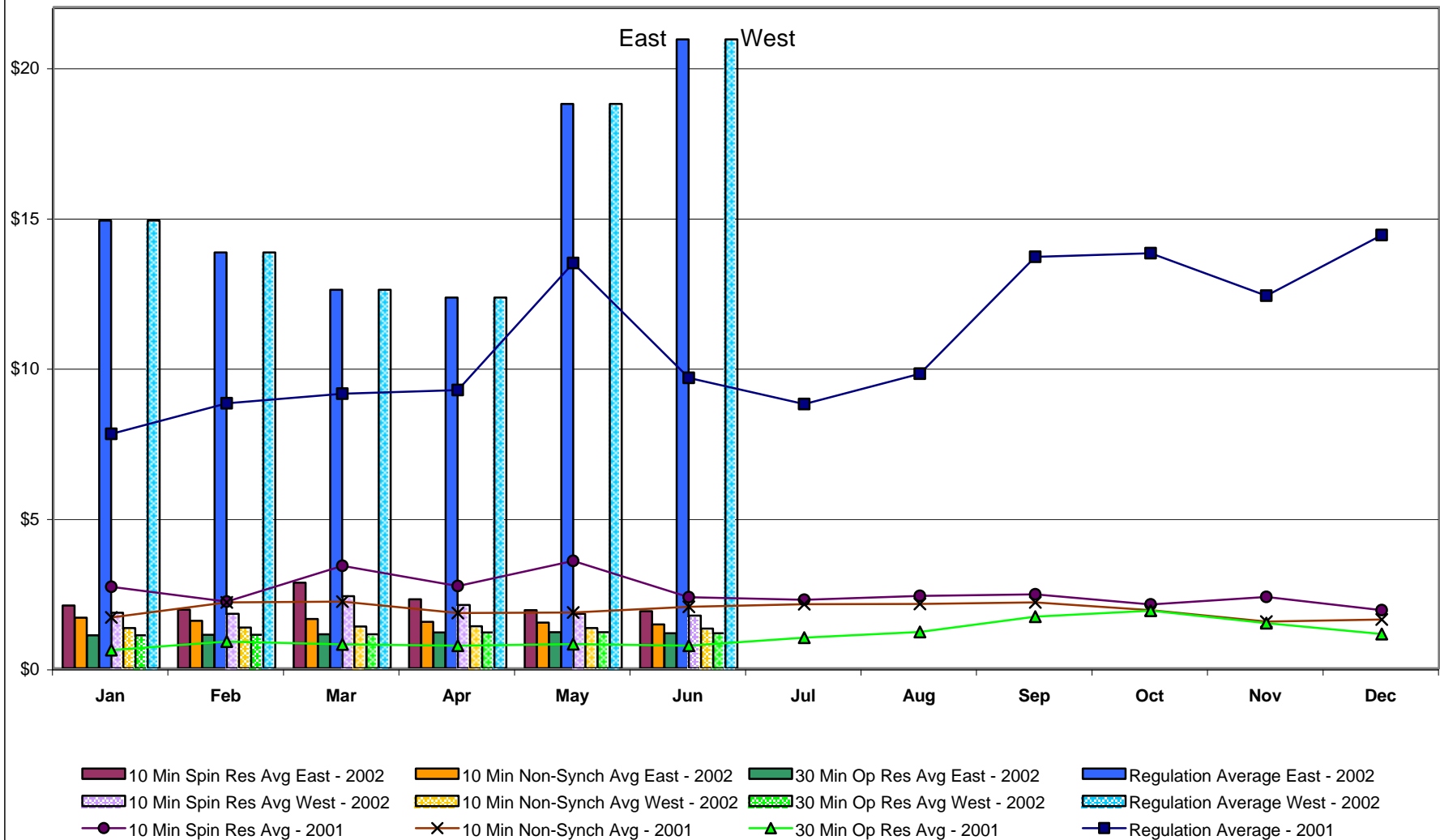
* Commonly Referred to as Hour Ahead Market (HAM)

4-E

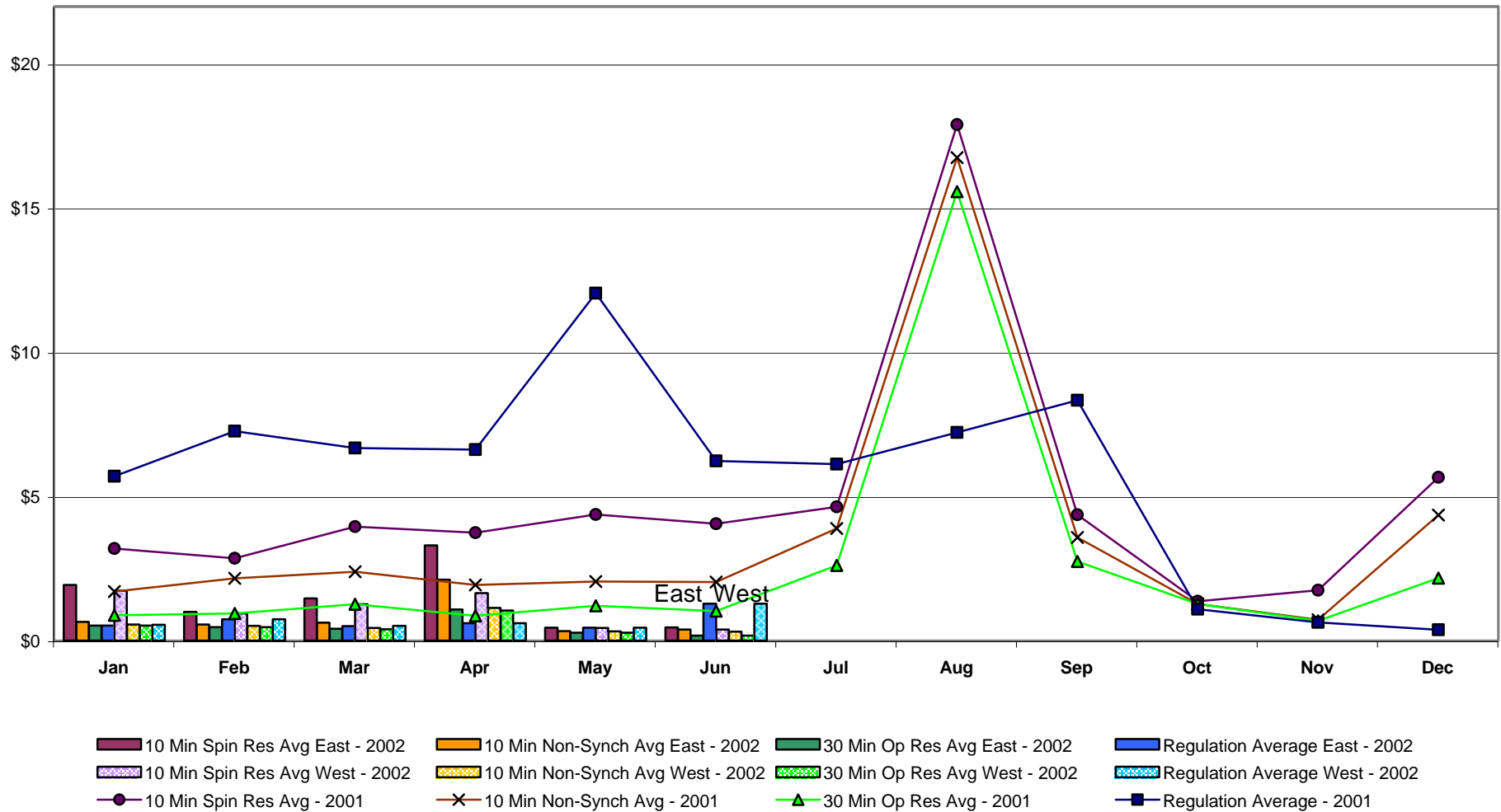
NYISO Markets 2001 Ancillary Services Statistics

	January	February	March	April	May	June	July	August	September	October**		November		December	
										East	West	East	West	East	West
<u>ANCILLARY SERVICES Day Ahead Market</u>															
10 Min Spin															
Unweighted Price	\$2.71	\$2.22	\$3.41	\$2.73	\$3.57	\$2.36	\$2.28	\$2.41	\$2.46	\$2.14	\$2.10	\$2.43	\$2.32	\$2.11	\$1.76
Standard Deviation	\$1.67	\$0.56	\$5.48	\$3.79	\$4.92	\$2.06	\$1.32	\$1.46	\$0.81	\$0.61	\$0.59	\$2.33	\$1.82	\$0.48	\$0.36
10 Min Non Synch															
Unweighted Price	\$1.69	\$2.19	\$2.22	\$1.84	\$1.85	\$2.04	\$2.13	\$2.14	\$2.19	\$1.94	\$1.91	\$1.56	\$1.54	\$1.84	\$1.40
Standard Deviation	\$0.78	\$0.60	\$0.63	\$0.79	\$0.81	\$0.80	\$0.80	\$0.90	\$0.63	\$0.42	\$0.39	\$0.48	\$0.46	\$0.58	\$0.36
30 Min															
Unweighted Price	\$0.60	\$0.89	\$0.79	\$0.75	\$0.80	\$0.75	\$1.02	\$1.21	\$1.72	\$1.91	\$1.91	\$1.50	\$1.50	\$1.14	\$1.14
Standard Deviation	\$0.40	\$0.76	\$0.33	\$0.30	\$0.63	\$0.86	\$0.99	\$1.09	\$0.76	\$0.39	\$0.39	\$0.45	\$0.45	\$0.12	\$0.12
Regulation															
Unweighted Price	\$7.80	\$8.81	\$9.13	\$9.25	\$13.48	\$9.66	\$8.79	\$9.80	\$13.69	\$13.81	\$13.81	\$12.39	\$12.39	\$14.41	\$14.41
Standard Deviation	\$5.50	\$8.56	\$9.57	\$13.27	\$15.19	\$9.81	\$7.48	\$7.77	\$11.30	\$9.71	\$9.71	\$8.94	\$8.94	\$10.70	\$10.70
<u>ANCILLARY SERVICES BME *</u>															
10 Min Spin															
Unweighted Price	\$3.19	\$2.85	\$3.95	\$3.74	\$4.37	\$4.05	\$4.64	\$17.89	\$4.36	\$1.37	\$1.36	\$1.76	\$1.74	\$5.70	\$5.63
Standard Deviation	\$3.95	\$4.04	\$7.67	\$6.36	\$6.95	\$7.10	\$26.66	\$103.83	\$26.79	\$1.10	\$1.10	\$6.58	\$6.58	\$52.77	\$52.78
10 Min Non Synch															
Unweighted Price	\$1.70	\$2.16	\$2.39	\$1.93	\$2.05	\$2.03	\$3.89	\$16.75	\$3.58	\$1.28	\$1.27	\$0.73	\$0.71	\$4.39	\$4.32
Standard Deviation	\$0.92	\$0.74	\$4.40	\$0.96	\$1.08	\$1.14	\$26.43	\$103.96	\$26.53	\$1.06	\$1.06	\$0.94	\$0.92	\$49.32	\$49.32
30 Min															
Unweighted Price	\$0.88	\$0.94	\$1.26	\$0.86	\$1.21	\$1.02	\$2.61	\$15.57	\$2.74	\$1.27	\$1.27	\$0.69	\$0.69	\$2.16	\$2.16
Standard Deviation	\$0.84	\$0.86	\$4.46	\$0.89	\$1.15	\$1.26	\$26.52	\$104.05	\$26.59	\$1.06	\$1.06	\$0.90	\$0.90	\$29.68	\$29.68
Regulation															
Unweighted Price	\$5.70	\$7.26	\$6.68	\$6.62	\$12.05	\$6.23	\$6.12	\$7.22	\$8.33	\$1.09	\$1.09	\$0.63	\$0.63	\$0.37	\$0.37
Standard Deviation	\$5.97	\$7.83	\$6.69	\$3.73	\$15.56	\$6.49	\$5.51	\$6.77	\$9.56	\$3.62	\$3.62	\$2.02	\$2.02	\$1.36	\$1.36

NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2001 - 2002



NYISO Monthly Average Ancillary Service Prices **BME * 2001 - 2002**



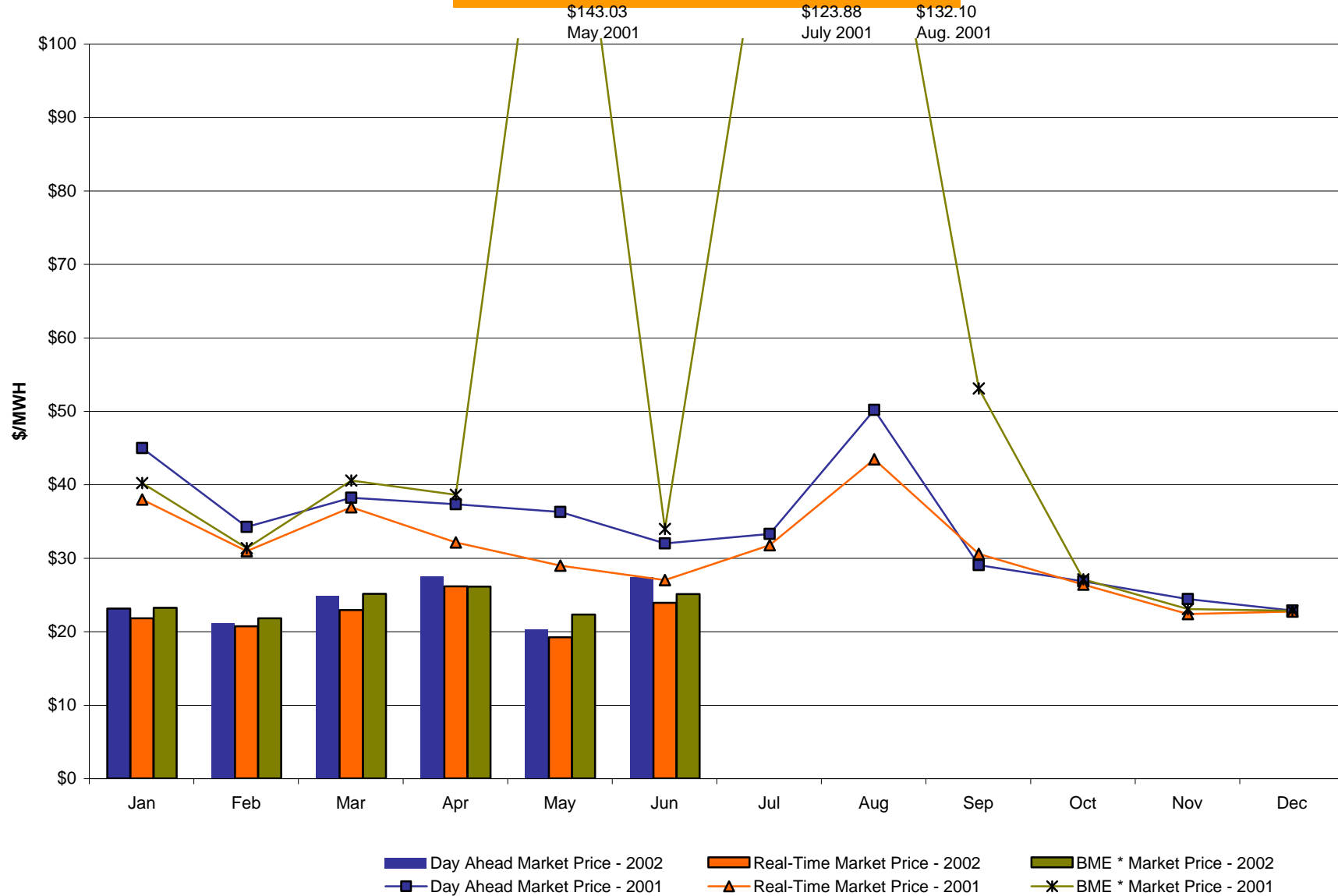
* Commonly referred to as Hour Ahead Market (HAM)

June, 2002 Zonal Statistics for NYISO (\$/MWH)

	WEST Zone A	CENTRAL Zone C	MOHAWK VALLEY Zone E	CAPITAL Zone F	HUDSON VALLEY Zone G	GENESEE Zone B	LONG ISLAND Zone K	NORTH Zone D	NEW YORK CITY Zone J	MILLWOOD Zone H	DUNWOODIE Zone I
<u>DAY AHEAD LBMP</u>											
Unweighted Price	27.37	28.57	28.85	35.62	36.47	27.55	48.46	27.69	46.79	37.27	38.04
Standard Deviation	11.12	11.70	12.00	14.10	14.56	11.36	20.56	11.42	19.55	15.05	15.48
<u>BME * LBMP</u>											
Unweighted Price	25.09	26.59	27.18	29.44	32.48	25.43	48.97	26.02	47.63	33.35	34.09
Standard Deviation	10.88	11.59	11.85	15.59	59.34	11.16	84.44	11.03	92.24	81.52	87.41
<u>REAL TIME LBMP</u>											
Unweighted Price	23.90	24.44	24.92	27.54	29.14	23.83	40.12	23.95	41.49	29.95	30.39
Standard Deviation	12.33	12.78	13.12	14.57	17.28	12.43	22.55	12.63	22.05	18.89	19.21

	HYDRO QUEBEC Zone M	NEW ENGLAND Zone N	ONTARIO HYDRO Zone O	PJM Zone P
<u>DAY AHEAD LBMP</u>				
Unweighted Price	27.36	35.69	26.73	28.97
Standard Deviation	10.63	14.15	10.79	12.58
<u>BME * LBMP</u>				
Unweighted Price	25.49	29.91	22.74	27.83
Standard Deviation	10.69	39.47	39.62	38.40
<u>REAL TIME LBMP</u>				
Unweighted Price	23.84	27.22	22.19	26.06
Standard Deviation	11.96	15.15	40.18	38.80

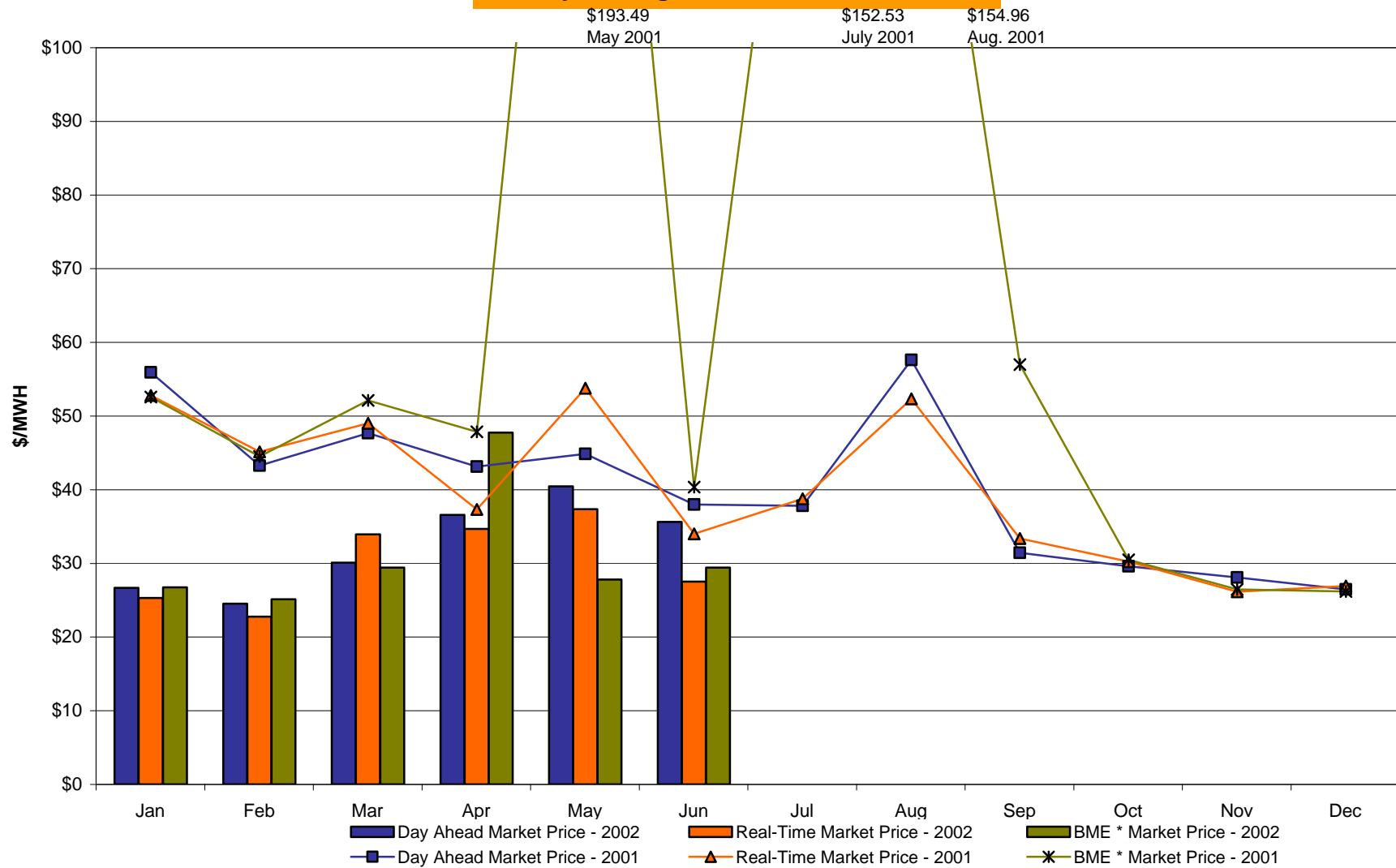
West Zone A **Monthly Average LBMP Prices 2001 - 2002**



* Commonly referred to as Hour Ahead Market (HAM)

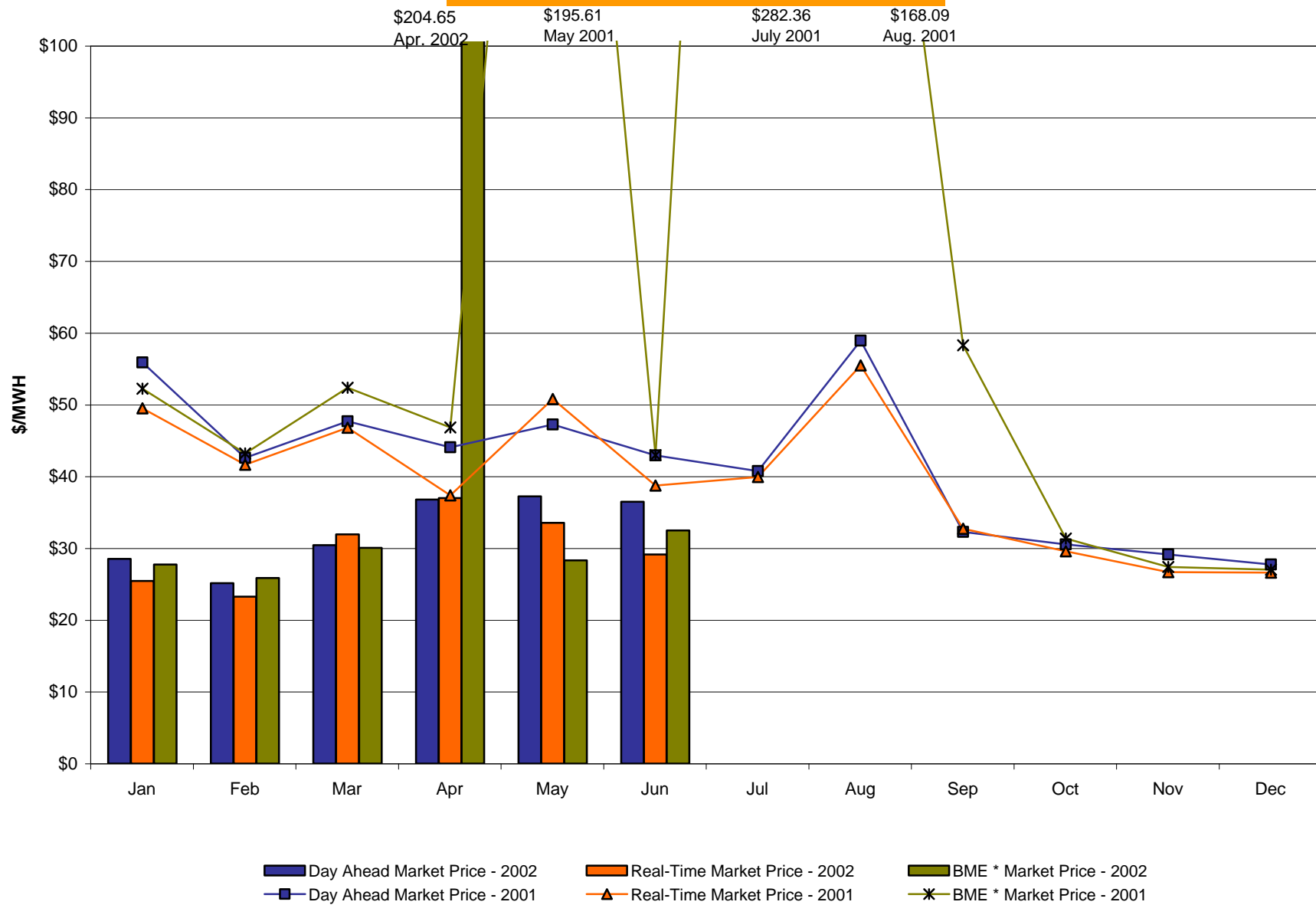
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Capital Zone F **Monthly Average LBMP Prices 2001 - 2002**



* Commonly referred to as Hour Ahead Market (HAM)
 4-N

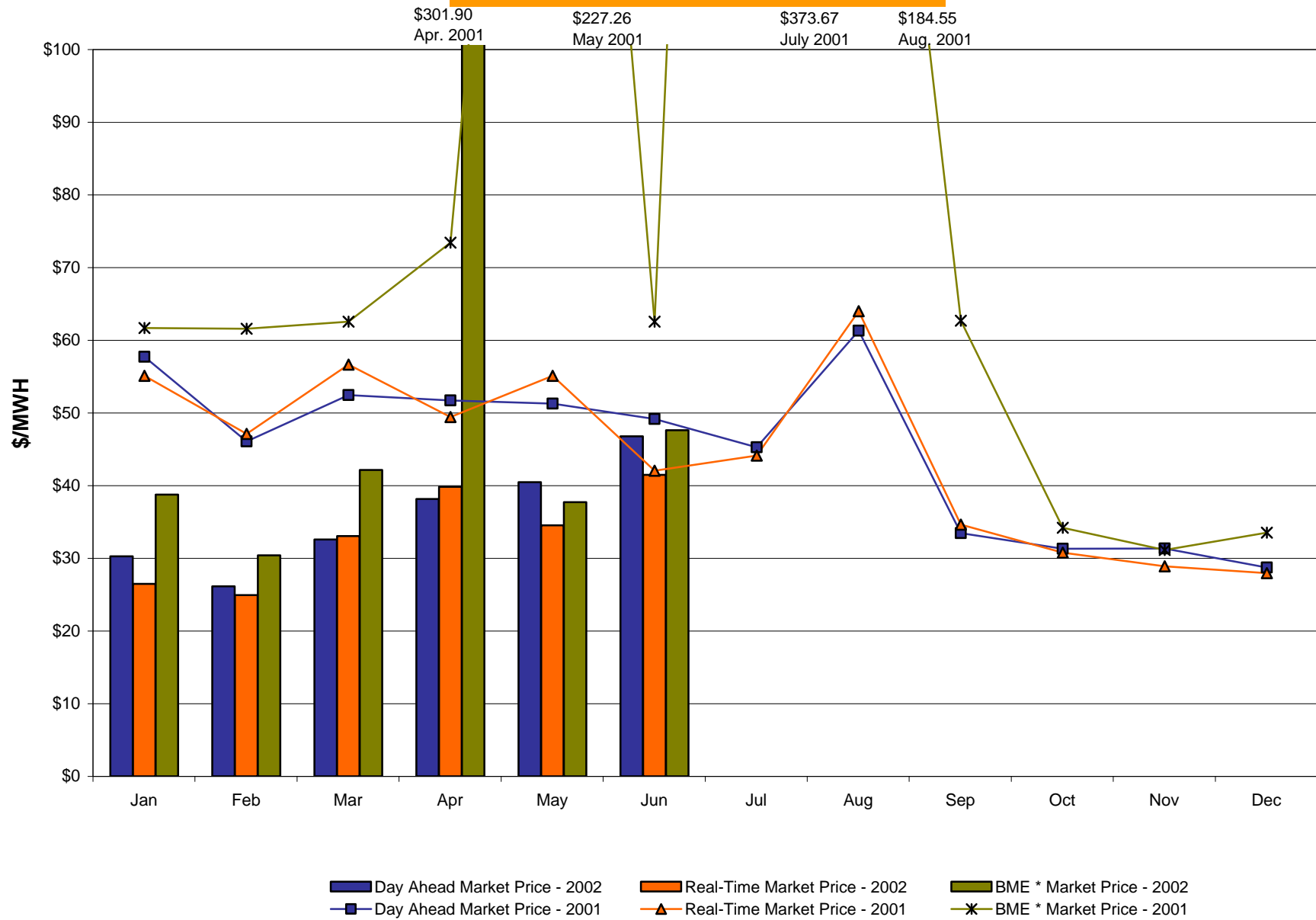
Hudson Valley Zone G **Monthly Average LBMP Prices 2001 - 2002**



* Commonly referred to as Hour Ahead Market (HAM)

4-J

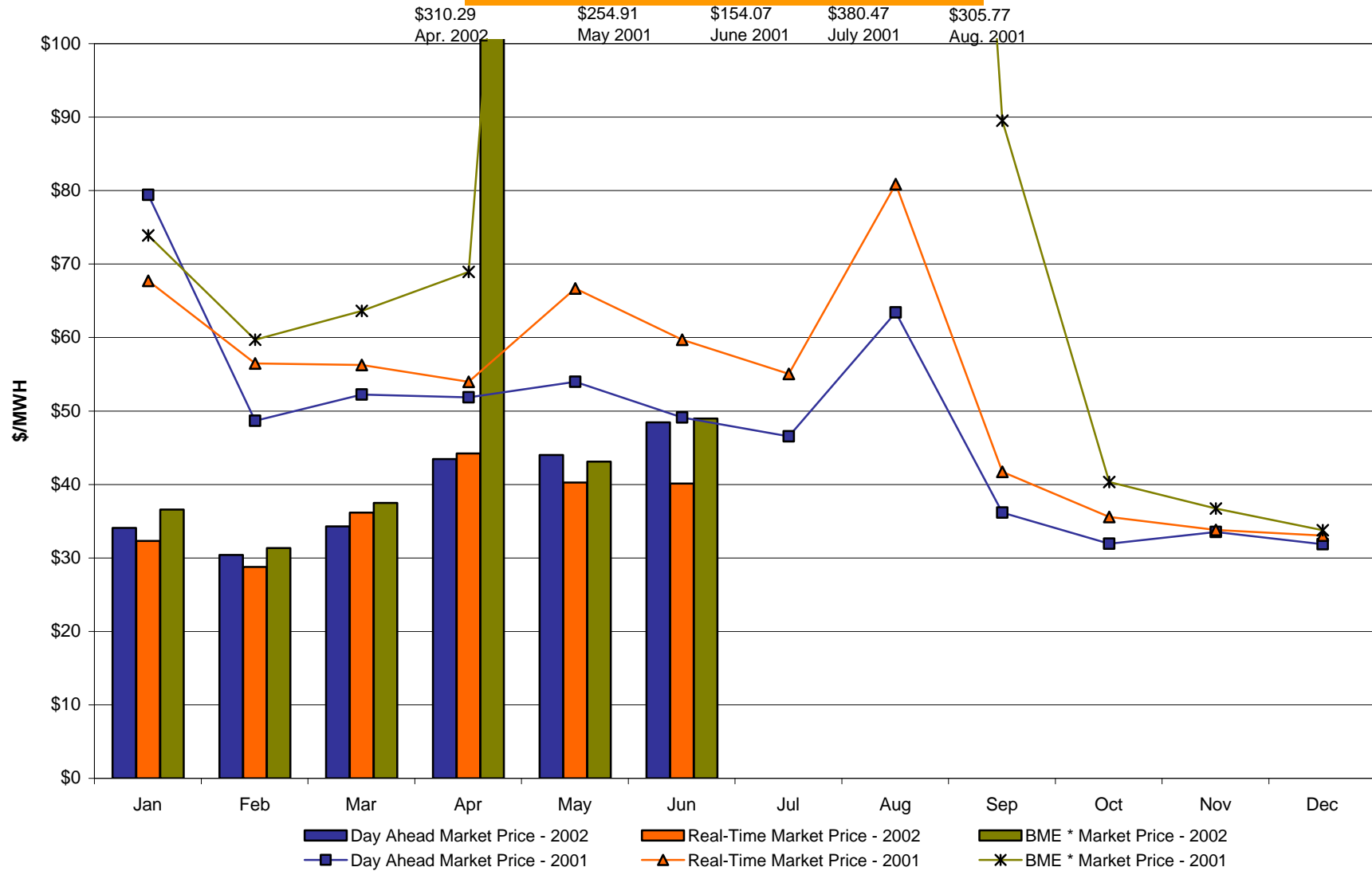
NYC Zone J **Monthly Average LBMP Prices 2001 - 2002**



* Commonly referred to as Hour Ahead Market (HAM)

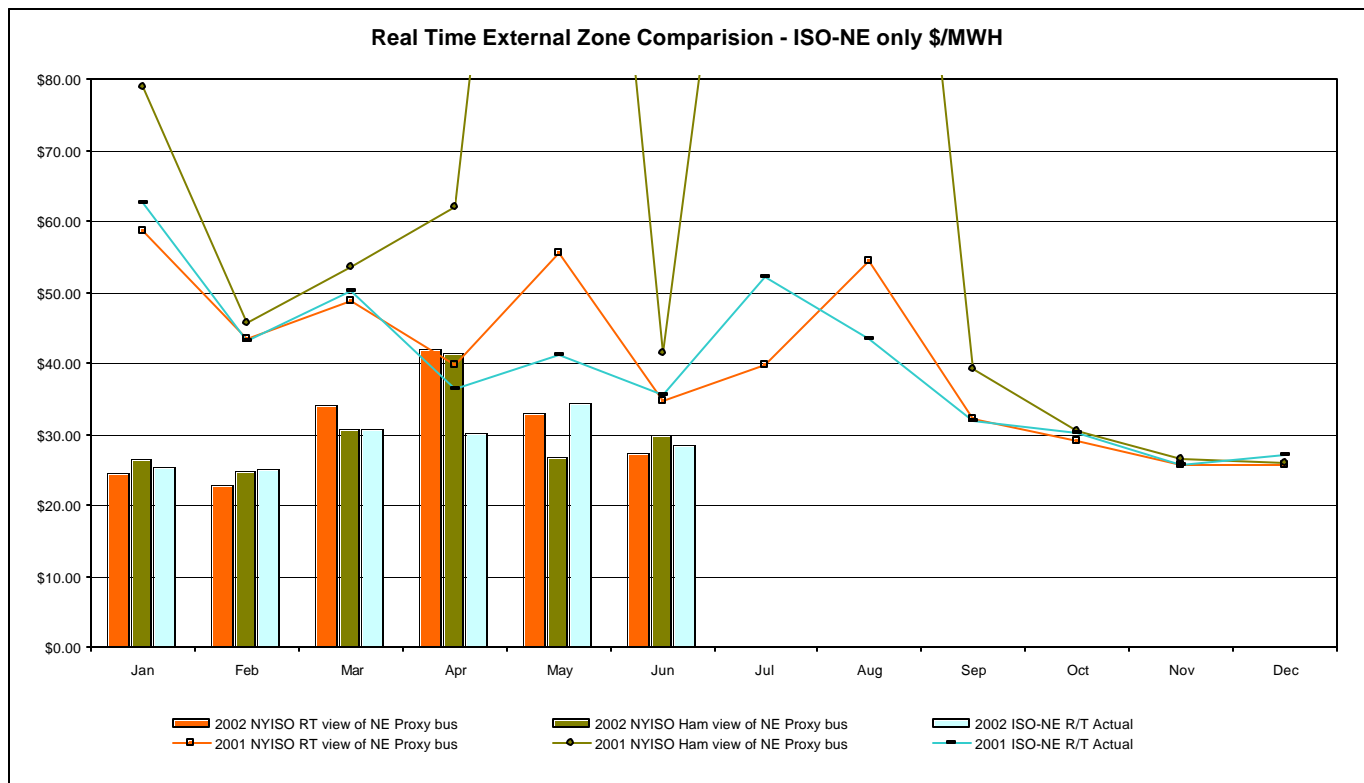
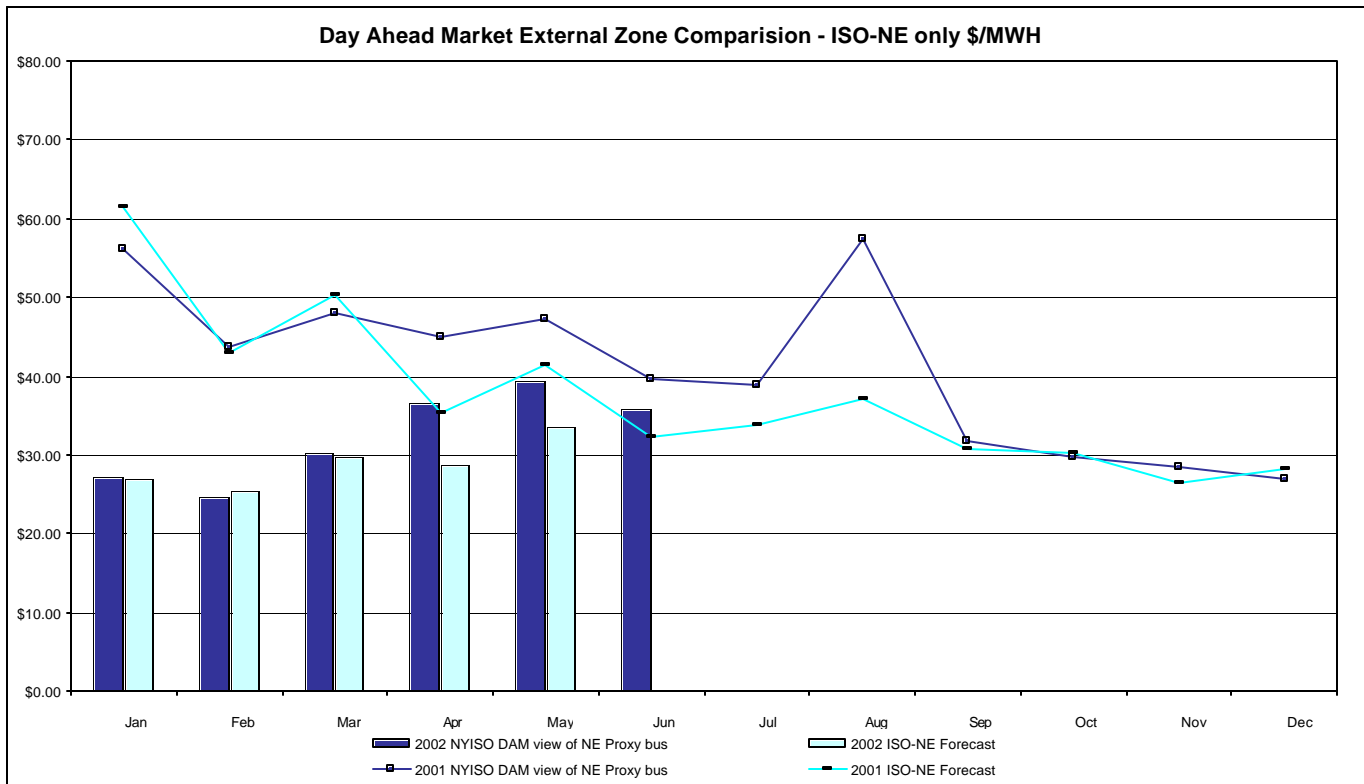
4-K

Long Island Zone K Monthly Average LBMP Prices 2001 - 2002



* Commonly referred to as Hour Ahead Market (HAM)
4-M

External Comparision ISO-NE



Note:

ISO-NE Forecast is an advisory posting @ 18:00 day before

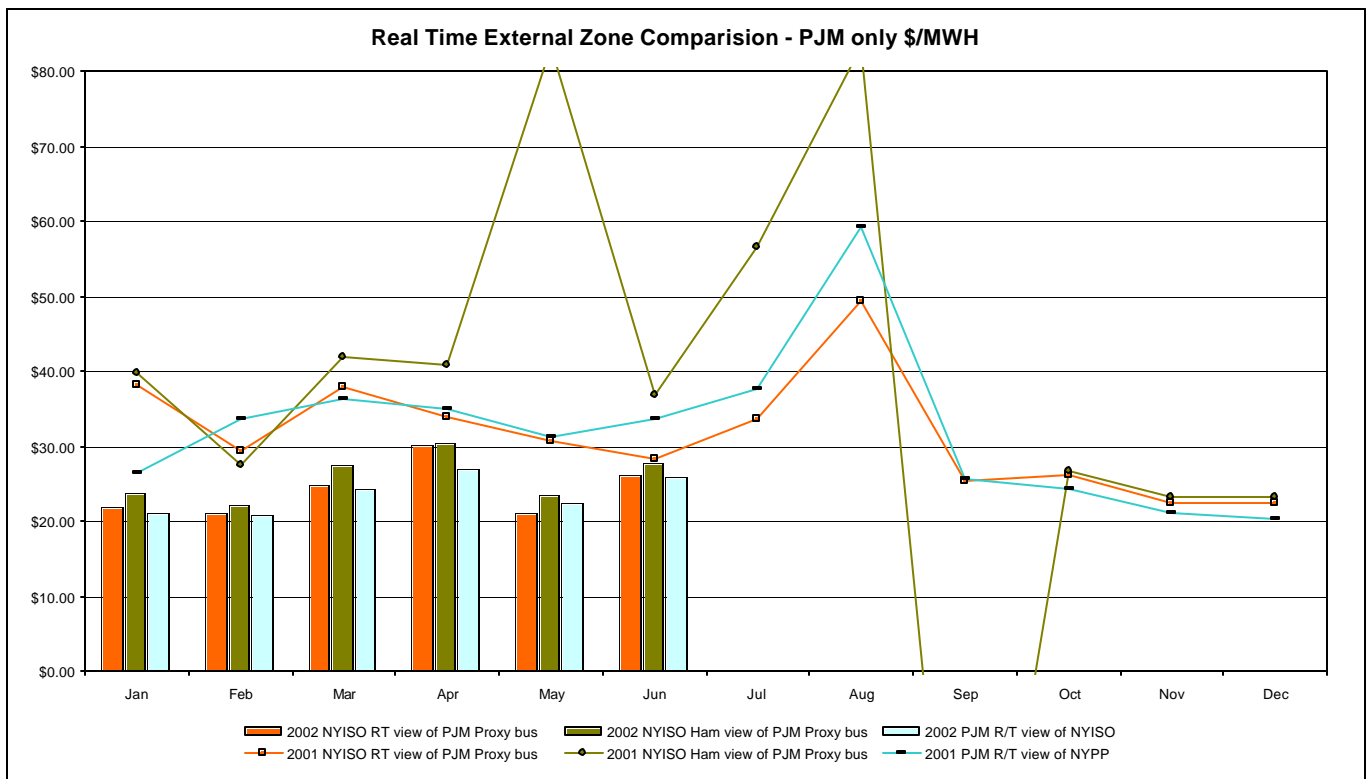
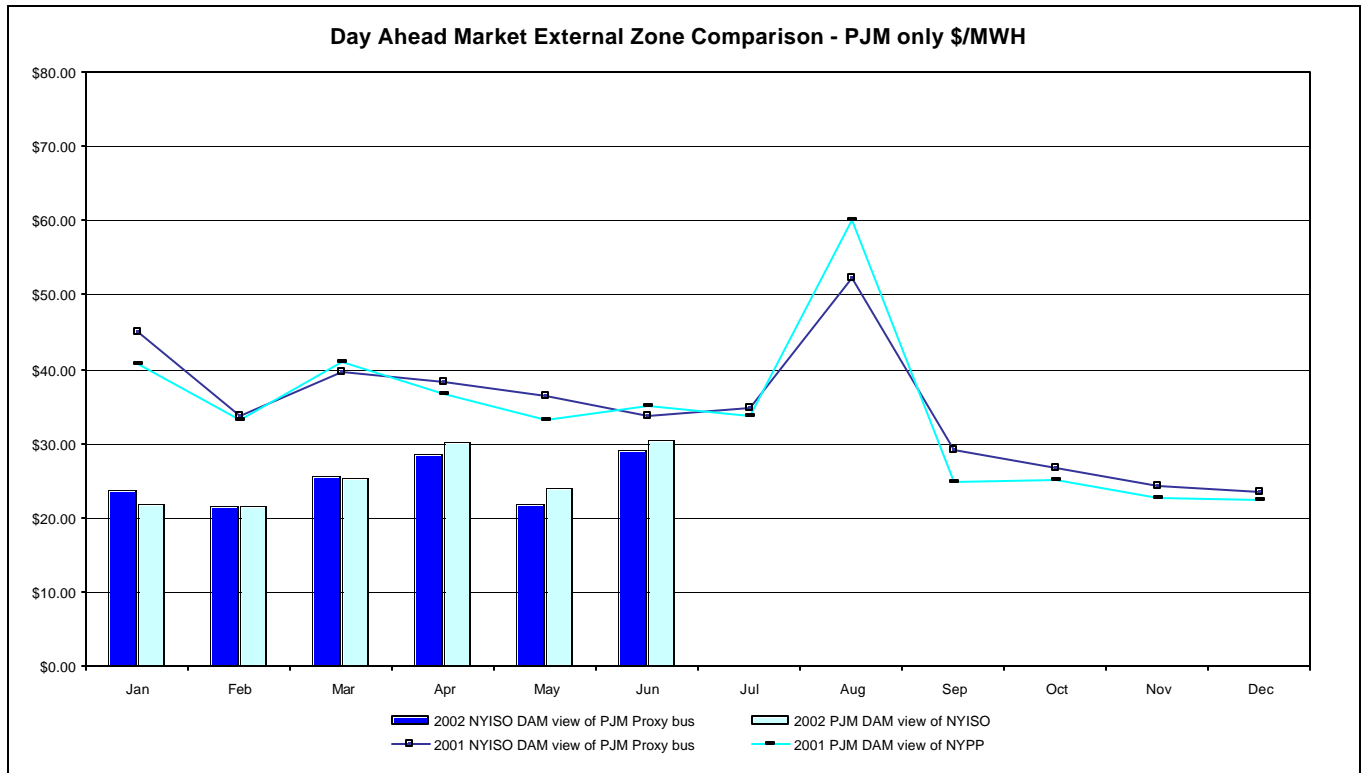
ISO-NE Monthly Average Forecast for 6/02 is not yet available

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7/9/2002 11:42 AM

Market Monitoring

External Comparison PJM



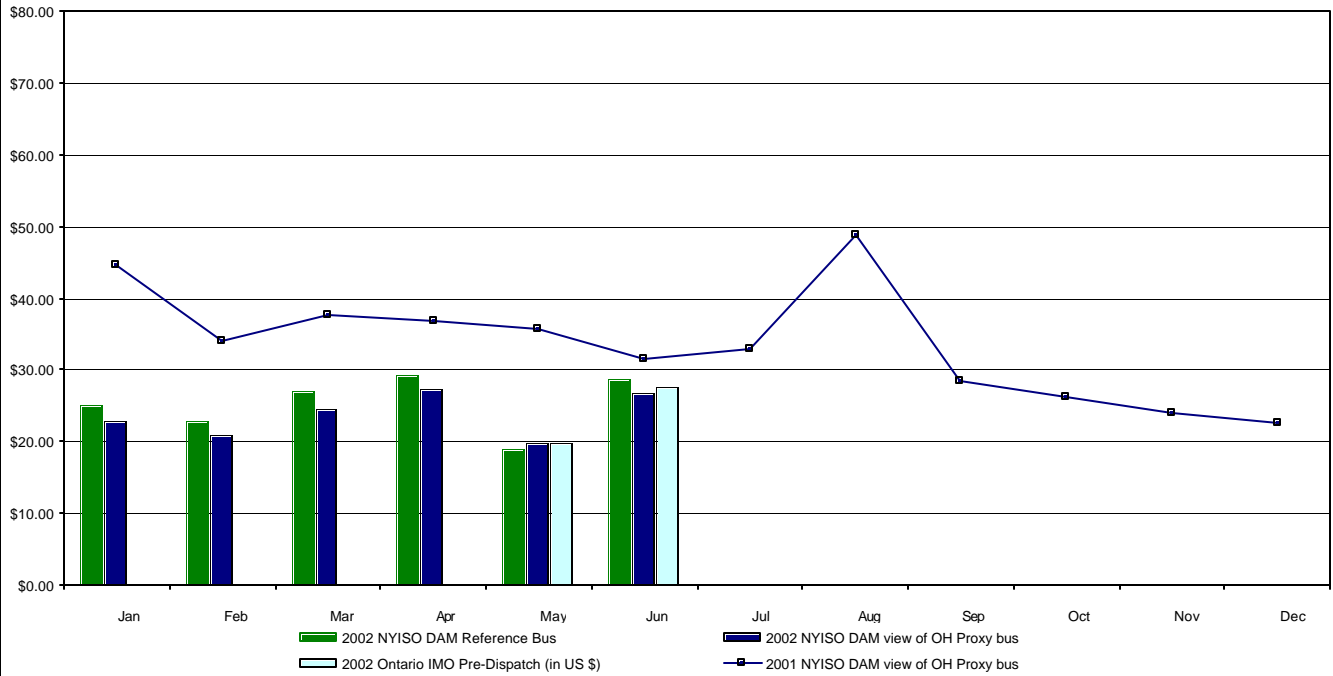
Note:

After 4/1/01 PJM consolidated NYPP-E and NYPP-W interfaces

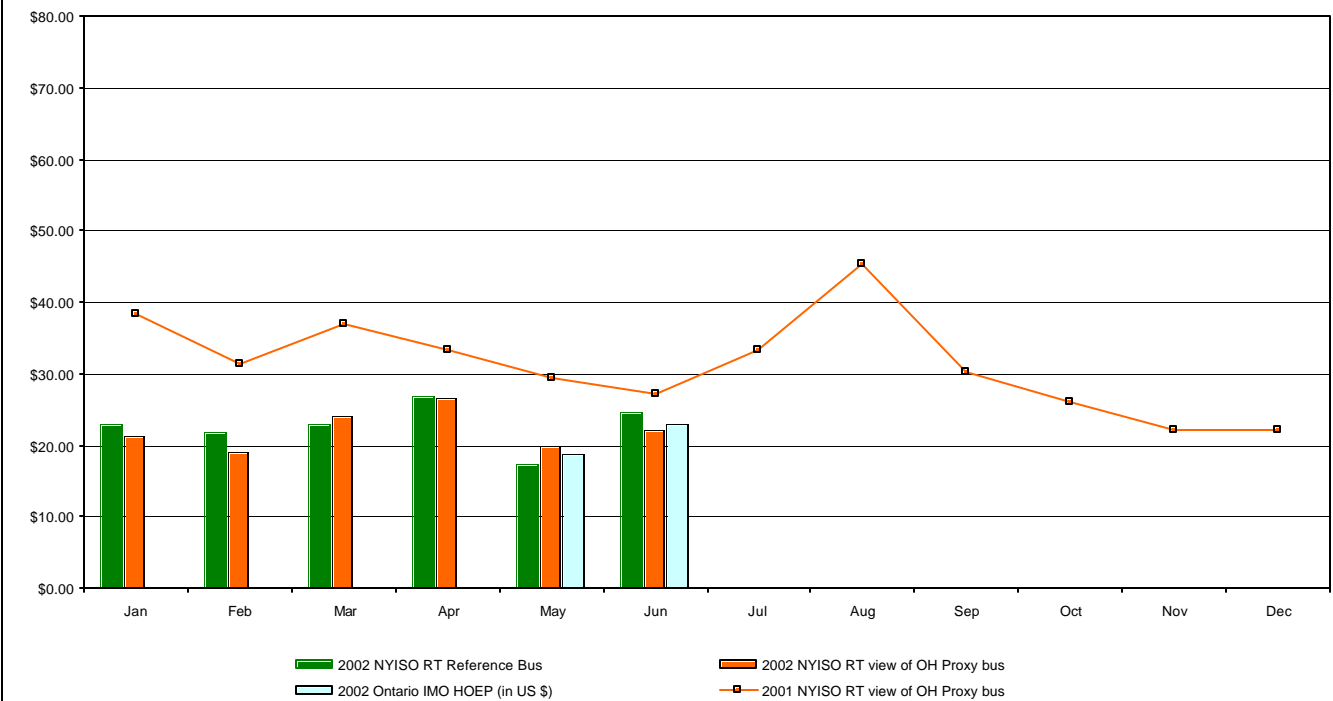
After 5/1/02 PJM lists only one interface as NYIS

External Comparision Ontario IMO

Day Ahead Market External Zone Comparision - Ontario IMO only \$/MWH



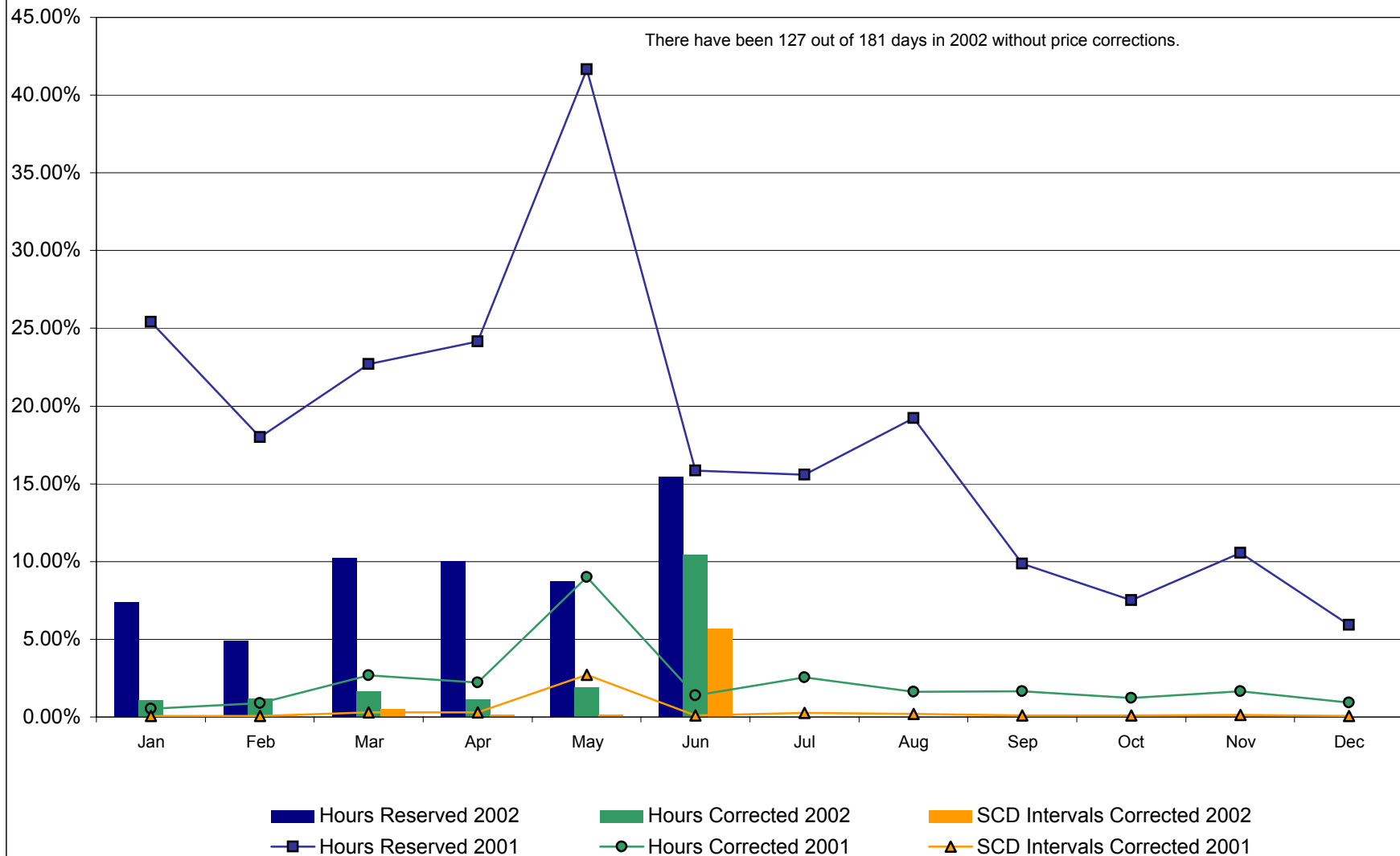
Real Time External Zone Comparision - Ontario IMO only \$/MWH



Notes: Exchange factor used for June 2002 was .6530 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

4-Q

Percentage of Real-Time Corrections



NYISO Price Correction Statistics

NYISO Price Corrections 2002

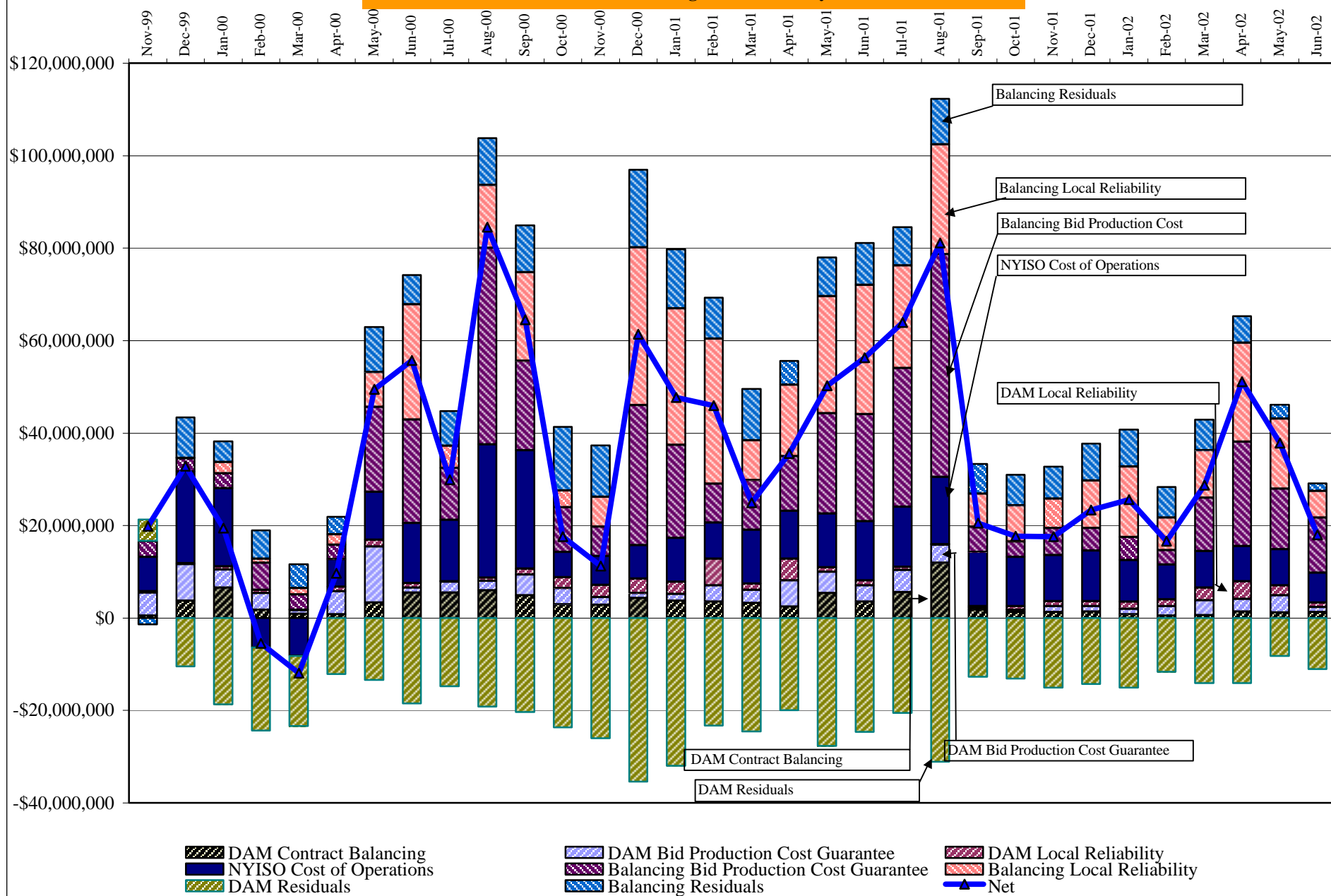
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	12	11	55	13	16	616						
Number of Intervals in the month	11,129	10,111	11,231	11,075	11,330	10,845						
Percentage of intervals corrected in the month	0.11%	0.11%	0.49%	0.12%	0.14%	5.68%						
Number of Intervals corrected Year-to-date	12	23	78	91	107	723						
Number of Intervals Year-to-date	11,129	21,240	32,471	43,546	54,876	65,721						
Percentage of intervals corrected Year-to-date	0.11%	0.11%	0.24%	0.21%	0.19%	1.10%						
<u>Hours Reserved</u>												
Number of hours reserved in the month	55	33	76	72	65	111						
Number of hours in the month	744	672	744	720	744	720						
Percentage of hours reserved in the month	7.26%	4.91%	10.22%	10.00%	8.74%	15.42%						
Number of hours reserved Year-to-date	55	88	164	236	301	412						
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344						
Percentage of hours reserved Year-to-date	7.26%	6.14%	7.55%	8.16%	8.31%	9.48%						
<u>Hours Corrected</u>												
Number of hours corrected in the month	8	8	12	8	14	75						
Number of hours in the month	744	672	744	720	744	720						
Percentage of hours corrected in the month	1.08%	1.19%	1.61%	1.11%	1.88%	10.42%						
Number of hours corrected Year-to-date	8	16	28	36	50	125						
Number of hours Year-to-date	744	1416	2160	2880	3624	4344						
Percentage of hours corrected Year-to-date	1.08%	1.13%	1.30%	1.25%	1.38%	2.88%						
<u>Days Without Corrections</u>												
Days without price corrections in the month	25	20	27	23	20	12						
Days without price corrections Year-to-date	25	45	72	95	115	127						

NYISO Price Corrections 2001

<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	6	8	32	34	303	11	30	24	12	13	13	9
Number of Intervals in the month	11,002	9,946	11,062	10,835	11,193	10,838	11,246	11,496	11,032	11,352	10,803	11,318
Percentage of intervals corrected in the month	0.05%	0.08%	0.29%	0.31%	2.71%	0.10%	0.27%	0.21%	0.11%	0.11%	0.12%	0.08%
Number of Intervals corrected Year-to-date	6	14	46	80	383	394	424	448	460	473	486	495
Number of Intervals Year-to-date	11,002	20,948	32,010	42,845	54,038	64,876	76,122	87,618	98,650	110,002	120,805	132,123
Percentage of intervals corrected Year-to-date	0.05%	0.07%	0.14%	0.19%	0.71%	0.61%	0.56%	0.51%	0.47%	0.43%	0.40%	0.37%
<u>Hours Reserved</u>												
Percentage of hours reserved in the month	25.4%	18.0%	22.7%	24.2%	41.7%	15.8%	15.6%	19.2%	9.9%	7.5%	10.6%	5.9%
Percentage of hours reserved Year-to-date	25.4%	21.9%	22.2%	22.7%	26.6%	24.8%	23.5%	22.9%	21.5%	20.1%	19.2%	18.1%

NYISO Dollar Flows - Uplift - OATT Schedule 1 components

June data through 6/23/2002 only



NYISO Dollar Flows – Uplift – OATT Schedule 1 components

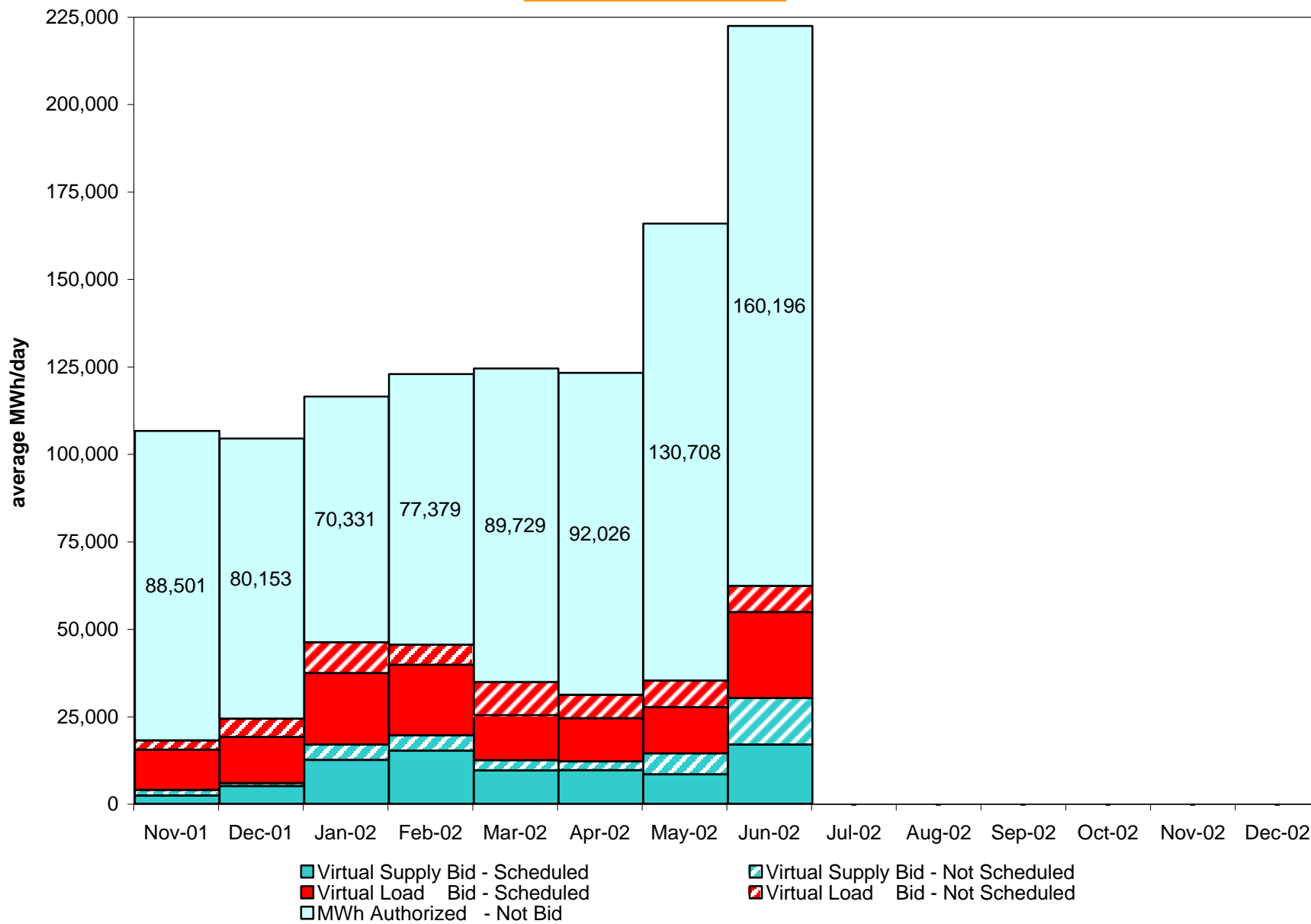
Billing Codes used in Chart 4-T

<u>Chart 4-T Category Name</u>	<u>Billing Code</u>	<u>Billing Category Name</u>
DAM Local Reliability	810	NYCA DAM Local Reliability Bid Production Cost Guarantee
Balancing Local Reliability	810	NYCA Balancing Local Reliability Bid Production Cost Guarantee
DAM Bid Produciton Cost Guarantee	812	Non-NYCA DAM Bid Production Cost Guarantee - External Units
DAM Bid Produciton Cost Guarantee	812	Non-NYCA DAM Bid Production Cost Guarantee - Internal Units
DAM Bid Produciton Cost Guarantee	812	NYCA DAM Bid Production Cost Guarantee - External Units
DAM Bid Produciton Cost Guarantee	812	NYCA DAM Bid Production Cost Guarantee - Internal Units
Balancing Bid Produciton Cost Guarantee	812	Non-NYCA Balancing Bid Production Cost Guarantee - External Units
Balancing Bid Produciton Cost Guarantee	812	Non-NYCA Balancing Bid Production Cost Guarantee - Internal Units
Balancing Bid Produciton Cost Guarantee	812	NYCA Balancing Bid Production Cost Guarantee - External Units
Balancing Bid Produciton Cost Guarantee	812	NYCA Balancing Bid Production Cost Guarantee - Internal Units
Balancing Bid Produciton Cost Guarantee	813	Non-NYCA Balancing Market Congestion Balancing
Balancing Bid Produciton Cost Guarantee	813	NYCA Balancing Market Congestion Balancing
DAM Residuals	813	Non-NYCA Day Ahead Market Energy Residual
DAM Residuals	813	Non-NYCA Day Ahead Market Loss Residual
DAM Residuals	813	NYCA Day Ahead Market Energy Residual
DAM Residuals	813	NYCA Day Ahead Market Loss Residual
Balancing Residuals	813	Non-NYCA Balancing Market Energy Residual
Balancing Residuals	813	Non-NYCA Balancing Market Loss Residual
Balancing Residuals	813	Non-NYCA Emergency Energy Purchases
Balancing Residuals	813	Non-NYCA Emergency Energy Sales
Balancing Residuals	813	NYCA Balancing Market Energy Residual
Balancing Residuals	813	NYCA Balancing Market Loss Residual
Balancing Residuals	813	NYCA Emergency Energy Purchases
Balancing Residuals	813	NYCA Emergency Energy Sales
DAM Contract Balancing	812	Non-NYCA DAM Contract Balancing
DAM Contract Balancing	812	NYCA DAM Contract Balancing
NYISO Cost of Operations	809	Non-NYCA NYISO Cost Of Operations
NYISO Cost of Operations	809	NYCA NYISO Cost Of Operations

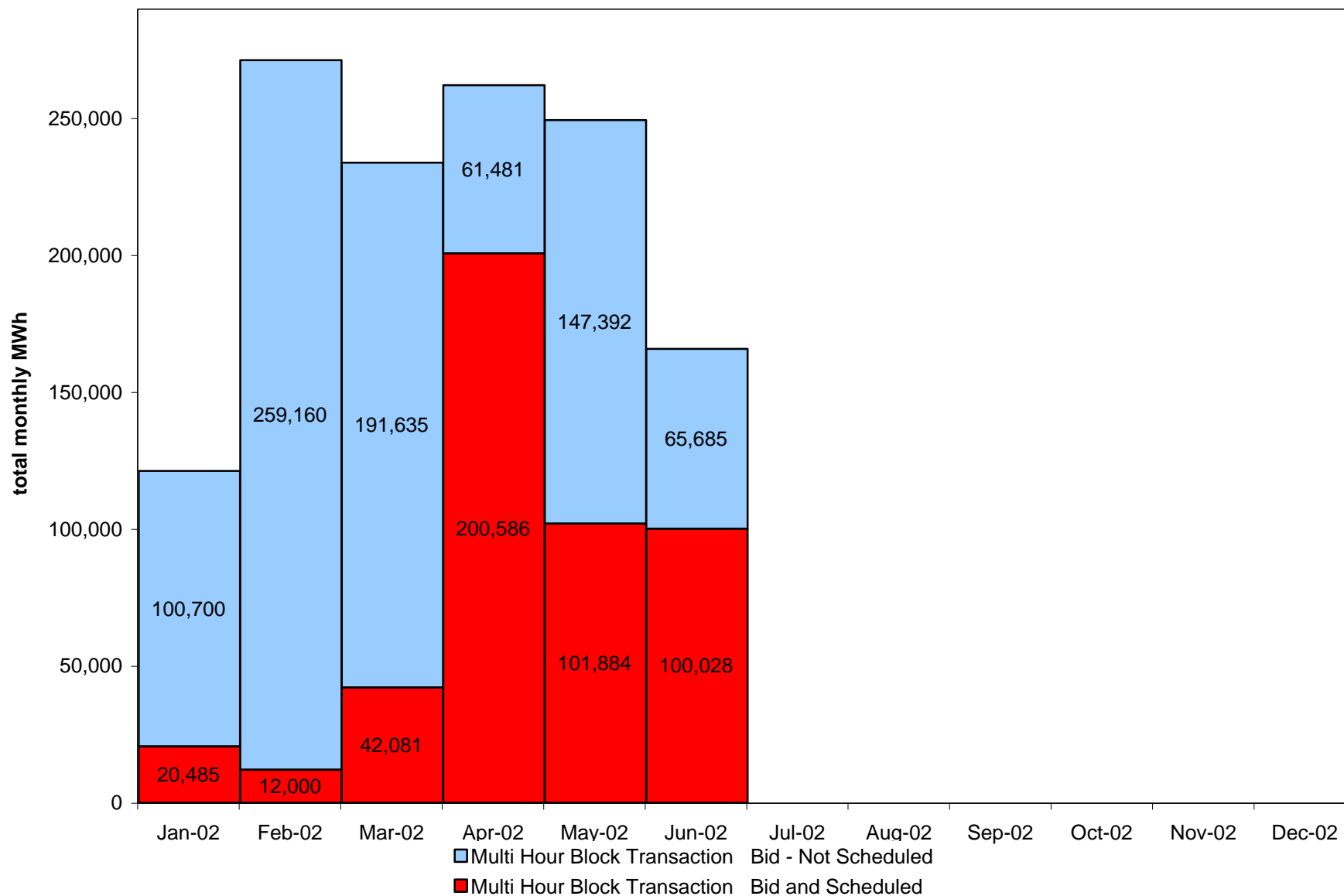
Useful definitions:

- **DAM Contract Balancing:** Payment to make units whole for being dispatched below their day-ahead schedule out of merit.
- **Residuals:** Revenues returned to the customer due to the under or over collections of funds. On this chart negative are monies returned to the transmission customer (via Transmission Owner's TSC).

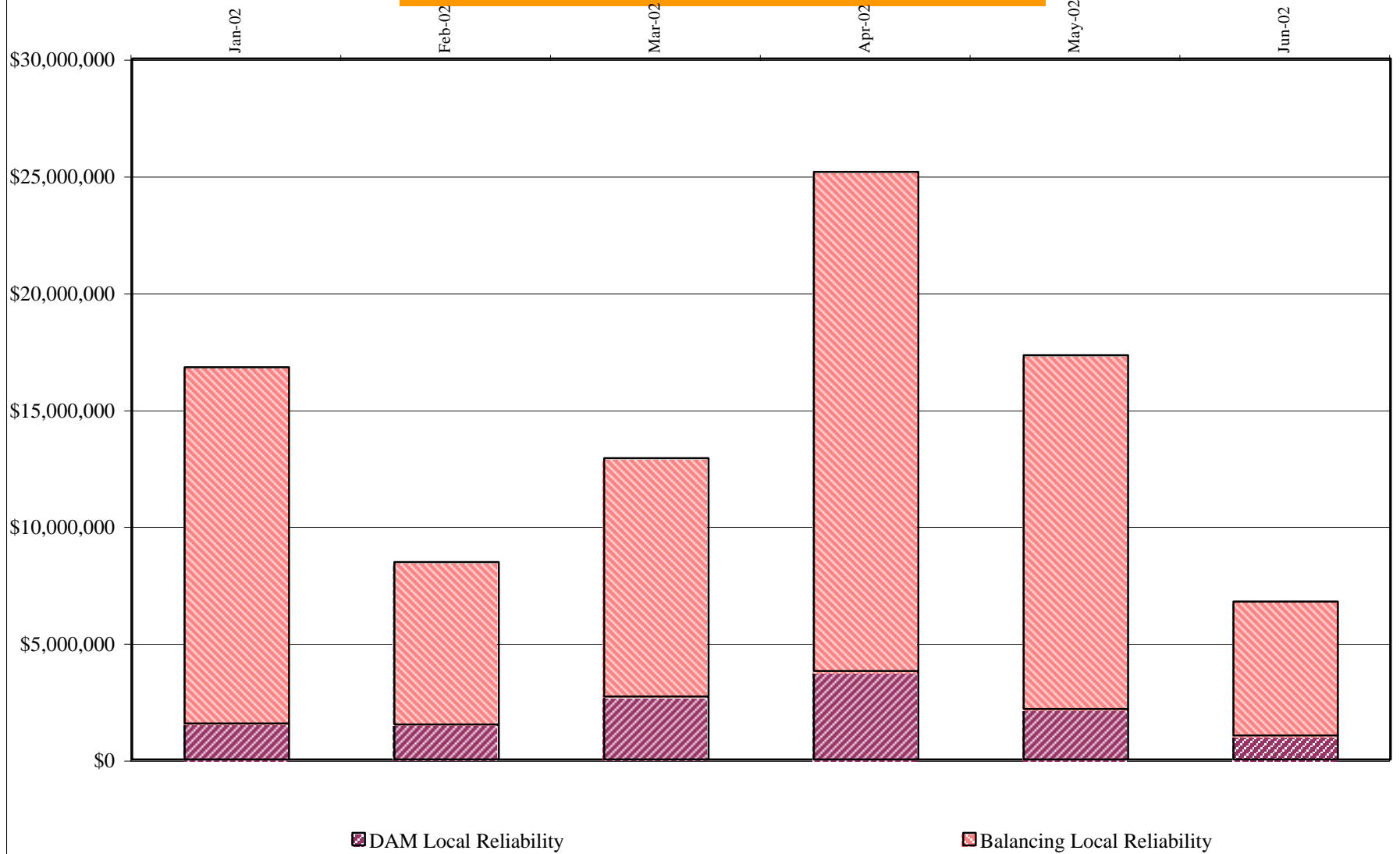
NYISO Virtual Trading Average MWh per day



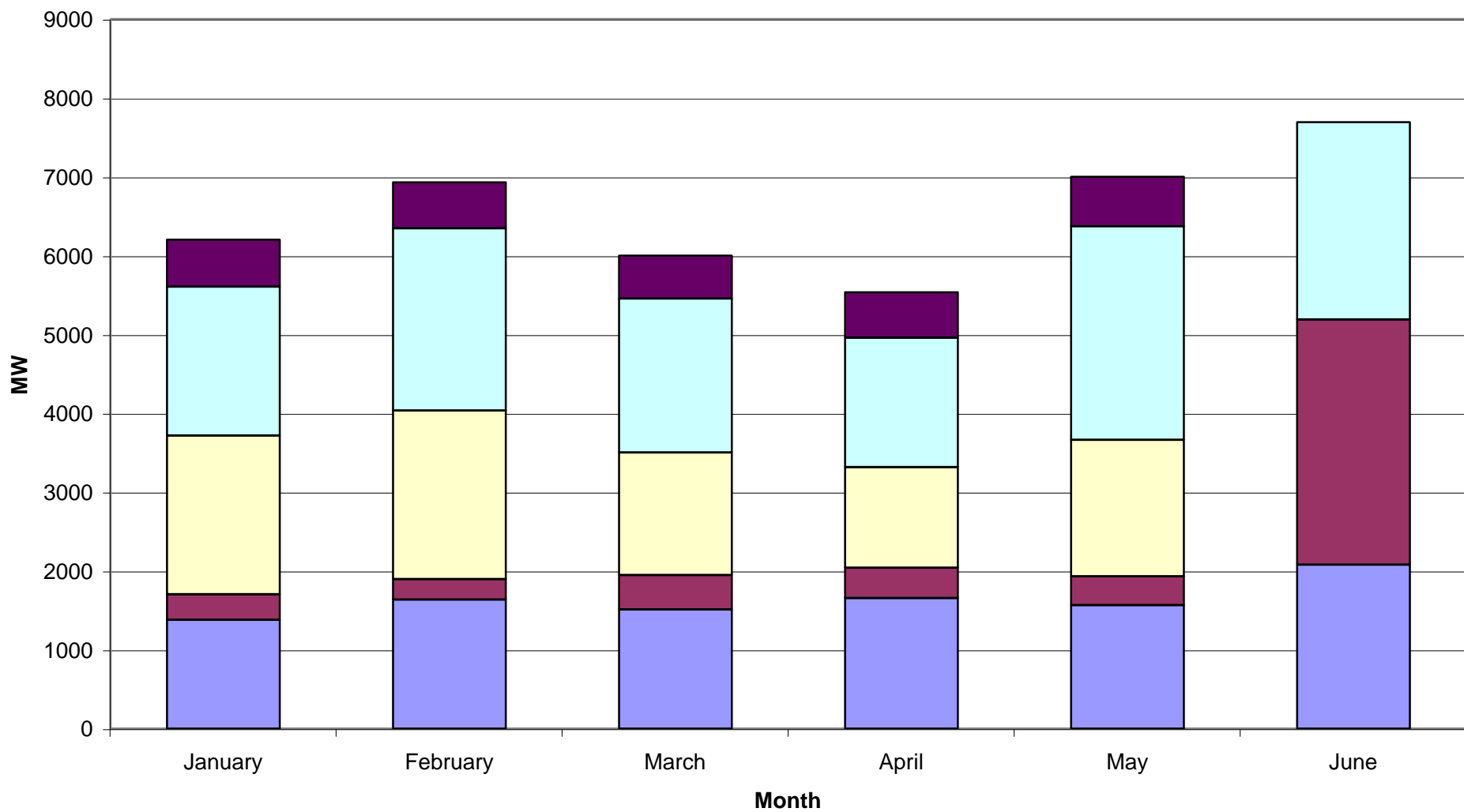
NYISO Multi Hour Block Transactions Monthly Total MWh



NYISO Dollar Flows - Uplift - OATT Schedule 1 components
Through 6/23/02

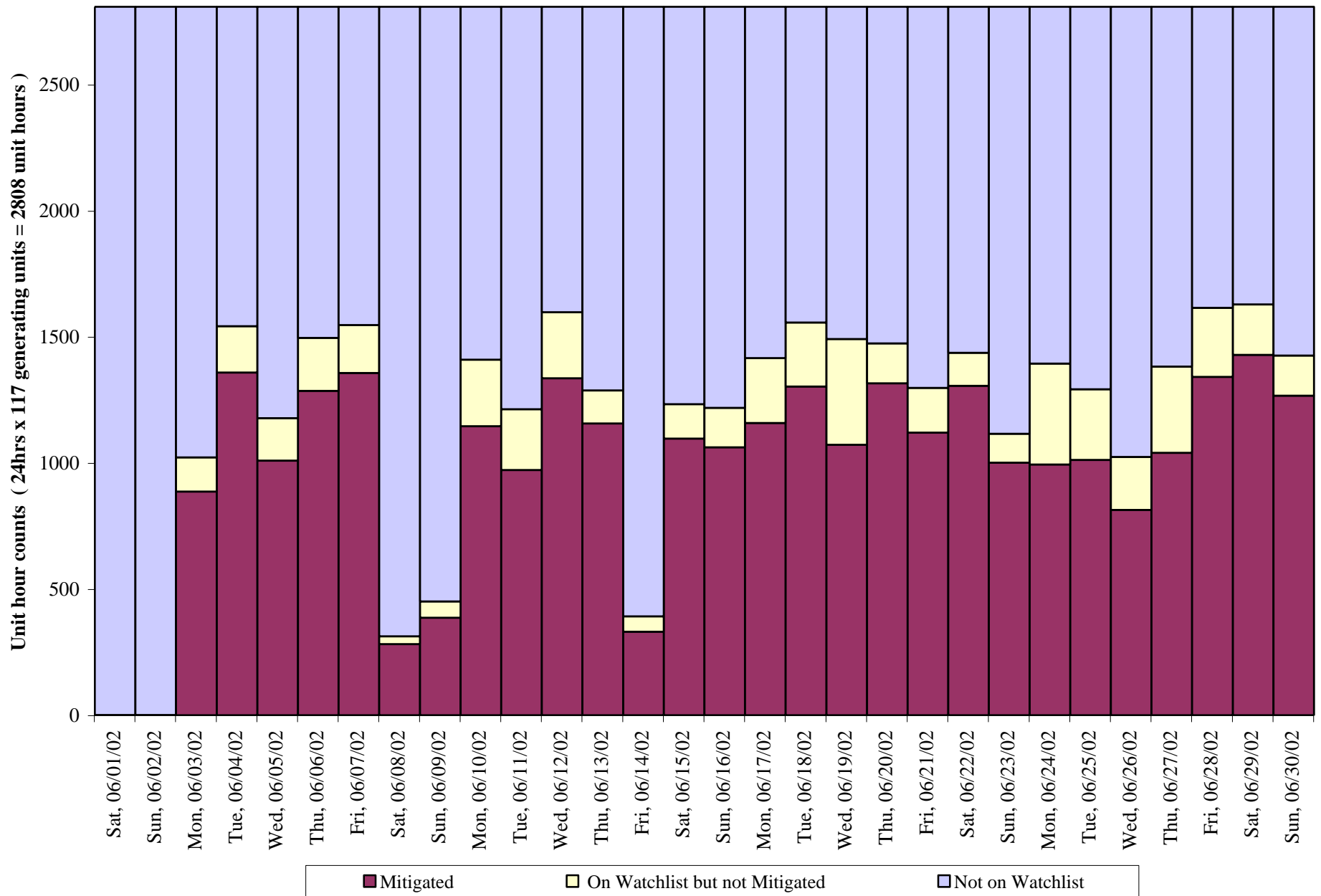


In-City Mitigation Measure for Total MW Bid in DAM Daily Average by Month for 2002

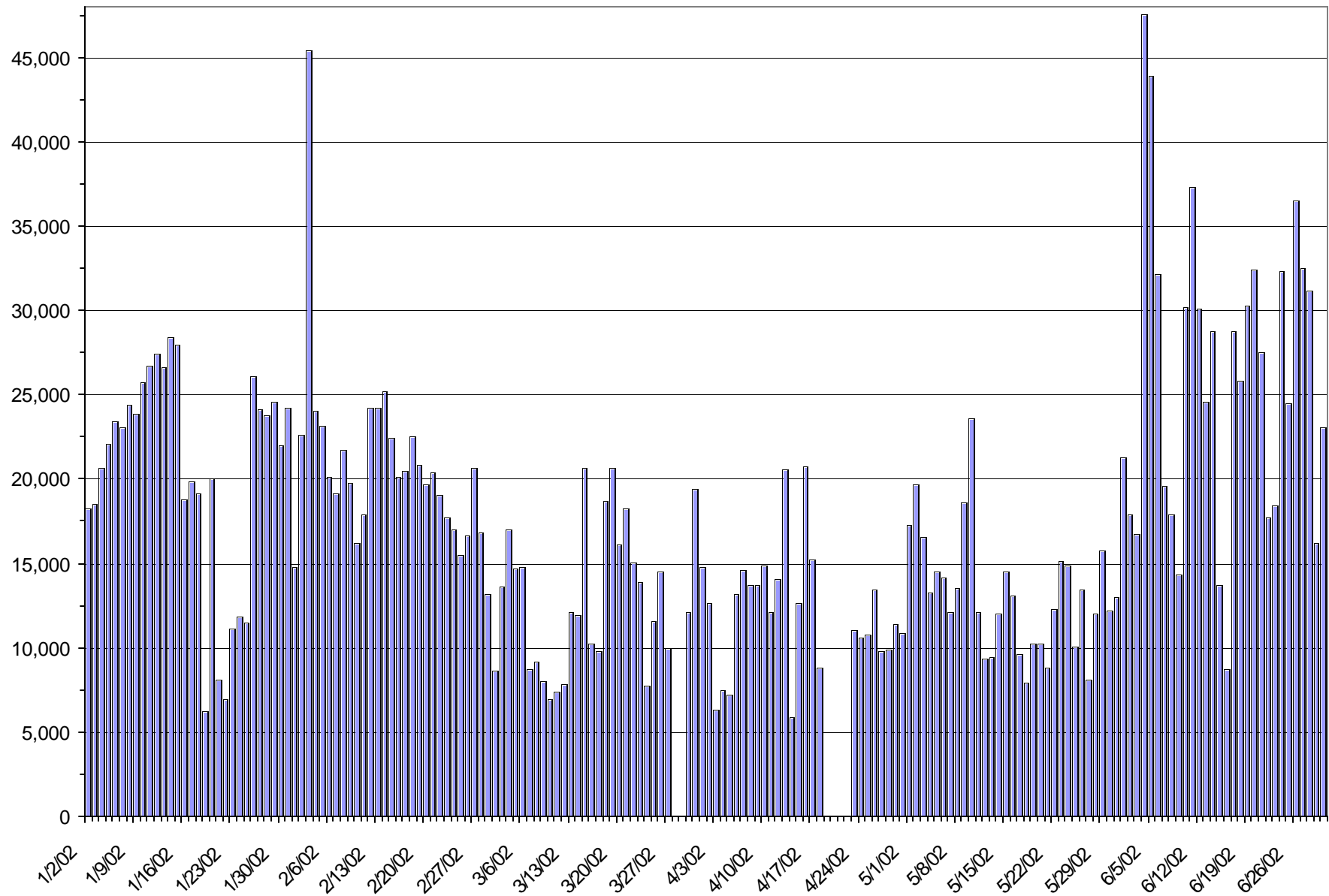


Committed, Subject to Mitigation, Mitigated	Committed, Subject to Mitigation, Not Mitigated	Committed, Not Subject to Mitigation
Not Committed, Subject to Mitigation	Not Committed, Not Subject to Mitigation	

Real Time NYC Load Pocket Mitigation - June 2002



Virtual Load - Scheduled MWHs



Enron Default Update

ENRON CHRONOLOGY:

With the issuance of the May 2000 final invoice in June, Enron was backcharged approximately \$5 Million. We have researched the issue and have determined that the backcharge is related to incorrect congestion rent calculations in May of 2000, and, in fact, Enron will be backcharged an additional \$5 Million with the issuance of the June 2000 final invoice.

Given Enron's bankruptcy, that creates a \$10M loss exposure for the New York Market.

NYISO staff is performing a comprehensive review of the related events leading to the issuance of these backcharges, but we have not yet completed that review.

New York Independent System Operator

Enron Default Update (*cont'd...*)

Here are the facts as we know them:

- In the Spring of 2000, during the NYISO's initial TCC Auction following the start of operations, Enron bid on and was awarded certain TCC's.
- The TCC's that they bought were at electrically identical points on the system. In other words, the point of injection and point of withdrawal were effectively the same. More specifically, they bought TCC's where the point of injection, and point of withdrawal were between individual GT's at a given location and the grouped GT at the very same location.

Enron Default Update (*cont'd...*)

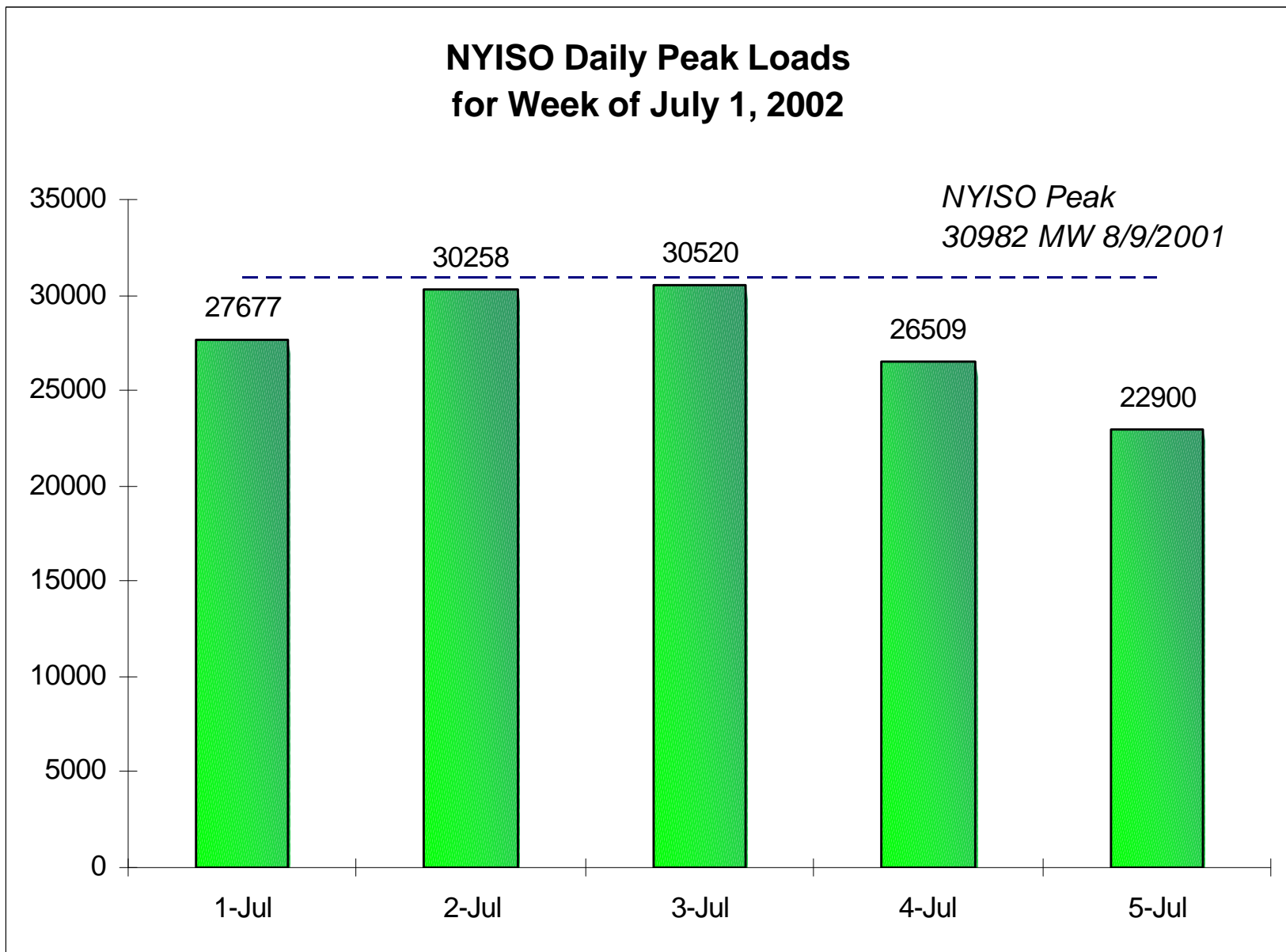
- The LBMP calculations for these points should have been the same, resulting in “0” congestion between these points. Unfortunately, the LBMP for the grouped units was being calculated as “0” where each of the individual GT’s had a specific LBMP \$ calculation associated with them (all the same).
- The “0” LBMP calculation for the grouped GT resulted in apparent congestion between the individual GT’s and the grouped GT and resulted in a congestion payments to ENRON for the TCC’s they purchased.

Enron Default Update (*cont'd...*)

- NYISO staff discovered the problem quickly, and in June of 2000 made the appropriate LBMP calculation coding corrections so that the problem did not occur on a “going forward” basis; i.e. subsequent to June 2000.
- A request was also made to correct the LBMP calculations in May 2000 and June 2000 so that the bills that had already been issued could be corrected.
- The correction for the LBMP calculations in May and June of 2000 was not made until November 2001, and, as a result, Enron was not backcharged until the recently issued May 2000 final invoice.

Enron Default Update (*cont'd...*)

- This issue was reviewed with the Board at its June meeting, and the Board has directed staff to immediately retain KPMG to provide an independent assessment of all outstanding billing issues, including the magnitude of the exposure and the parties involved.
- Additionally, KPMG has been requested to review our current processes for identifying, tracking and resolving billing issues and to make recommendations for improving the process where possible.



New York Independent System Operator

Peak Week of 7/1 thru 7/5

- Loads higher than forecast due to high temps & humidity.
- Load relief measures (i.e. EDRP, Volt Reduction) not needed.
- Daily TO and NPCC conference calls for coordinated Operations.
- Various TO's elected to implement load reduction programs.
- IMO & ISO-NE operating with little margin.

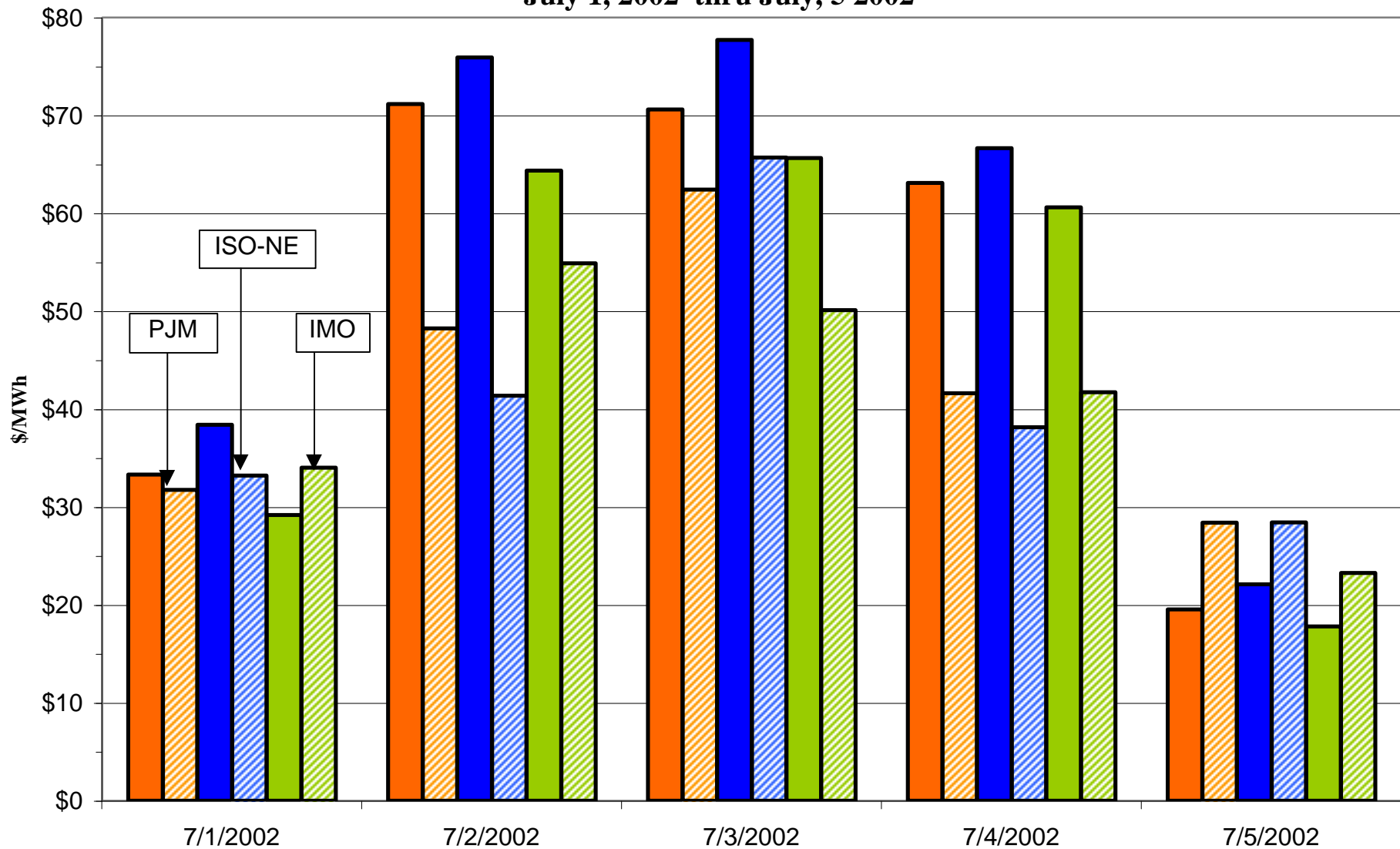
Tuesday, 7/2/02

- Forecast operating margin of 1,600 MW with an in-day forecast load of 30,360 MW.
- 30 minute Operation Reserve maintained.
- 10 minute sync reserve shortage for 1 hour following loss of 500 MW imports.

Wednesday, 7/3/02

- Peak of 30,520 MW for HB 16.
- Forecast operating margin of 1,600 MW with an in-day forecast load of 30,726 MW.
- All categories of Operating Reserve maintained.

Real Time Daily Average Price at NYISO Interfaces **July 1, 2002 thru July, 5 2002**



- | | |
|------------------------------------|--------------------------------|
| NYISO RT LBMP of PJM interface | PJM RT view of NYISO |
| NYISO RT LBMP of ISO-NE interface | ISO-NE RT |
| NYISO RT LBMP of Ontario interface | Ontario IMO RT (in US\$) @1.53 |

Real Time Hourly Analysis (1 July thru 5 July 2002) Comparing Ontario IMO, PJM, and ISO-NE To NYISO

