
NYISO President's Report

*Management Committee
Meeting/Teleconference
August 3, 2004*

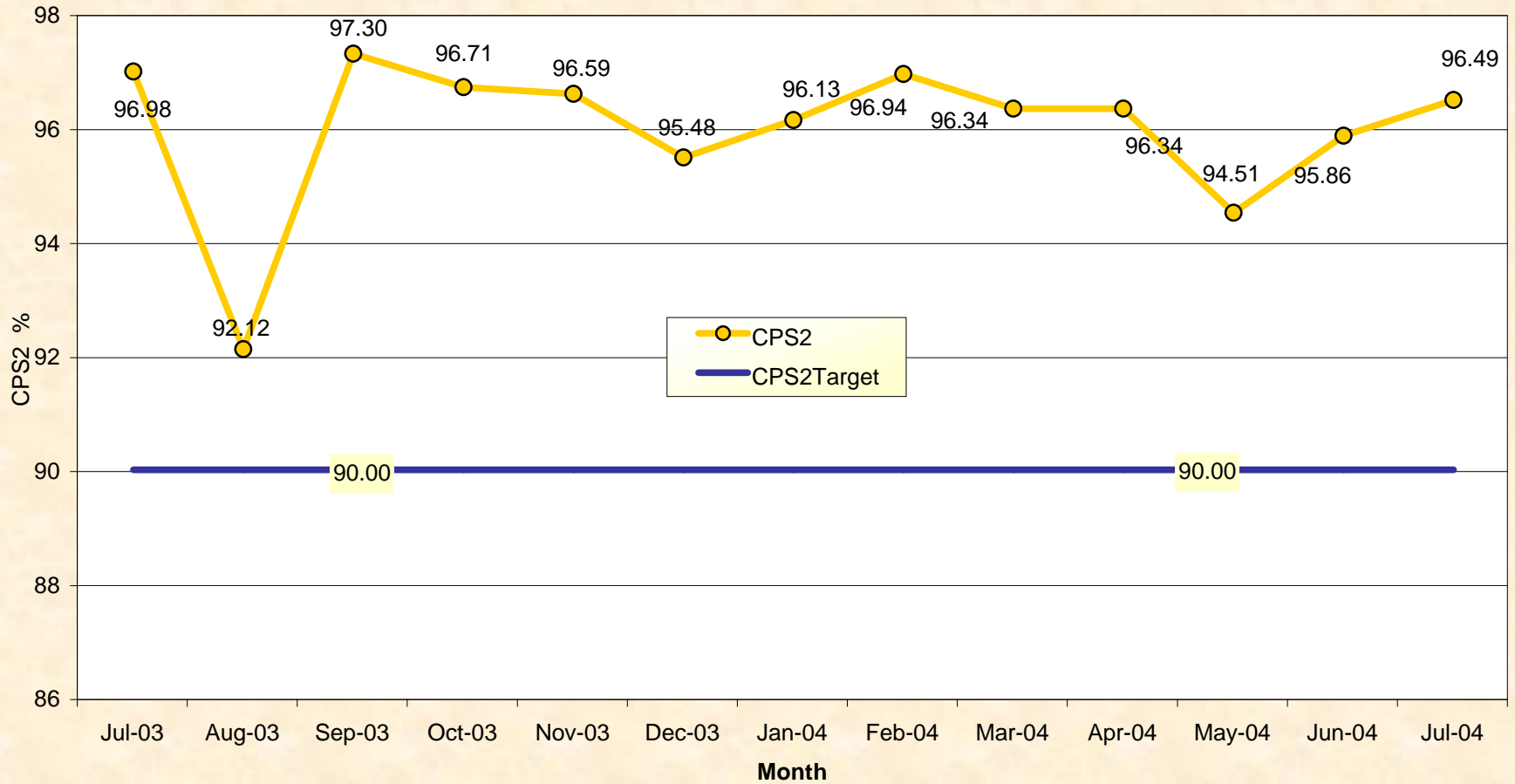
Agenda #3

Report Items

- Market Performance Highlights
- SMD 2.0 Update
- TCC Update

NERC Control Performance Standard

NYISO Compliance
Year 2003/2004

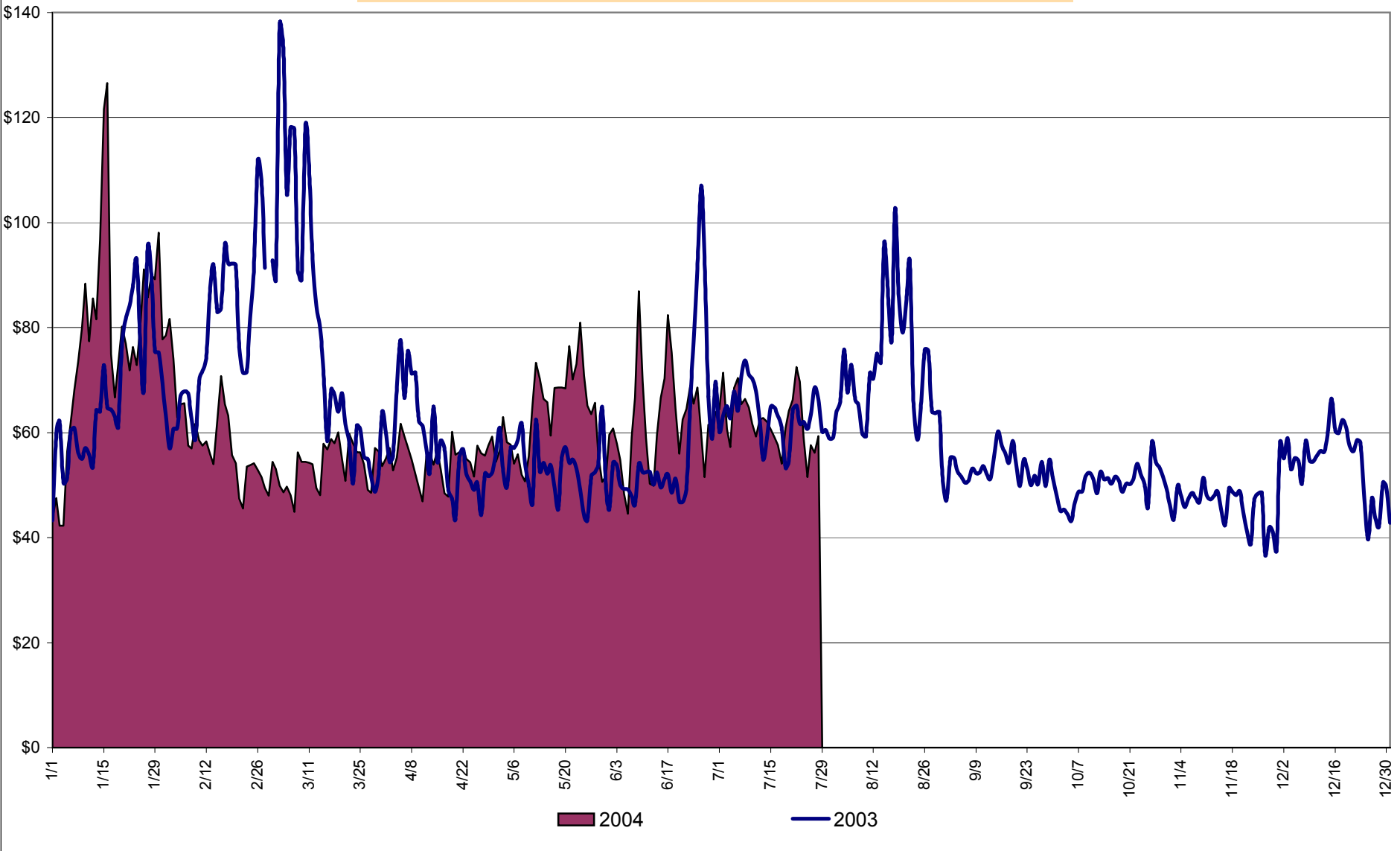


CPS2 for July = 96.49% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

Market Performance Highlights for July, 2004

- Monthly Average Cost declined slightly over last month (\$63.74 in June 2004, \$63.26 in July 2004) despite higher loads.
- Monthly average reserve prices (10 Min Spin, 10 Min Non-Sync, and 30 Min Reserve) reached historic lows for July. All three reserves posted historic low monthly average prices, decreasing between 43.0% to 77.4% relative to the previous 12 months' average price. The lower reserve prices are attributed to low summer loads and high generator availability.
- The percent of DAM committed unit-hours mitigated in NYC continues to be low and is essentially unchanged from last month.
- The percentage of SCD intervals corrected declined from 1.39% in June to 1.00% in July. The percent real-time of hours reserved has declined to 8.52% in July. Both the percentage of SCD interval corrected and the percent of real-time hours reserved have decreased compared to July 2003.

Daily NYISO Average Cost/MWH (Energy & Ancillary Services)*
2003 Annual Average \$62.40/MWH
July 2003 YTD Average \$66.81/MWH
July 2004 YTD Average \$63.23/MWH



4-A
Preliminary thru 7/28/04

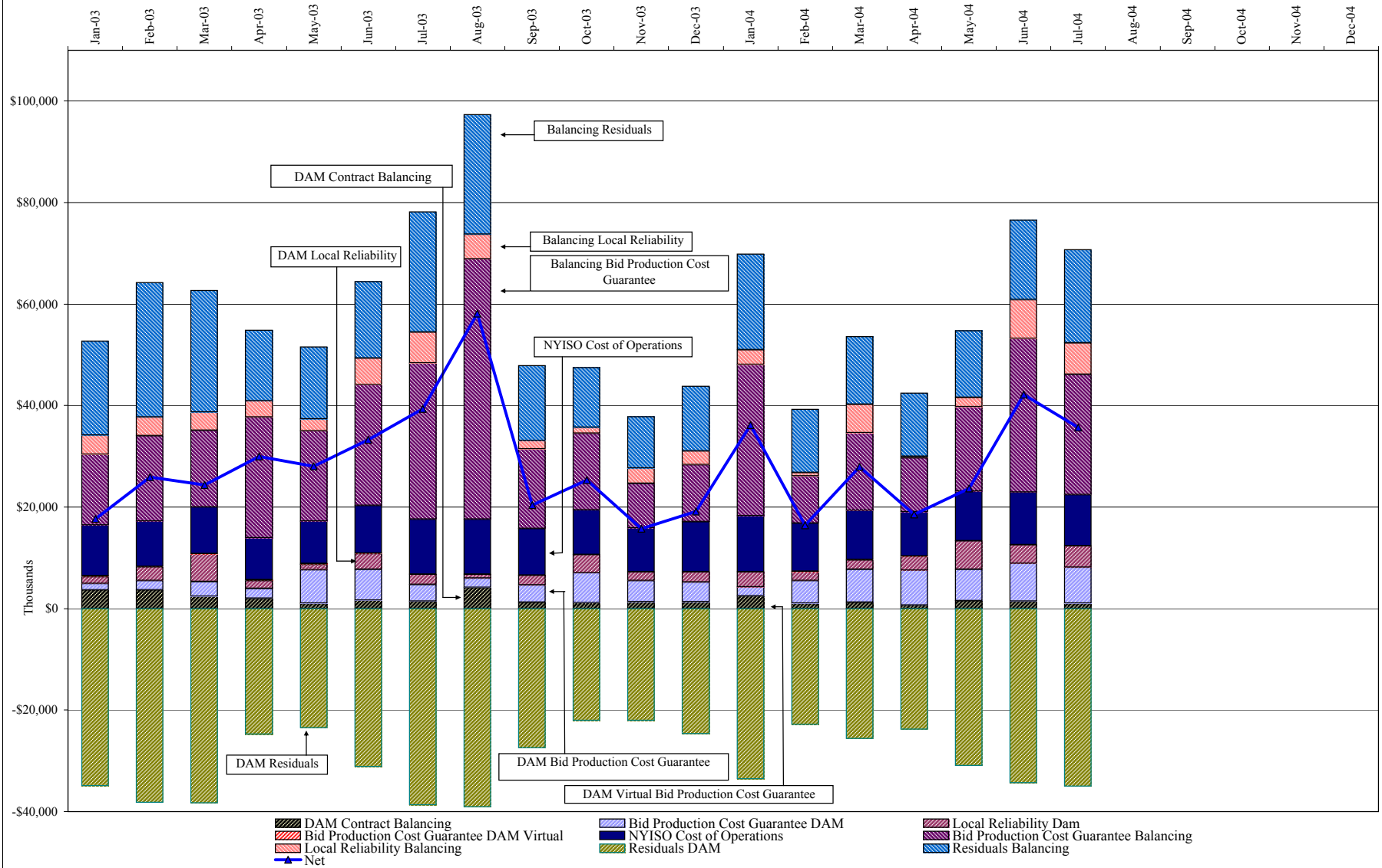
**NYISO Average Cost/MWH (Energy and Ancillary Services)*
from the LBMP Customer point of view**

2004		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	76.13	57.13	50.56	52.49	61.23	59.78	59.43					
	NTAC	0.47	0.42	0.55	0.51	0.42	0.53	0.34					
	Reserve	0.27	0.14	0.20	0.17	0.14	0.09	0.07					
	Regulation	0.18	0.34	0.28	0.13	0.11	0.11	0.13					
	NYISO Cost of Operations	0.73	0.73	0.73	0.73	0.73	0.73	0.74					
	Uplift	1.57	0.44	1.27	0.76	0.92	2.15	1.83					
	Voltage Support and Black Start	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>					
	Avg Monthly Cost	79.72	59.56	53.96	55.14	63.92	63.75	62.90					
	 Avg YTD Cost	79.72	70.68	65.29	63.02	63.19	63.29	63.23					

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

* Excludes ICAP payments

NYISO Dollar Flows - Uplift - OATT Schedule 1 components



DAM Contract Balancing amounts are for payments made to generating units to make them whole for being dispatched below their Day-Ahead schedule, as a result of out-of-merit dispatches.

DAM Bid Production Cost Guarantees for Virtual Transactions are included in the chart and are shown from the inception of Virtual Transactions. These values are small and cannot be identified on the chart.

DAM residuals are revenue charged or returned to customers due to the under or over collection of funds. On this chart, negative values represent funds returned to Transmission Customers (through Transmission Owners' Transmission Service Charges).

NYISO Markets Transactions

Transactions by Market 2004	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWH	14,614,304	12,806,346	12,836,889	11,818,317	13,026,160	13,737,390	13,548,651					
DAM LSE Internal LBMP Energy Sales	52%	50%	51%	51%	47%	49%	53%					
DAM External TC LBMP Energy Sales	4%	2%	3%	3%	4%	3%	2%					
DAM Bilateral - Internal Bilaterals	41%	45%	44%	44%	46%	45%	44%					
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	0%	0%					
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%	1%	1%					
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	1%	1%	1%	1%					
Balancing Energy Market MWH	367,460	269,220	508,837	238,876	379,159	424,726	80,336					
Balancing Energy LSE Internal LBMP Energy Sales	66%	31%	61%	84%	30%	29%	-113%					
Balancing Energy External TC LBMP Energy Sales	57%	78%	41%	38%	77%	74%	262%					
Balancing Energy Bilateral - Internal Bilaterals	-20%	0%	0%	-9%	3%	5%	20%					
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	1%	0%	0%	0%	0%	0%					
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	1%	1%	0%	1%					
Balancing Energy Bilateral - Wheel Through Bilaterals	-4%	-11%	-3%	-14%	-11%	-8%	-70%					
Transactions Summary												
LBMP	58%	54%	56%	55%	53%	54%	55%					
Internal Bilaterals	40%	44%	42%	43%	45%	44%	43%					
Import Bilaterals	1%	1%	1%	0%	0%	0%	0%					
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%					
Wheels Through	1%	0%	1%	0%	1%	1%	0%					
Market Share of Total Load												
Day Ahead Market	97.5%	97.9%	96.2%	98.0%	97.2%	97.0%	99.4%					
Balancing Energy †	2.5%	2.1%	3.8%	2.0%	2.8%	3.0%	0.6%					
Total MWH	14,981,764	13,075,566	13,345,726	12,057,193	13,405,319	14,162,116	13,628,987					
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451	478					

Transactions by Market 2003

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

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

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

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

Virtual Transactions are not reflected in this chart.

NYISO Markets 2004 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
DAY AHEAD LBMP												
Price *	72.12	55.31	49.08	51.01	57.25	55.03	55.11					
Standard Deviation	25.99	14.40	10.90	11.42	16.72	17.82	12.81					
Load Wtg.Price **	75.01	56.90	50.44	52.50	59.89	58.29	57.11					
BME *** LBMP												
Price *	77.51	54.41	53.01	56.94	60.98	59.15	60.10					
Standard Deviation	37.54	15.73	16.25	18.41	23.58	24.50	21.07					
Load Wtg.Price **	80.51	55.89	54.71	58.89	64.14	63.17	62.51					
REAL TIME LBMP												
Price *	73.72	52.95	49.56	50.83	56.20	54.03	54.89					
Standard Deviation	32.61	15.04	17.75	14.15	25.74	23.42	17.00					
Load Wtg.Price **	76.85	54.33	51.27	52.36	59.61	58.01	57.22					
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451	478					

NYISO Markets 2003 Energy Statistics

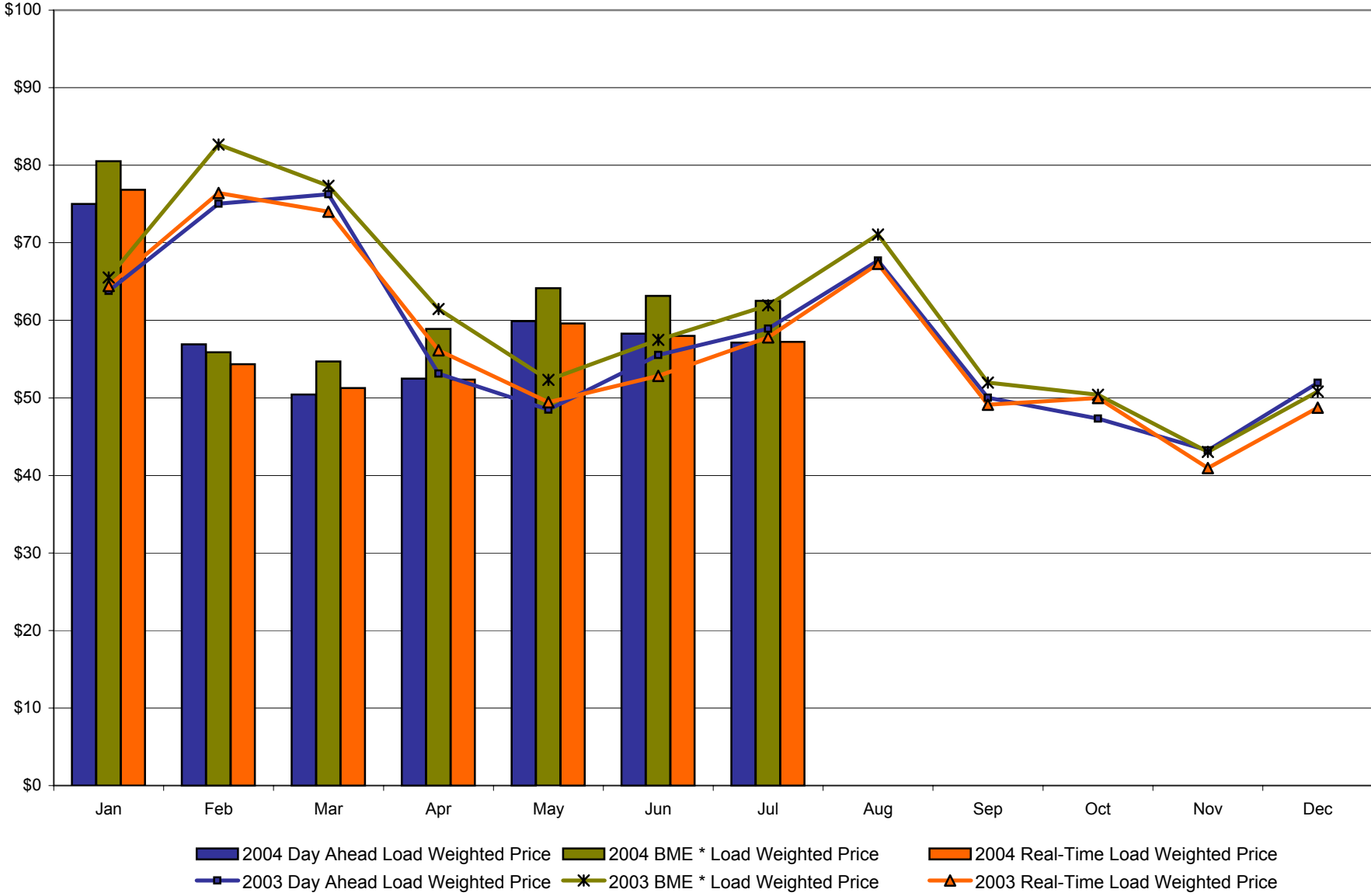
	January	February	March	April	May	June	July	August	September	October	November	December
DAY AHEAD LBMP												
Price *	61.33	72.81	73.18	51.58	46.43	51.45	57.10	64.94	48.29	45.81	41.58	50.07
Standard Deviation	20.09	21.12	29.70	12.47	14.03	21.27	11.88	18.06	11.04	10.91	12.06	14.92
Load Wtg.Price **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

* Average zonal load weighted prices

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

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

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



* Commonly referred to as Hour Ahead Market (HAM)

July 2004 Zonal Statistics for NYISO (\$/MWH)

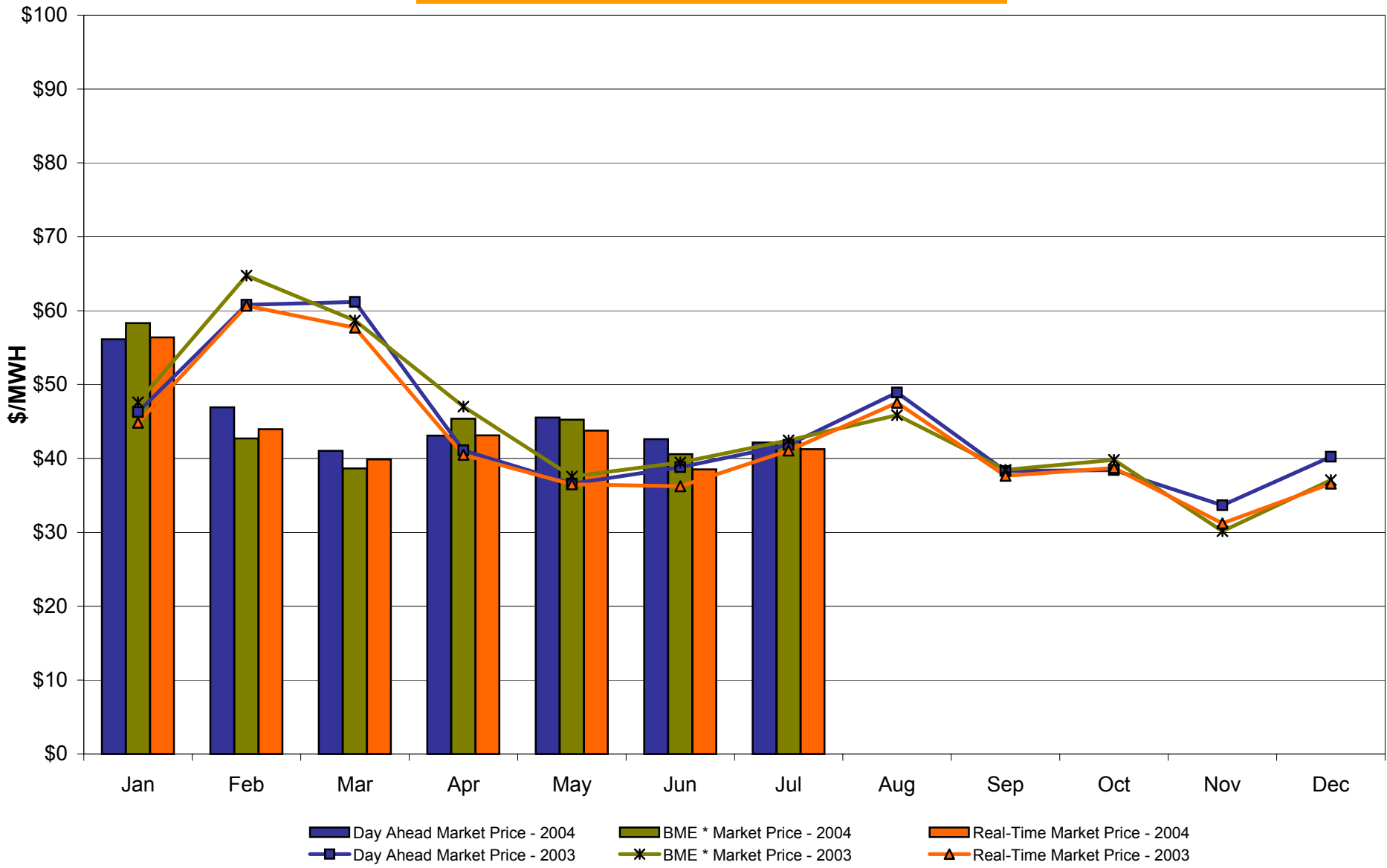
	WEST Zone A	GENESEE Zone B	NORTH Zone D	CENTRAL Zone C	MOHAWK VALLEY Zone E	CAPITAL Zone F	HUDSON VALLEY Zone G	MILLWOOD Zone H	DUNWOODIE Zone I	NEW YORK CITY Zone J	LONG ISLAND Zone K
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	42.15	45.09	45.35	45.56	47.54	51.25	51.85	53.15	54.04	62.32	65.08
Standard Deviation	10.11	10.29	9.64	10.38	10.54	11.71	12.48	13.52	13.70	16.48	12.82
<u>BME ** LBMP</u>											
Unweighted Price *	42.26	43.81	46.70	47.34	48.74	50.10	51.26	51.94	52.72	74.41	70.78
Standard Deviation	12.78	12.92	12.23	13.38	13.37	13.61	13.91	18.91	19.13	27.26	70.91
<u>REAL TIME LBMP</u>											
Unweighted Price *	41.28	43.72	44.50	43.90	45.90	45.90	48.56	50.17	51.12	63.37	67.51
Standard Deviation	14.04	14.39	14.71	14.69	15.19	15.53	15.76	20.00	20.51	22.10	23.59
	ONTARIO IMO Zone O	HYDRO QUEBEC Zone M	PJM Zone P	NEW ENGLAND Zone N							
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	41.42	46.00	44.20	51.54							
Standard Deviation	9.66	9.84	11.86	12.03							
<u>BME ** LBMP</u>											
Unweighted Price *	40.79	46.71	46.12	50.55							
Standard Deviation	12.76	12.14	15.91	13.86							
<u>REAL TIME LBMP</u>											
Unweighted Price *	41.24	44.55	43.16	48.36							
Standard Deviation	14.39	14.38	15.59	15.21							

* Straight zonal LBMP averages

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

4-G
Preliminary thru 7/27/04

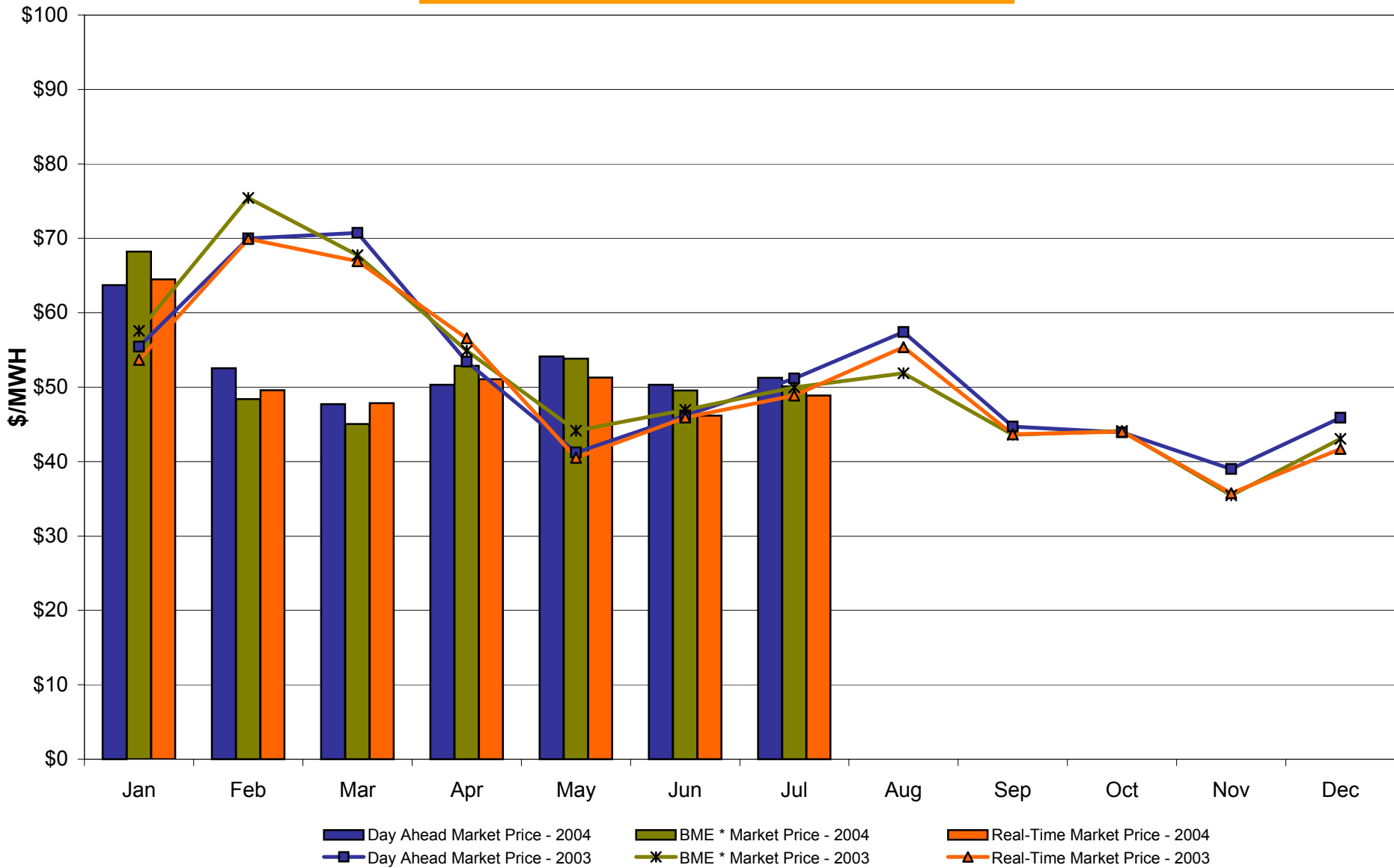
West Zone A Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

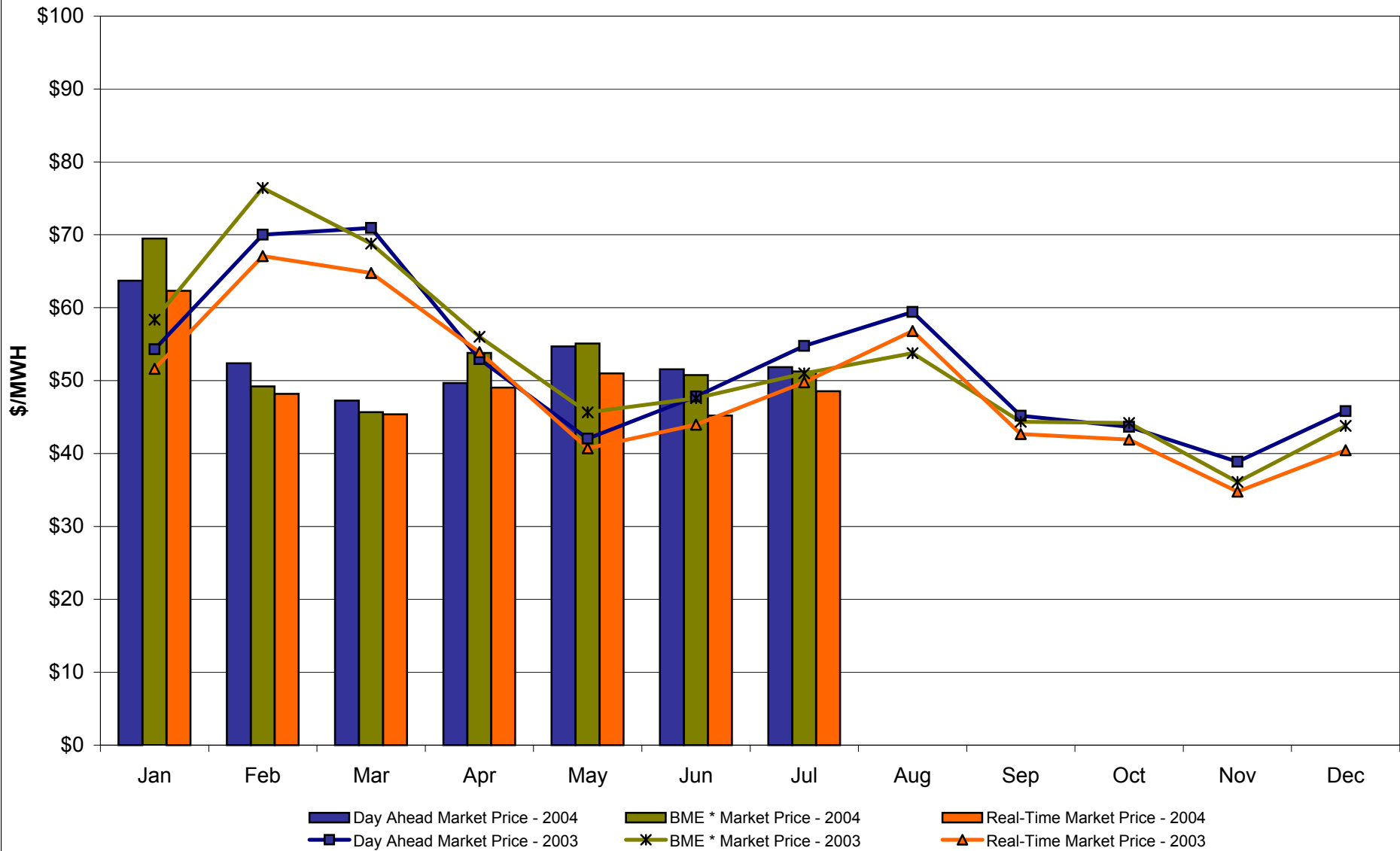
4-H
Preliminary thru 7/27/04

Capital Zone F Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

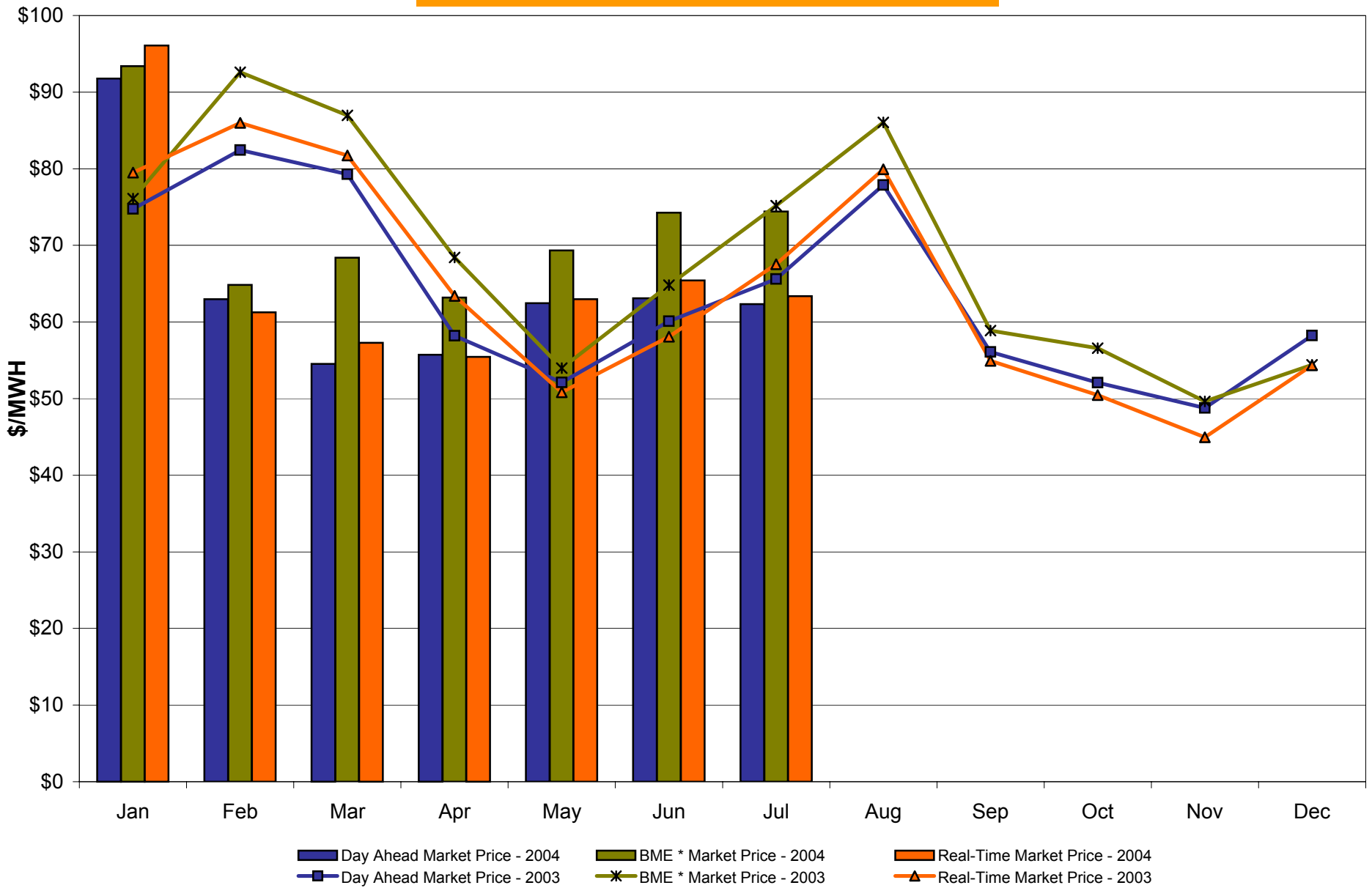
Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-J
Preliminary thru 7/27/04

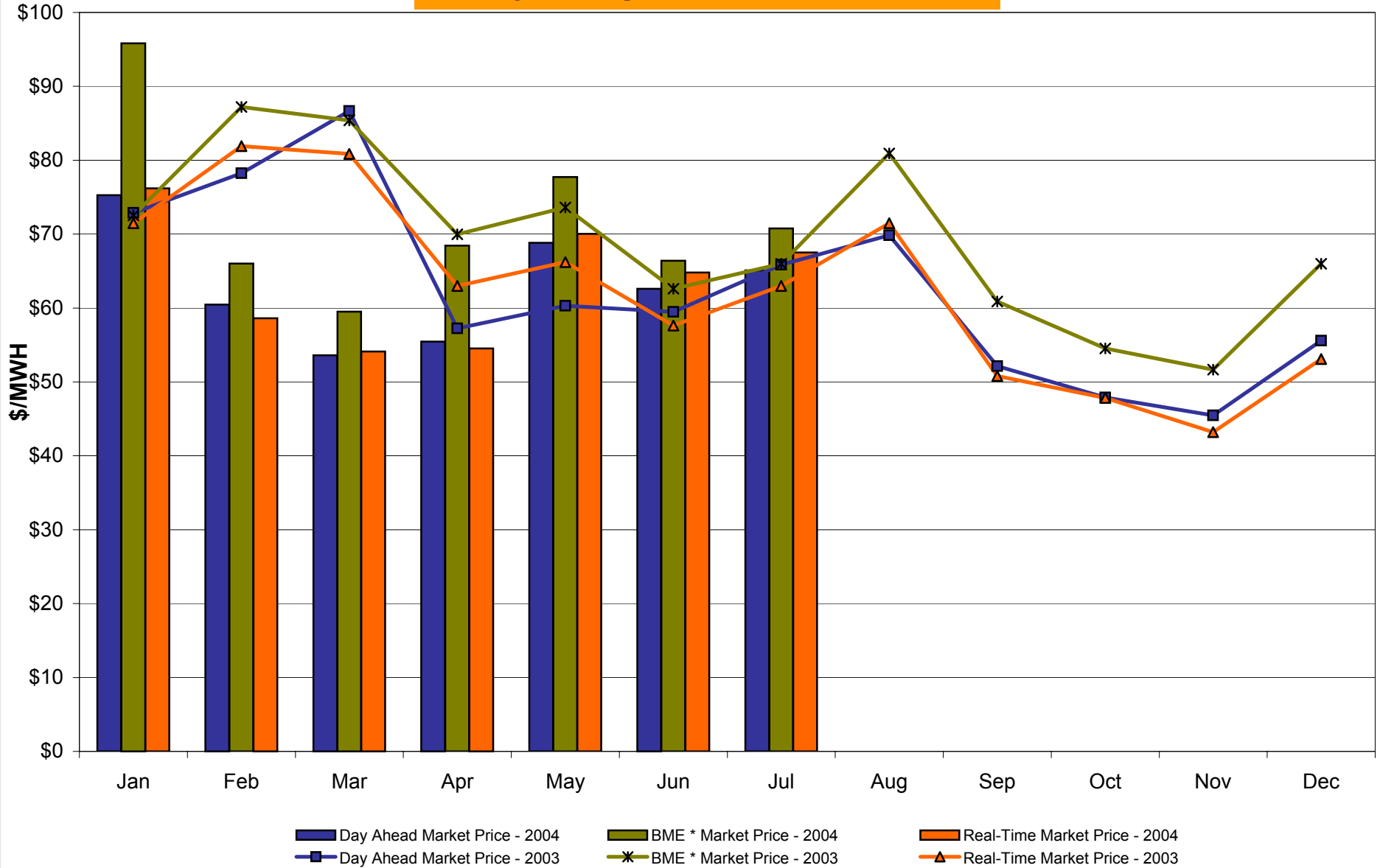
NYC Zone J Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-K
Preliminary thru 7/27/04

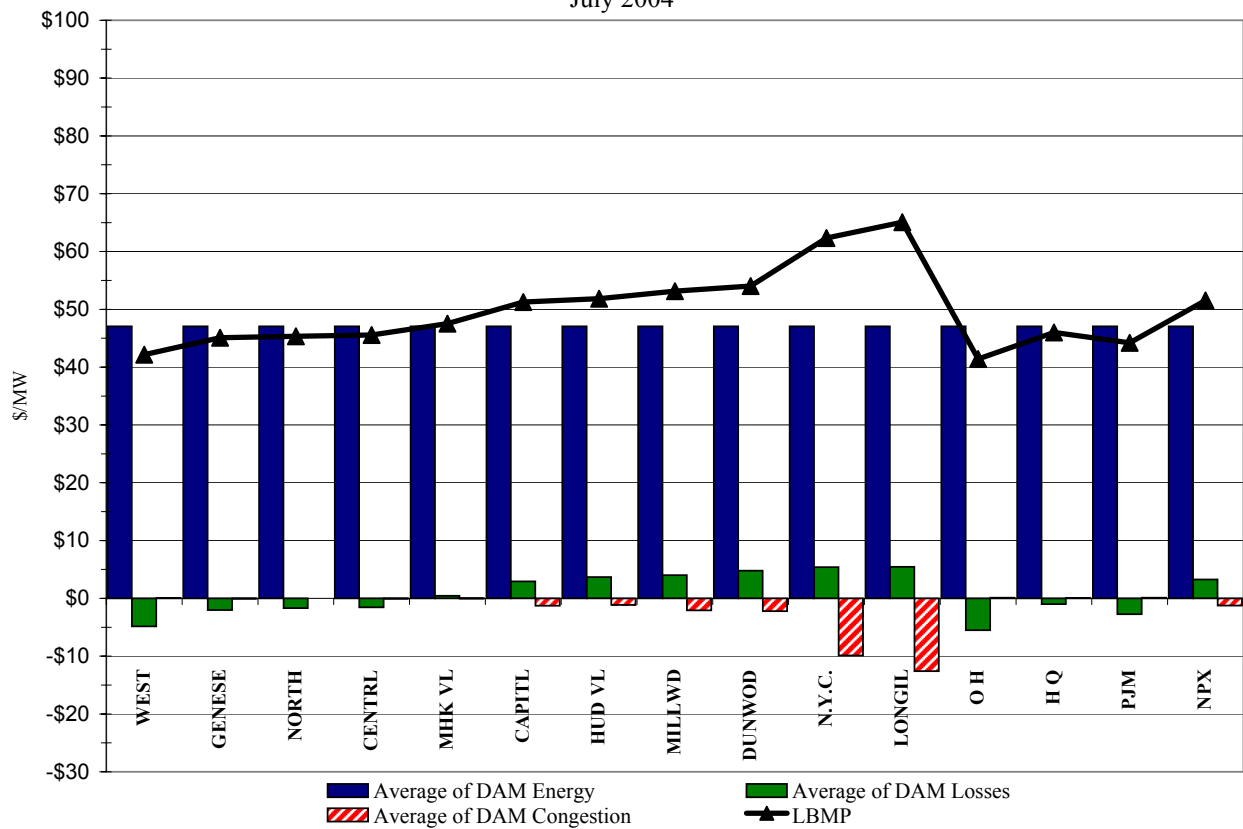
Long Island Zone K Monthly Average LBMP Prices 2003 - 2004



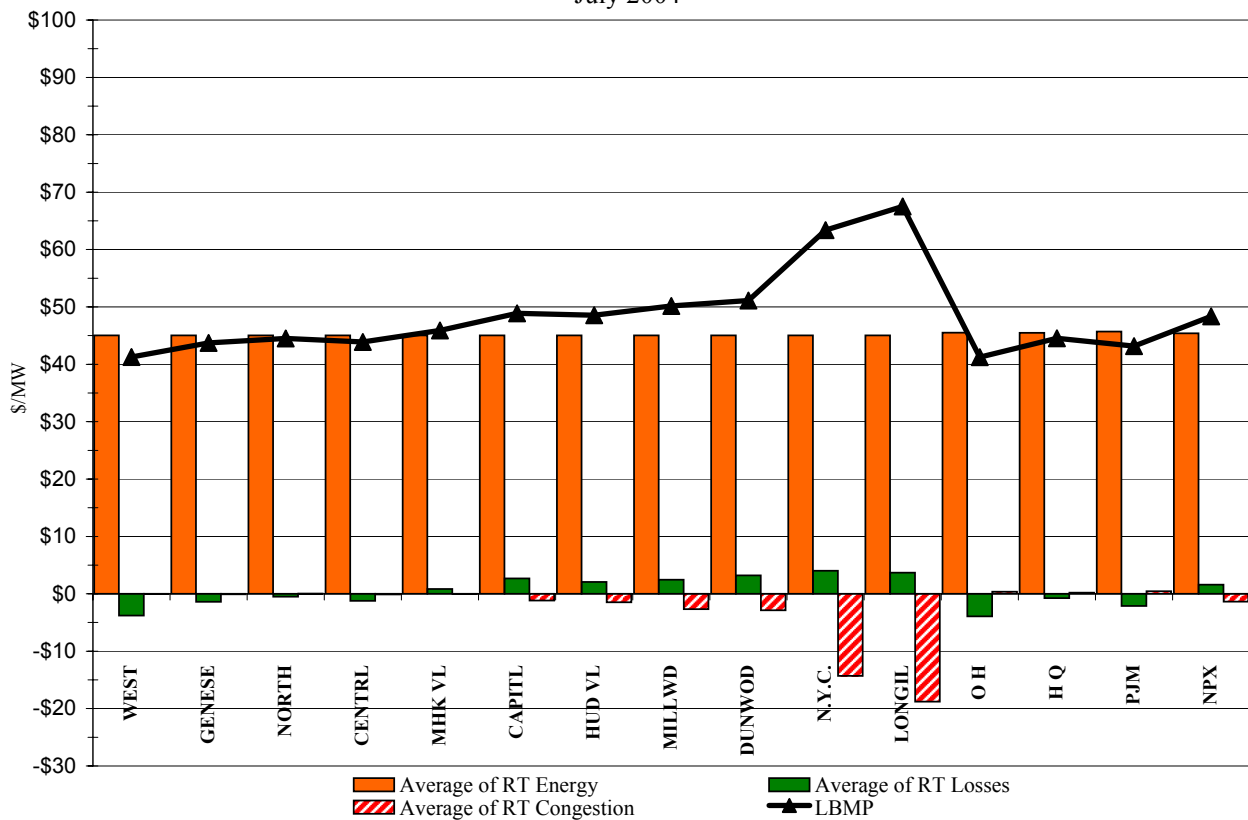
4-L
Preliminary thru 7/27/04

* Commonly referred to as Hour Ahead Market (HAM)

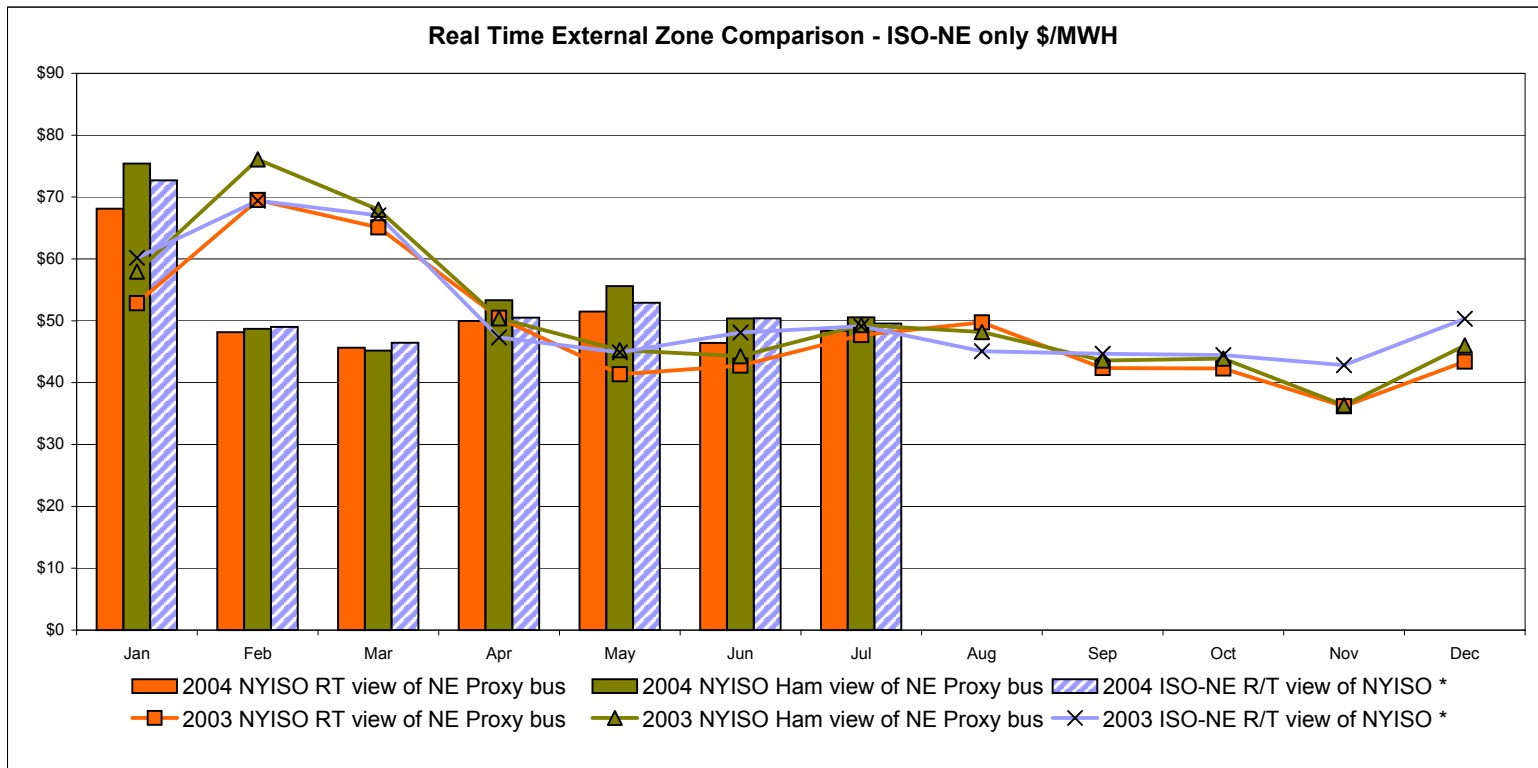
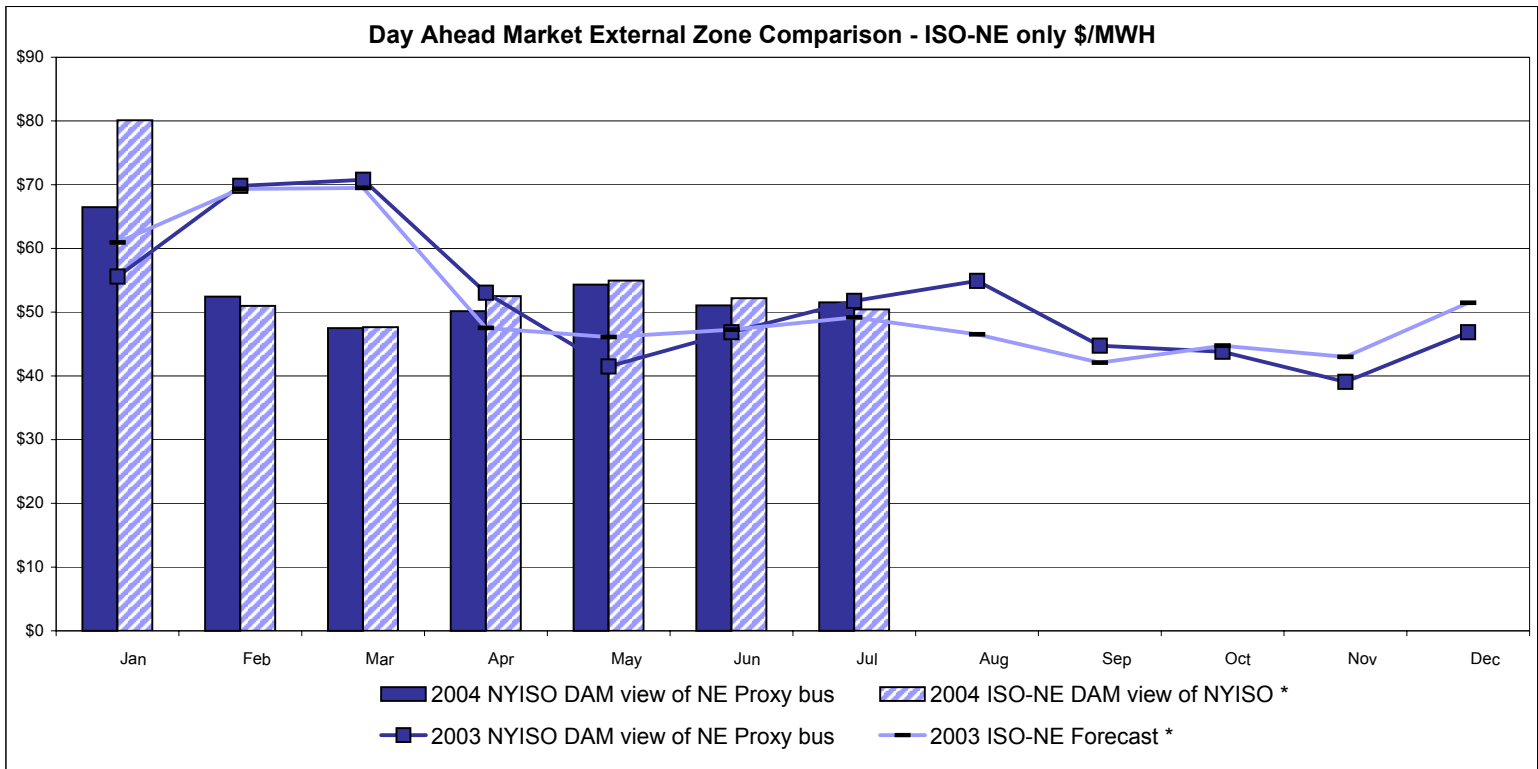
DAM Zonal Unweighted Monthly Average LBMP Components
July 2004



RT Zonal Unweighted Monthly Average LBMP Components
July 2004



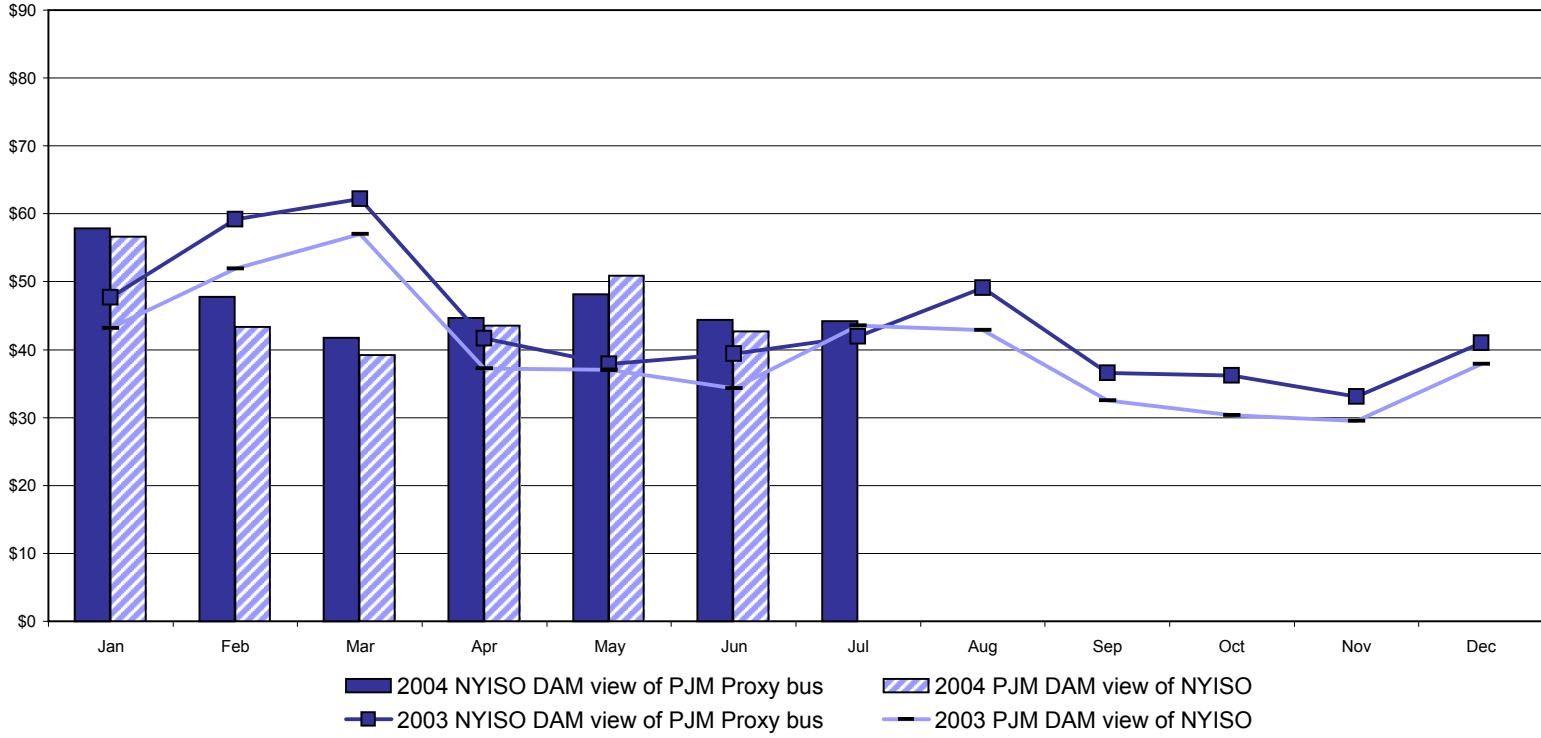
External Comparison ISO-NE



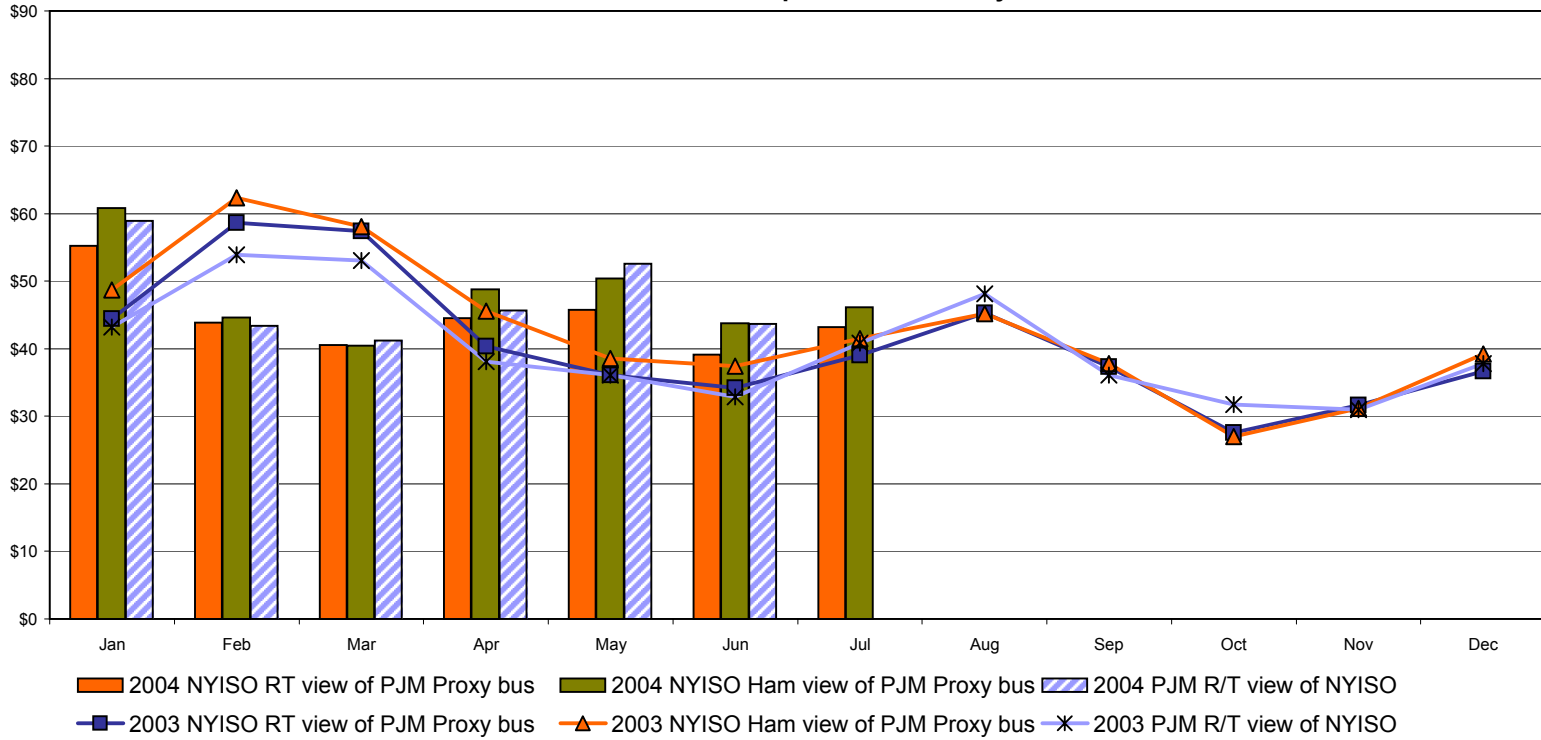
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before
 * Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

External Comparison PJM

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

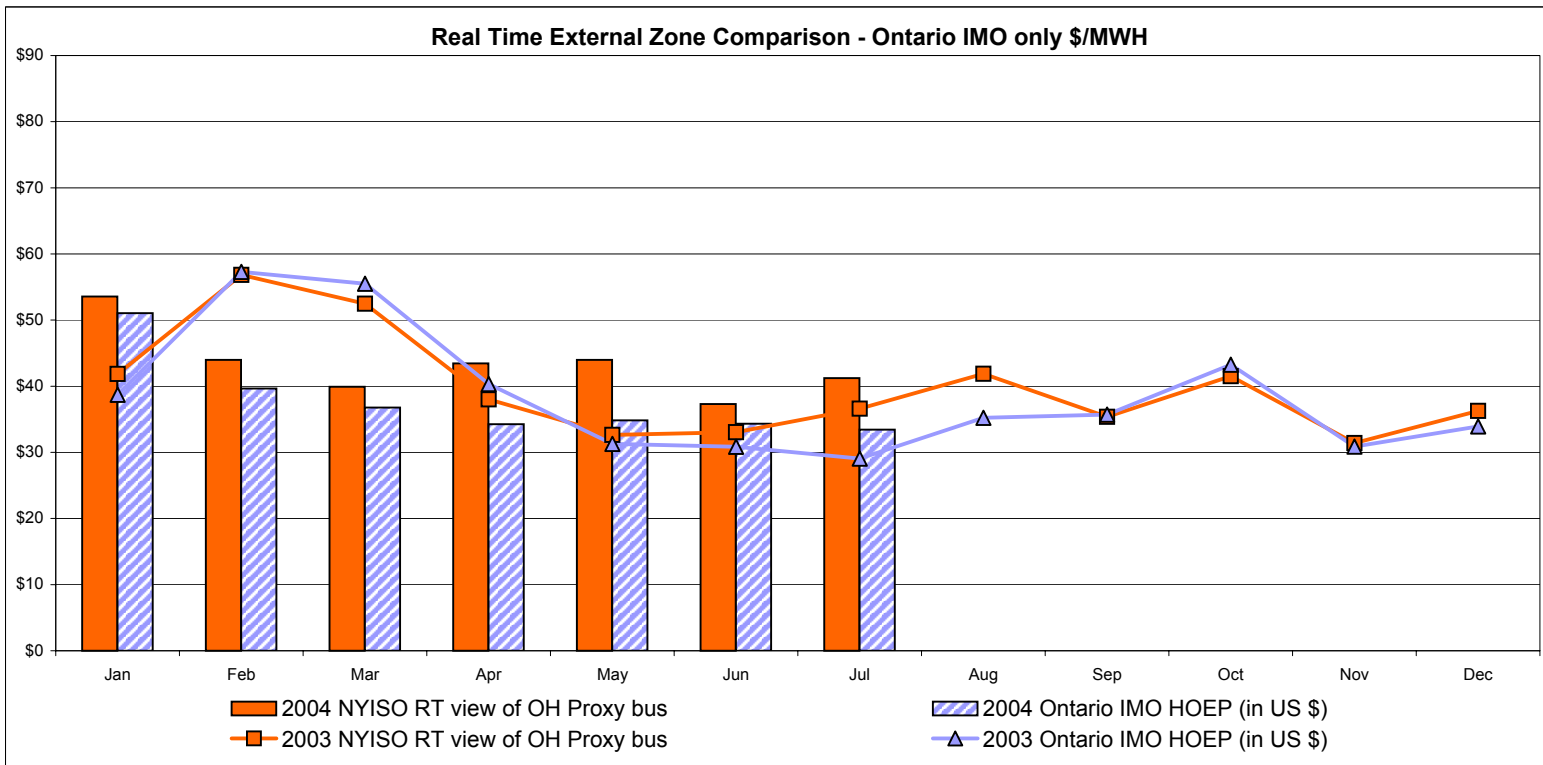
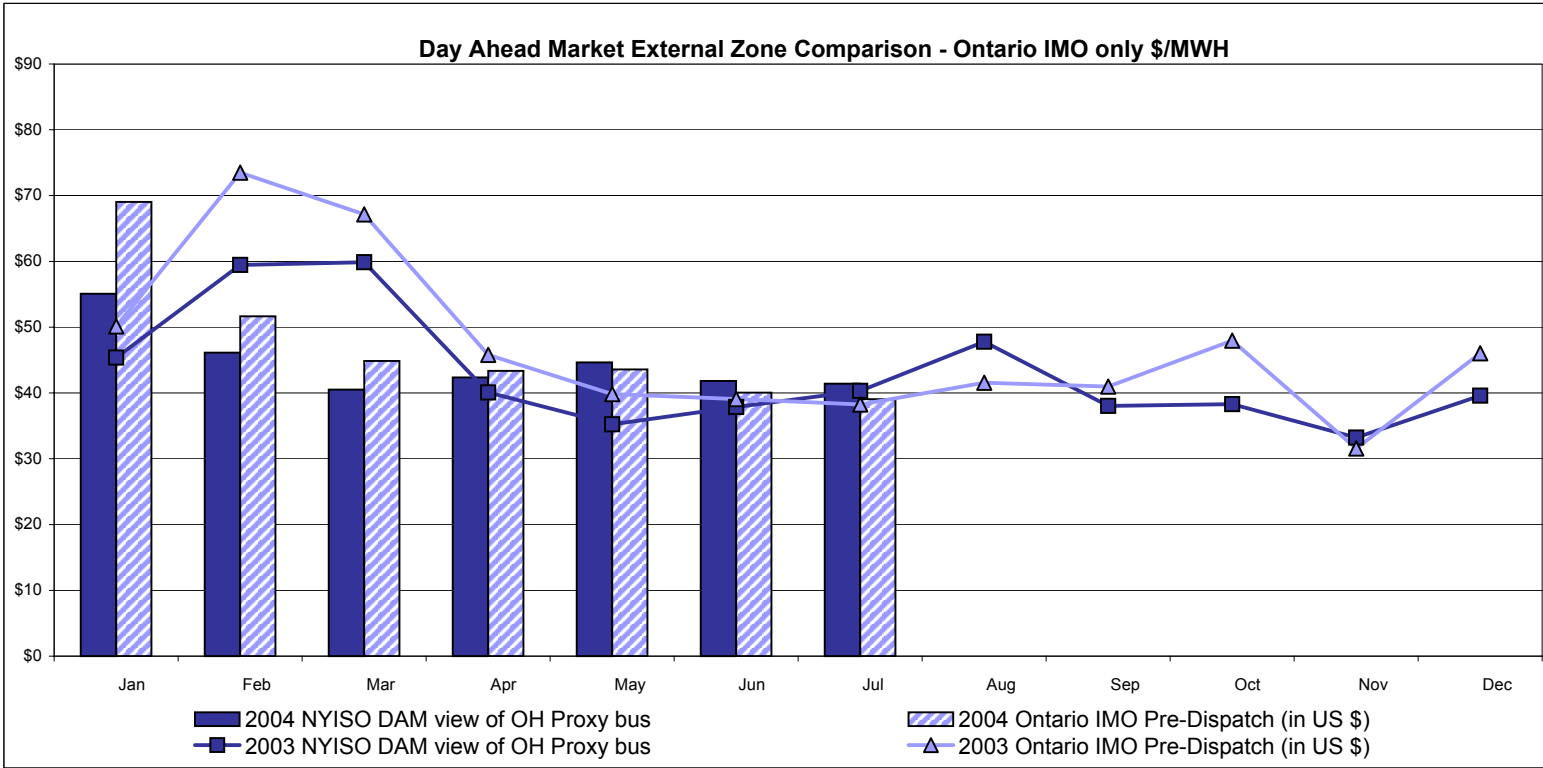


Real Time External Zone Comparison - PJM only \$/MWH



Note:
 After 5/1/02 PJM lists only one interface as NYIS
 July 2004 data not yet posted by PJM

External Comparison Ontario IMO



Notes: Exchange factor used for July 2004 was .76 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price
 Pre-Dispatch data from 8/14/03 Hr 15 thru 8/21/03 not included

NYISO Price Correction Statistics

NYISO Price Corrections 2004

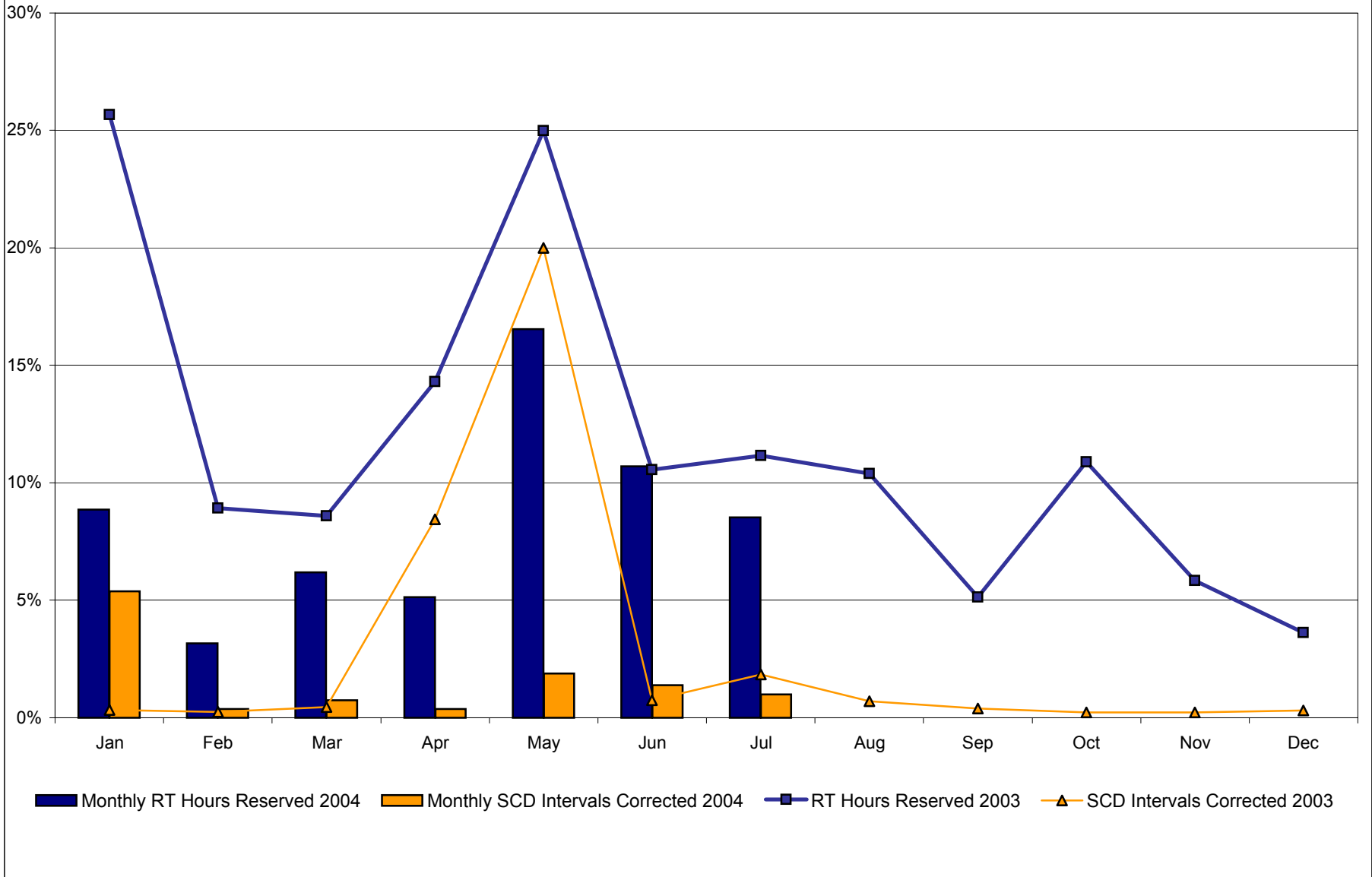
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	597	40	83	40	220	156	82					
Number of Intervals in the month	11,089	10,495	11,085	10,805	11,740	11,234	8,216					
Percentage of intervals corrected in the month	5.38%	0.38%	0.75%	0.37%	1.87%	1.39%	1.00%					
Number of Intervals corrected Year-to-date	597	637	720	760	980	1,136	1,218					
Number of Intervals Year-to-date	11,089	21,584	32,669	43,474	55,214	66,448	74,664					
Percentage of intervals corrected Year-to-date	5.38%	2.95%	2.20%	1.75%	1.77%	1.71%	1.63%					
<u>Hours Reserved</u>												
Number of hours reserved in the month	66	22	46	37	123	77	45					
Number of hours in the month	744	696	744	720	744	720	528					
Percentage of hours reserved in the month	8.87%	3.16%	6.18%	5.14%	16.53%	10.69%	8.52%					
Number of hours reserved Year-to-date	66	88	134	171	294	371	416					
Number of hours Year-to-date	744	1,440	2,184	2,904	3,648	4,368	4,896					
Percentage of hours reserved Year-to-date	8.87%	6.11%	6.14%	5.89%	8.06%	8.49%	8.50%					
<u>Days Without Corrections</u>												
Days without price corrections in the month	14	20	11	9	8	6	6					
Days without price corrections Year-to-date	14	34	45	54	62	68	74					

NYISO Price Corrections 2003

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

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

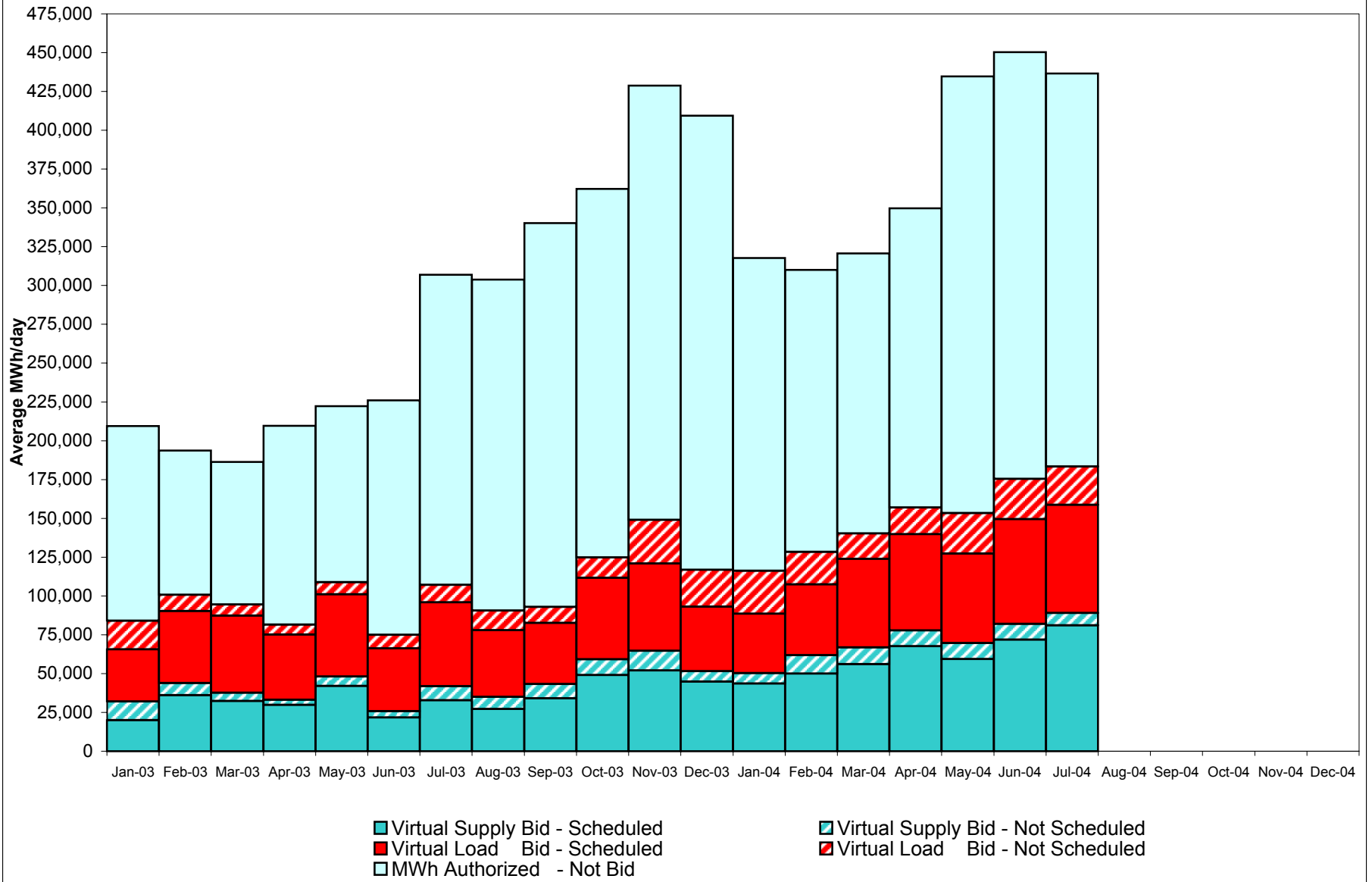
Percentage of Real-Time Corrections



4-R

Preliminary thru 7/22/04

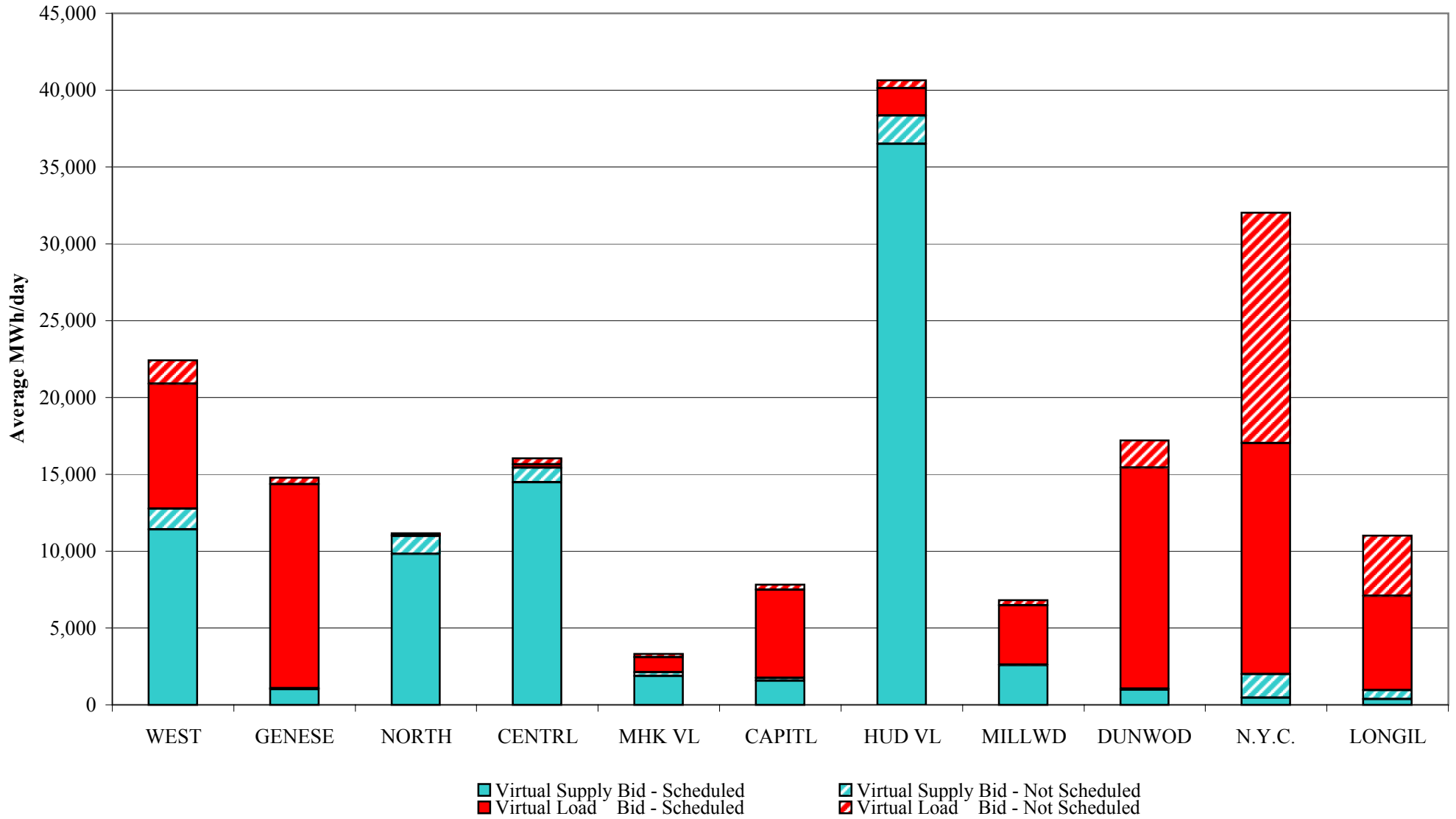
NYISO Virtual Trading Average MWh per day



4-S

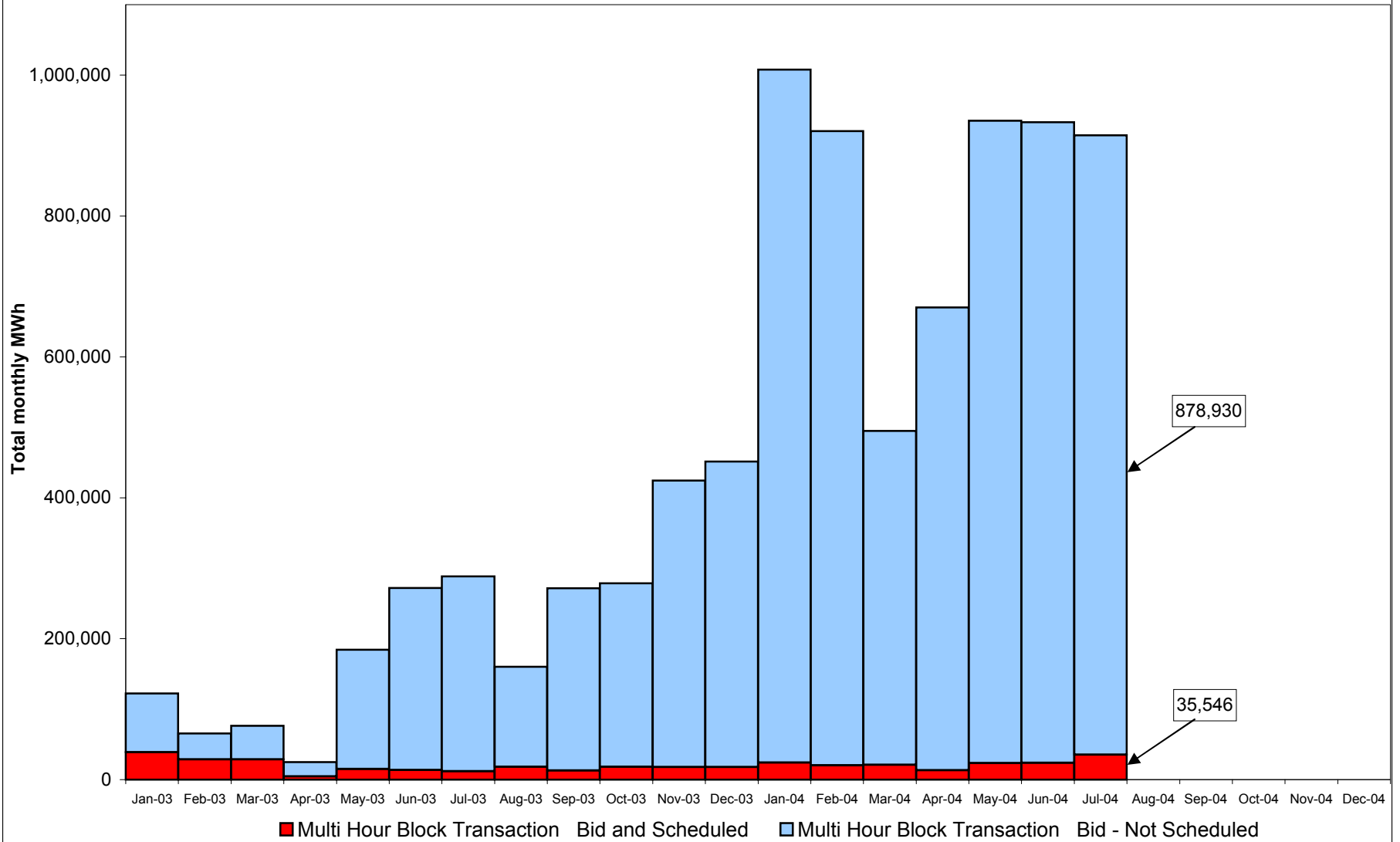
Preliminary thru 7/27/04

Virtual Load and Supply Zonal Statistics July 2004



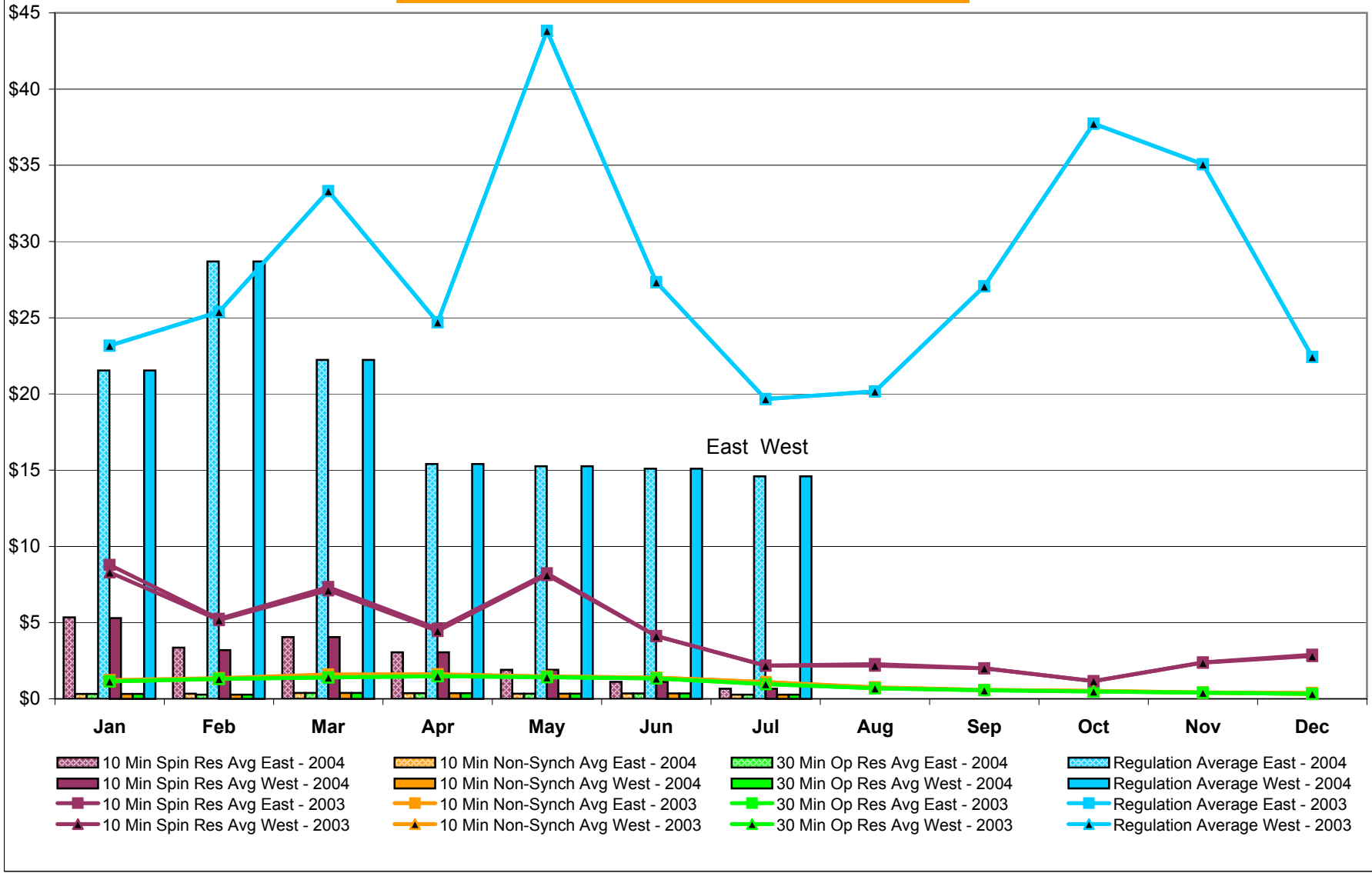
4-T
Preliminary thru 7/27/04

NYISO Multi Hour Block Transactions Monthly Total MWh



4-U
Preliminary thru 7/27/04

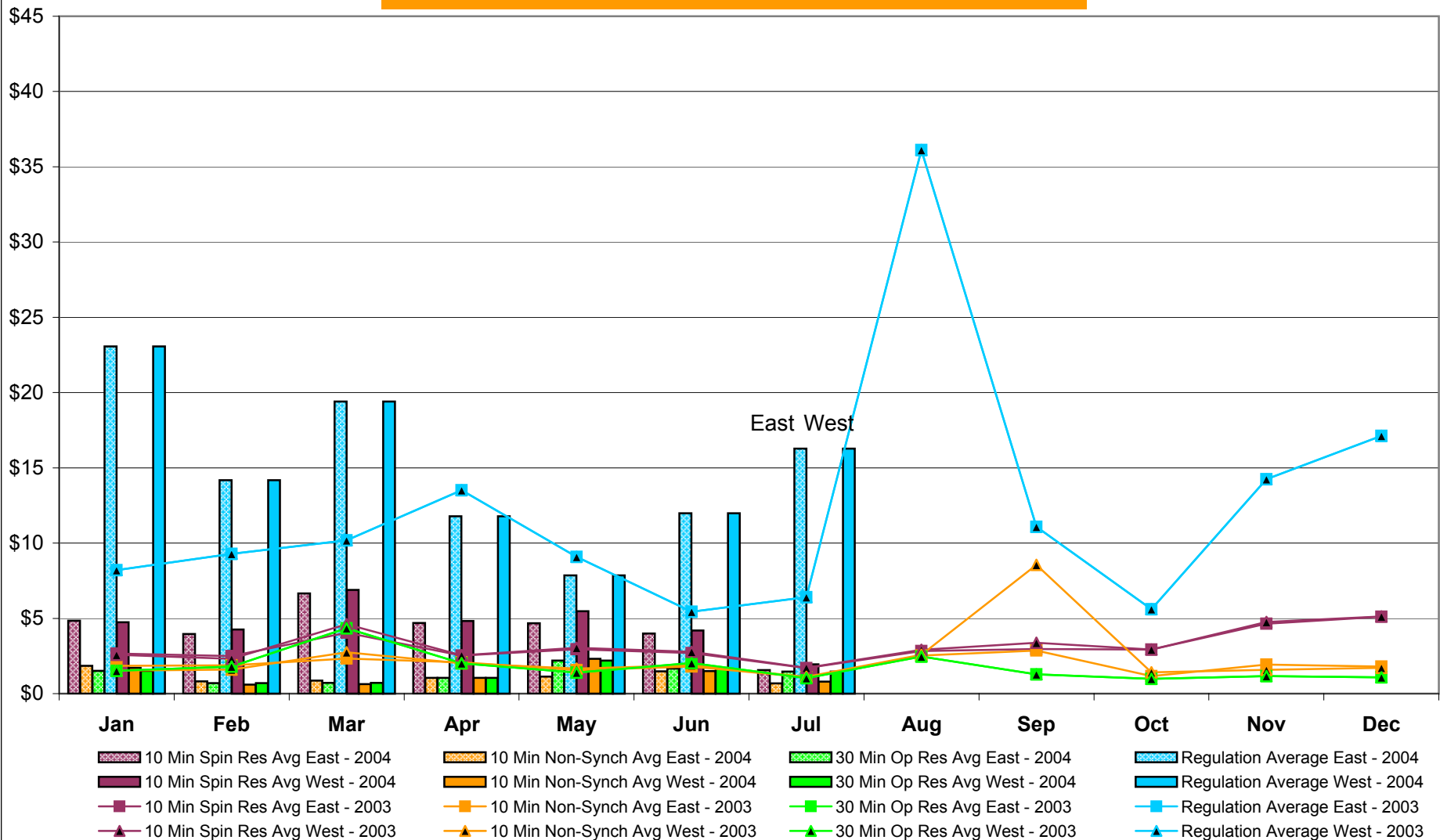
**NYISO Monthly Average Ancillary Service Prices
Day Ahead Market 2003 - 2004**



4-V

Preliminary thru 7/26/04

NYISO Monthly Average Ancillary Service Prices BME * 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

NYISO Markets Ancillary Services Statistics

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

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2004

Day Ahead Market

10 Min Spin East	5.35	3.36	4.05	3.04	1.91	1.11	0.67					
10 Min Spin West	5.29	3.20	4.05	3.04	1.90	1.11	0.65					
10 Min Non Synch East	0.33	0.33	0.39	0.38	0.34	0.35	0.28					
10 Min Non Synch West	0.32	0.27	0.39	0.38	0.33	0.35	0.27					
30 Min East	0.32	0.27	0.39	0.38	0.33	0.35	0.27					
30 Min West	0.32	0.27	0.39	0.38	0.33	0.35	0.27					
Regulation East	21.54	28.69	22.23	15.41	15.26	15.10	14.60					
Regulation West	21.54	28.69	22.23	15.41	15.26	15.10	14.60					

BME* Market

10 Min Spin East	4.84	3.96	6.65	4.69	4.67	3.99	1.57					
10 Min Spin West	4.75	4.27	6.89	4.82	5.48	4.20	1.94					
10 Min Non Synch East	1.85	0.81	0.87	1.05	1.14	1.49	0.67					
10 Min Non Synch West	1.71	0.60	0.64	1.06	2.31	1.49	0.79					
30 Min East	1.51	0.70	0.72	1.06	2.20	1.67	1.46					
30 Min West	1.51	0.70	0.72	1.06	2.20	1.67	1.46					
Regulation East	23.07	14.18	19.41	11.78	7.85	11.98	16.28					
Regulation West	23.07	14.18	19.41	11.78	7.85	11.98	16.28					

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

Day Ahead Market

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

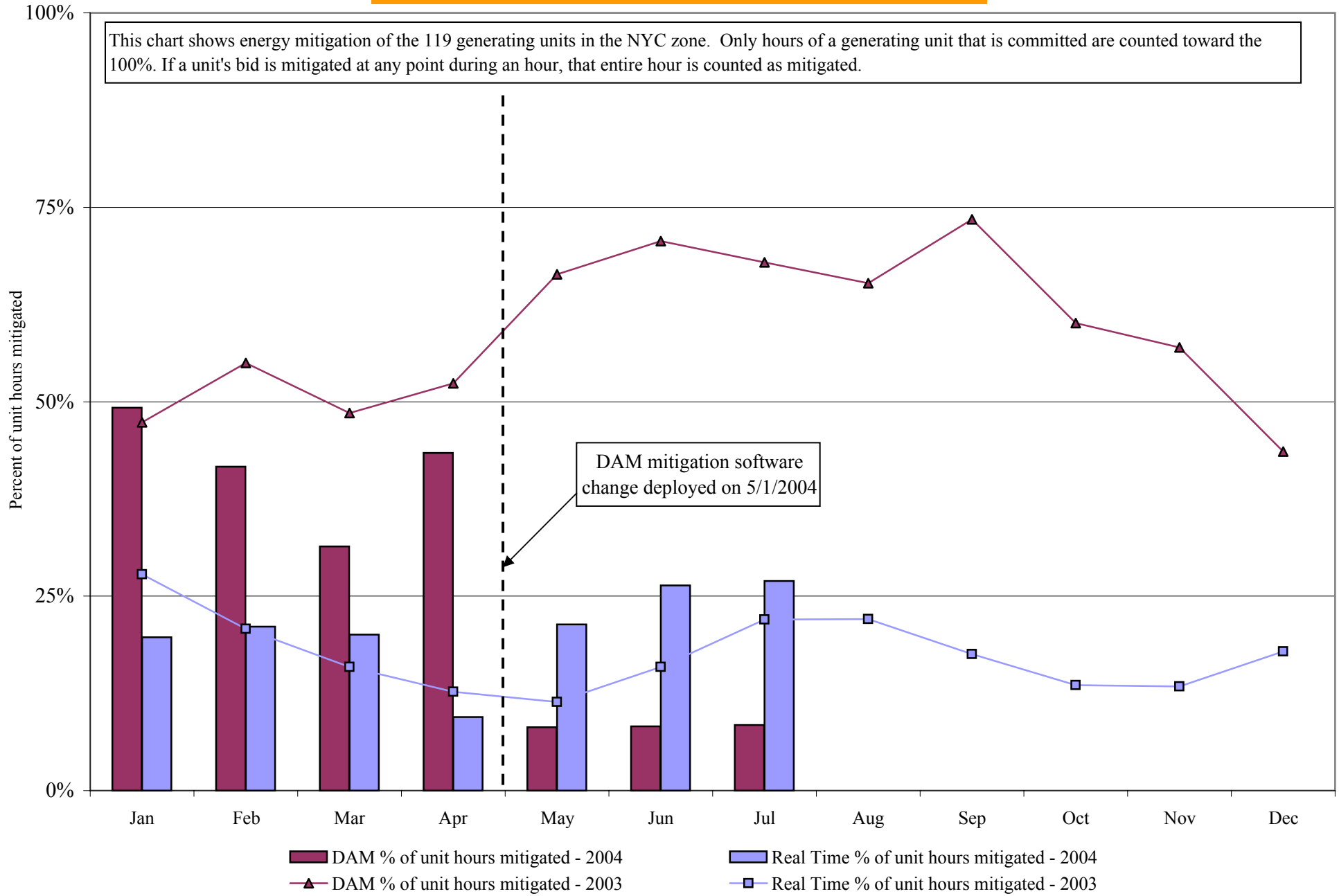
BME* Market

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

* Commonly Referred to as Hour Ahead Market (HAM)

4-X

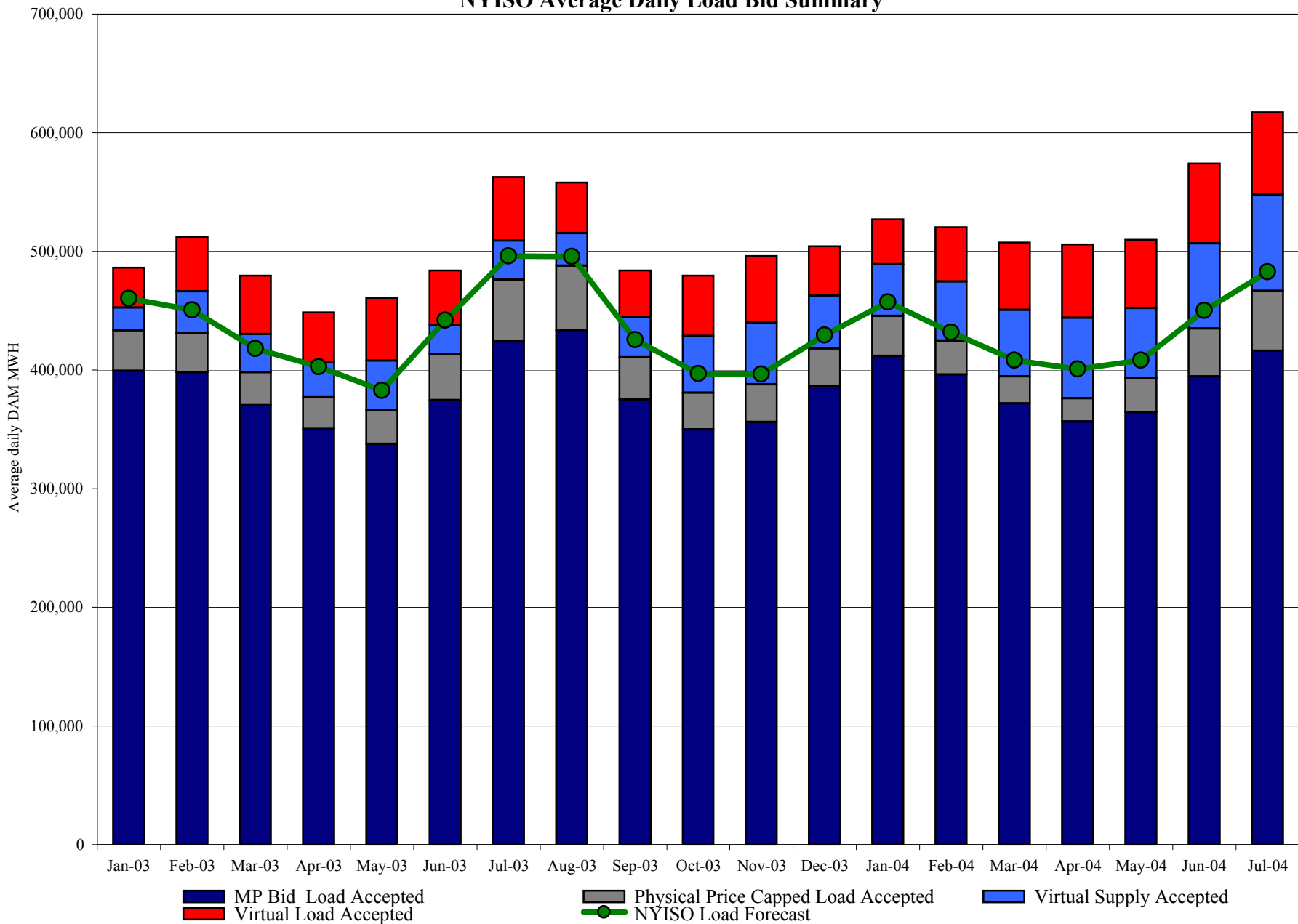
NYISO In City Energy Mitigation (NYC Zone) 2003-2004 Percentage of committed unit-hours mitigated



4-Y

Preliminary thru 7/27/04

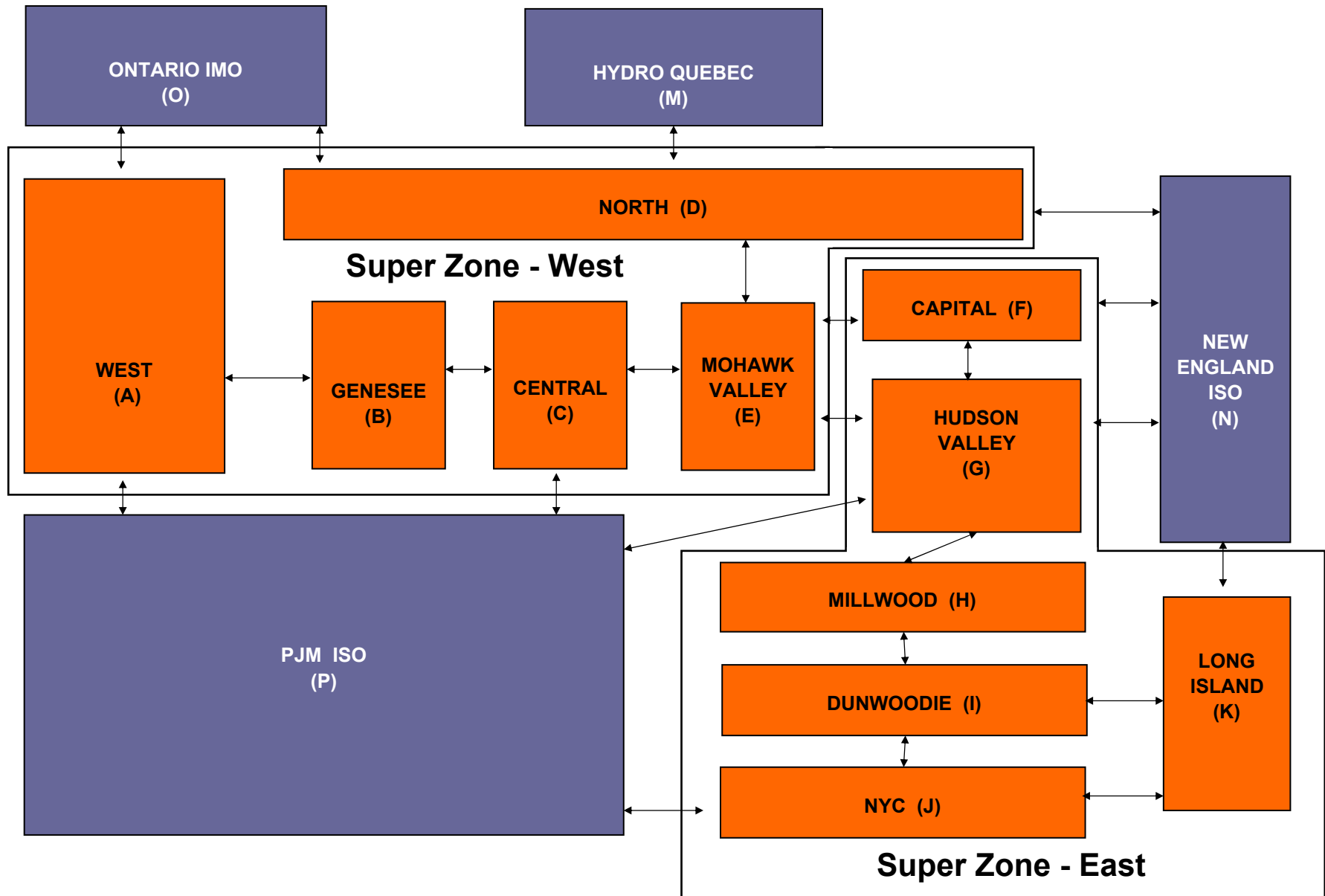
NYISO Average Daily Load Bid Summary



4 - Z

Preliminary thru 7/27/04

NYISO LBMP ZONES



SMD2 Project Status

August 3, 2004

Market Trials:

- The SMD2 project team conducted two (2) Market Trial exercises during the month of July; a second day-ahead market simulation and the first real-time market simulation.
- The Real-time Market Trial was a significantly more complex test where bids were submitted by MPs for both that Day-ahead markets and real-time markets, a day-ahead market was conducted, 24 hours of real-time operation were simulated, and a bill was generated from the data that was collected.
- The results of the Day-Ahead Market Trial were consistent with those results achieved during the first test and were largely successful. The Real-time Market Trial encountered stability problems during some hours of the test with the power system simulator that limited the opportunities to demonstrate operation of the new real-time applications.
- A number of software defects were identified and are being addressed prior to the next Market Trial exercise.

Upcoming Activities:

- The SMD2 project team is scheduled to perform two (2) additional Real-time Market Trials during the month of August.
- These exercises will be similar in design to the first real-time simulation, but will be based on increasing more difficult system conditions, and will be structured to include simulated power system events.

TCC Settlement Update

- Received FERC approval on July 22
- Completed initial implementation activities on July 30
- Held August Reconfiguration Auction on July 26
 - Results were posted July 30
- Completed third-party database reviews
- Solicited comments on proposed Autumn 2004 Auction schedule
 - Comments due August 6
- Calculations for Historic Remedy underway
 - To be completed by September 1
- September Reconfiguration Auction to be held August 9

TCC Settlement - Initial Implementation

Net Excess Auction Revenues	\$ 31,809,731.82
Payments to TCC holders	<u>(\$ 29,870,677.10)</u>
<i>Net Remaining</i>	\$ 1,939,054.72
Payments to TOs for remaining Congestion Rent Shortfalls through July 11, 2004	<u>(\$ 2,482,883.59)</u>
<i>Net Remaining</i>	(\$ 543,828.88)
Required Working Capital Draw	\$ 543,828.88