
NYISO President's Report

*Management Committee Meeting
August 28, 2003*

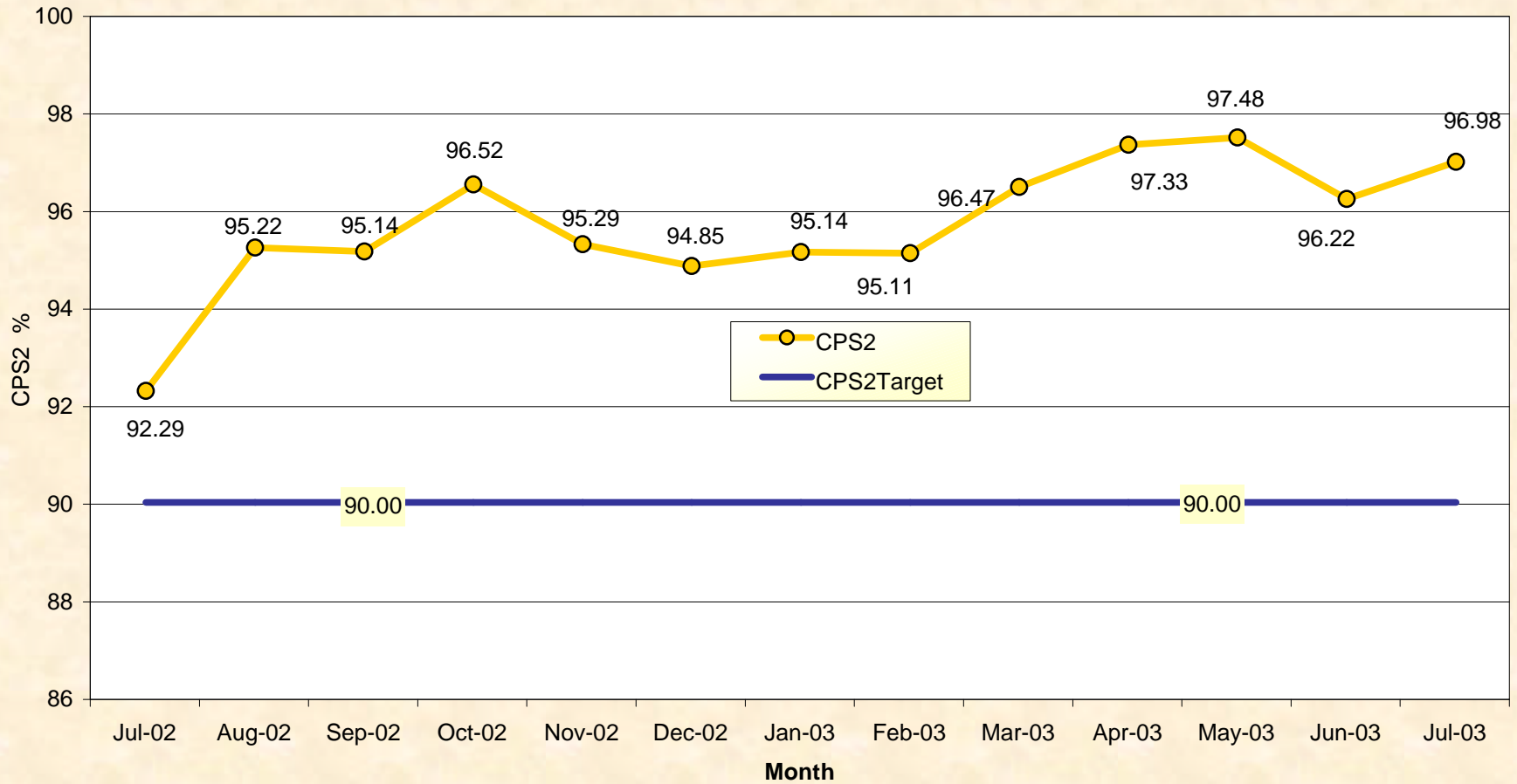
Agenda #3

Report Items

- 1) August 14th Outage and Restoration
- 2) Reliability Indicators
 - *NERC Criteria (CPS-2 Curve)*
- 3) Market Performance Highlights
- 4) TLR Incident Over August 2-3, 2003 Weekend
- 5) Web-Based Reconciliation/12-Month Final Bill Status and Schedule
- 6) Strategic Plan Feedback

NERC Control Performance Standard

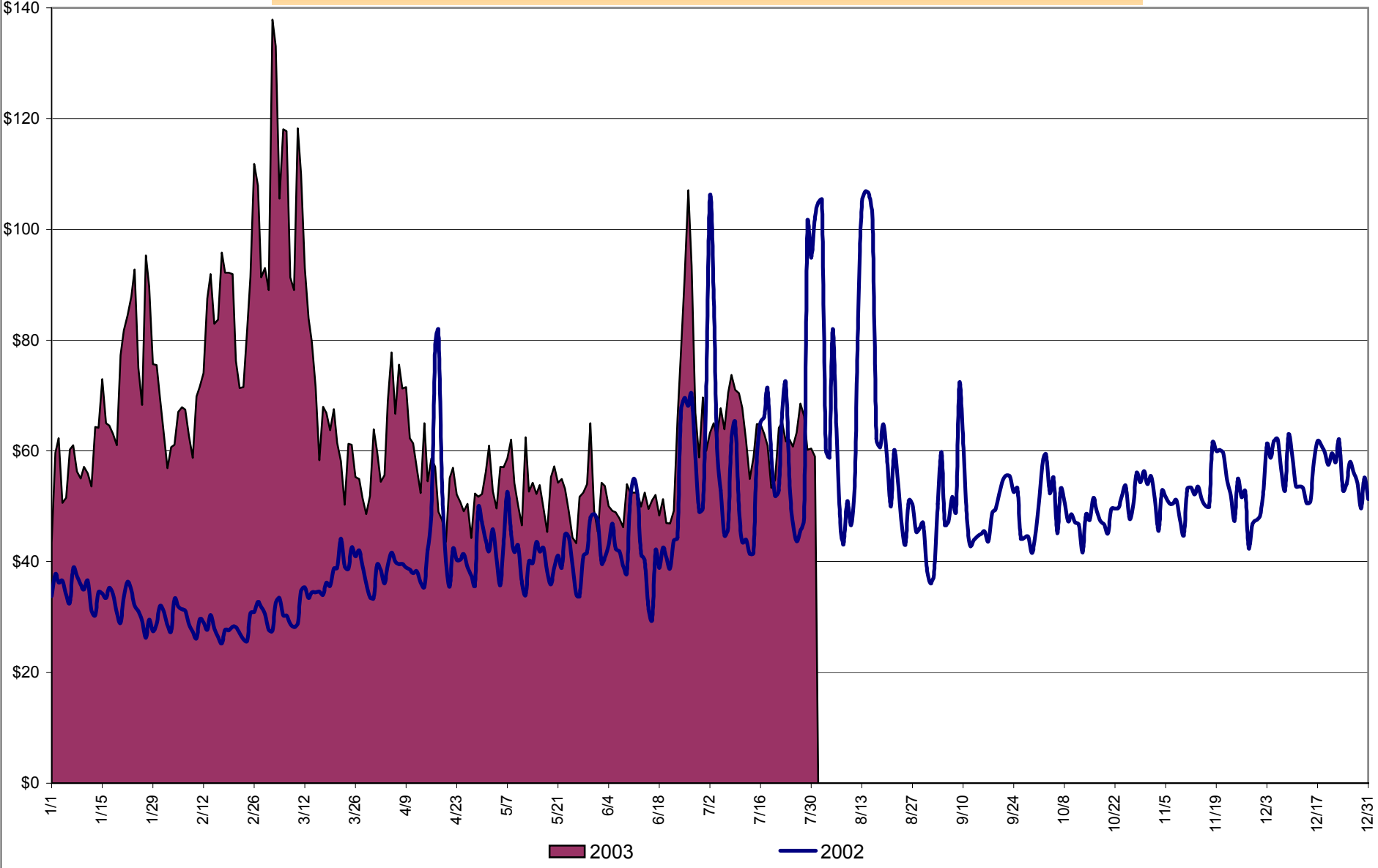
NYISO Compliance
Year 2002/2003



CPS2 for July = 96.98% 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)

2002 Annual Average \$49.77/MWH
July 2002 YTD Average \$44.35/MWH
July 2003 YTD Average \$66.76/MWH

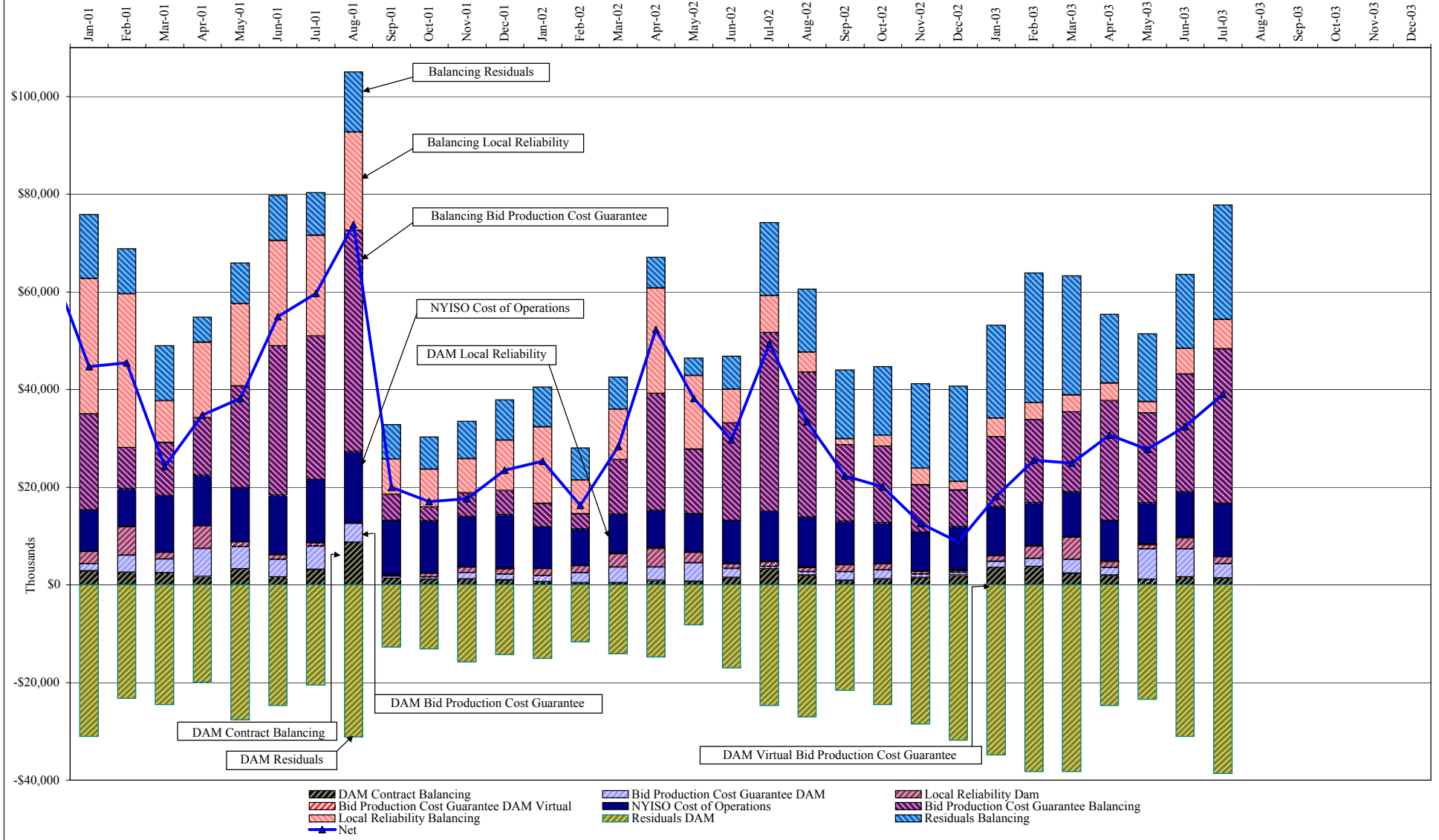


NYISO Administered Total Price (Energy and Ancillary Services)

from the LBMP Customer point of view

2003		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	66.41	76.66	78.36	54.26	49.79	57.43	60.10					
	NTAC	0.41	0.35	0.66	0.45	0.44	0.39	0.53					
	Reserve	0.46	0.35	0.47	0.41	0.47	0.25	0.15					
	Regulation	0.26	0.27	0.38	0.31	0.65	0.31	0.19					
	NYISO Cost of Operations	0.68	0.68	0.68	0.68	0.68	0.68	0.69					
	Uplift	0.33	1.04	0.97	1.72	1.47	1.58	1.74					
	Voltage Support and Black Start	0.33	0.33	0.33	0.33	0.34	0.33	0.34					
	Avg Monthly Price	68.90	79.69	81.84	58.16	53.84	60.98	63.73					
	Avg YTD Price	68.90	74.05	76.61	72.22	68.83	67.43	66.76					
2002		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	30.32	26.58	32.02	39.03	37.48	45.59	60.80	65.60	46.88	48.13	50.10	54.76
	NTAC	0.53	0.48	0.45	0.43	0.47	0.61	1.04	0.52	0.49	0.63	0.39	0.35
	Reserve	0.19	0.19	0.24	0.29	0.21	0.19	0.30	0.33	0.22	0.22	0.31	0.41
	Regulation	0.19	0.19	0.17	0.16	0.26	0.24	0.18	0.20	0.27	0.26	0.25	0.25
	NYISO Cost of Operations	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.62	0.63
	Uplift	1.19	0.67	1.36	3.70	2.34	1.35	2.28	1.32	0.86	0.79	0.22	(0.14)
	Voltage Support and Black Start	0.34	0.33	0.33	0.34	0.34	0.33	0.33	0.33	0.33	0.33	0.33	0.33
	Avg Monthly Price	33.39	29.08	35.21	44.58	41.72	48.94	65.56	68.94	49.68	50.99	52.24	56.60
	Avg YTD Price	33.39	31.37	32.69	35.71	36.83	39.06	44.35	48.39	48.54	48.78	49.10	49.77
2001		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	61.52	44.29	49.98	48.60	52.84	50.31	46.58	71.97	35.33	31.05	31.53	29.23
	NTAC	0.39	0.21	0.59	0.35	0.51	0.41	0.30	0.35	0.38	0.39	0.40	0.61
	Reserve	0.47	0.29	0.42	0.43	0.59	0.44	0.55	1.40	0.43	0.25	0.27	0.25
	Regulation	0.07	0.07	0.10	0.10	0.13	0.08	0.08	0.06	0.14	0.18	0.15	0.18
	NYISO Cost of Operations	0.65	0.59	0.89	0.89	0.88	0.88	0.88	0.88	0.88	0.83	0.88	0.88
	Uplift	2.62	2.85	0.88	2.04	2.98	3.12	3.71	4.27	0.67	0.54	0.52	0.94
	Voltage Support and Black Start	0.34	0.34	0.34	0.34	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
	Avg Monthly Price	66.05	48.64	53.20	52.75	58.27	55.58	52.44	79.28	38.17	33.57	34.10	32.44
	Avg YTD Price	66.05	58.08	56.55	55.72	56.21	56.09	55.41	59.68	57.12	54.63	52.99	51.42
2000		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	46.01	41.33	32.62	32.05	50.39	79.35	51.46	63.48	54.29	53.84	52.16	62.85
	NTAC	0.47	0.20	0.25	0.65	0.60	0.46	0.39	0.42	0.22	0.32	0.30	0.20
	Reserve	1.44	5.64	2.68	0.27	0.68	0.66	0.31	0.49	0.64	0.44	0.33	0.37
	Regulation	0.19	0.35	0.42	0.33	0.14	0.01	0.10	0.04	0.07	0.09	0.08	0.07
	NYISO Cost of Operations	1.14	(0.46)	(0.61)	0.47	0.76	0.89	0.88	1.81	1.89	0.43	0.48	0.49
	Uplift	0.16	0.05	(0.29)	0.27	3.37	3.31	1.13	3.80	2.85	0.96	0.38	3.70
	Voltage Support and Black Start	0.38	0.37	0.37	0.37	0.38	0.38	0.38	0.37	0.39	0.40	0.40	0.40
	Avg Monthly Price	49.78	47.49	35.45	34.40	56.33	85.06	54.64	70.43	60.36	56.48	54.13	68.07
	Avg YTD Price	49.78	48.70	44.05	41.62	45.14	53.74	53.91	56.57	57.09	57.02	56.75	57.90

NYISO Dollar Flows - Uplift - OATT Schedule 1 components



DAM Contract Balancing amounts are for payments made to generating units go 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. The value for April 2003 is \$135,233.

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 2003	January	February	March	April	May	June	July	August	September	October	November	December
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					
DAM LSE Internal LBMP Energy Sales	46%	48%	46%	49%	46%	48%	55%					
DAM External TC LBMP Energy Sales	1%	1%	1%	1%	2%	2%	1%					
DAM Bilateral - Internal Bilaterals	50%	49%	50%	46%	49%	46%	43%					
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	0%					
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	1%					
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	2%	2%	2%	1%					
Balancing Energy Market MWH	347,539	285,381	376,222	235,800	278,939	291,519	208,142					
Balancing Energy LSE Internal LBMP Energy Sales	58%	35%	52%	72%	48%	39%	53%					
Balancing Energy External TC LBMP Energy Sales	58%	80%	95%	73%	69%	78%	79%					
Balancing Energy Bilateral - Internal Bilaterals	-6%	-10%	-2%	0%	-5%	5%	-2%					
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	4%	1%	1%	1%	1%	0%	0%					
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	-38%	0%	0%	0%	0%					
Balancing Energy Bilateral - Wheel Through Bilaterals	-14%	-7%	-8%	-46%	-14%	-23%	-31%					
Transactions Summary 2003												
LBMP	49%	50%	49%	52%	49%	52%	56%					
Internal Bilaterals	48%	47%	48%	45%	48%	46%	42%					
Import Bilaterals	1%	1%	1%	1%	0%	0%	0%					
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%					
Wheels Through	1%	1%	1%	1%	1%	1%	1%					
Market Share of Total Load 2003												
Day Ahead Market	97.6%	97.8%	97.2%	98.1%	97.7%	97.9%	98.7%					
Balancing Energy +	2.4%	2.2%	2.8%	1.9%	2.3%	2.1%	1.3%					
Total MWH	14,535,291	12,981,249	13,502,785	12,233,455	12,308,392	13,633,350	15,652,999					
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497					
Transactions by Market 2002												
Day Ahead Market MWH	13,580,547	12,016,720	12,760,385	11,863,525	12,561,505	14,043,673	16,297,012	16,165,944	13,922,494	12,859,329	12,470,189	13,580,220
DAM LSE Internal LBMP Energy Sales	44%	42%	43%	45%	40%	43%	50%	51%	46%	46%	49%	47%
DAM External TC LBMP Energy Sales	0%	1%	1%	1%	1%	2%	3%	1%	2%	1%	1%	2%
DAM Bilateral - Internal Bilaterals	51%	52%	51%	49%	55%	51%	45%	45%	49%	50%	46%	49%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	1%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	3%	3%	3%	3%	2%	2%	1%	2%	2%	1%	1%	1%
Balancing Energy Market MWH	-214,495	-30,504	32,311	224,671	-98,746	-69,632	88,020	79,918	112,928	350,988	339,372	514,175
Balancing Energy LSE Internal LBMP Energy Sales	-17%	410%	821%	182%	-10%	148%	311%	18%	-77%	61%	52%	59%
Balancing Energy External TC LBMP Energy Sales	5%	39%	-36%	-15%	44%	-95%	-165%	89%	189%	37%	44%	30%
Balancing Energy Bilateral - Internal Bilaterals	1%	-51%	8%	12%	10%	14%	-19%	27%	17%	-2%	3%	3%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	13%	27%	24%	3%	8%	15%	24%	19%	14%	8%	9%	9%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	1%	2%	0%	1%	0%	0%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-103%	-524%	-717%	-84%	-154%	-183%	-52%	-55%	-42%	-4%	-8%	-2%
Transactions Summary 2002												
LBMP	45%	44%	46%	48%	42%	46%	53%	52%	49%	49%	52%	50%
Internal Bilaterals	52%	52%	51%	49%	55%	51%	45%	45%	48%	48%	45%	47%
Import Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%	1%	1%	1%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	2%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%
Market Share of Total Load 2002												
Day Ahead Market	101.6%	100.3%	99.7%	98.1%	100.8%	100.5%	99.5%	99.5%	99.2%	97.3%	97.4%	96.4%
Balancing Energy +	-1.6%*	-0.3%*	0.3%	1.9%	-0.8%*	-0.5%*	0.5%	0.5%	0.8%	2.7%	2.6%	3.6%
Total MWH	13,366,052	11,986,216	12,792,696	12,088,196	12,462,759	13,974,041	16,385,032	16,245,862	14,035,422	13,210,317	12,809,561	14,094,395
Average Daily Energy Sendout/Month GWh	427	418	403	397	388	449	513	511	444	412	413	440

+ 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.

Note: Virtual Transactions are not reflected in this chart.

NYISO Markets 2003 Energy Statistics

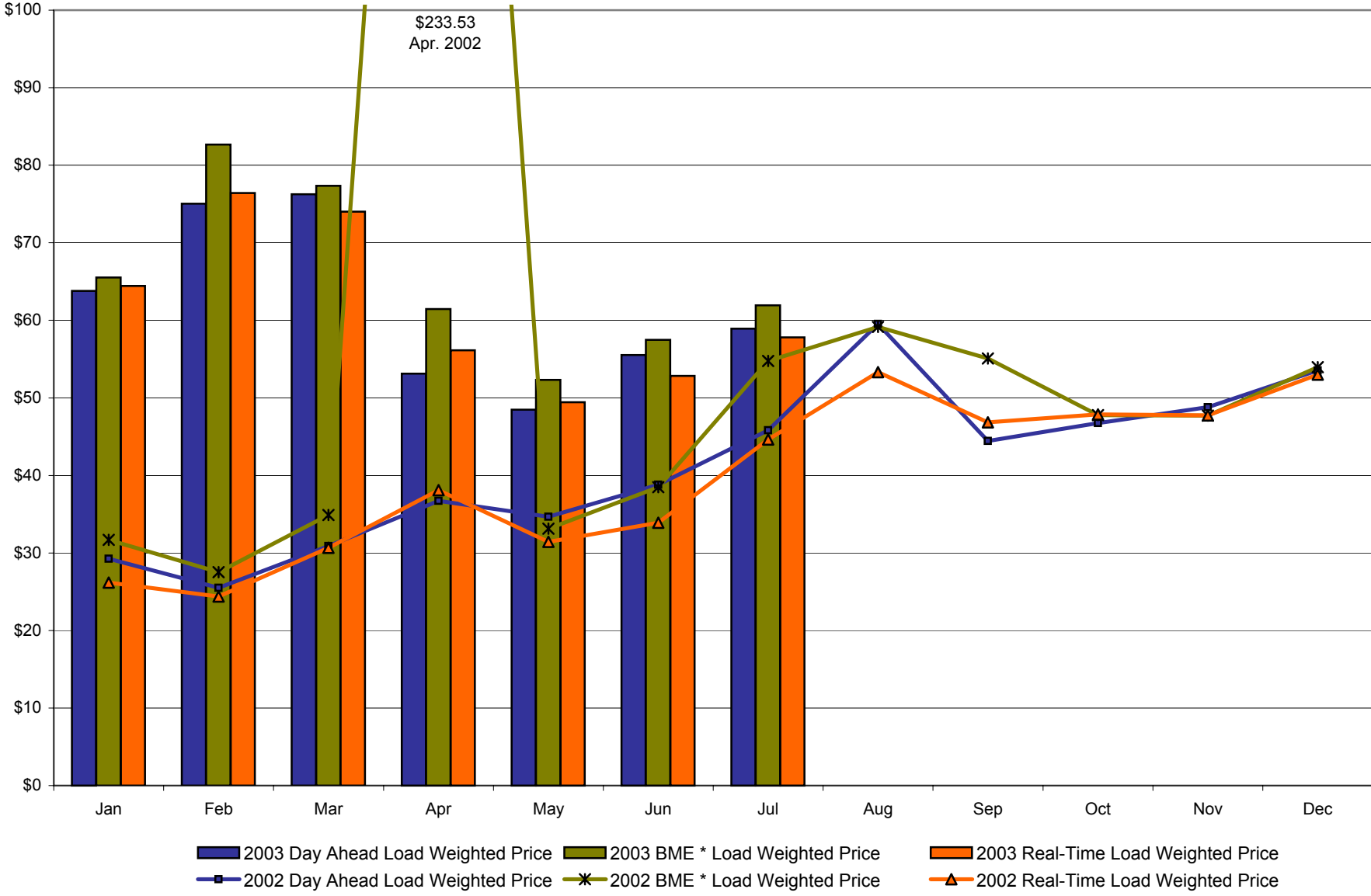
	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Unweighted Price	\$61.33	\$72.81	\$73.18	\$51.58	\$46.43	\$51.45	\$57.10					
Standard Deviation	\$20.09	\$21.12	\$29.70	\$12.47	\$14.03	\$21.27	\$11.88					
Load Wtg.Price	\$63.81	\$75.03	\$76.25	\$53.14	\$48.47	\$55.52	\$58.93					
<u>BME * LBMP</u>												
Unweighted Price	\$63.19	\$80.25	\$74.27	\$59.22	\$50.27	\$53.84	\$59.99					
Standard Deviation	\$25.43	\$41.53	\$32.77	\$25.00	\$16.37	\$22.27	\$14.82					
Load Wtg.Price	\$65.54	\$82.65	\$77.33	\$61.45	\$52.31	\$57.49	\$61.94					
<u>REAL TIME LBMP</u>												
Unweighted Price	\$61.53	\$74.03	\$70.54	\$53.94	\$46.74	\$48.96	\$55.94					
Standard Deviation	\$30.16	\$37.46	\$37.97	\$28.70	\$23.03	\$21.57	\$13.68					
Load Wtg.Price	\$64.43	\$76.41	\$74.02	\$56.14	\$49.44	\$52.82	\$57.79					
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497					

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	\$38.96	\$51.07	\$54.86	\$42.58	\$45.16	\$47.30	\$52.01
Standard Deviation	\$7.26	\$4.61	\$7.28	\$11.57	\$8.76	\$15.32	\$23.15	\$29.88	\$11.72	\$11.61	\$11.72	\$12.28
Load Wtg.Price	\$29.25	\$25.50	\$30.88	\$36.72	\$34.66	\$38.81	\$45.81	\$59.54	\$44.43	\$46.76	\$48.79	\$53.54
<u>BME * LBMP</u>												
Unweighted Price	\$30.66	\$26.84	\$33.53	\$191.03	\$31.43	\$38.57	\$63.19	\$55.27	\$51.96	\$45.90	\$46.53	\$52.44
Standard Deviation	\$11.22	\$7.60	\$13.84	\$1,020.88	\$13.91	\$54.74	\$181.17	\$29.34	\$147.55	\$12.10	\$11.07	\$14.74
Load Wtg.Price	\$31.67	\$27.54	\$34.88	\$233.53	\$33.12	\$38.49	\$54.76	\$59.15	\$55.08	\$47.76	\$47.70	\$53.95
<u>REAL TIME LBMP</u>												
Unweighted Price	\$25.36	\$23.73	\$29.78	\$35.44	\$29.80	\$33.98	\$53.70	\$49.74	\$44.08	\$46.16	\$46.13	\$51.04
Standard Deviation	\$8.27	\$8.83	\$10.97	\$25.85	\$13.32	\$16.92	\$66.25	\$24.86	\$34.24	\$17.61	\$18.25	\$22.41
Load Wtg.Price	\$26.17	\$24.39	\$30.67	\$38.10	\$31.42	\$33.91	\$44.63	\$53.32	\$46.85	\$47.88	\$47.75	\$53.01
Average Daily Energy Sendout/Month GWh	427	418	403	397	388	449	513	511	444	412	413	440

* Commonly referred as Hour Ahead Market (HAM)

**NYISO Monthly Average Internal LBMPs
2002 - 2003**



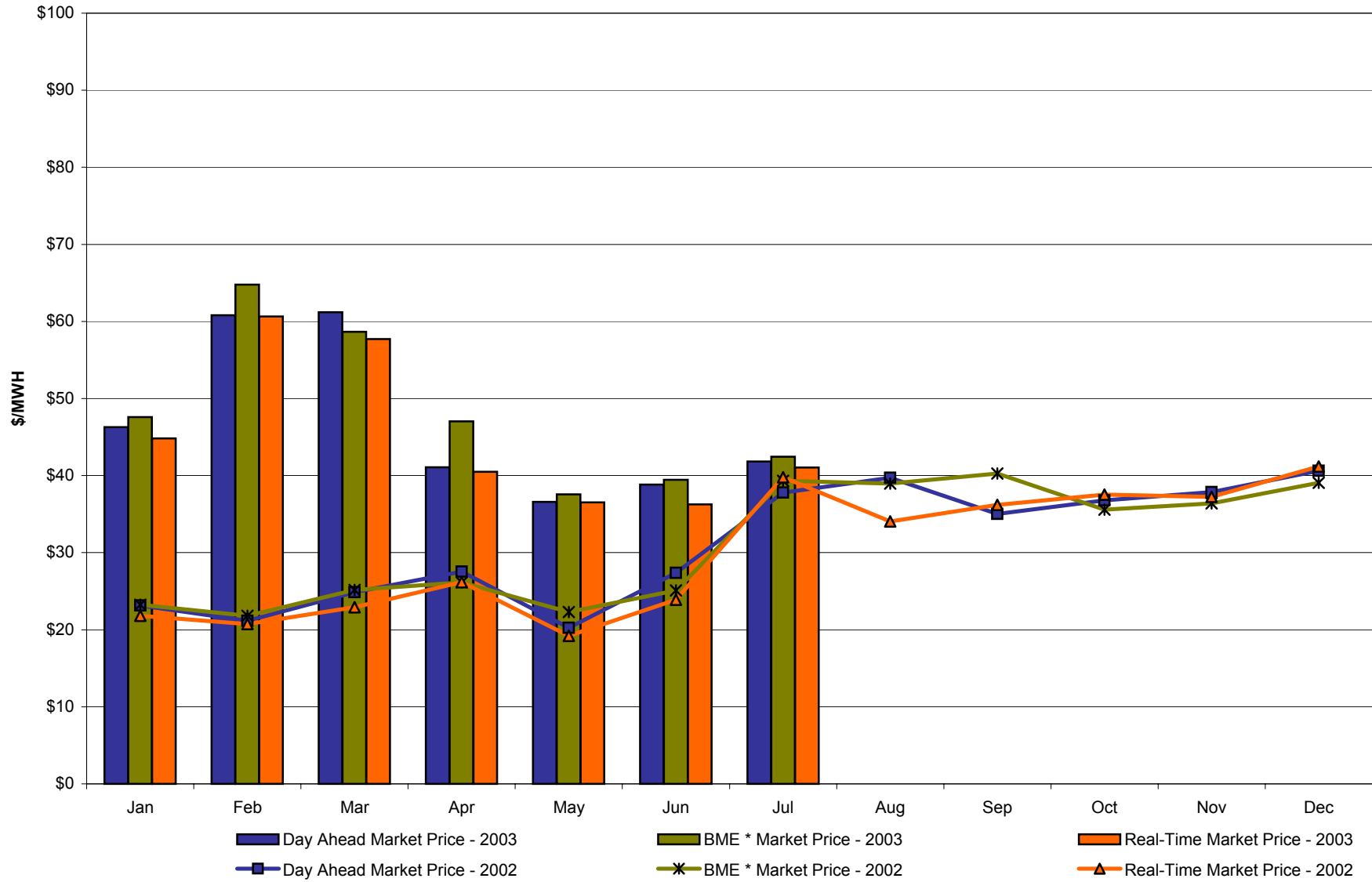
* Commonly referred to as Hour Ahead Market (HAM)

July 2003 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	41.84	45.01	46.20	46.18	47.94	51.16	54.75	54.98	55.73	65.60	65.87
Standard Deviation	8.06	8.61	8.25	8.86	9.01	10.42	13.04	13.51	13.78	14.93	14.86
<u>BME * LBMP</u>											
Unweighted Price	42.45	44.31	46.83	46.76	48.69	49.96	50.99	52.10	52.98	75.18	65.98
Standard Deviation	10.73	10.85	10.24	11.27	11.38	11.57	11.93	13.45	13.51	23.31	17.32
<u>REAL TIME LBMP</u>											
Unweighted Price	41.06	43.93	43.80	43.40	45.14	48.87	49.76	52.41	53.26	67.52	62.98
Standard Deviation	10.74	11.30	11.56	11.30	11.85	13.29	13.55	15.78	15.98	20.77	17.18
	ONTARIO HYDRO Zone O	HYDRO QUEBEC Zone M	PJM Zone P	NEW ENGLAND Zone N							
<u>DAY AHEAD LBMP</u>											
Unweighted Price	40.33	46.00	41.93	51.75							
Standard Deviation	8.51	8.70	11.52	11.21							
<u>BME * LBMP</u>											
Unweighted Price	40.68	38.53	41.54	49.31							
Standard Deviation	28.21	86.15	47.47	12.00							
<u>REAL TIME LBMP</u>											
Unweighted Price	36.61	36.58	38.99	47.70							
Standard Deviation	27.71	86.08	46.91	12.79							

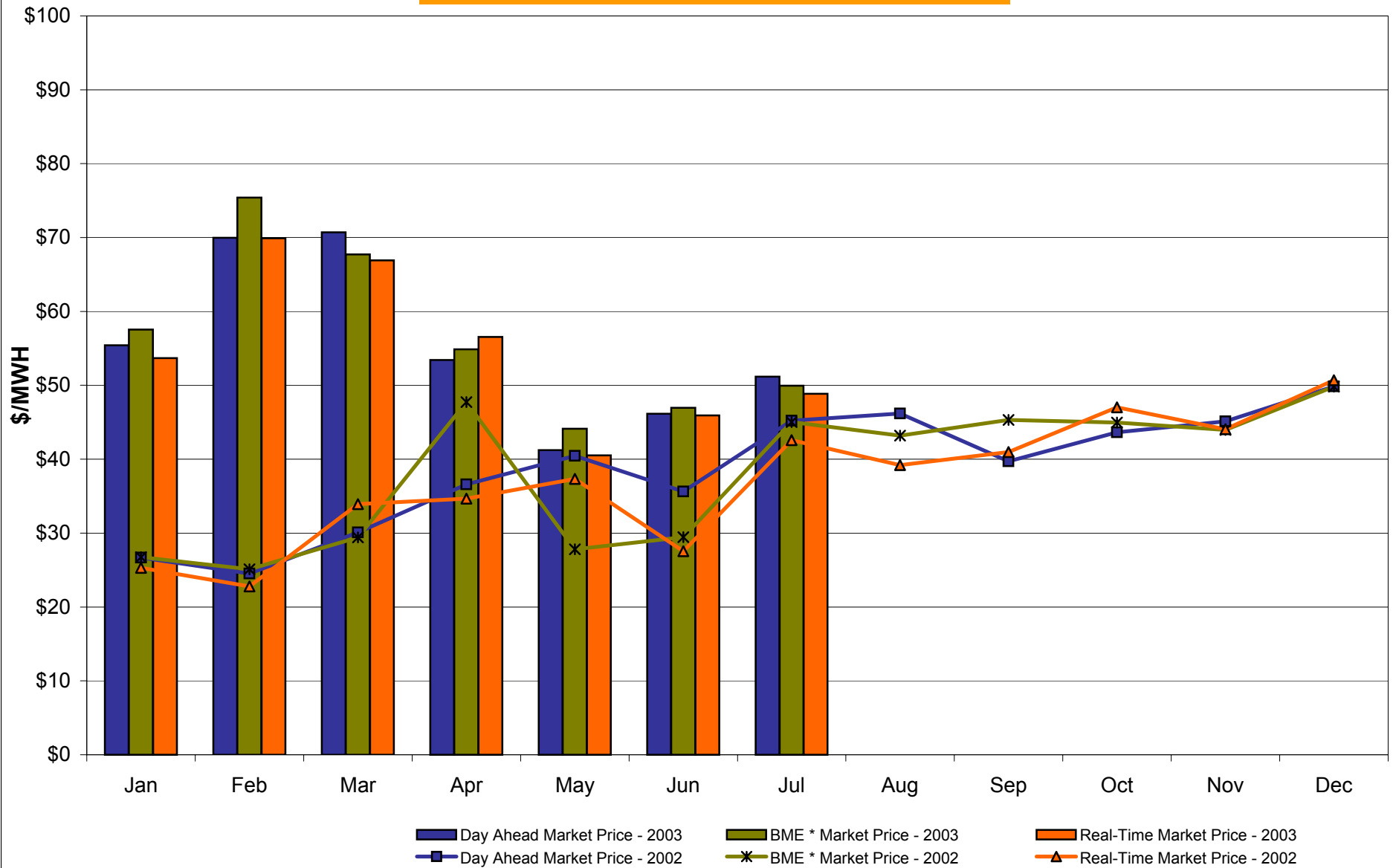
*Commonly Referred as Hour Ahead Market (HAM)

West Zone A
Monthly Average LBMP Prices 2002 - 2003



* Commonly referred to as Hour Ahead Market (HAM)

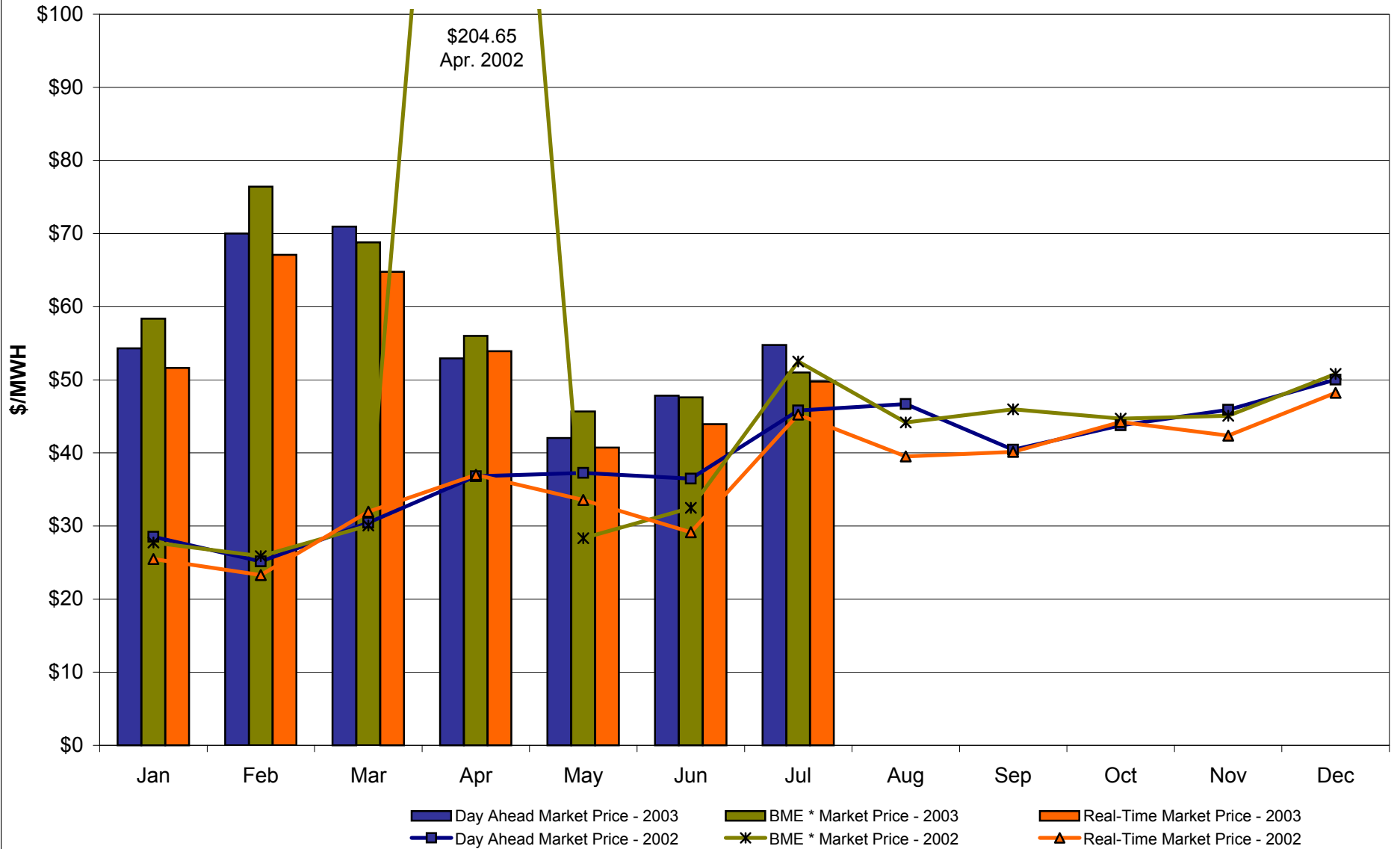
Capital Zone F Monthly Average LBMP Prices 2002 - 2003



* Commonly referred to as Hour Ahead Market (HAM)

4-1

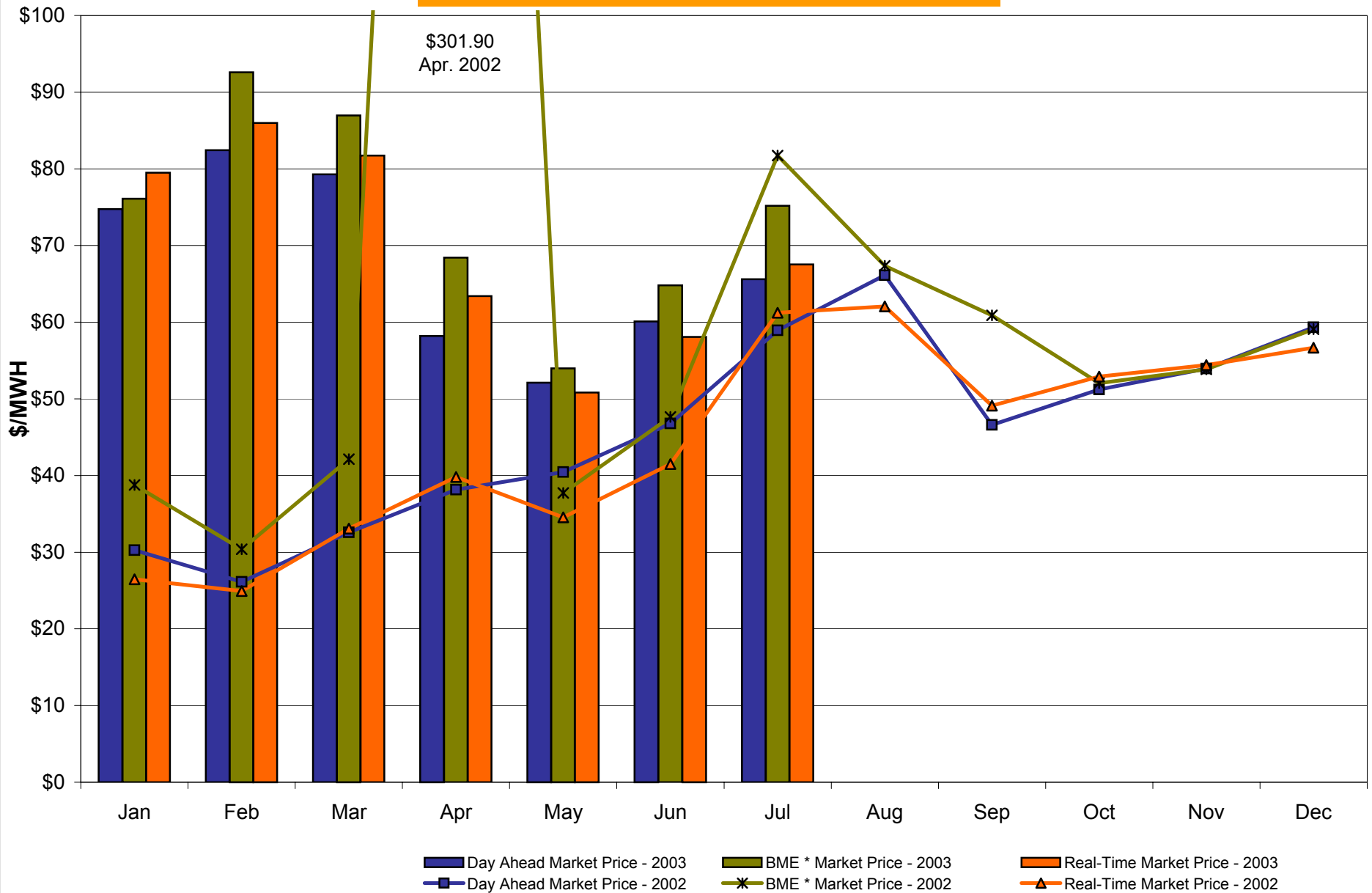
Hudson Valley Zone G Monthly Average LBMP Prices 2002 - 2003



* Commonly referred to as Hour Ahead Market (HAM)

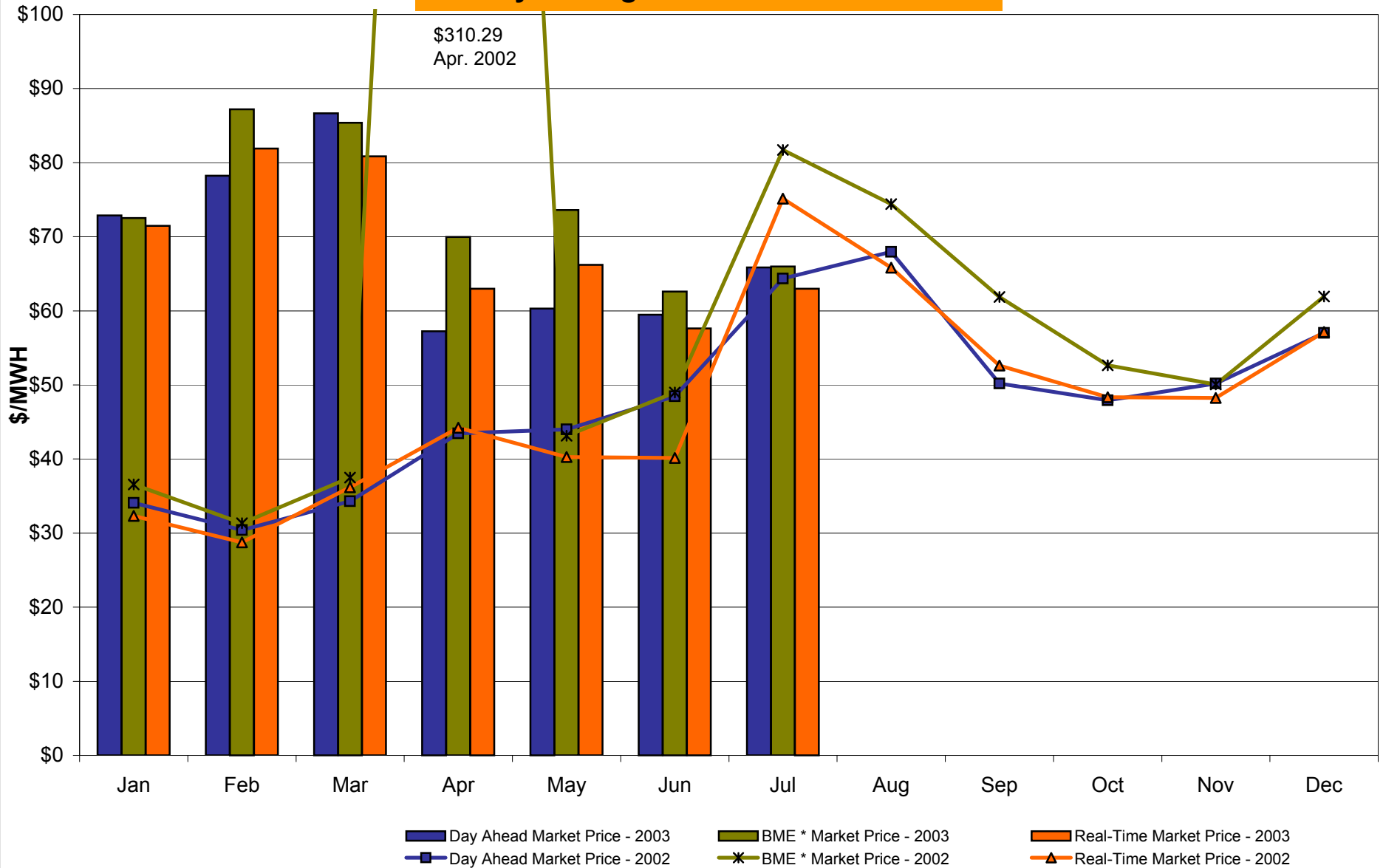
4-J

NYC Zone J Monthly Average LBMP Prices 2002 - 2003



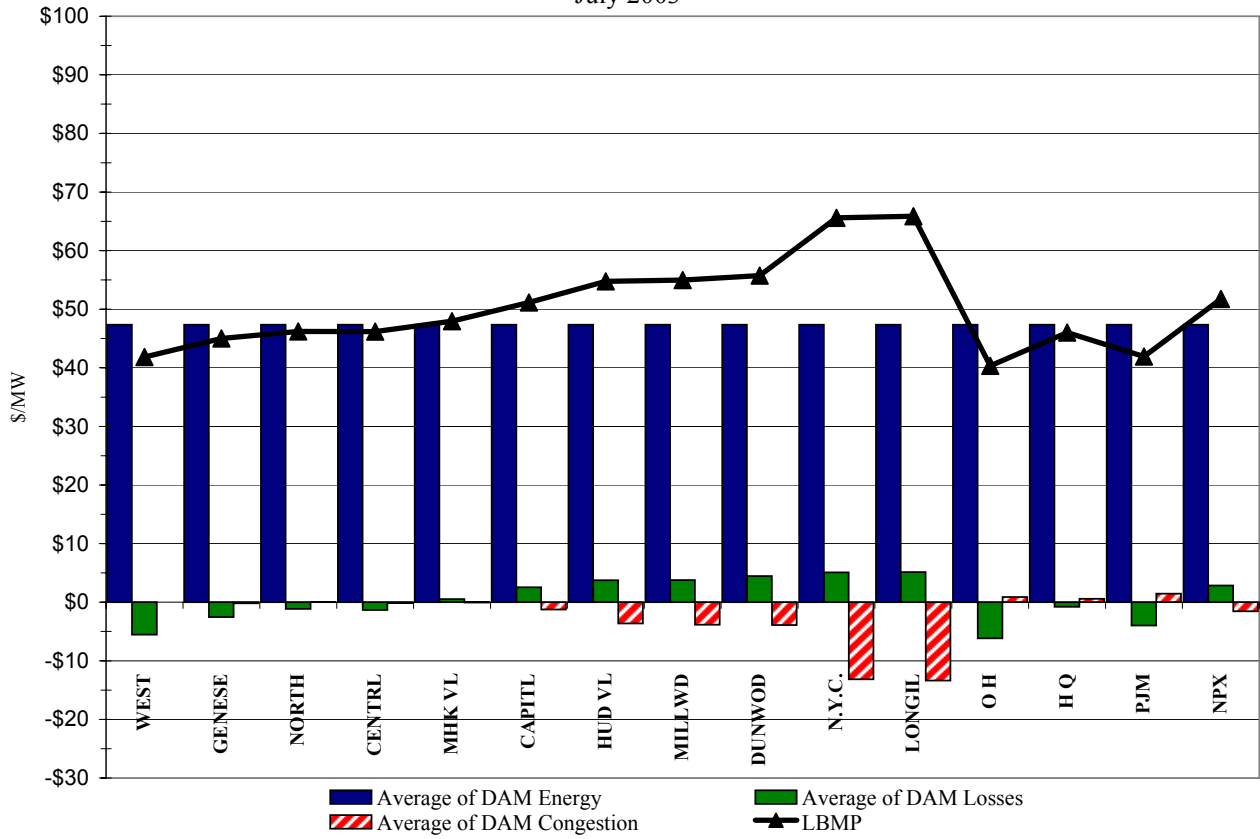
* Commonly referred to as Hour Ahead Market (HAM)

Long Island Zone K Monthly Average LBMP Prices 2002 - 2003

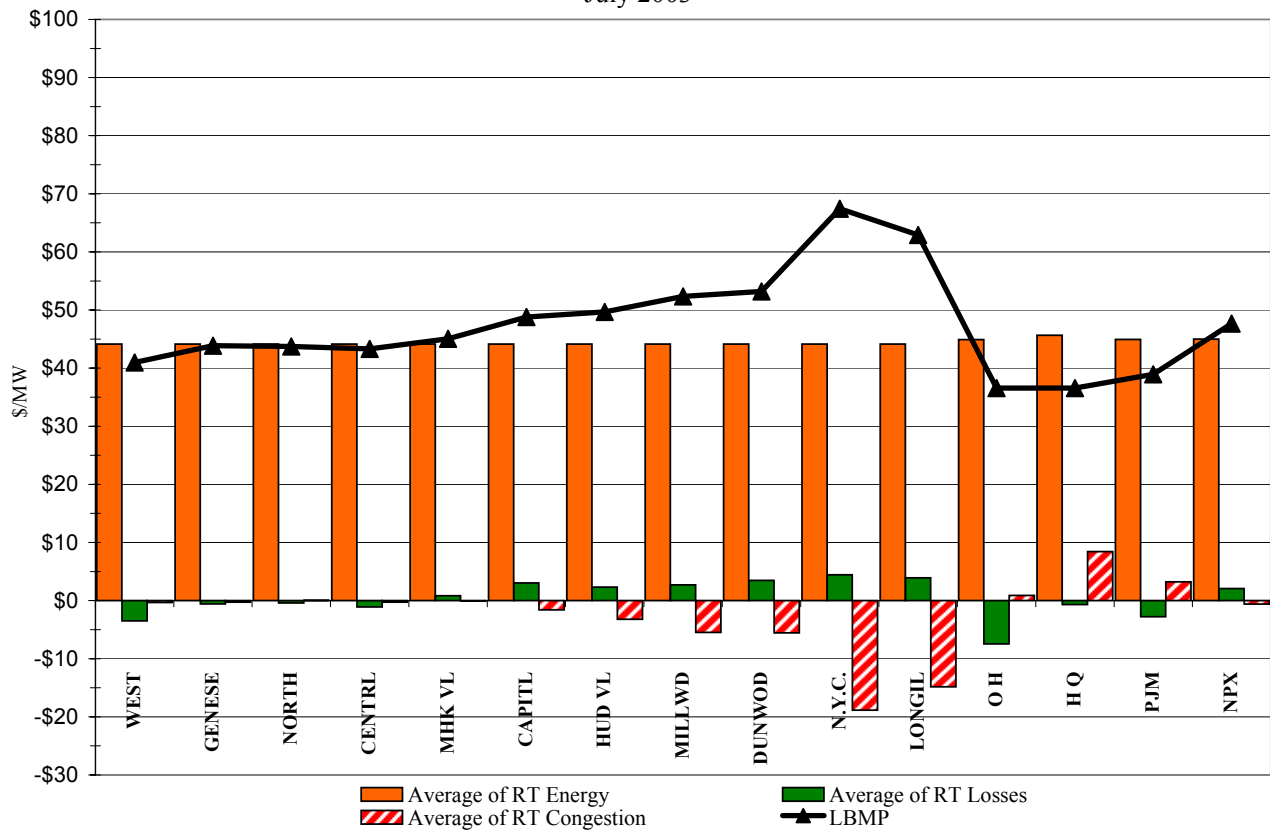


* Commonly referred to as Hour Ahead Market (HAM)

DAM Zonal Unweighted Monthly Average LBMP Components
July 2003

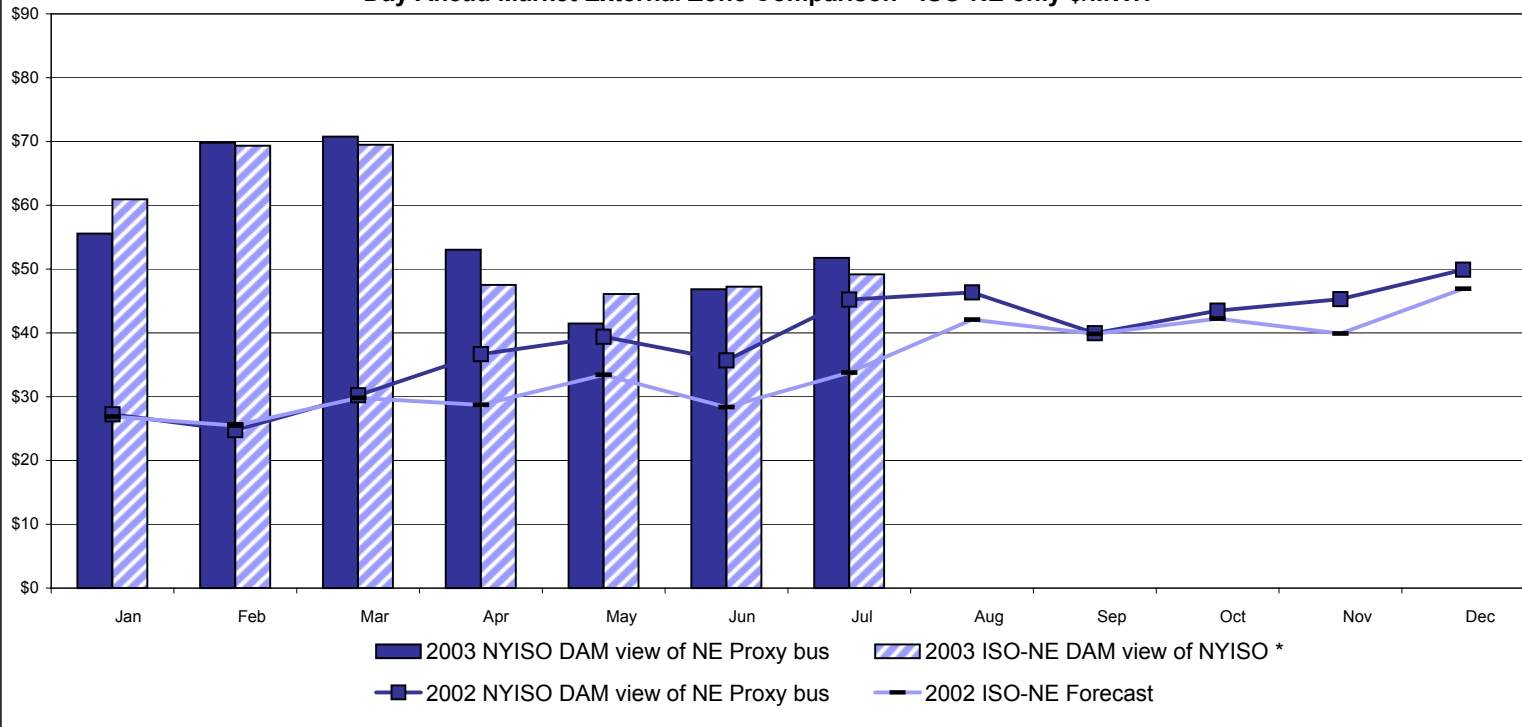


RT Zonal Unweighted Monthly Average LBMP Components
July 2003

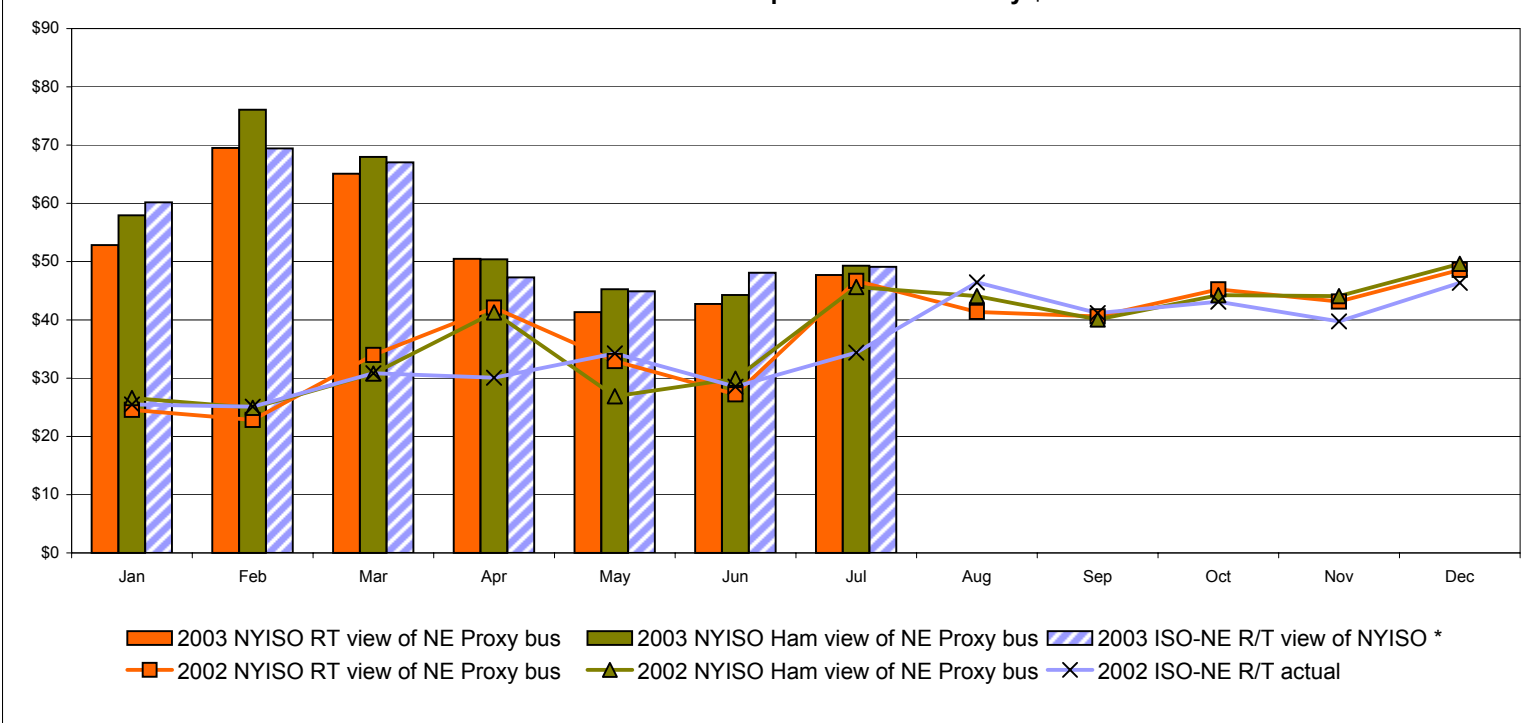


External Comparison ISO-NE

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



Real Time External Zone Comparison - ISO-NE only \$/MWH



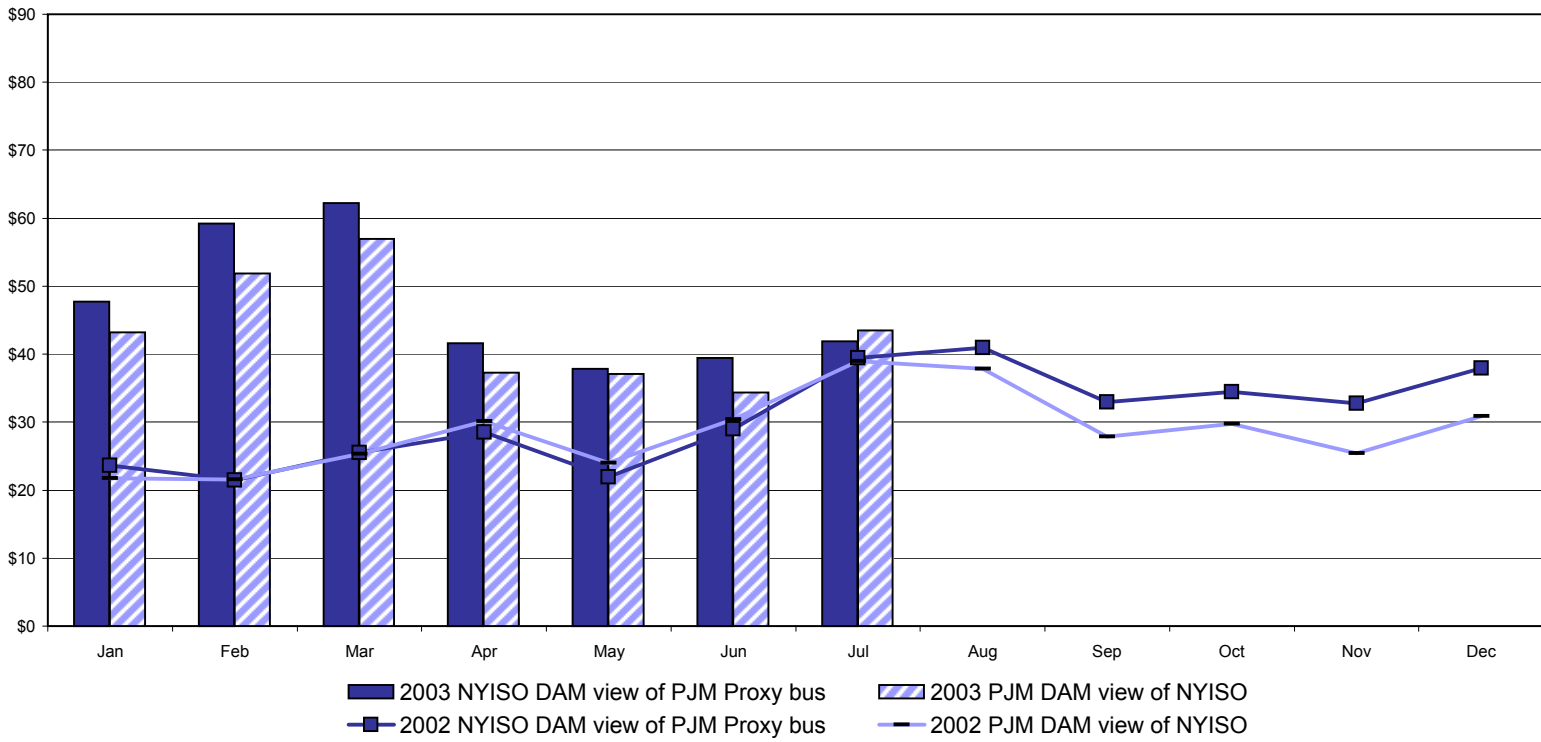
Note:

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

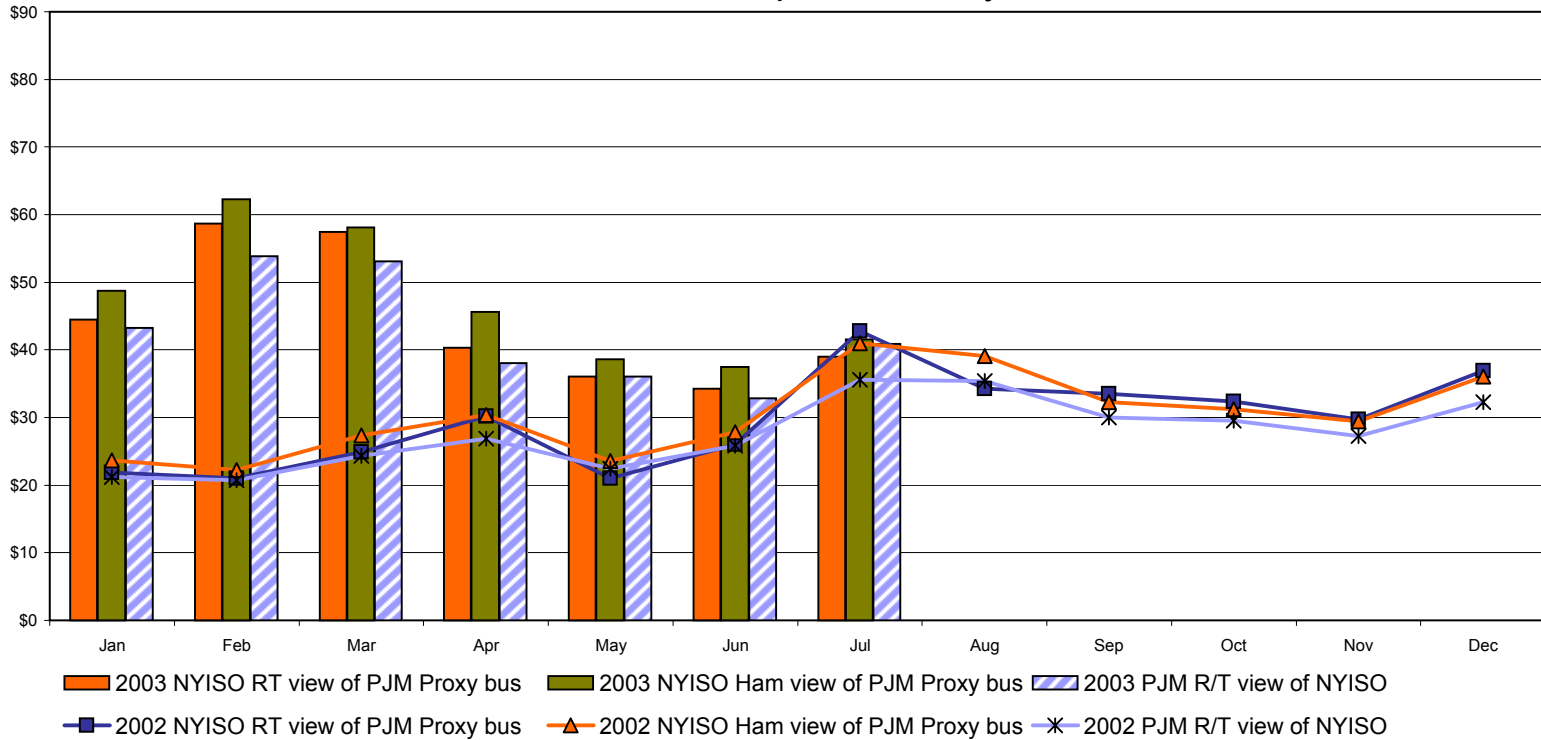
* Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

External Comparison PJM

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

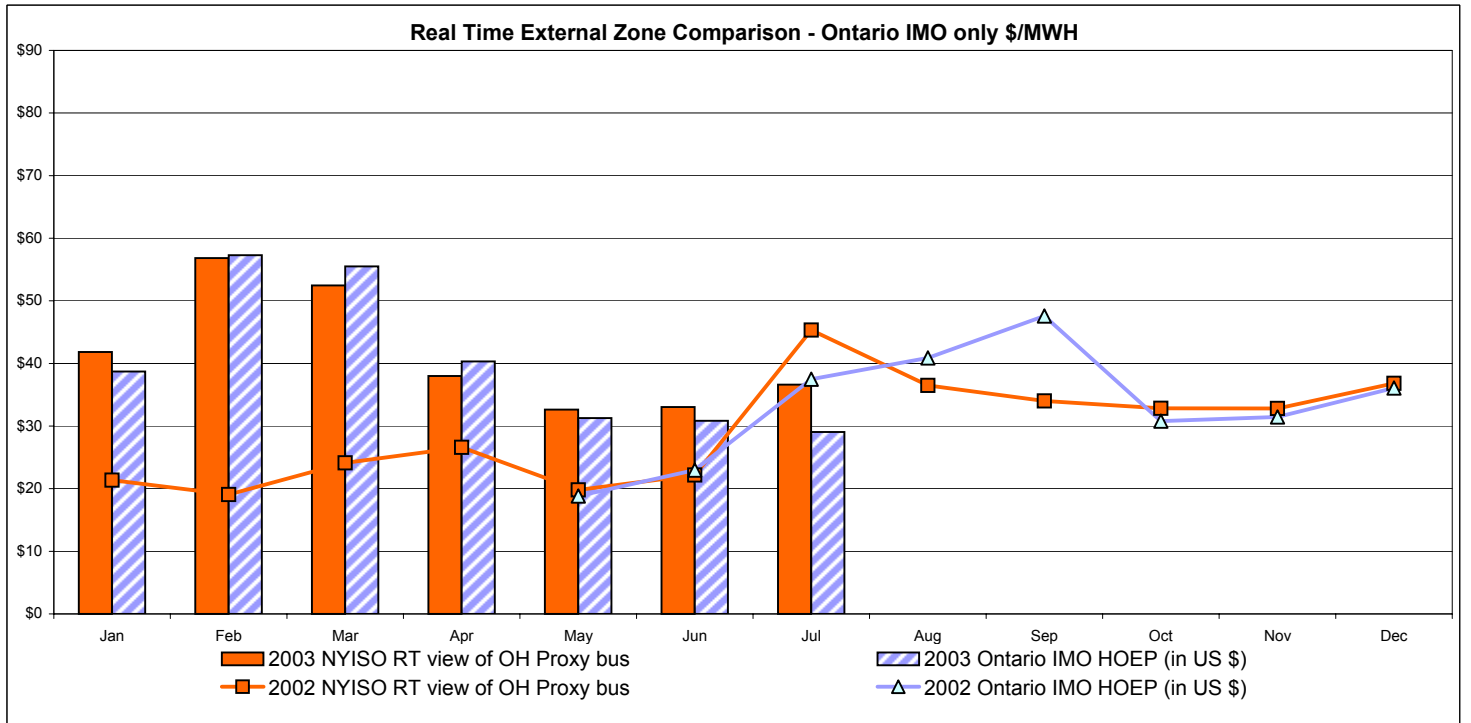
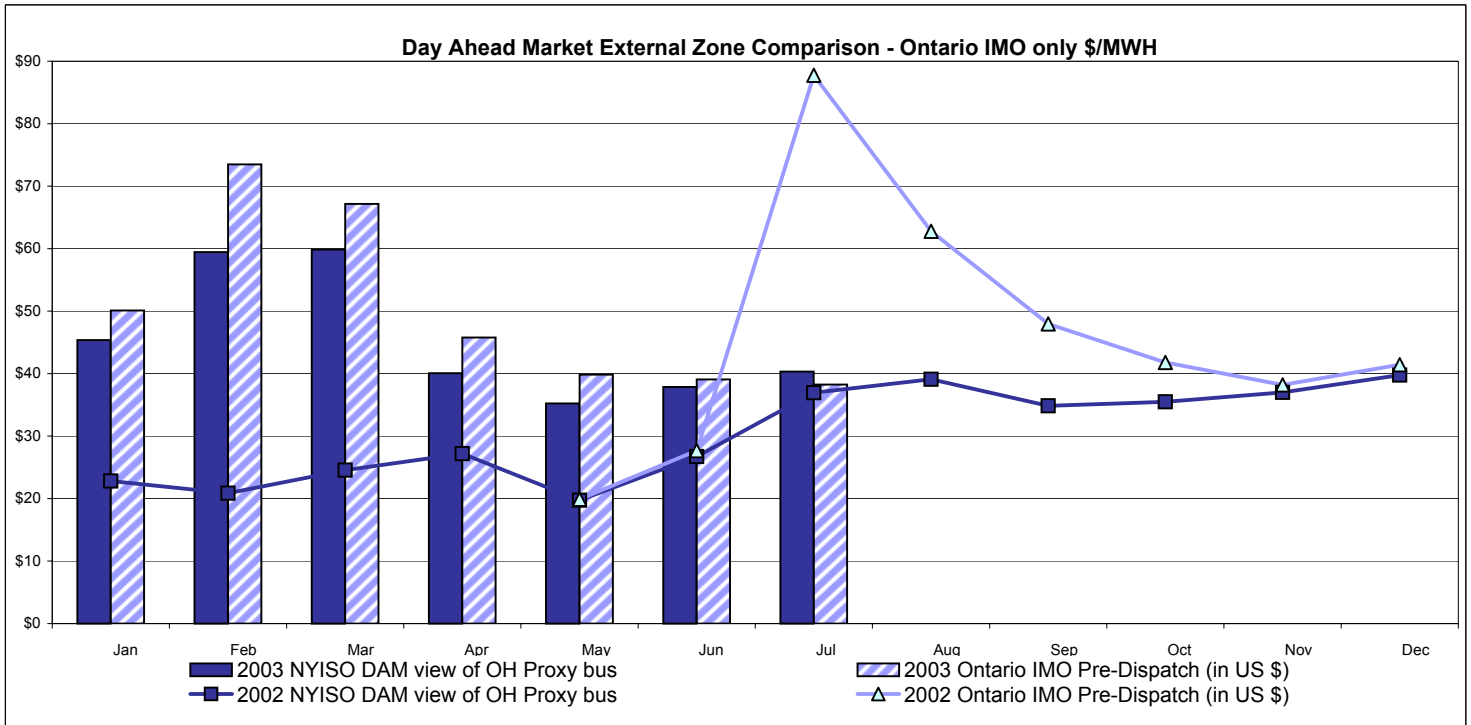


Real Time External Zone Comparison - PJM only \$/MWH



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

External Comparison Ontario IMO



Notes: Exchange factor used for July 2003 was .72 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

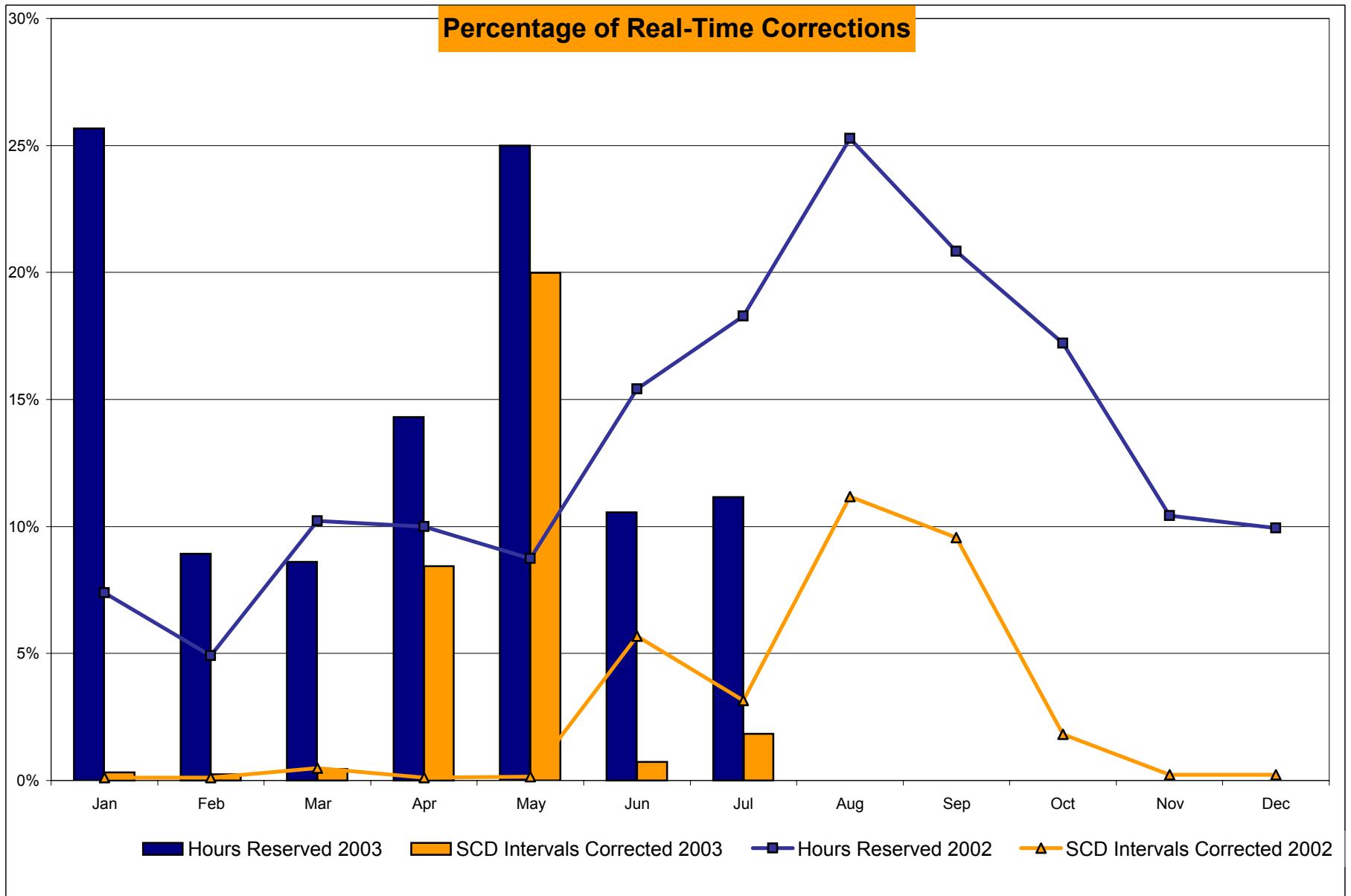
NYISO Price Correction Statistics

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					
Number of Intervals in the month	10,986	10,197	10,918	10,554	11,274	10,729	10,998					
Percentage of intervals corrected in the month	0.32%	0.25%	0.45%	8.44%	19.99%	0.74%	1.84%					
Number of Intervals corrected Year-to-date	36	61	110	1,001	3,255	3,334	3,536					
Number of Intervals Year-to-date	10,986	21,183	32,101	42,655	53,929	64,658	75,656					
Percentage of intervals corrected Year-to-date	0.32%	0.28%	0.34%	2.35%	6.04%	5.16%	4.67%					
<u>Hours Reserved</u>												
Number of hours reserved in the month	191	60	64	103	186	76	83					
Number of hours in the month	744	672	744	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%					
Number of hours reserved Year-to-date	191	251	315	418	604	680	763					
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088					
Percentage of hours reserved Year-to-date	25.67%	15.74%	14.58%	14.51%	16.67%	15.65%	15.00%					
<u>Days Without Corrections</u>												
Days without price corrections in the month	17	15	14	9	8	8	7					
Days without price corrections Year-to-date	17	32	46	55	63	71	78					

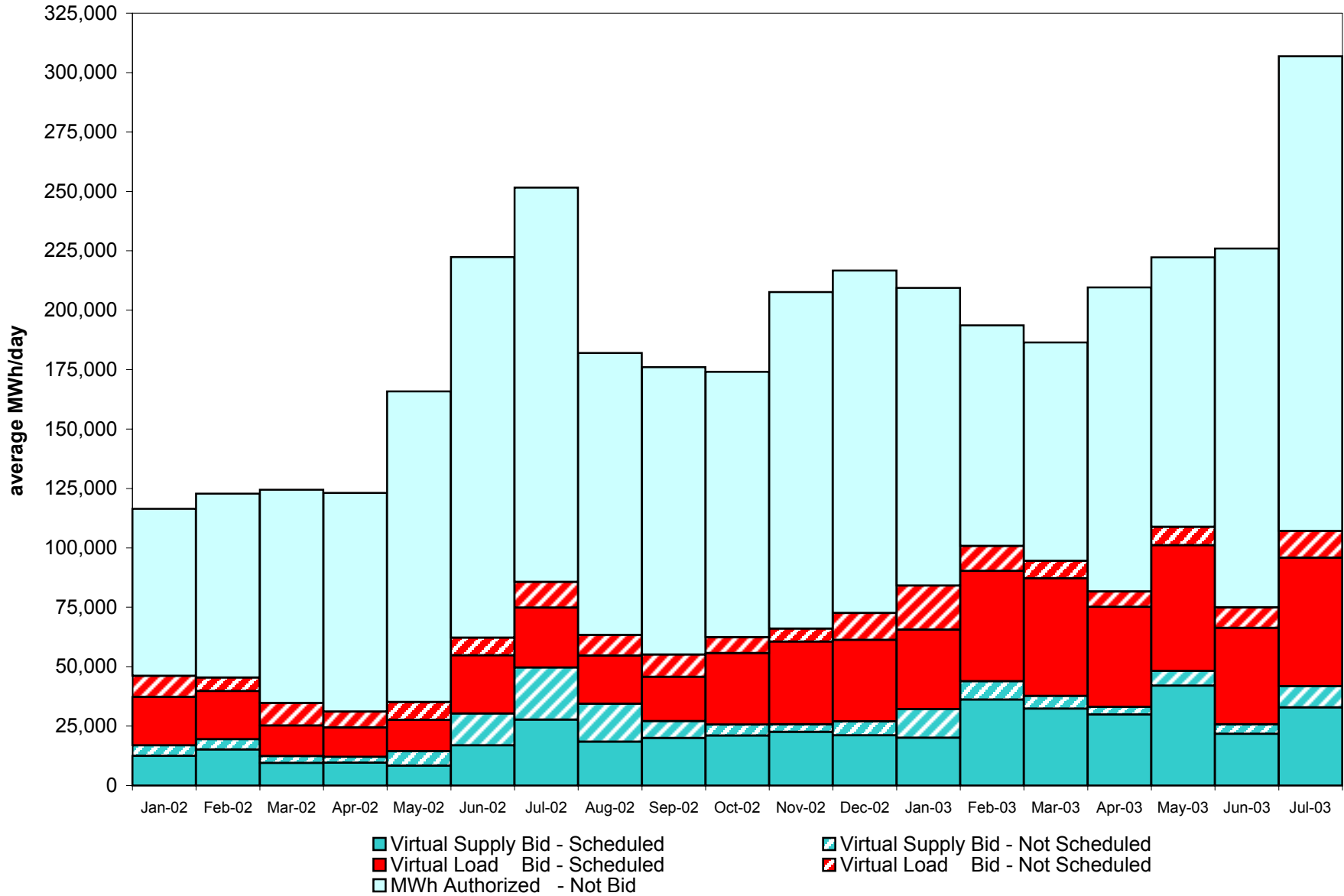
NYISO Price Corrections 2002

<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	346	1,261	1,016	201	23	24
Number of Intervals in the month	11,129	10,111	11,231	11,075	11,330	10,845	11,014	11,291	10,632	11,068	10,568	11,043
Percentage of intervals corrected in the month	0.11%	0.11%	0.49%	0.12%	0.14%	5.68%	2.28%	11.17%	9.56%	1.82%	0.22%	0.22%
Number of Intervals corrected Year-to-date	12	23	78	91	107	723	1,069	2,330	3,346	3,547	3,570	3,594
Number of Intervals Year-to-date	11,129	21,240	32,471	43,546	54,876	65,721	76,735	88,026	98,658	109,726	120,294	131,337
Percentage of intervals corrected Year-to-date	0.11%	0.11%	0.24%	0.21%	0.19%	1.10%	1.27%	2.65%	3.39%	3.23%	2.97%	2.74%
<u>Hours Reserved</u>												
Number of hours reserved in the month	55	33	76	72	65	111	136	188	150	128	75	74
Number of hours in the month	744	672	744	720	744	720	744	744	720	744	720	744
Percentage of hours reserved in the month	7.26%	4.91%	10.22%	10.00%	8.74%	15.42%	18.28%	25.27%	20.83%	17.20%	10.42%	9.95%
Number of hours reserved Year-to-date	55	88	164	236	301	412	548	736	886	1,014	1,089	1,163
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088	5,832	6,552	7,296	8,016	8,760
Percentage of hours reserved Year-to-date	7.26%	6.14%	7.55%	8.16%	8.31%	9.48%	10.77%	12.62%	13.52%	13.90%	13.59%	13.28%
<u>Days Without Corrections</u>												
Days without price corrections in the month	25	20	27	23	20	12	11	5	10	15	19	17
Days without price corrections Year-to-date	25	45	72	95	115	127	138	143	153	168	187	204

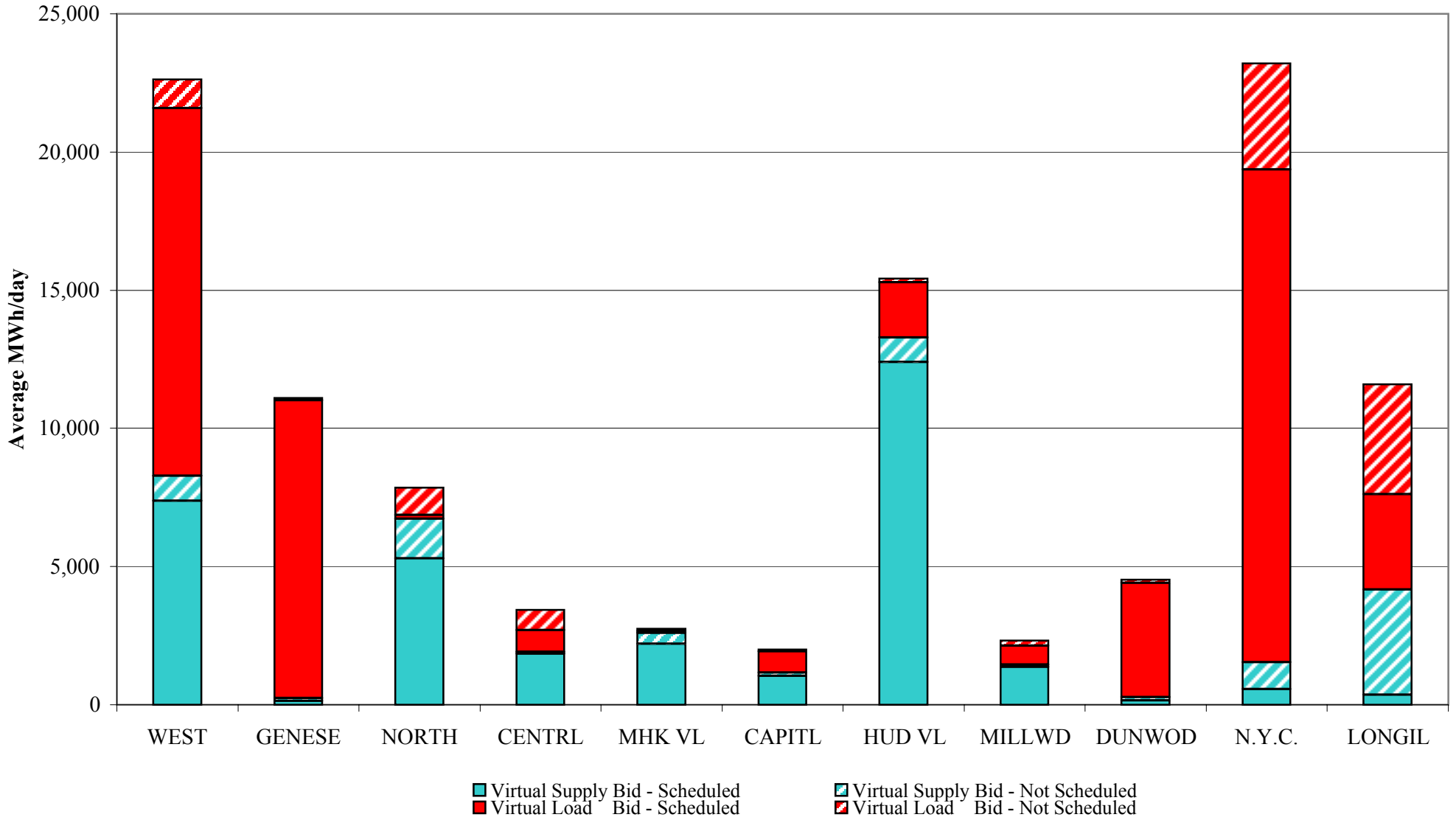


4-R

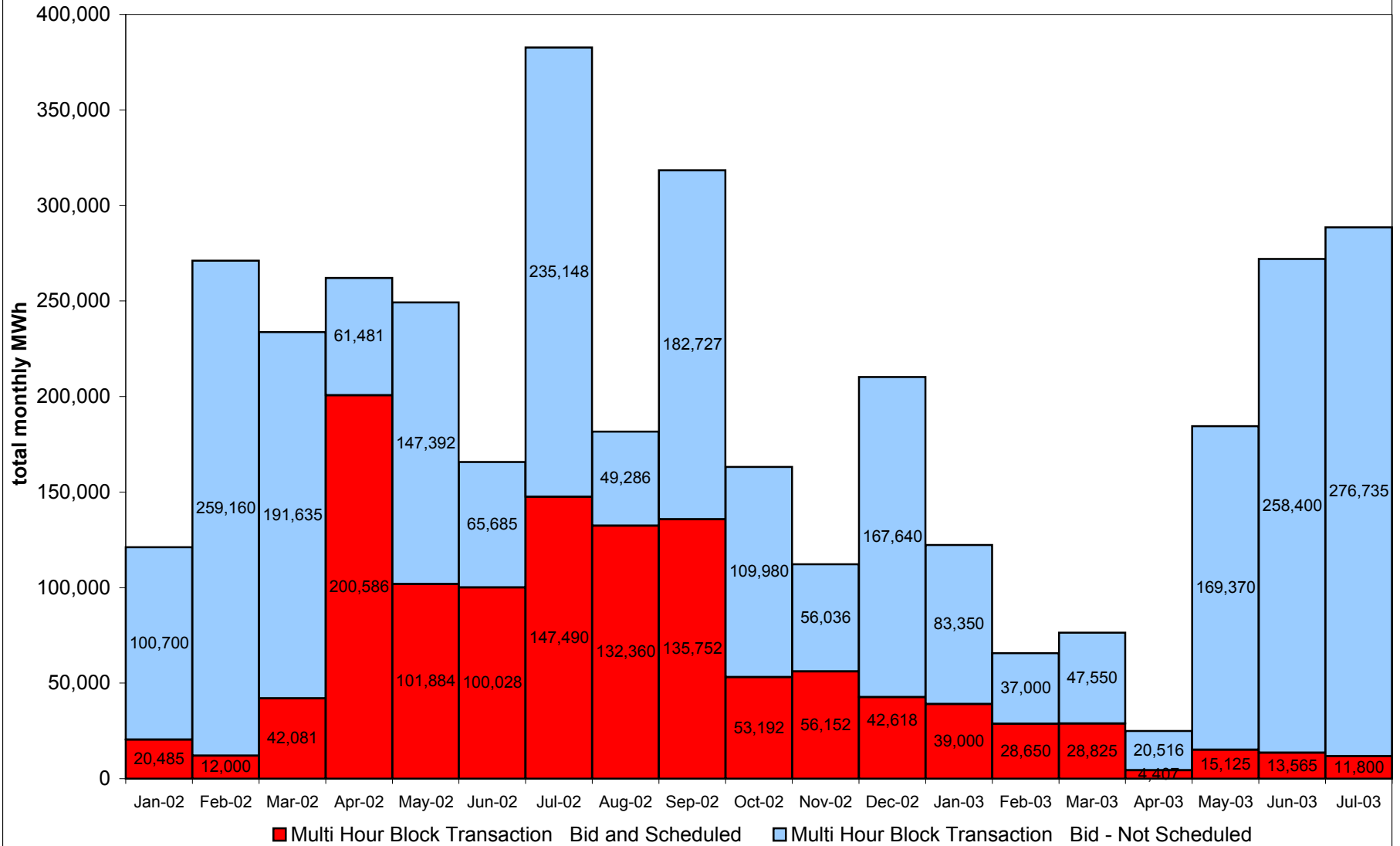
**NYISO Virtual Trading
Average MWh per day**



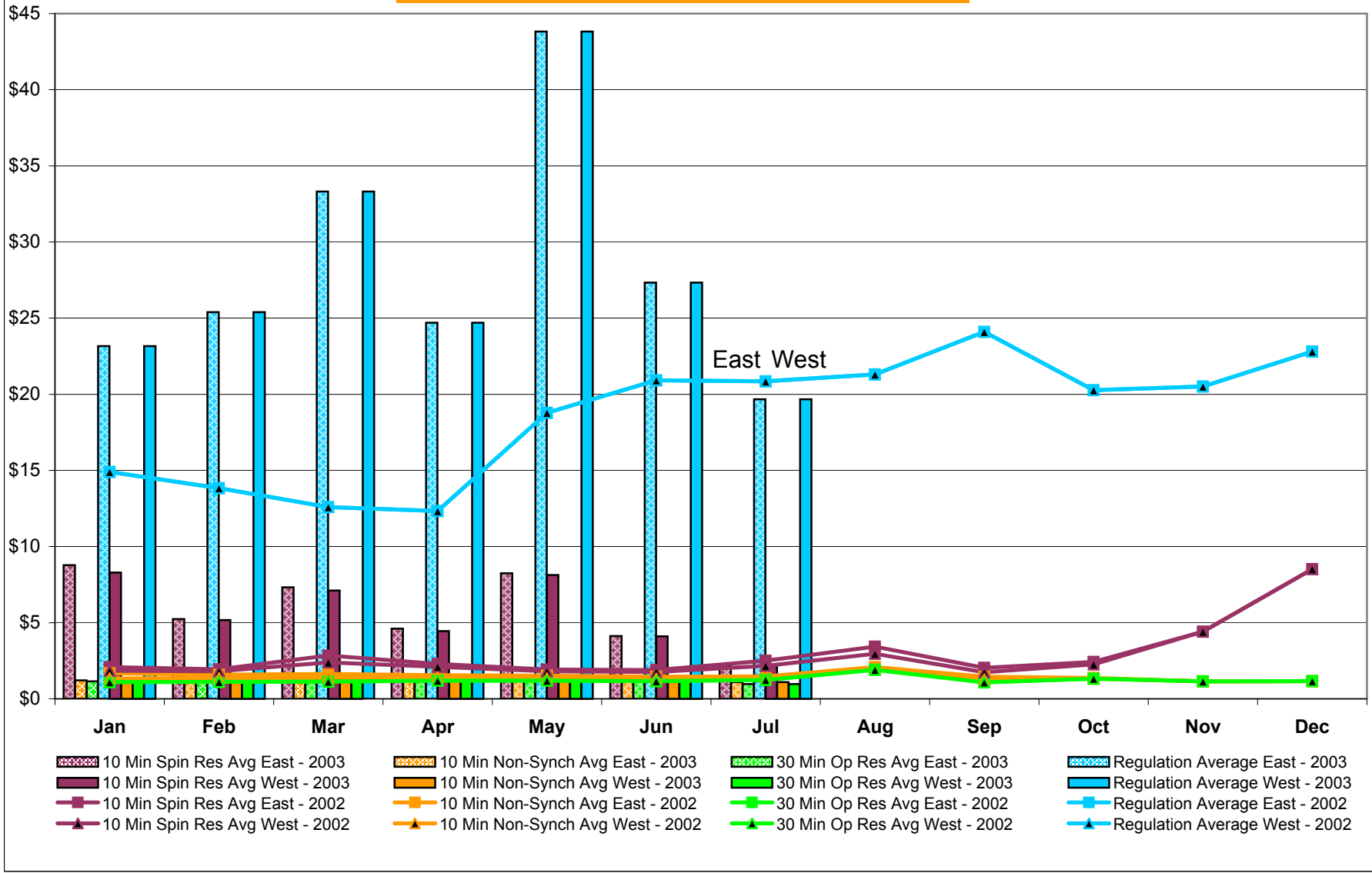
Virtual Load and Supply Zonal Statistics July 2003



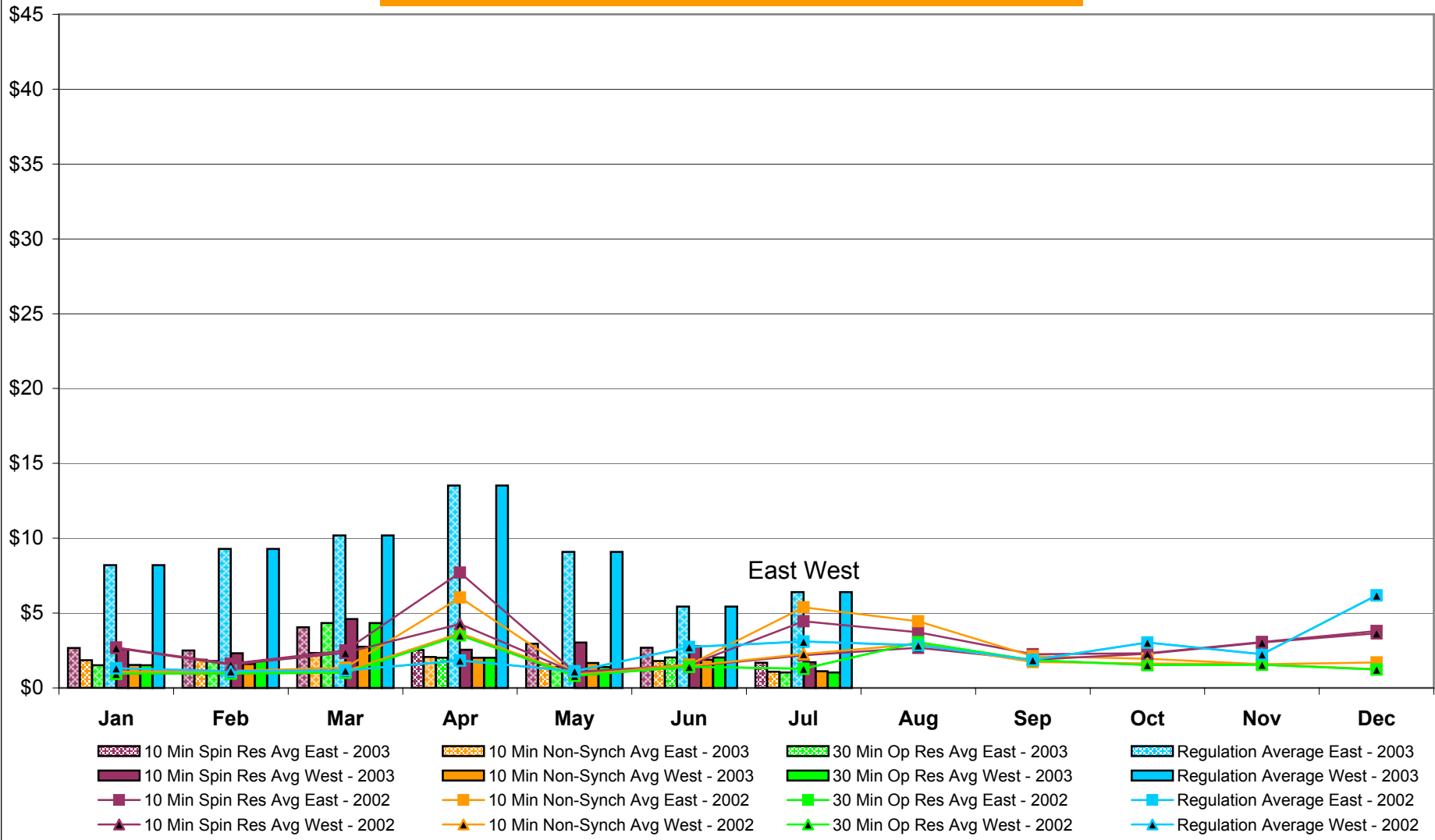
NYISO Multi Hour Block Transactions Monthly Total MWh



NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2002 - 2003



NYISO Monthly Average Ancillary Service Prices BME * 2002 - 2003



* 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) 2003

Day Ahead Market

10 Min Spin East	8.78	5.24	7.33	4.60	8.24	4.12	2.18					
10 Min Spin West	8.30	5.17	7.12	4.45	8.12	4.11	2.18					
10 Min Non Synch East	1.22	1.36	1.60	1.61	1.48	1.40	1.09					
10 Min Non Synch West	1.15	1.32	1.45	1.54	1.45	1.39	1.09					
30 Min East	1.14	1.30	1.41	1.48	1.42	1.35	0.97					
30 Min West	1.14	1.30	1.41	1.48	1.42	1.35	0.97					
Regulation East	23.17	25.39	33.31	24.70	43.82	27.33	19.67					
Regulation West	23.17	25.39	33.31	24.70	43.82	27.33	19.67					

BME* Market

10 Min Spin East	2.67	2.50	4.05	2.54	2.95	2.69	1.69					
10 Min Spin West	2.59	2.32	4.61	2.55	3.04	2.78	1.72					
10 Min Non Synch East	1.85	1.89	2.34	2.07	1.57	1.80	1.09					
10 Min Non Synch West	1.53	1.59	2.75	2.02	1.67	1.88	1.11					
30 Min East	1.52	1.80	4.34	2.02	1.40	2.03	1.04					
30 Min West	1.52	1.80	4.34	2.02	1.40	2.03	1.04					
Regulation East	8.21	9.28	10.19	13.52	9.08	5.44	6.41					
Regulation West	8.21	9.28	10.19	13.52	9.08	5.44	6.41					

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2002

Day Ahead Market

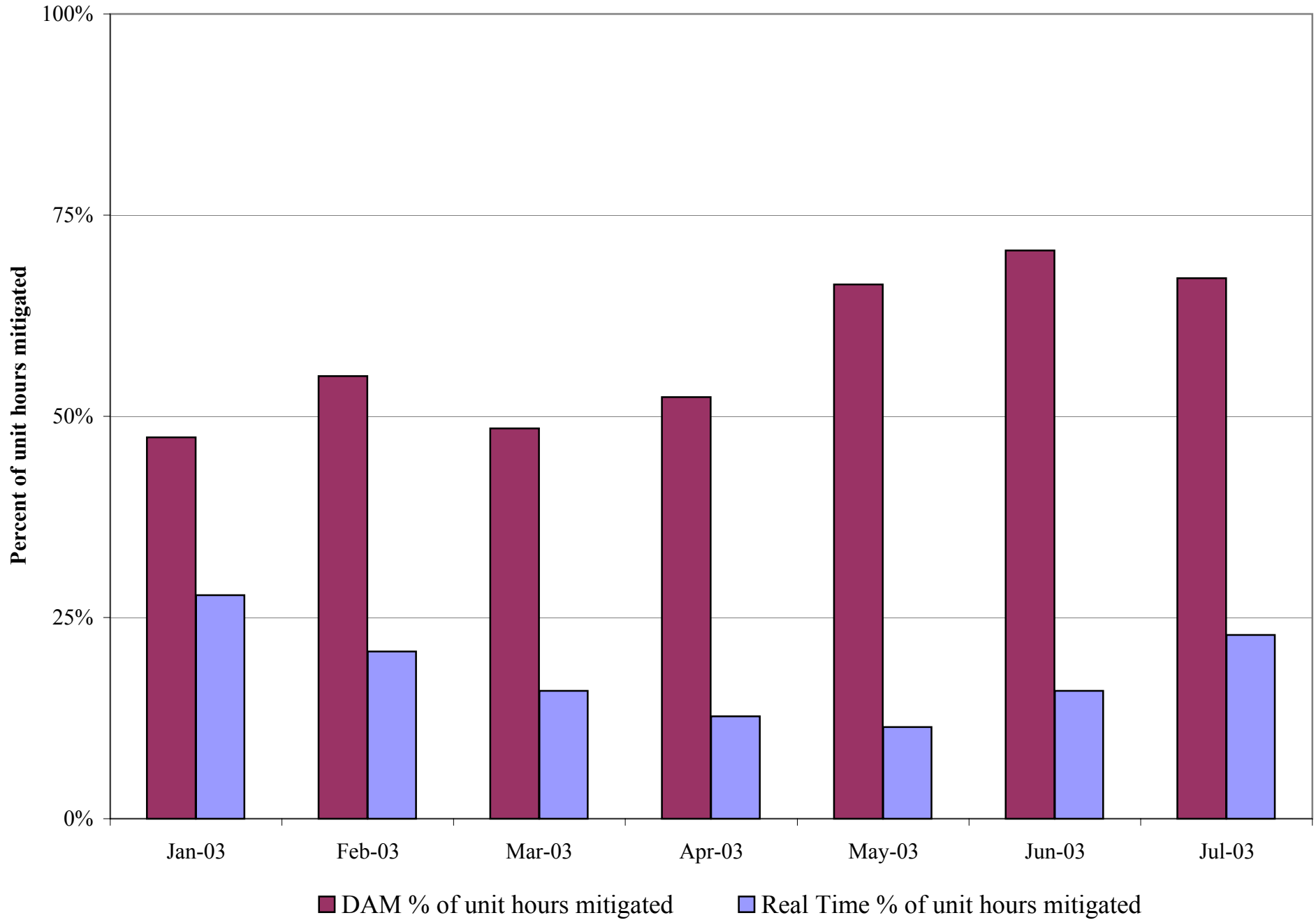
10 Min Spin East	2.09	1.95	2.85	2.29	1.93	1.90	2.51	3.43	2.04	2.43	4.42	8.52
10 Min Spin West	1.85	1.81	2.40	2.11	1.81	1.75	2.16	2.96	1.74	2.26	4.41	8.52
10 Min Non Synch East	1.68	1.58	1.64	1.55	1.52	1.46	1.47	2.09	1.46	1.37	1.15	1.16
10 Min Non Synch West	1.34	1.36	1.39	1.40	1.34	1.32	1.35	1.96	1.27	1.33	1.15	1.16
30 Min East	1.09	1.11	1.13	1.19	1.20	1.17	1.24	1.90	1.09	1.32	1.15	1.16
30 Min West	1.09	1.11	1.13	1.19	1.20	1.17	1.24	1.90	1.09	1.32	1.15	1.16
Regulation East	14.90	13.83	12.59	12.33	18.78	20.92	20.85	21.31	24.10	20.27	20.51	22.80
Regulation West	14.90	13.83	12.59	12.33	18.78	20.92	20.85	21.31	24.10	20.27	20.51	22.80

BME* Market

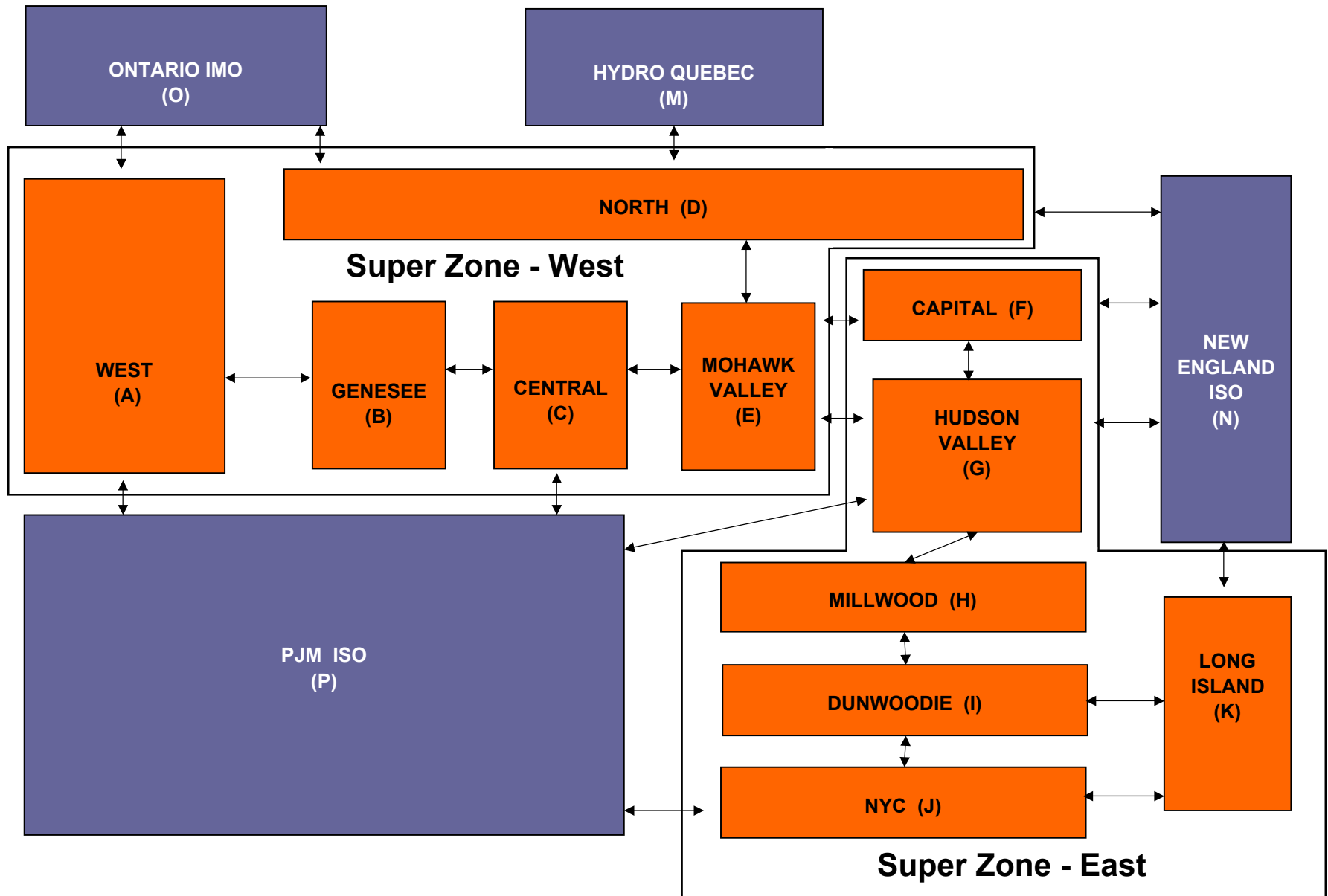
10 Min Spin East	2.70	1.62	2.51	7.71	1.06	1.53	4.45	3.71	2.25	2.32	3.07	3.81
10 Min Spin West	2.67	1.55	2.34	4.26	1.03	1.43	2.19	2.69	1.88	2.29	3.04	3.66
10 Min Non Synch East	1.11	1.13	1.35	6.03	0.94	1.56	5.38	4.45	2.12	1.96	1.58	1.70
10 Min Non Synch West	0.99	1.05	1.12	3.65	0.91	1.46	2.27	2.94	1.74	1.63	1.58	1.26
30 Min East	0.95	0.97	1.01	3.54	0.82	1.41	1.28	3.05	1.85	1.54	1.55	1.24
30 Min West	0.95	0.97	1.01	3.51	0.82	1.41	1.28	3.05	1.85	1.54	1.55	1.24
Regulation East	1.32	1.12	1.17	1.84	1.12	2.73	3.11	2.85	1.86	3.03	2.25	6.18
Regulation West	1.32	1.12	1.17	1.84	1.12	2.73	3.11	2.85	1.86	3.03	2.25	6.18

* Commonly Referred to as Hour Ahead Market (HAM)

NYISO In City Mitigation - 2003
Percentage of committed unit-hours mitigated



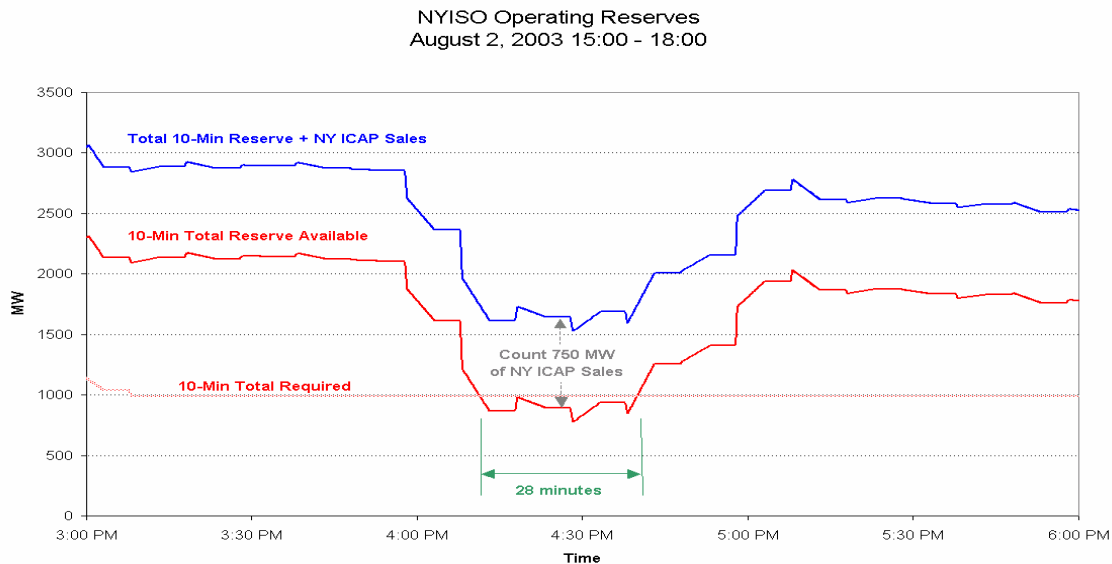
NYISO LBMP ZONES



Saturday August 2, 2003 Operating Reserves

Scarcity pricing is activated when the NYCA is persistently deficient of 10-minute reserve. Unless the NYCA is in extraordinary circumstances, a shortage is not persistent until 30 minutes have transpired. The 30-minute period provides time for corrective action such as activation of 30-minute reserves, counting NY-ICAP energy exports as reserve, etc. If the NYCA remains deficient of 10 minute reserves following corrective actions, or but for Emergency Energy purchases the NYCA would remain deficient, then scarcity pricing would be activated.

But for counting the NY-ICAP energy exports as 10-minute reserve, the chart below demonstrates that for 28 minutes on August 2, 2003 the NYCA appeared to be deficient 10-minute reserves. However, by taking the corrective action of counting NY-ICAP energy exports as 10-minute reserve the NYCA was not deficient of 10-minute reserve at all.



Chronological Events

1. Hour Beginning 16 PJM issues a TLR-3A for the Wiley Ridge bank resulting in, among others a 765 MW cut from HQ to NY. The BME schedule change was expecting an additional 596 MW importing. However, due to the TLR-3A the post BME schedule change was 872 MW exporting.
2. NY ACE went to -400 MW.
3. Alert state was declared for being deficient of 10-minute synchronous reserve.
4. Two Reserve Pickups failed to restore the NY Area Control Error (ACE).
5. 750 MW of NY-ICAP export energy was counted as NY reserve to meet the 10 minute reserve requirement.
6. A Gilboa unit was brought on line for NYISO security.
7. 10 minute synchronous reserve was restored and the Alert state terminated.

Web-based Reconciliation / 12-Month Final Bill Status and Schedule

- Web-based data access project successfully deployed week of August 11, 2003
- Was final pre-requisite for a 12-month final invoice
- First 12-month final invoice – October 2002
- NYISO Market Participants will continue to work towards billing cycles