
NYISO President's Report

*Management Committee Meeting
July 29, 2009*

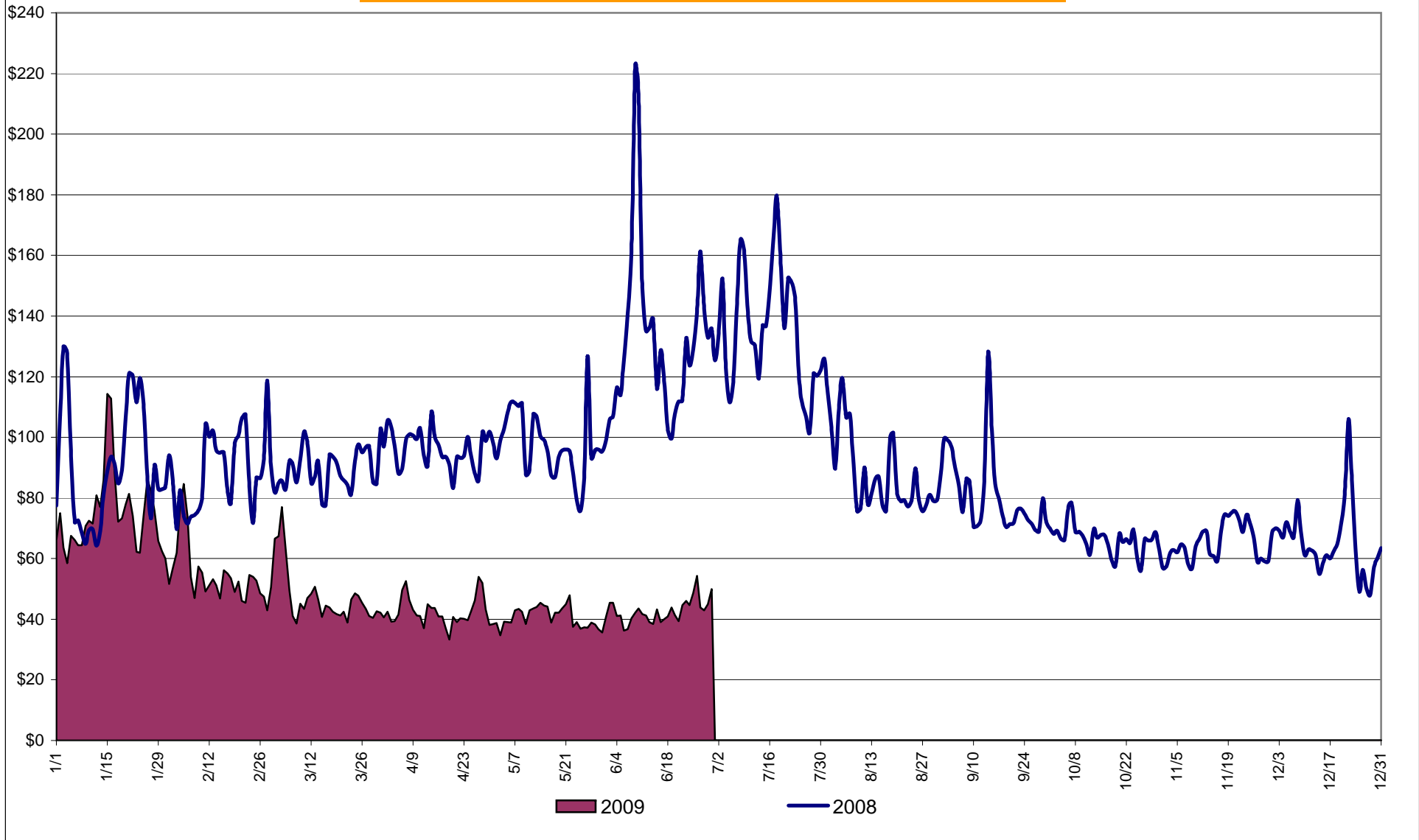
Report Items

- Market Performance Highlights – For Information Only
- FERC Order on Lake Erie Loop Flow
- Eastern Interconnection Planning Collaborative
- 2009 Budget Update
- Uplift

Market Performance Highlights for June 2009

- LBMP for June is \$39.00/MWh, up from \$37.82/MWh in May 2009.
 - Average monthly cost is \$43.03/MWh, up from \$40.65/MWh in May 2009.
 - Day Ahead LBMPs have increased while the Real Time LBMPs have decreased slightly from May 2009.
- Average daily sendout is 427GWh/day in June, up from 396GWh/day in May 2009 and lower than the June 2008 sendout of 499GWh/day.
- Gas prices are essentially flat while other fuel prices are up compared to last month.
 - Kerosene is \$13.71/MMBtu, up from \$11.41/MMBtu in May.
 - No. 2 Fuel Oil is \$12.41/MMBtu, up from \$10.45/MMBtu in May.
 - No. 6 Fuel Oil is \$9.80/MMBtu, up from \$8.60/MMBtu in May
 - Natural Gas is \$4.11/MMBtu, down slightly from \$4.14/MMBtu in May.
- Uplift per MWh is up from the previous month.
 - Uplift (not including NYISO cost of operations) is \$1.66/MWh, up from \$0.64/MWh in May.
 - Total uplift (Schedule 1 components including NYISO Cost of Operations) increased from \$16.3 million in May to \$29.7 million in June 2009. The bulk of the increase is from TSA allocations. This is charged to loads within the New York City Zone.

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*
2008 Annual Average \$95.31/MWh
June 2008 YTD Average \$101.31/MWh
June 2009 YTD Average \$52.07/MWh



* Excludes ICAP payments.

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

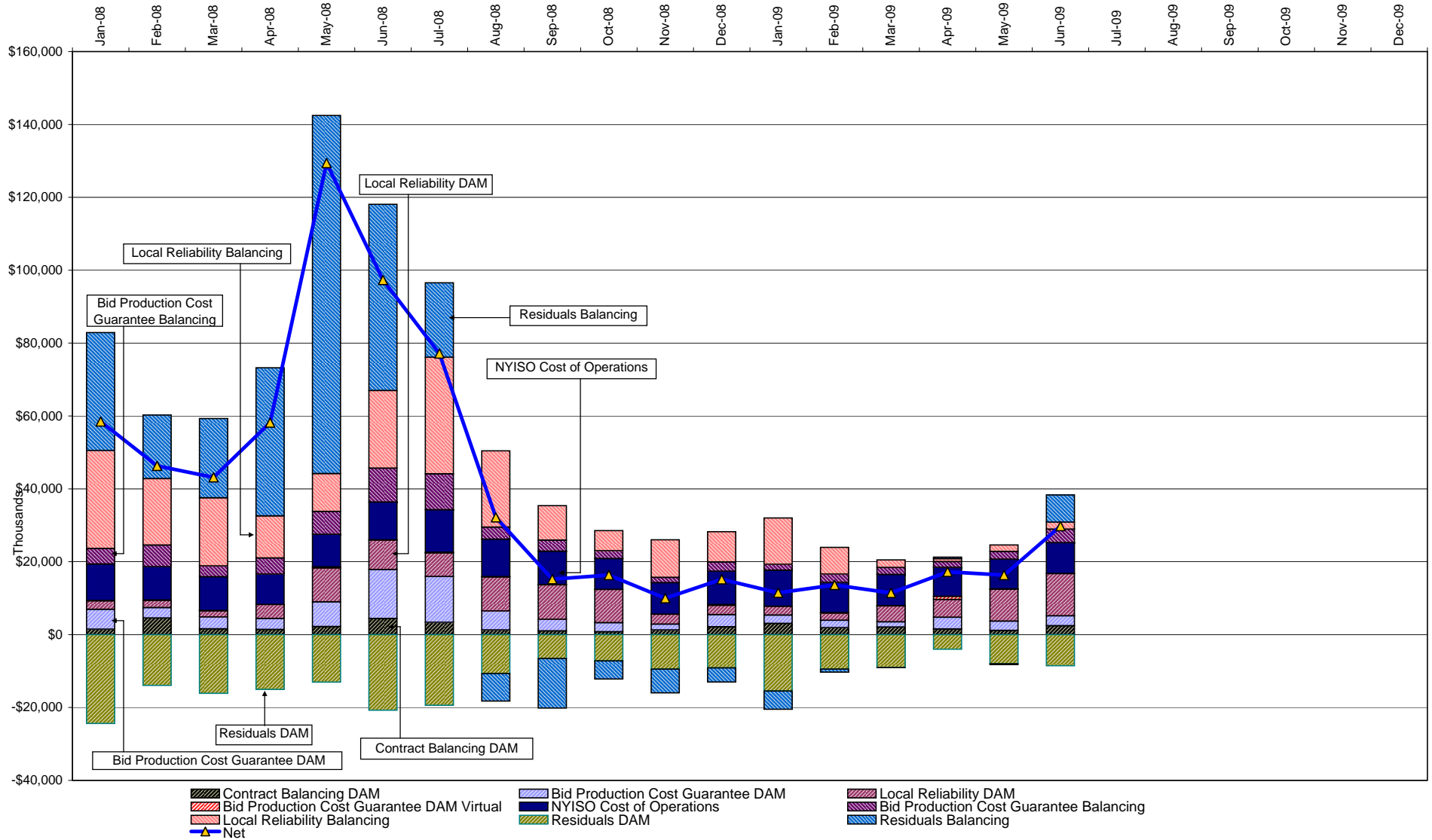
2009	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	73.28	52.73	45.63	39.64	37.82	39.00						
NTAC	0.45	0.53	0.36	0.87	0.58	0.77						
Reserve	0.26	0.35	0.31	0.24	0.30	0.23						
Regulation	0.45	0.48	0.55	0.37	0.31	0.37						
NYISO Cost of Operations	0.65	0.65	0.65	0.65	0.65	0.65						
Uplift	0.11	0.41	0.21	0.68	0.64	1.66						
Voltage Support and Black Start	0.34	0.34	0.34	0.34	0.34	0.34						
Avg Monthly Cost	75.54	55.49	48.06	42.80	40.65	43.03						
Avg YTD Cost	75.54	66.82	60.96	56.83	53.89	52.07						

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	87.00	85.62	85.28	91.20	87.20	128.17	131.34	85.61	80.16	63.61	62.54	63.73
NTAC	0.34	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	0.46	0.34	0.27	0.28	0.25	0.27	0.35	0.27	0.26
Regulation	0.54	0.57	0.61	0.53	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	3.10	2.48	2.01	2.58	8.53	5.52	3.54	1.39	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	92.37	90.58	89.87	96.40	98.07	136.26	137.65	89.41	83.08	66.67	65.69	66.48
Avg YTD Cost	92.37	91.52	90.98	92.26	93.37	101.31	107.98	105.57	103.30	100.31	97.63	95.31

* Excludes ICAP payments.

These numbers reflect the true-ups of 2008.

NYISO Dollar Flows - Uplift - OATT Schedule 1 components - Data through June 30, 2009



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

2009	<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 MWh	14,570,391	12,511,009	13,160,913	12,121,505	12,324,218	13,159,069						
DAM LSE Internal LBMP Energy Sales	45%	44%	46%	47%	43%	48%						
DAM External TC LBMP Energy Sales	4%	2%	1%	1%	2%	2%						
DAM Bilateral - Internal Bilaterals	45%	47%	45%	45%	48%	43%						
DAM Bilateral - Import/Non-LBMP Market Bilaterals	4%	5%	5%	5%	5%	5%						
DAM Bilateral - Export/Non-LBMP Market Bilaterals	2%	2%	2%	2%	2%	1%						
DAM Bilateral - Wheel Through Bilaterals	0%	0%	0%	0%	1%	1%						
Balancing Energy Market MWh	699,631	283,724	71,936	151,759	271,842	-115,536						
Balancing Energy LSE Internal LBMP Energy Sales	56%	39%	-106%	-32%	28%	-247%						
Balancing Energy External TC LBMP Energy Sales	38%	46%	147%	119%	74%	141%						
Balancing Energy Bilateral - Internal Bilaterals	8%	19%	67%	20%	10%	23%						
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	2%						
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	5%	16%	8%	4%	8%						
Balancing Energy Bilateral - Wheel Through Bilaterals	-2%	-10%	-24%	-15%	-15%	-27%						
Transactions Summary												
LBMP	51%	47%	48%	48%	46%	49%						
Internal Bilaterals	43%	46%	45%	44%	47%	44%						
Import Bilaterals	4%	5%	5%	5%	5%	5%						
Export Bilaterals	2%	2%	2%	2%	2%	1%						
Wheels Through	0%	0%	0%	0%	0%	0%						
Market Share of Total Load												
Day Ahead Market	95.4%	97.8%	99.5%	98.8%	97.8%	100.9%						
Balancing Energy +	4.6%	2.2%	0.5%	1.2%	2.2%	-0.9%						
Total MWh	15,270,021	12,794,733	13,232,849	12,273,264	12,596,059	13,043,533						
Average Daily Energy Sendout/Month GWh	470	447	422	400	396	427						
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 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	912,477	829,794	1,020,858	767,755	908,796	1,107,024	834,886	389,313	635,380	397,842	605,209	613,724
Balancing Energy LSE Internal LBMP Energy Sales	23%	50%	19%	-3%	3%	35%	47%	45%	64%	29%	43%	50%
Balancing Energy External TC LBMP Energy Sales	68%	48%	78%	97%	98%	56%	53%	47%	36%	84%	64%	55%
Balancing Energy Bilateral - Internal Bilaterals	6%	1%	3%	4%	-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%	40%	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	94.3%	94.3%	93.1%	94.3%	93.6%	93.3%	95.5%	97.6%	95.6%	97.0%	95.6%	95.8%
Balancing Energy +	5.7%	5.7%	6.9%	5.7%	6.4%	6.7%	4.5%	2.4%	4.4%	3.0%	4.4%	4.2%
Total MWh	15,897,209	14,552,307	14,765,858	13,413,255	14,234,270	16,472,720	18,596,368	16,360,998	14,562,968	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

+ 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 2009 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 *	\$70.53	\$50.89	\$43.34	\$38.19	\$36.13	\$37.01						
Standard Deviation	\$19.46	\$13.06	\$12.24	\$9.26	\$8.91	\$10.07						
Load Weighted Price **	\$72.36	\$52.15	\$44.64	\$39.31	\$37.38	\$38.64						
<u>RTC LBMP</u>												
Price *	\$69.26	\$51.46	\$43.88	\$37.06	\$36.18	\$35.15						
Standard Deviation	\$23.37	\$21.26	\$20.38	\$15.20	\$12.48	\$20.07						
Load Weighted Price **	\$70.80	\$52.72	\$45.21	\$38.14	\$37.16	\$36.57						
<u>REAL TIME LBMP</u>												
Price *	\$68.14	\$50.62	\$43.73	\$37.72	\$35.11	\$34.92						
Standard Deviation	\$23.66	\$20.30	\$22.27	\$20.84	\$19.81	\$29.81						
Load Weighted Price **	\$69.80	\$52.14	\$45.36	\$39.13	\$36.48	\$36.73						
Average Daily Energy Sendout/Month GWh	470	447	422	400	396	427						

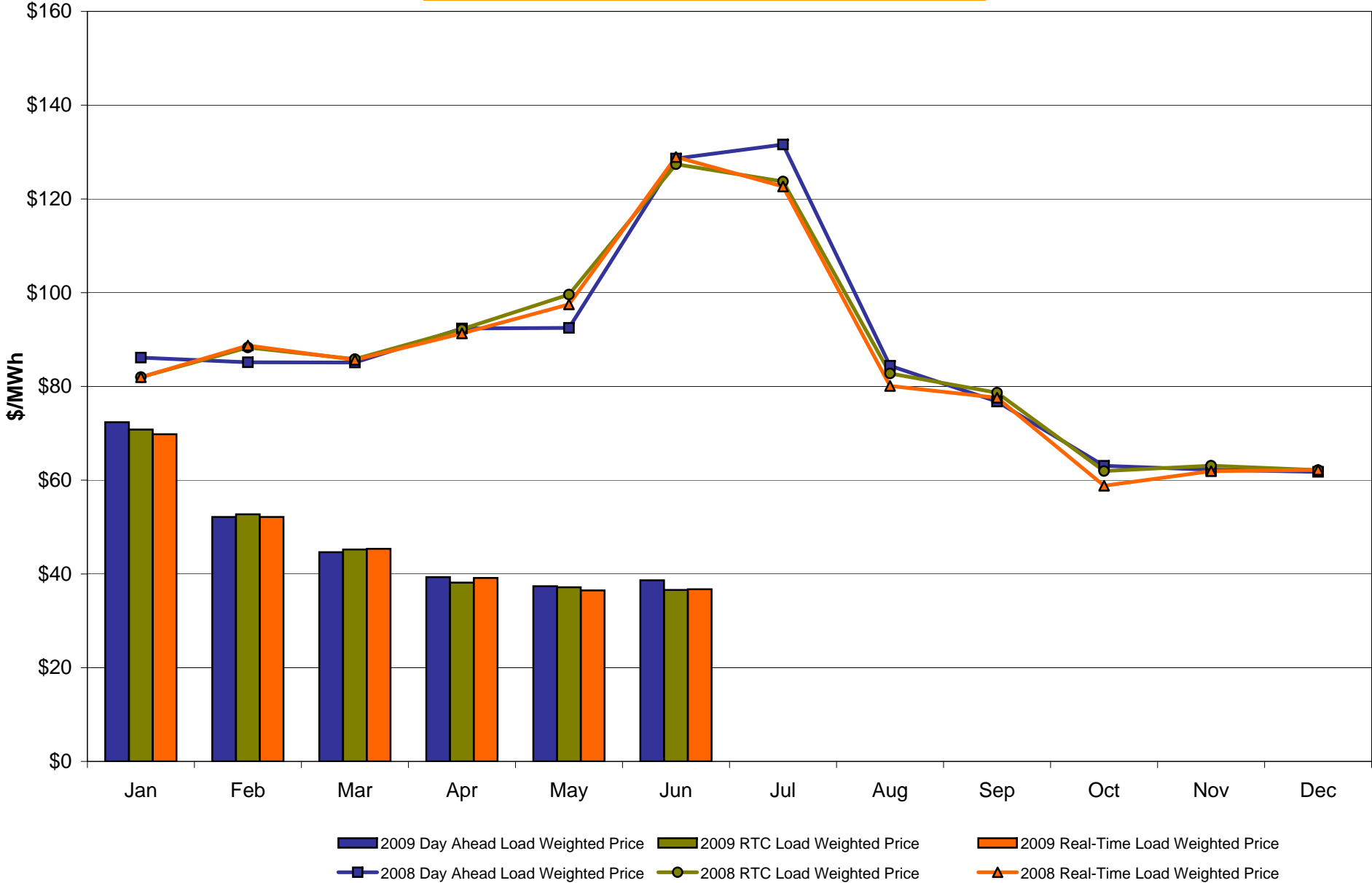
NYISO Markets 2008 Energy Statistics

	<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

* Average zonal load weighted prices.

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

NYISO Monthly Average Internal LBMPs 2008 - 2009

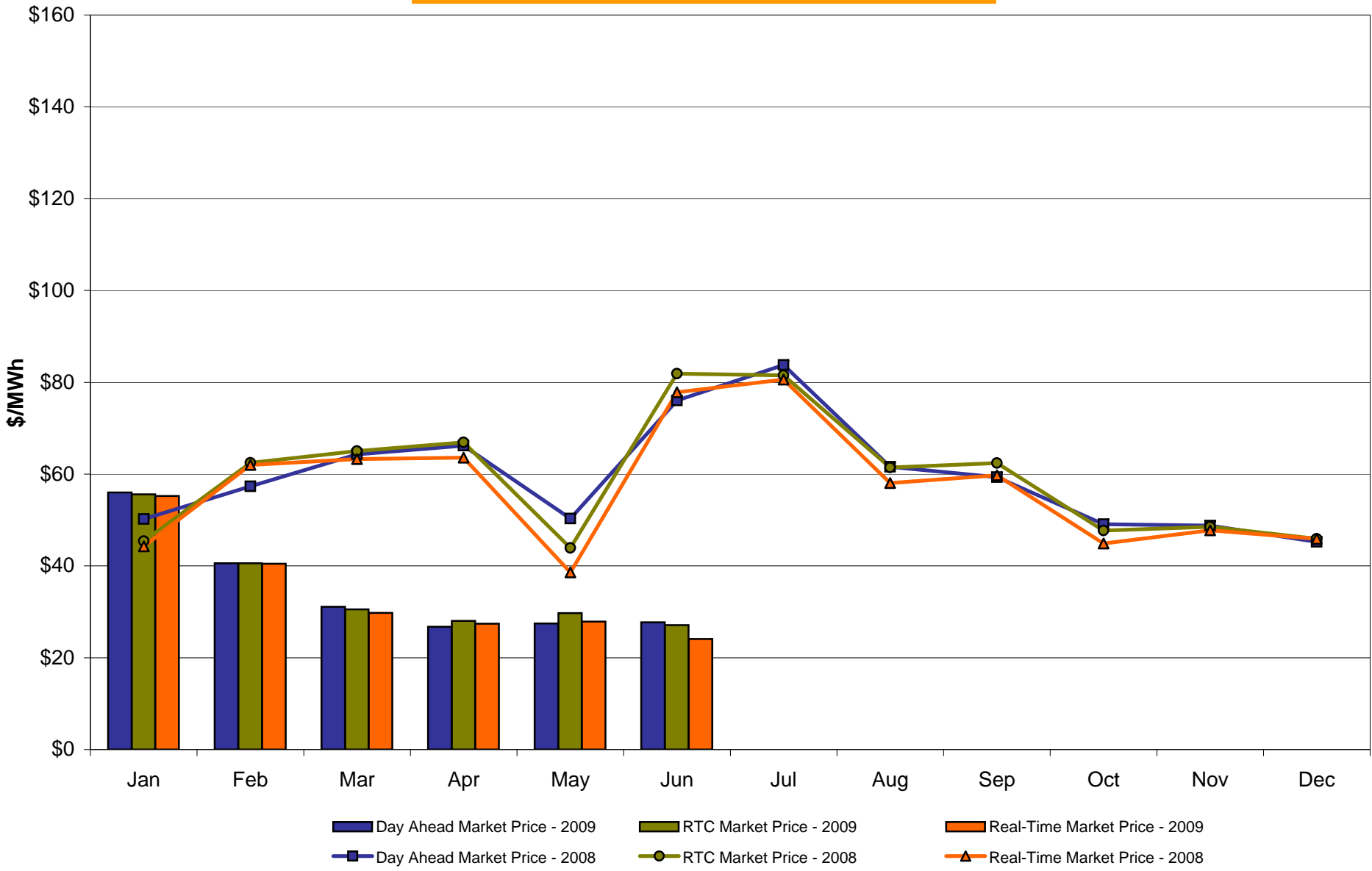


June 2009 Zonal LBMP Statistics for NYISO (\$/MWh)

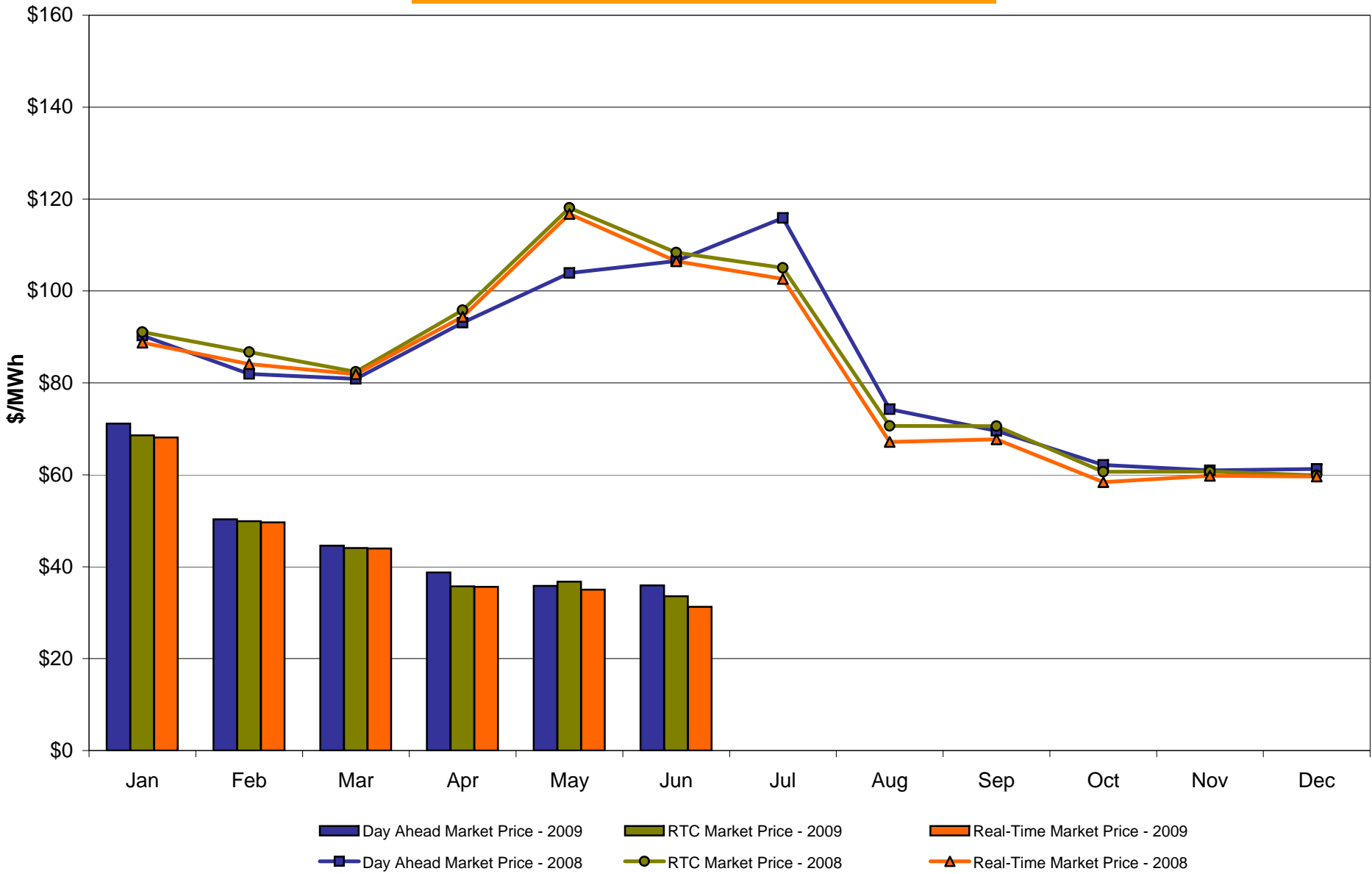
	WEST	GENESEE	NORTH	CENTRAL	MOHAWK	CAPITAL	HUDSON	MILLWOOD	DUNWOODIE	NEW YORK	LONG
	<u>Zone A</u>	<u>Zone B</u>	<u>Zone D</u>	<u>Zone C</u>	<u>Zone E</u>	<u>Zone F</u>	<u>Zone G</u>	<u>Zone H</u>	<u>Zone I</u>	<u>Zone J</u>	<u>Zone K</u>
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	27.72	28.87	25.84	30.30	31.09	35.91	37.34	37.86	38.05	41.18	43.49
Standard Deviation	6.54	7.04	6.80	7.25	7.49	8.05	9.82	10.57	10.64	12.56	13.91
<u>RTC LBMP</u>											
Unweighted Price *	27.10	28.06	27.50	29.38	30.24	33.56	36.76	37.17	37.31	38.40	40.46
Standard Deviation	15.02	15.55	15.80	16.16	16.42	18.07	25.47	26.61	26.82	26.76	24.27
<u>REAL TIME LBMP</u>											
Unweighted Price *	24.06	24.84	23.72	26.07	27.04	31.26	36.99	38.12	38.62	40.43	41.81
Standard Deviation	33.06	34.33	35.49	35.40	34.49	35.66	40.72	45.61	46.16	44.24	35.81
	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 *	26.83	25.88	24.01	34.72	36.13	43.36	35.91	42.37			
Standard Deviation	6.16	7.90	7.56	8.87	8.07	13.77	8.80	13.73			
<u>RTC LBMP</u>											
Unweighted Price *	27.63	20.79	5.17	35.02	35.32	41.07	40.38	40.73			
Standard Deviation	7.22	61.84	121.10	7.61	6.15	13.05	12.97	13.02			
<u>REAL TIME LBMP</u>											
Unweighted Price *	24.04	22.11	19.64	33.56	32.91	40.48	39.37	39.94			
Standard Deviation	31.14	34.10	25.36	28.42	27.77	32.32	29.99	31.78			

* Straight LBMP averages

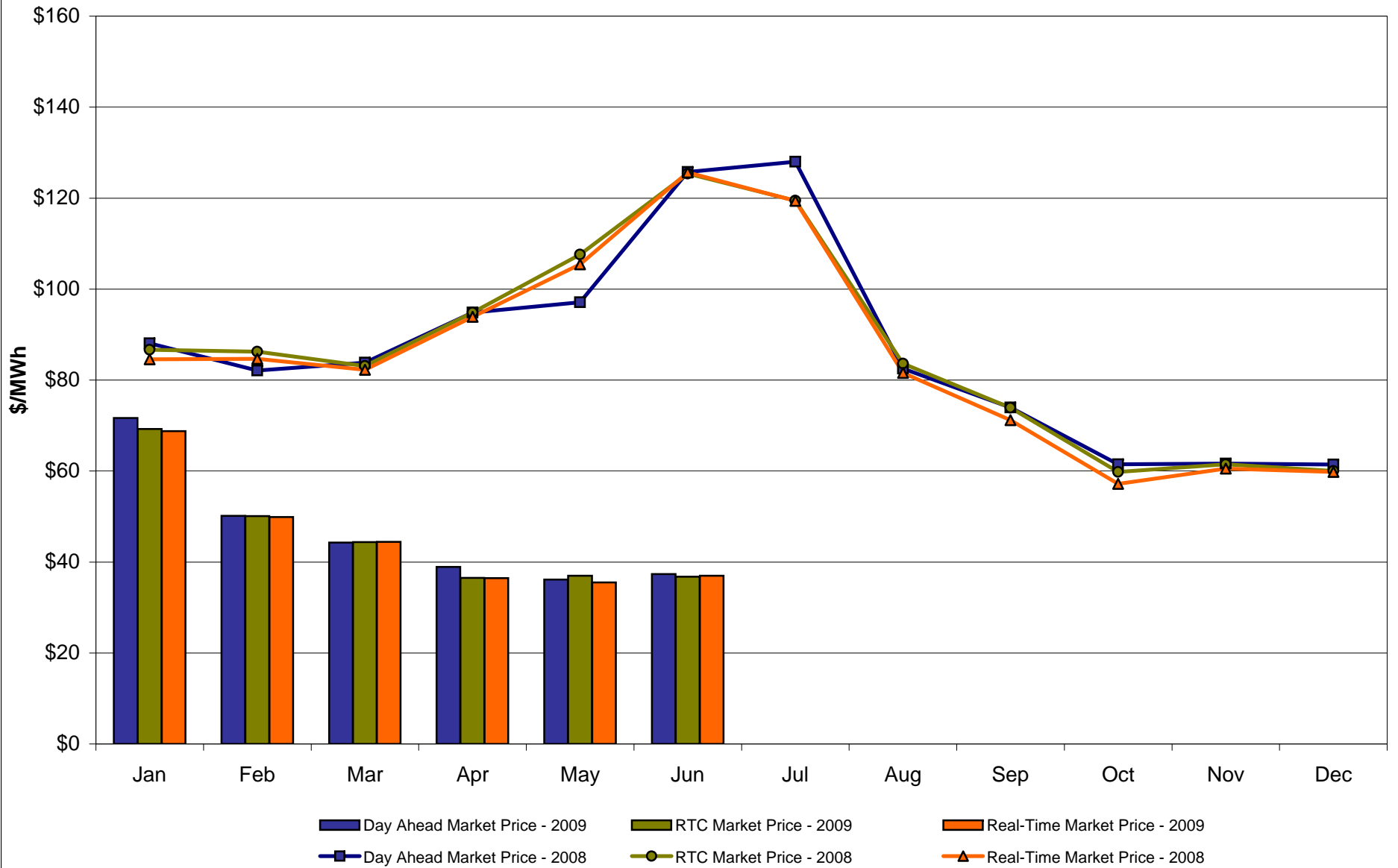
West Zone A Monthly Average LBMP Prices 2008 - 2009



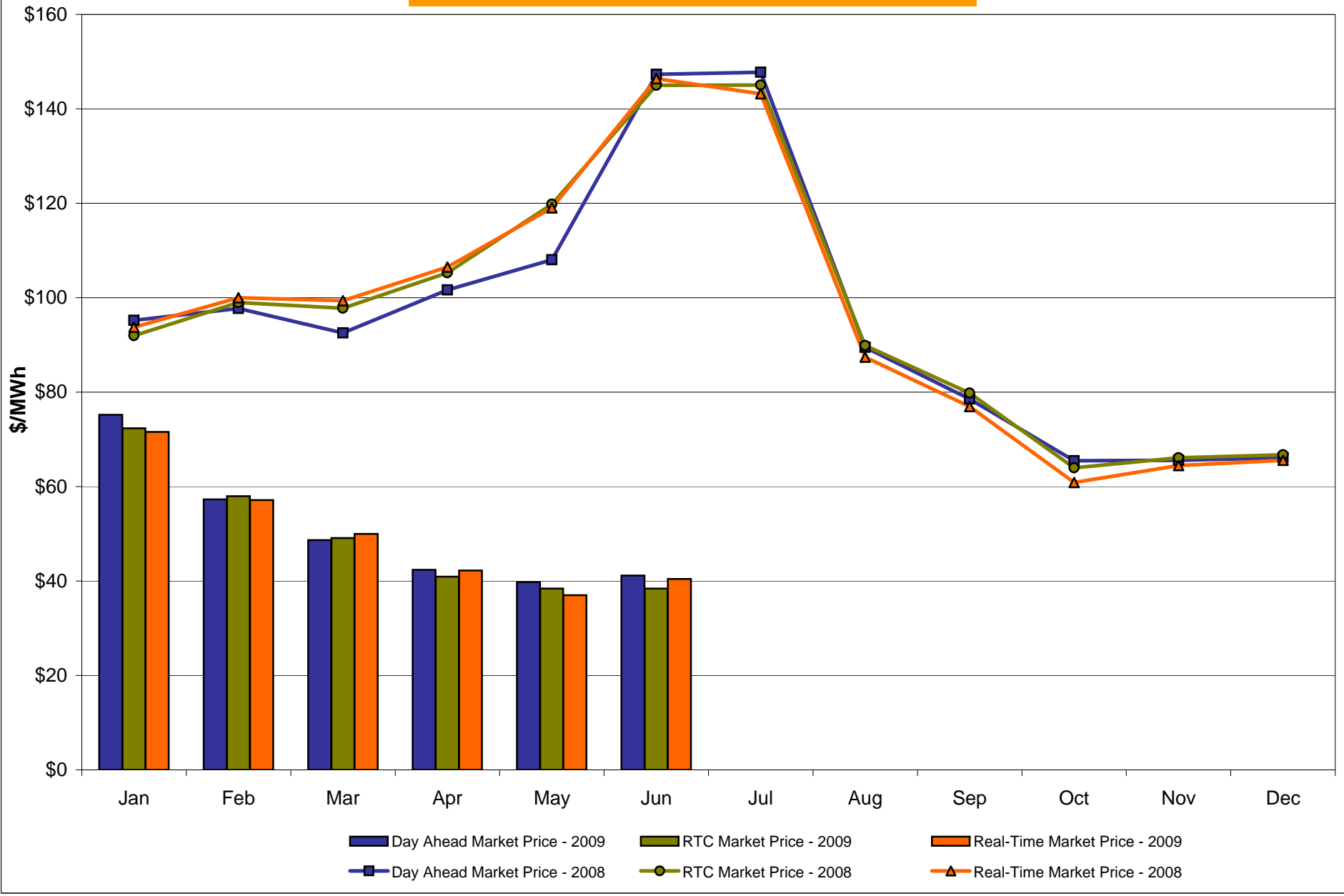
Capital Zone F Monthly Average LBMP Prices 2008 - 2009



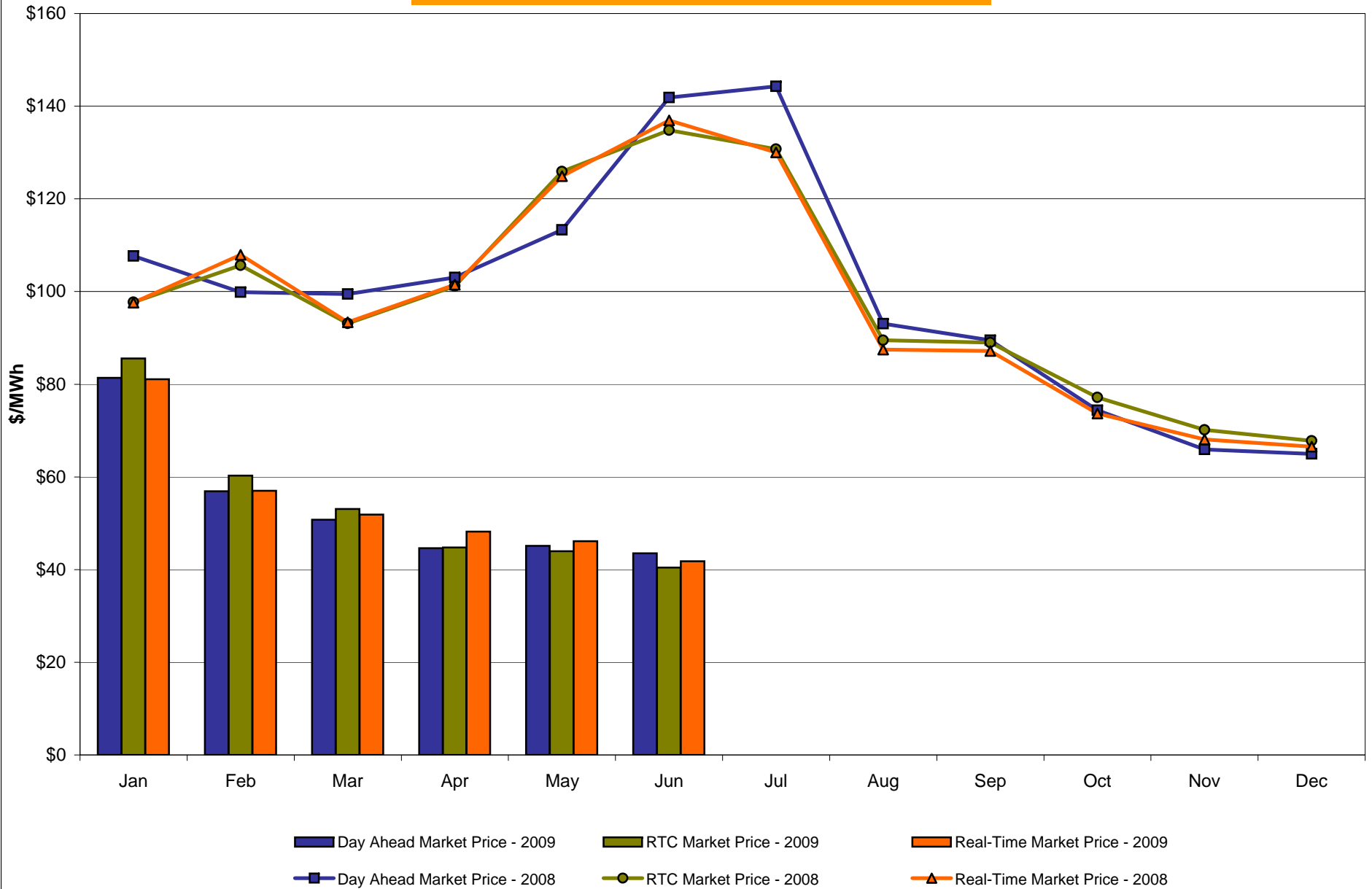
Hudson Valley Zone G Monthly Average LBMP Prices 2008 - 2009



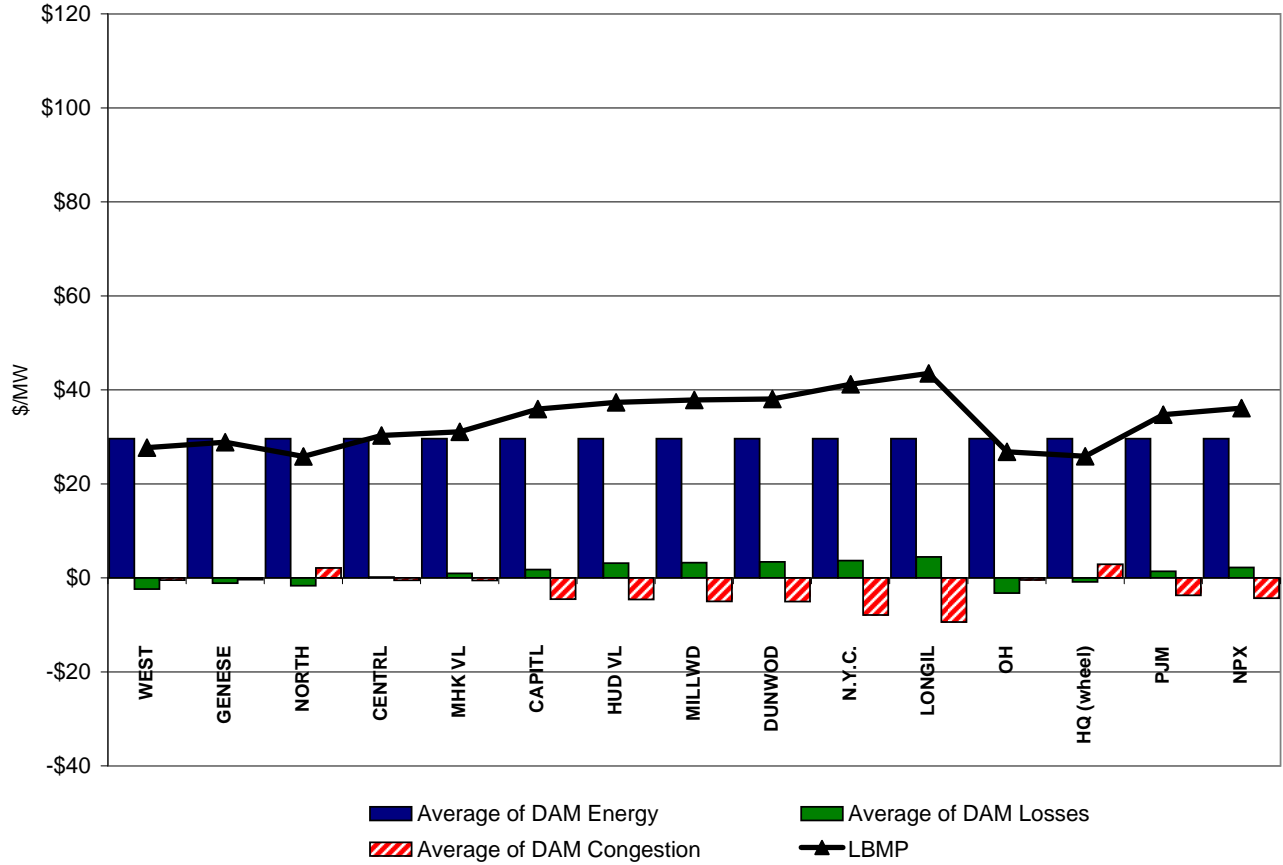
NYC Zone J Monthly Average LBMP Prices 2008 - 2009



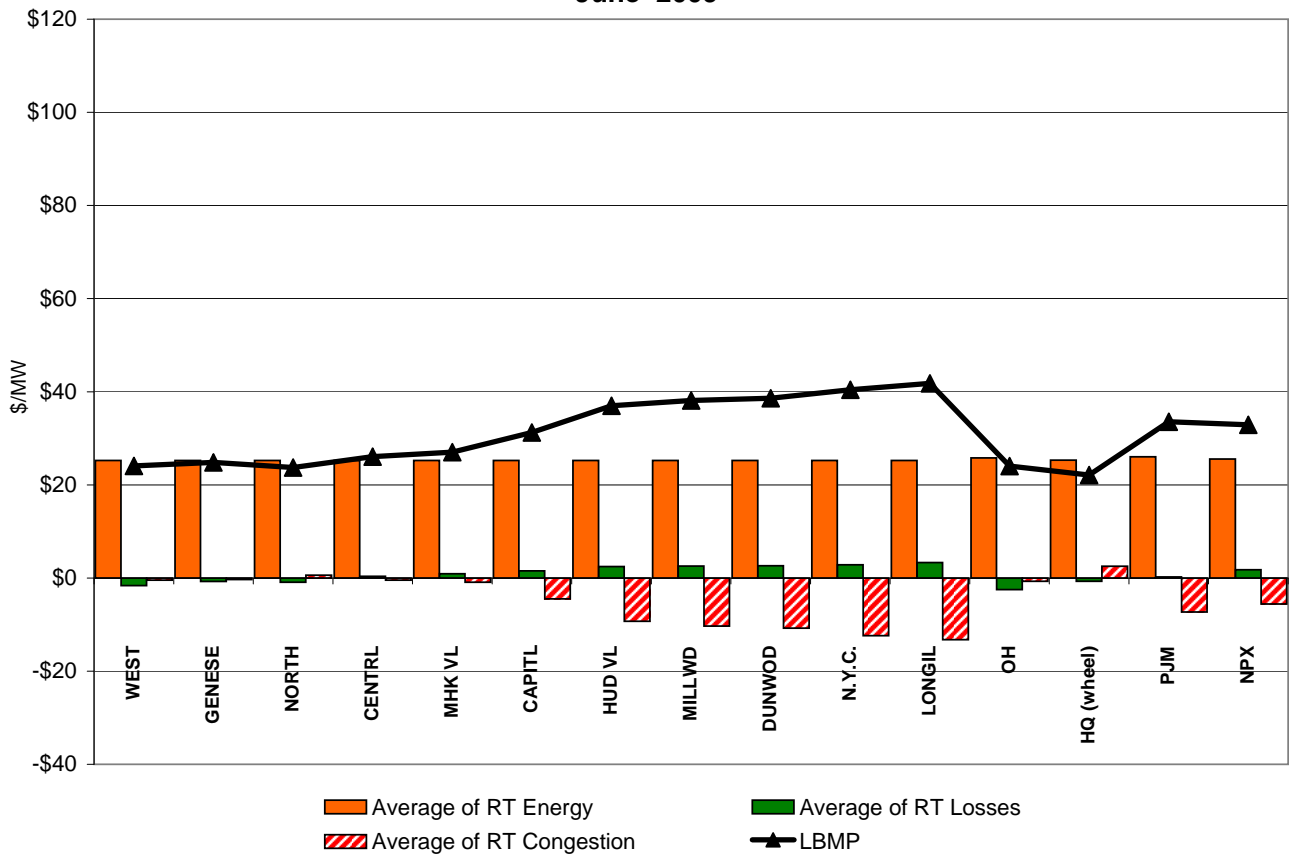
Long Island Zone K Monthly Average LBMP Prices 2008 - 2009



DAM Zonal Unweighted Monthly Average LBMP Components June 2009

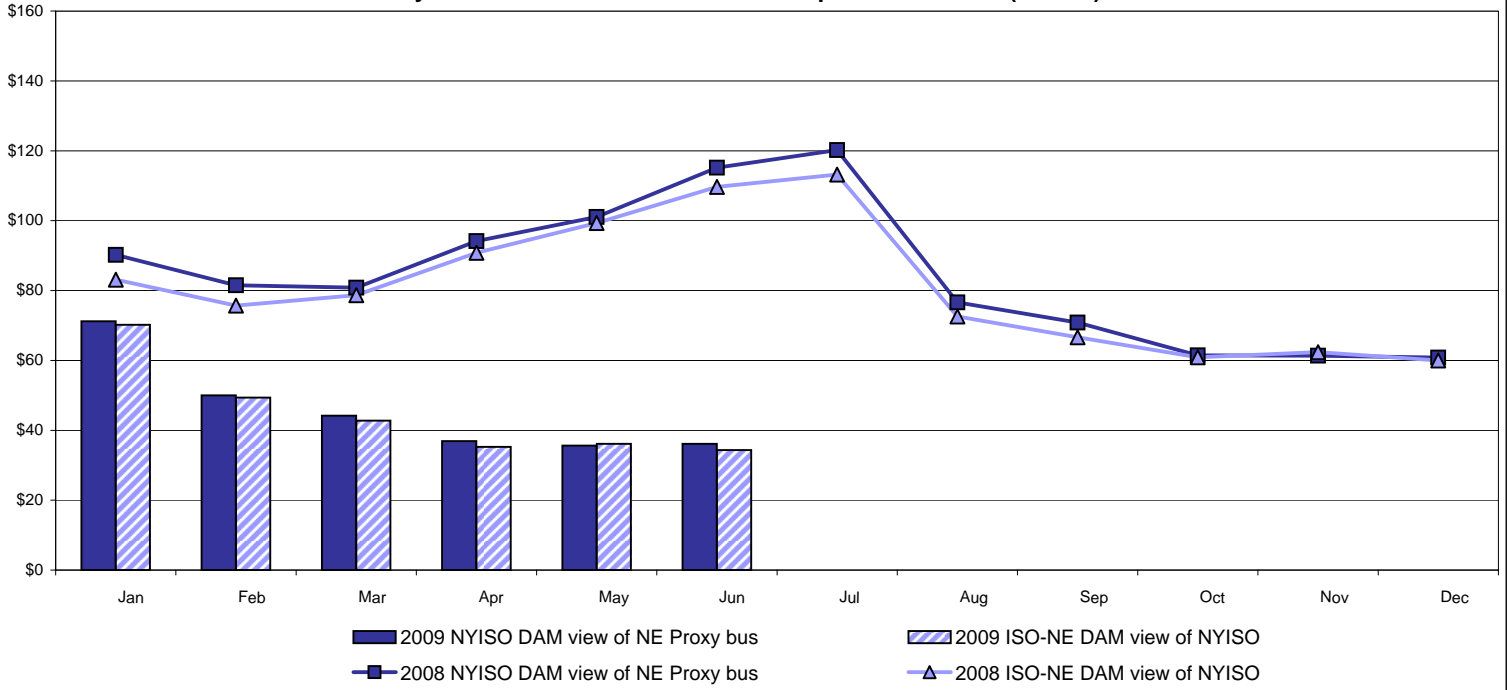


RT Zonal Unweighted Monthly Average LBMP Components June 2009

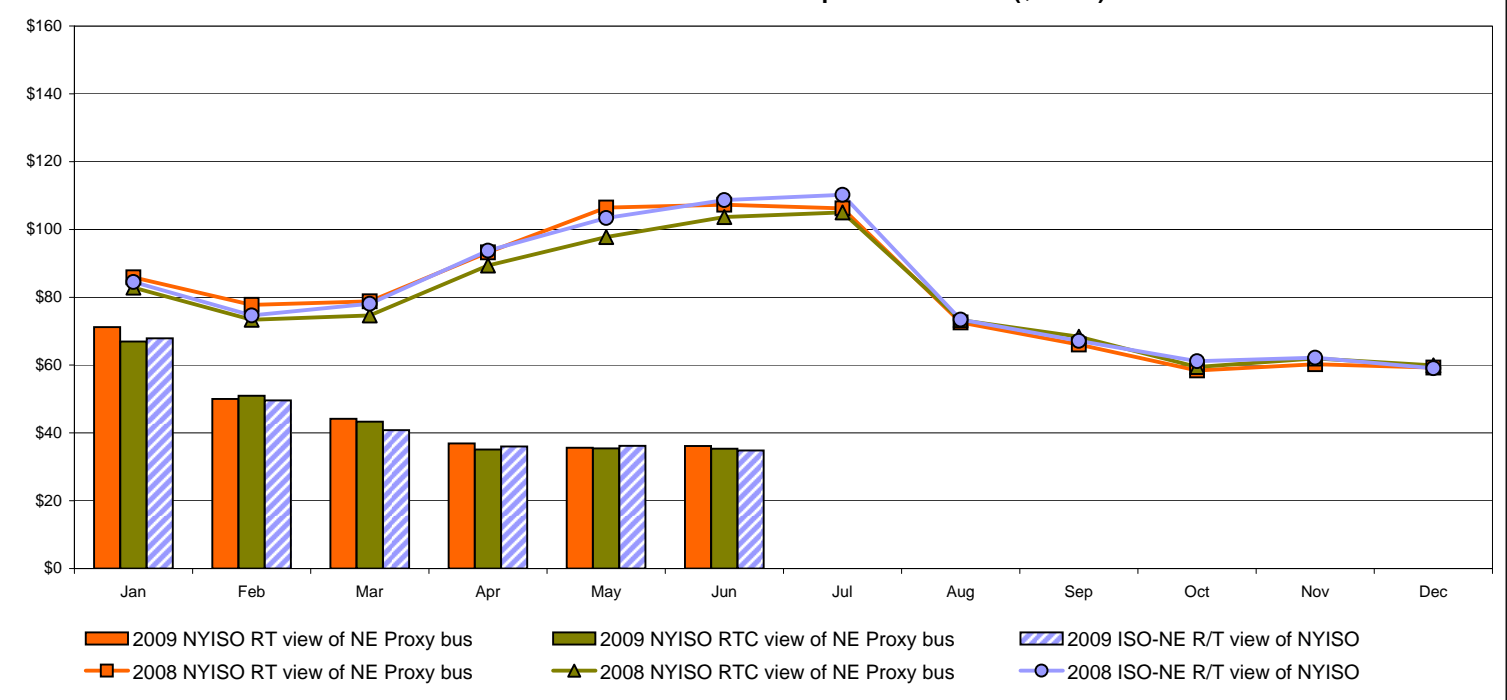


External Comparison ISO-New England

Day Ahead Market External Zone Comparison: ISO-NE (\$/MWh)

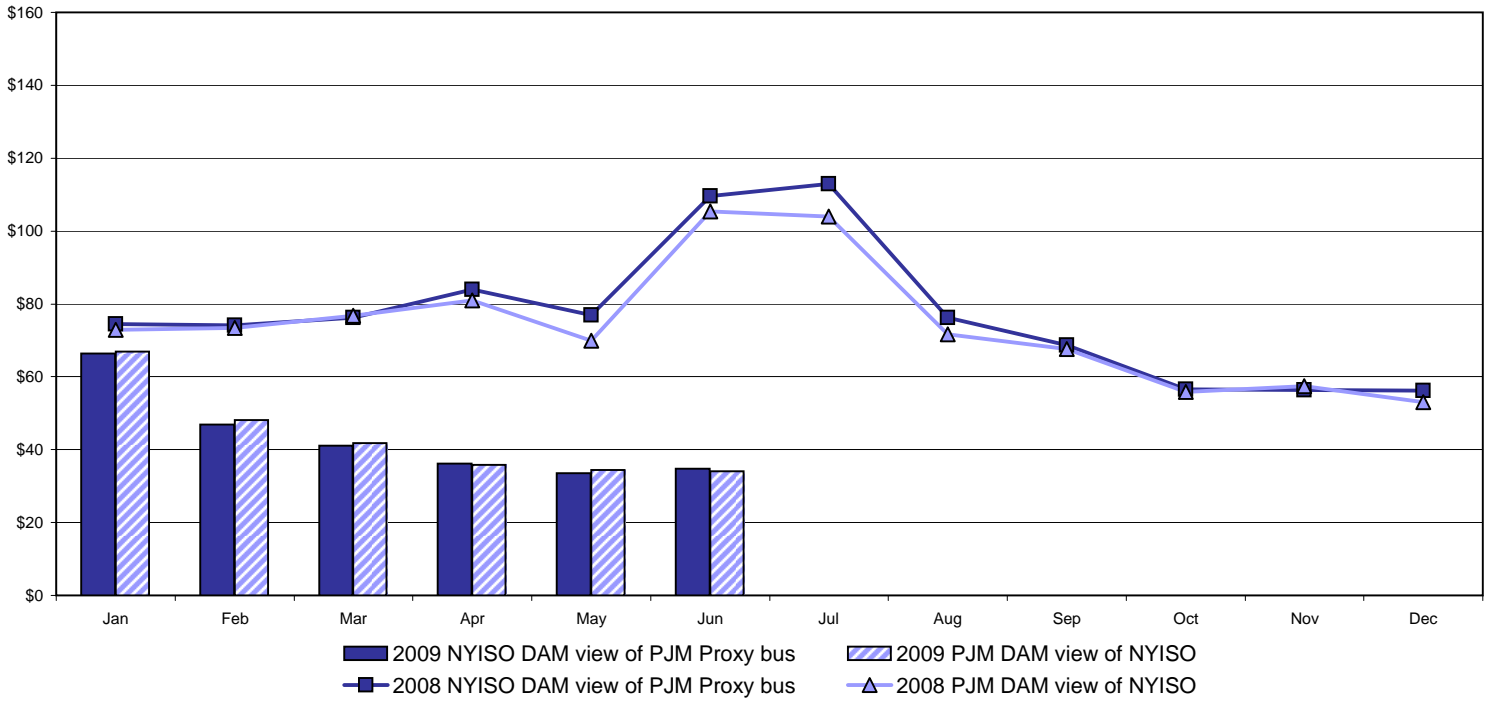


Real Time Market External Zone Comparison: ISO-NE (\$/MWh)

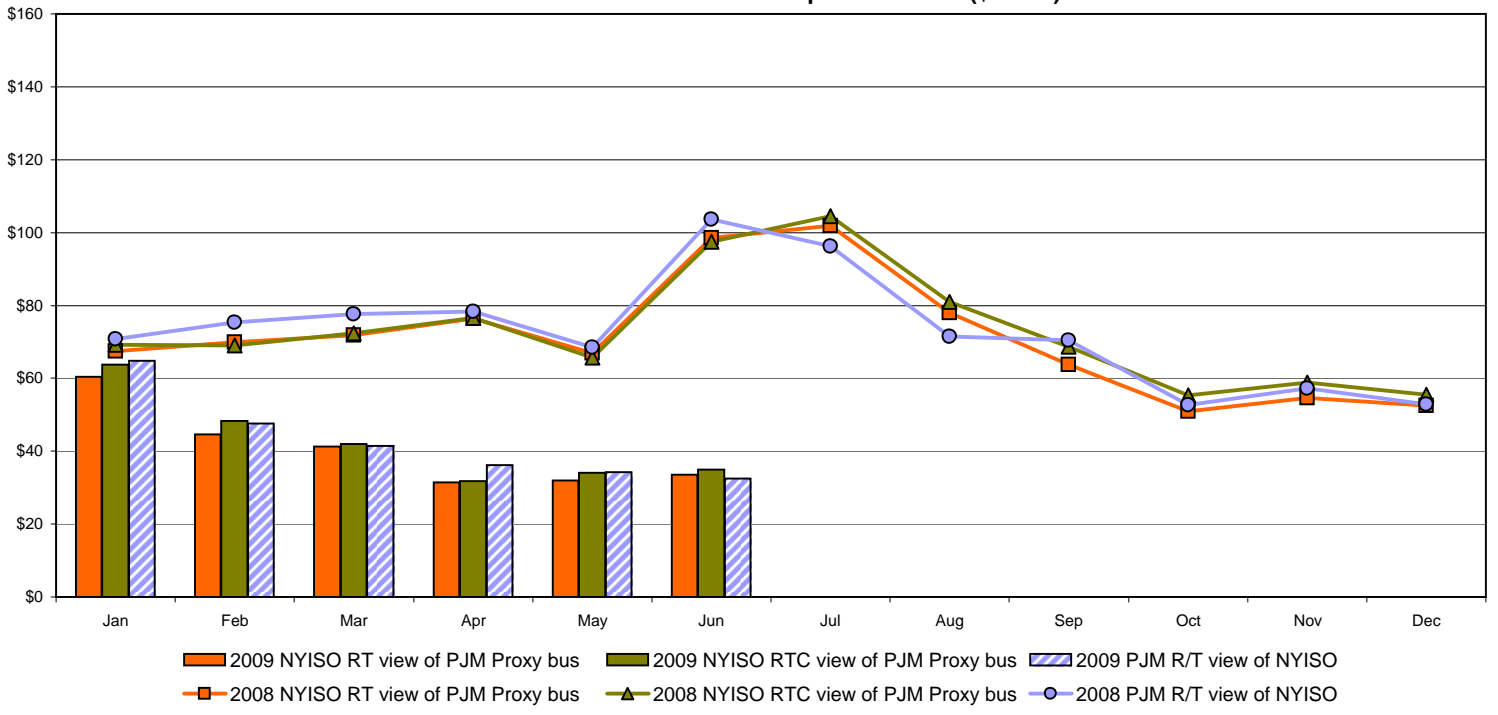


External Comparison PJM

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

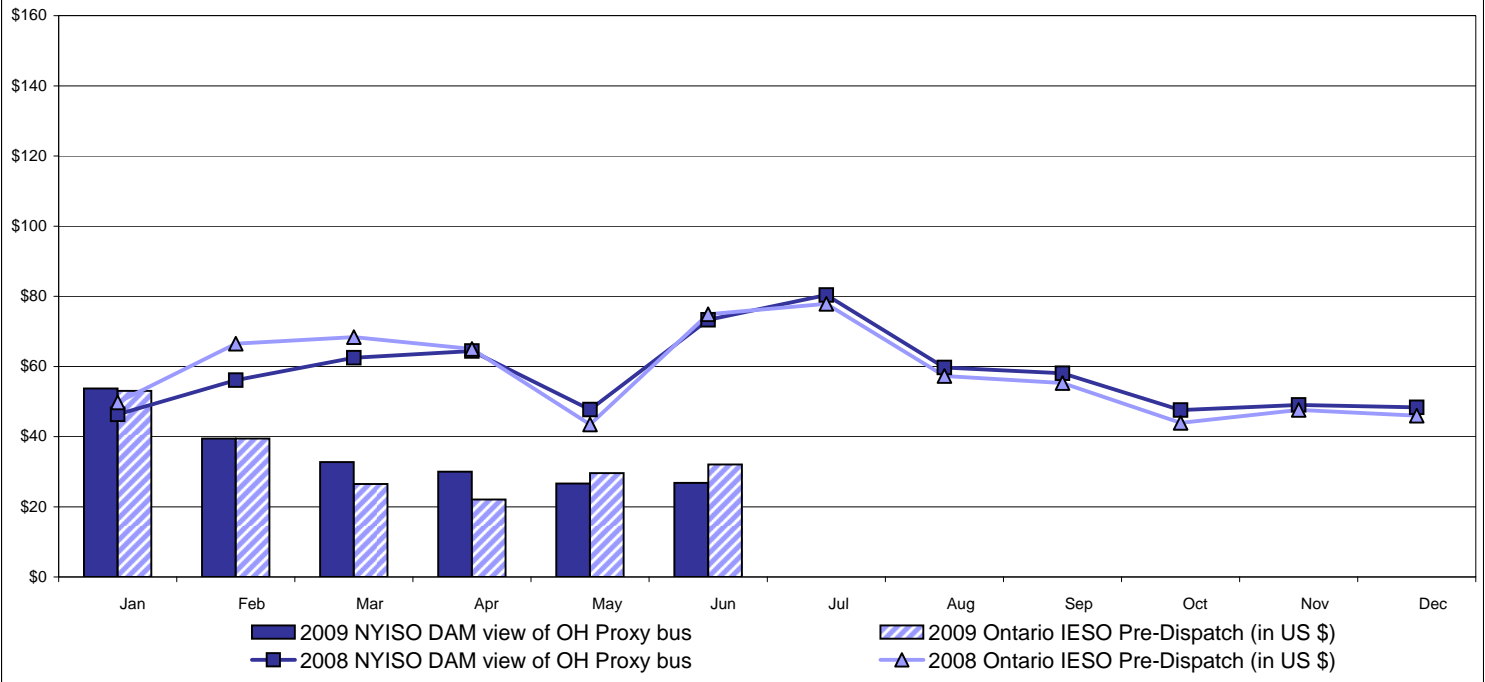


Real Time Market External Zone Comparison - PJM (\$/MWh)

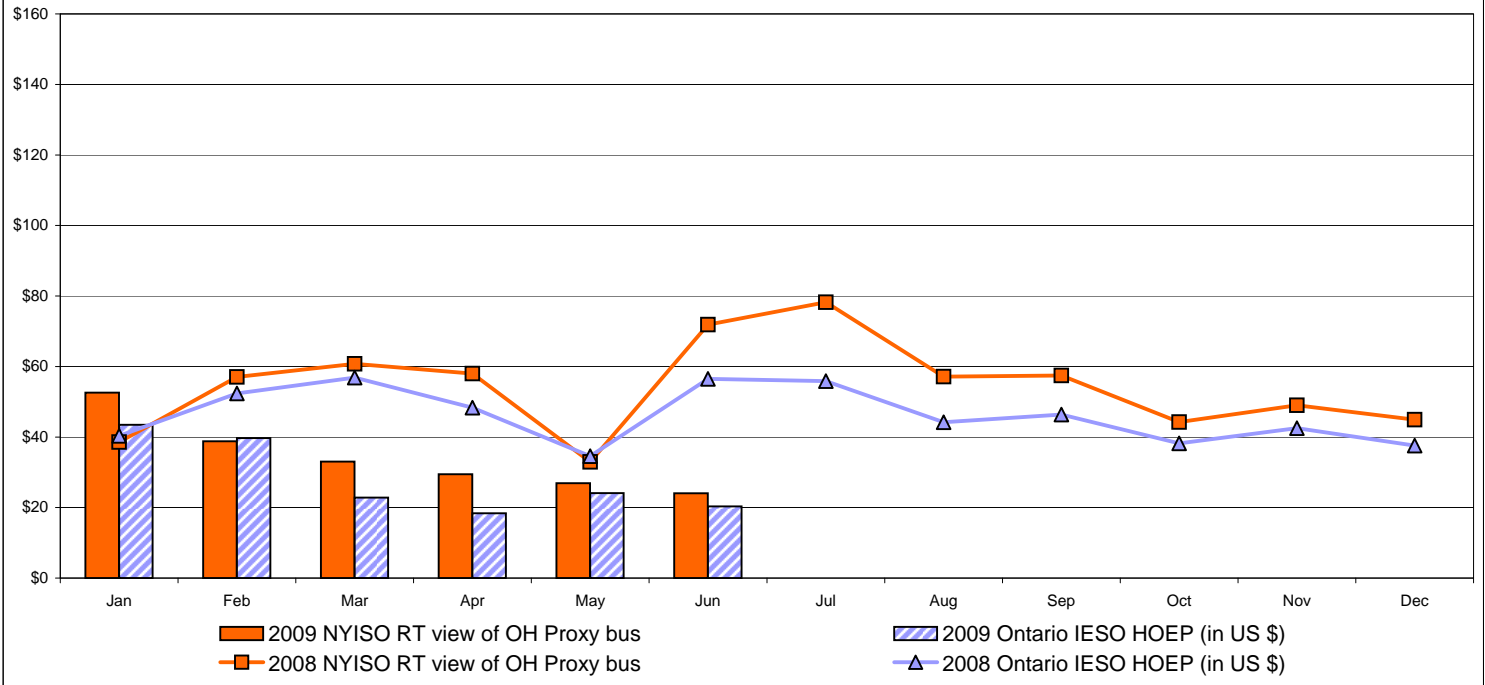


External Comparison Ontario IESO

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

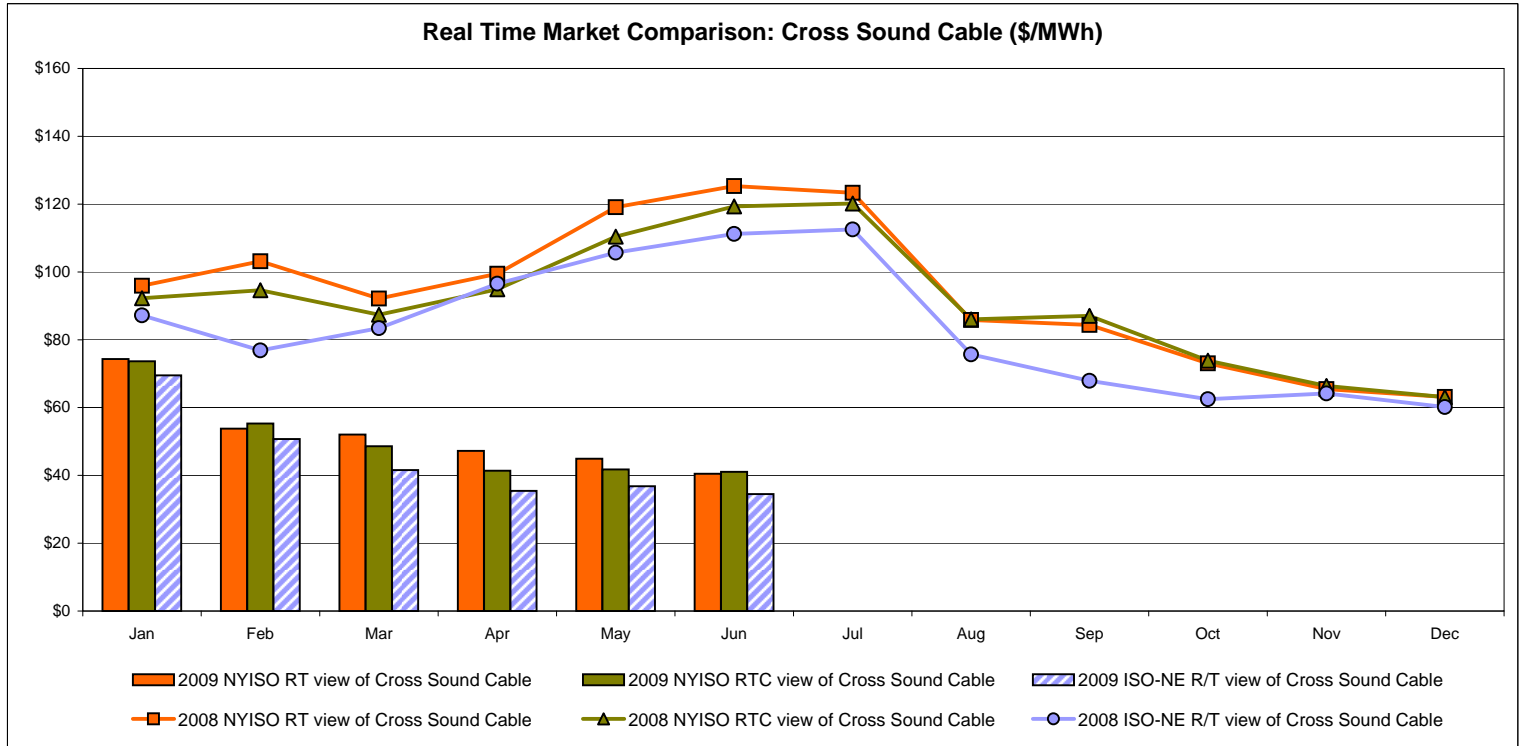
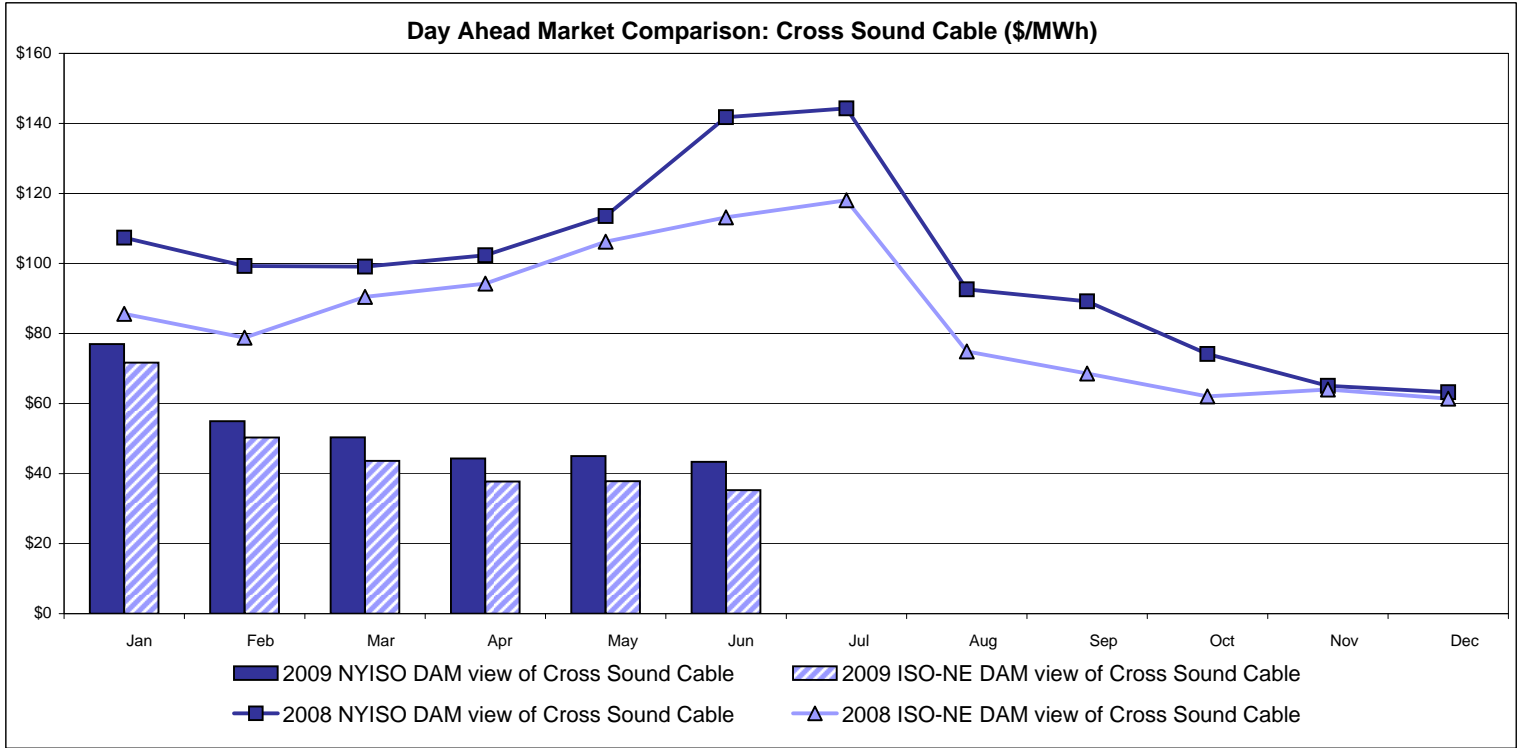


Real Time Market External Zone Comparison - Ontario IESO (\$/MWh)



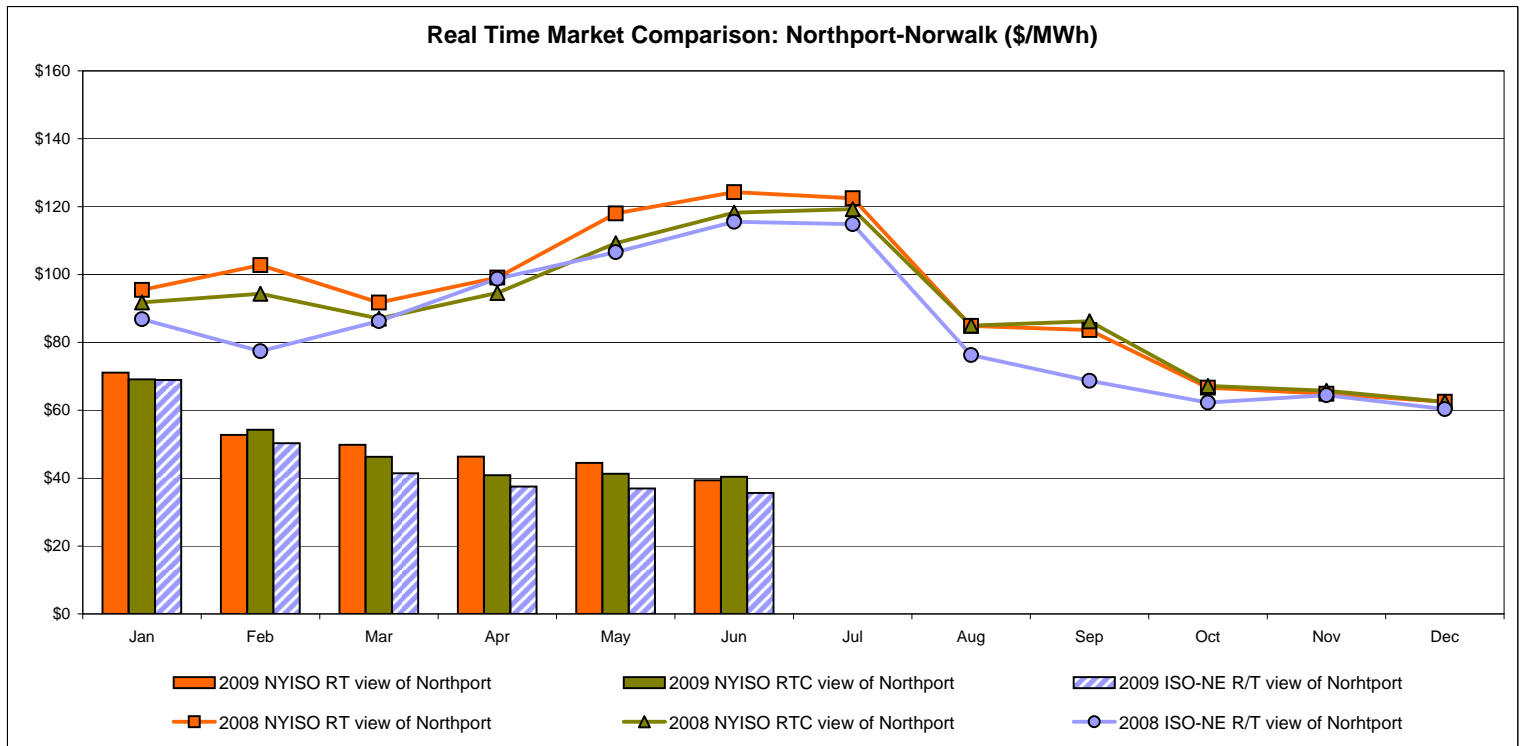
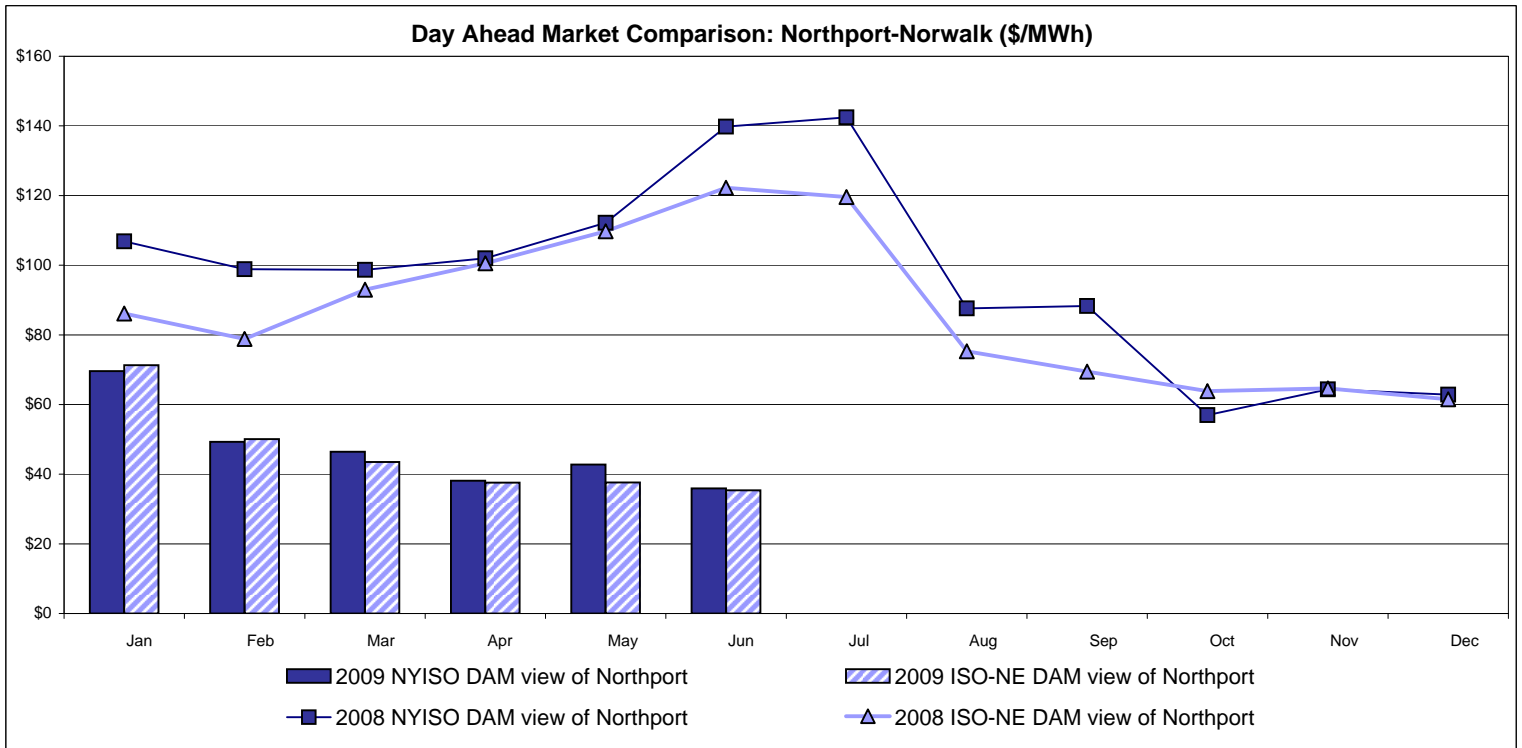
Notes: Exchange factor used for June 2009 was .89 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

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.

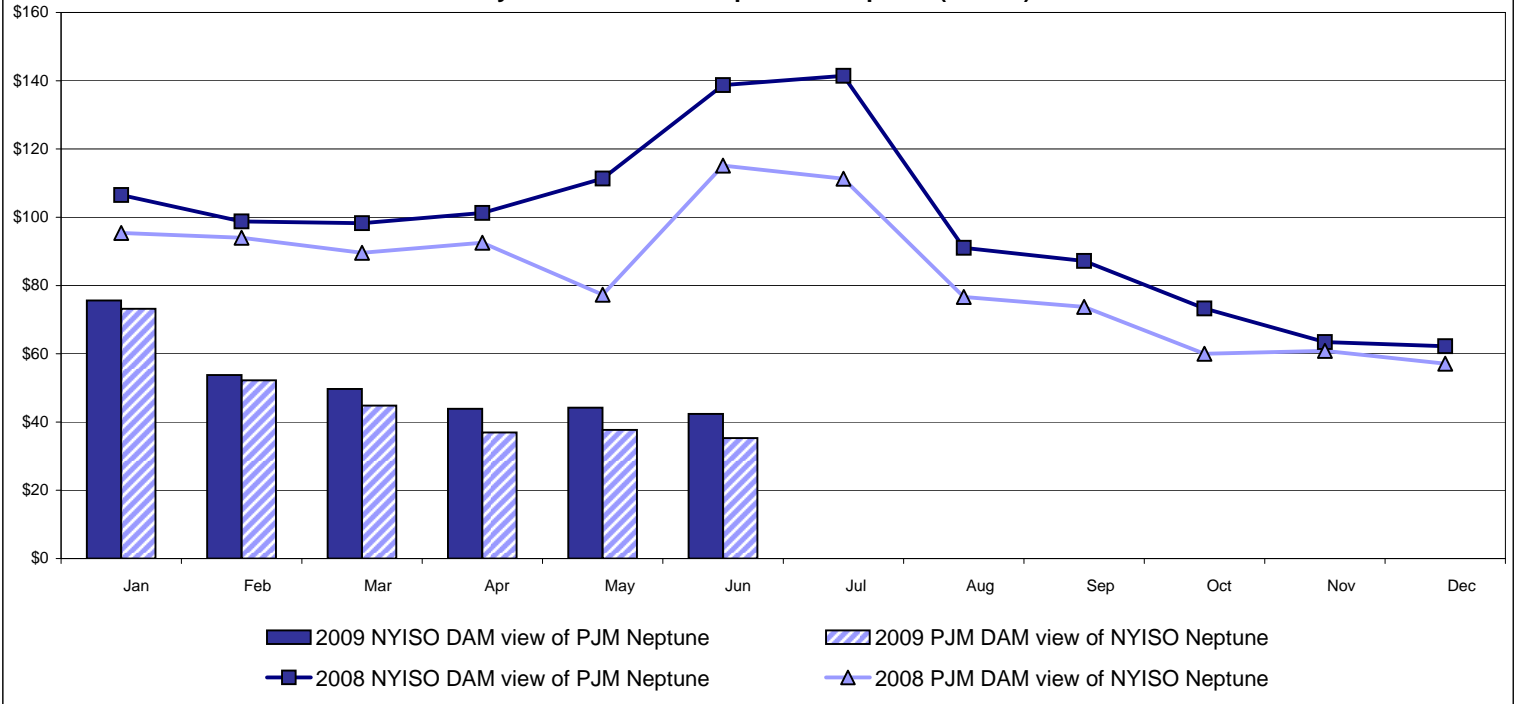
External Controllable Line: Northport - Norwalk (New England)



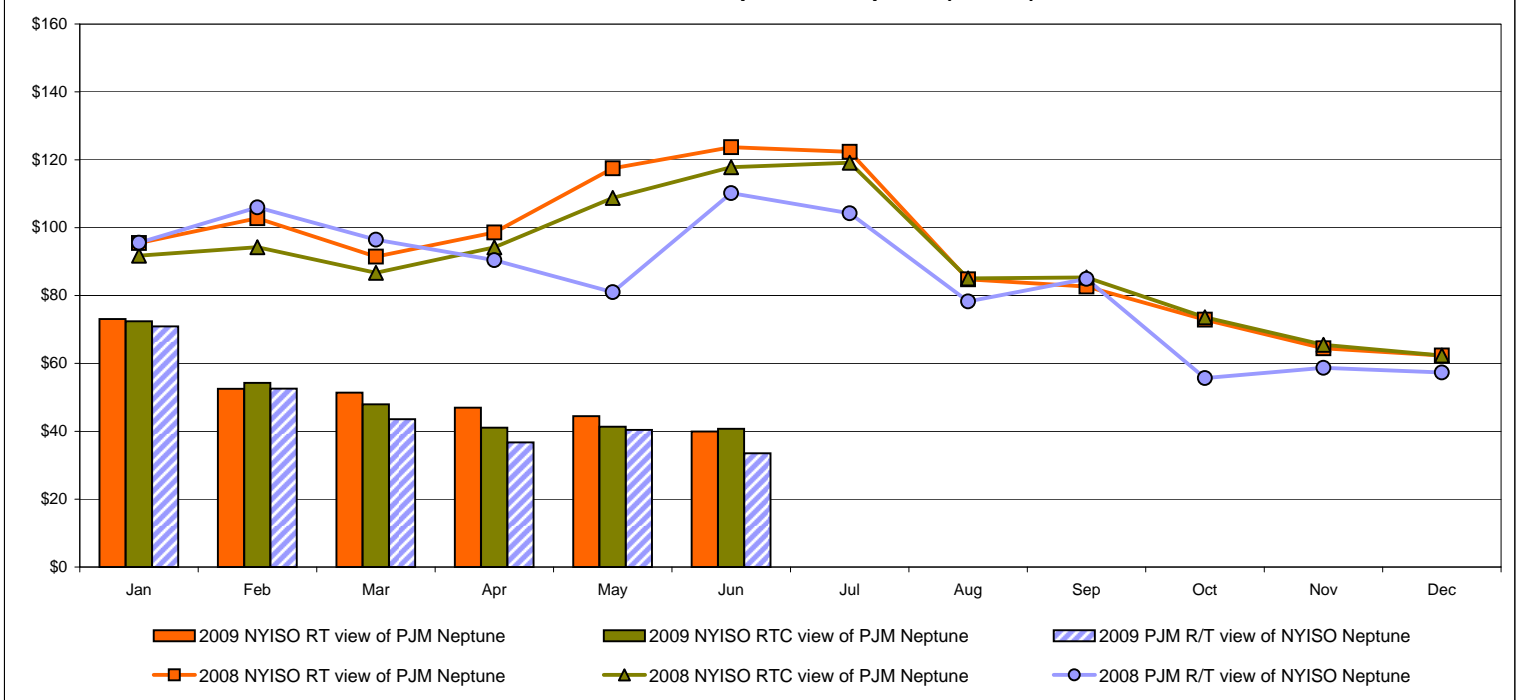
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Northport 138 interface are used for ISO-NE.
 The DAM and R/T prices at the 1385 interface are used for NYISO.

External Controllable Line: Neptune (PJM)

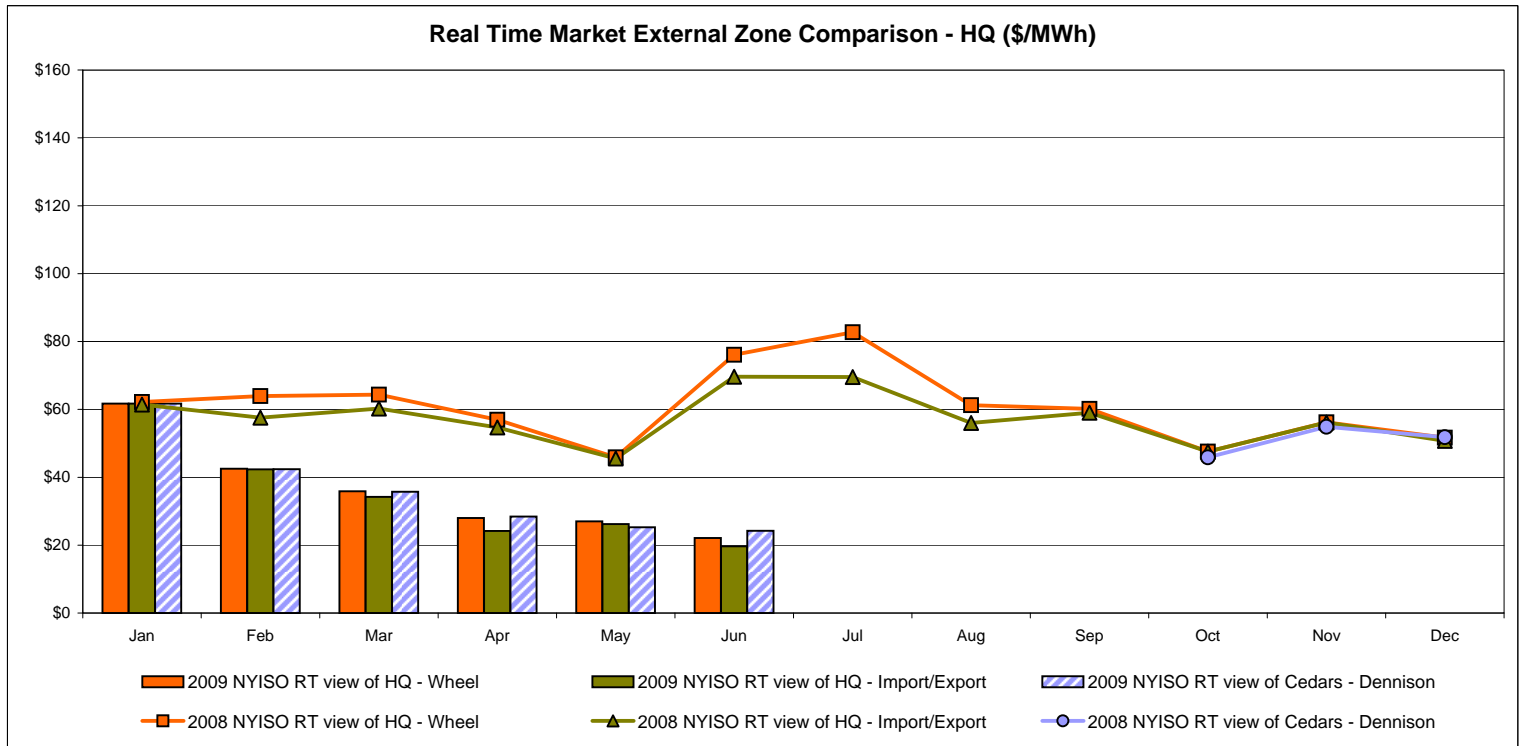
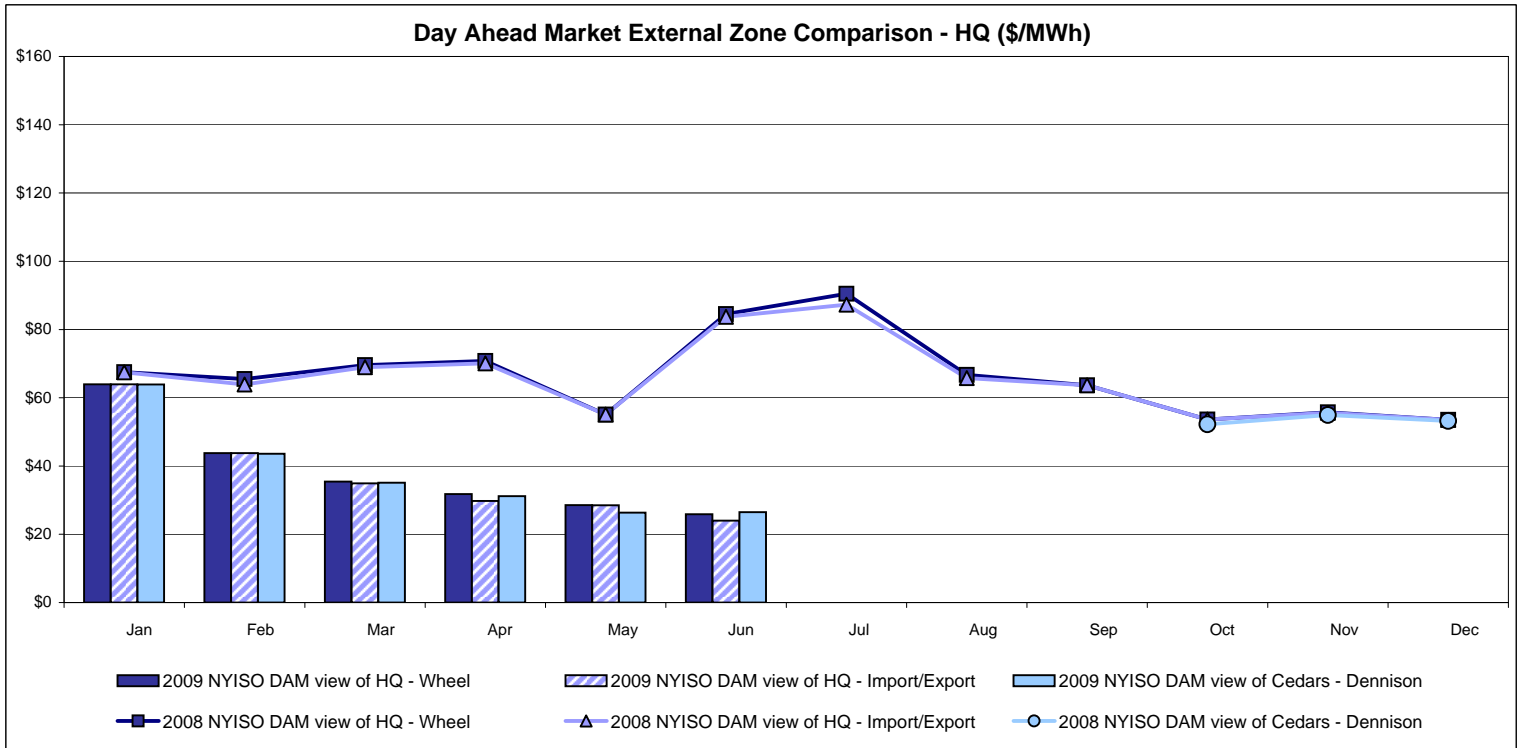
Day Ahead Market Comparison: Neptune (\$/MWh)



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



External Comparison Hydro-Quebec



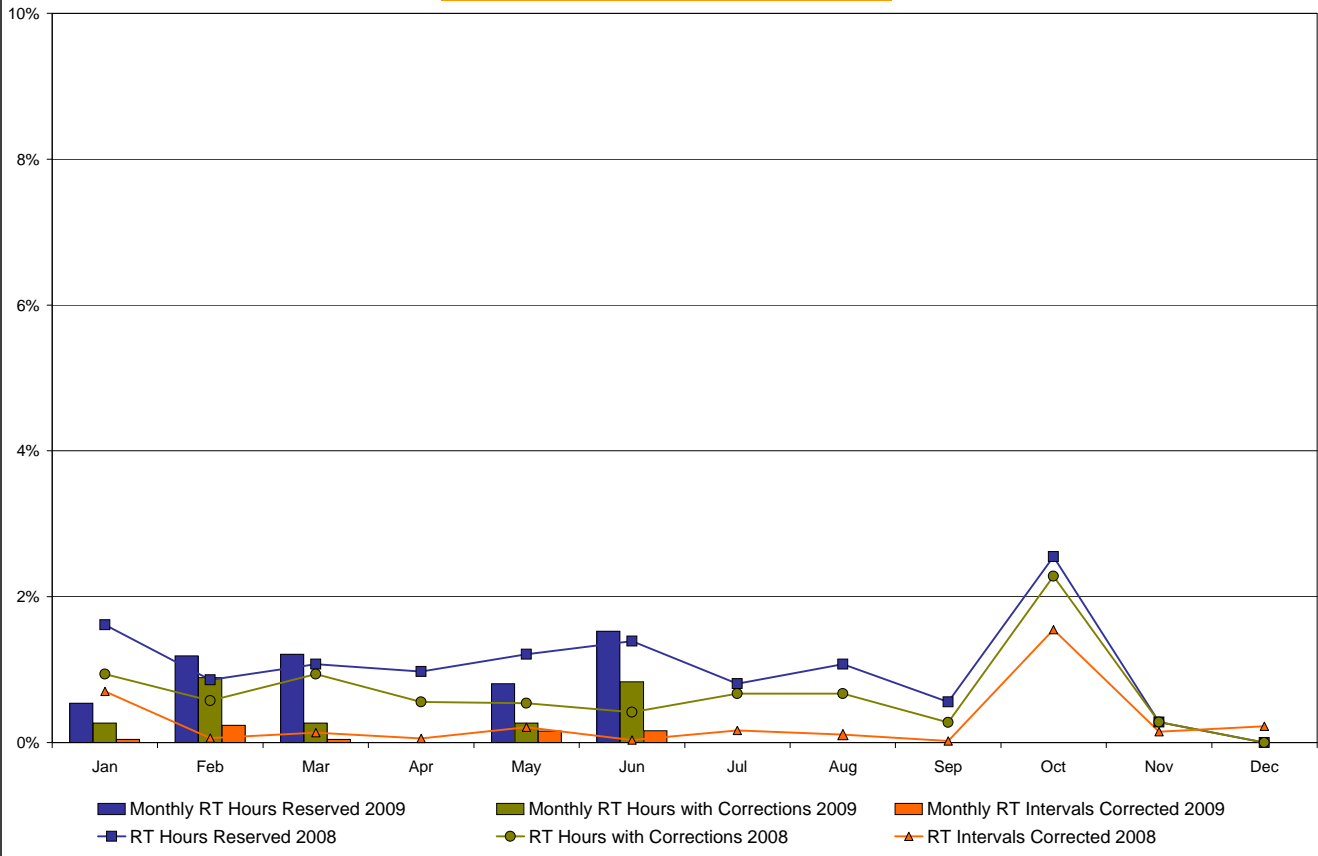
Note:
 Hydro-Quebec Prices are unavailable.
 Dennison Scheduled Line Data available beginning 10/1/2008.

NYISO Real Time Price Correction Statistics

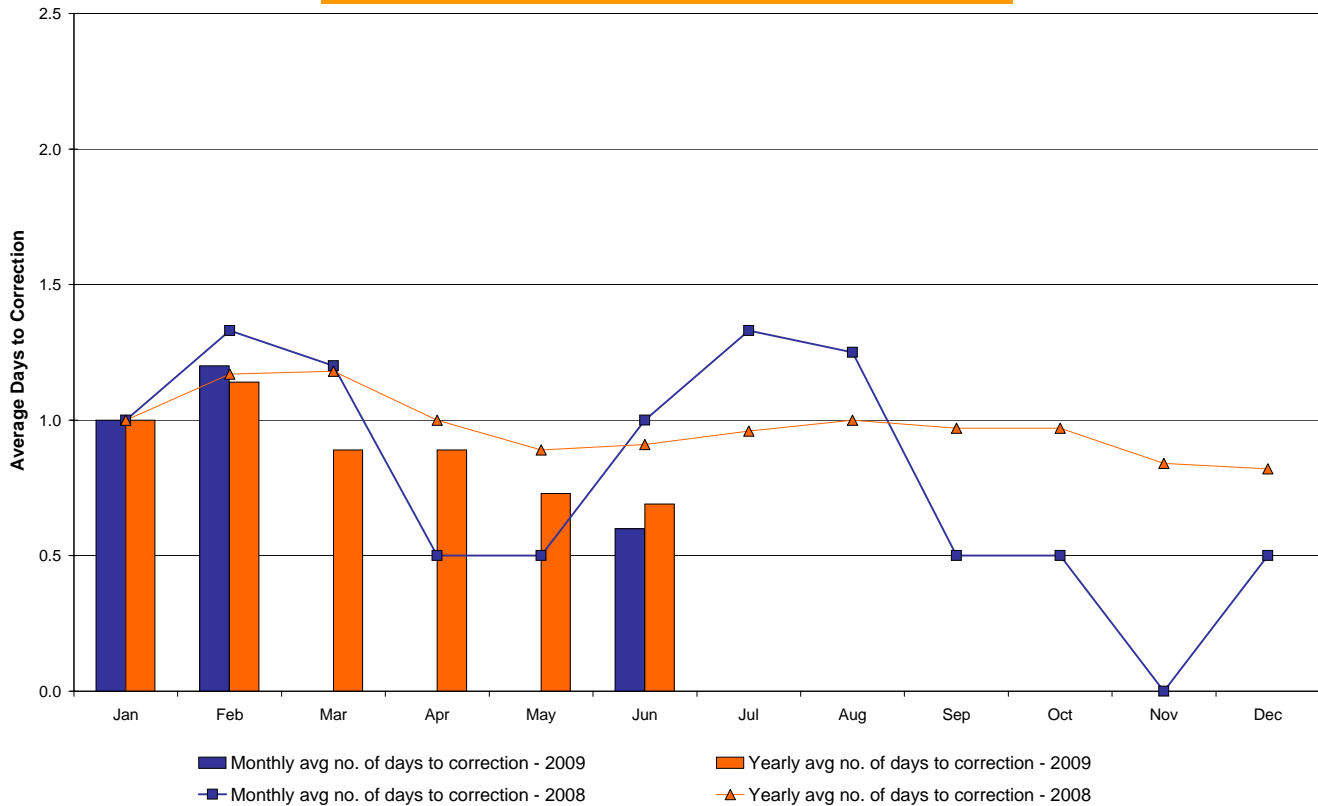
2009		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	2	6	2	0	2	6						
Number of hours	in the month	744	672	744	720	744	720						
% of hours with corrections	in the month	0.27%	0.89%	0.27%	0.00%	0.27%	0.83%						
% of hours with corrections	year-to-date	0.27%	0.56%	0.46%	0.35%	0.33%	0.41%						
Interval Corrections													
Number of intervals corrected	in the month	4	19	4	0	14	14						
Number of intervals	in the month	8,966	8,082	8,933	8,639	8,941	8,655						
% of intervals corrected	in the month	0.04%	0.24%	0.04%	0.00%	0.16%	0.16%						
% of intervals corrected	year-to-date	0.04%	0.13%	0.10%	0.08%	0.09%	0.11%						
Hours Reserved													
Number of hours reserved	in the month	4	8	9	0	6	11						
Number of hours	in the month	744	672	744	720	744	720						
% of hours reserved	in the month	0.54%	1.19%	1.21%	0.00%	0.81%	1.53%						
% of hours reserved	year-to-date	0.54%	0.85%	0.97%	0.73%	0.75%	0.87%						
Days to Correction *													
Avg. number of days to correction	in the month	1.00	1.20	0.00	0.00	0.00	0.60						
Avg. number of days to correction	year-to-date	1.00	1.14	0.89	0.89	0.73	0.69						
Days Without Corrections													
Days without corrections	in the month	29	23	29	30	29	25						
Days without corrections	year-to-date	29	52	81	111	140	165						
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

* Calendar days from reservation date.

Percentage of Real-Time Corrections

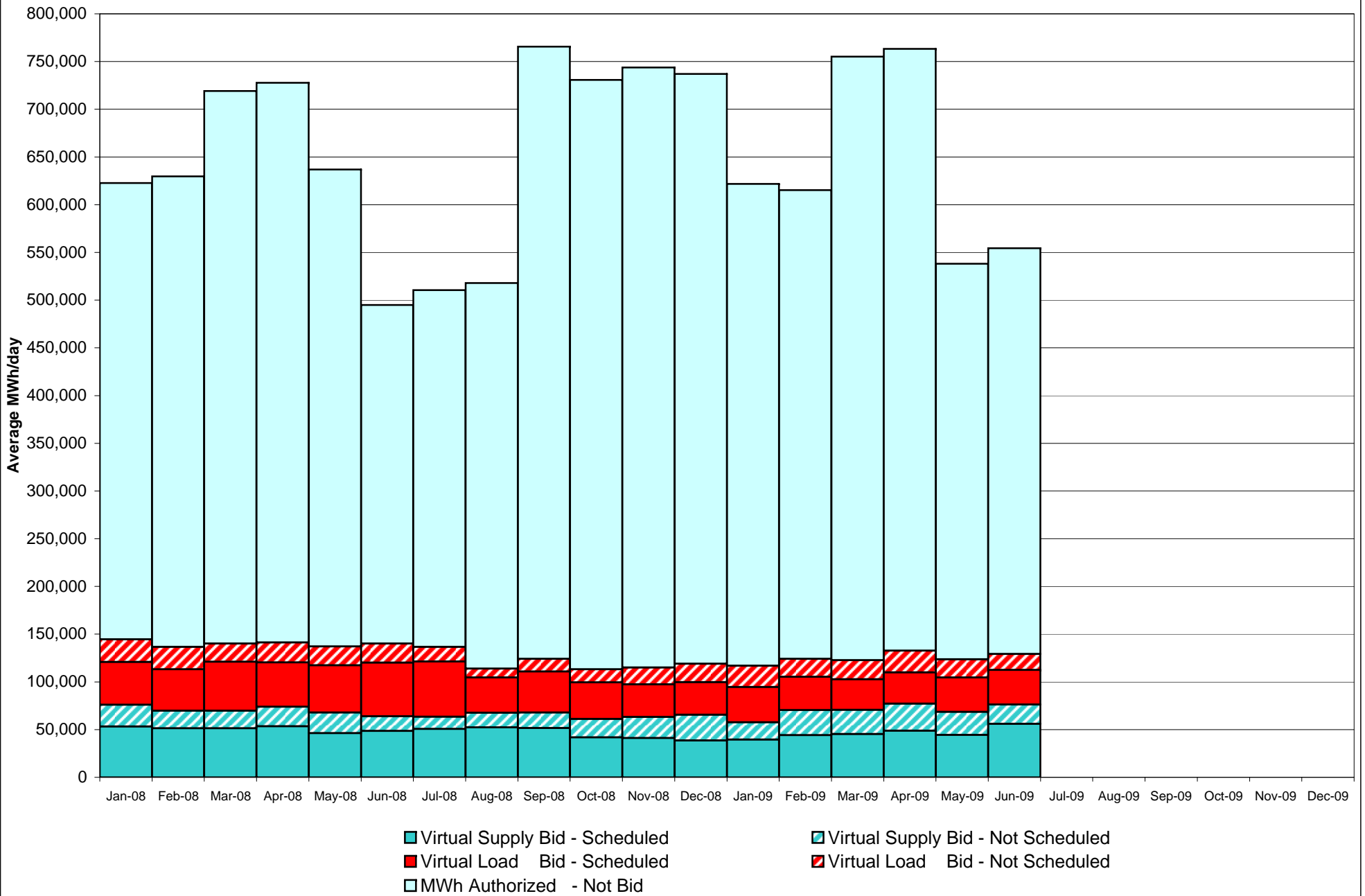


Annual average time period for making Price Corrections (from reservation date) *

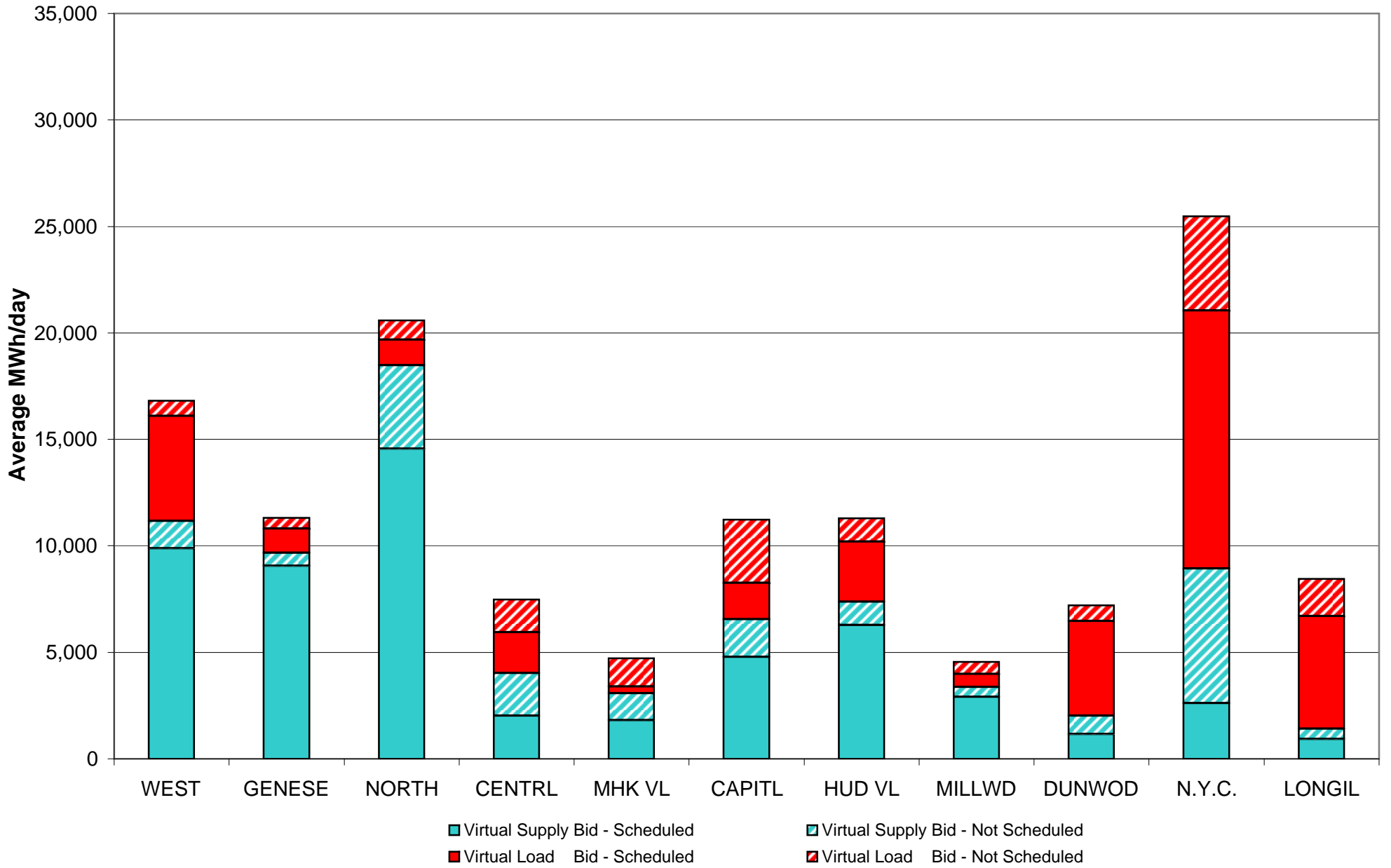


* Calendar days from reservation date.

NYISO Virtual Trading Average MWh per day



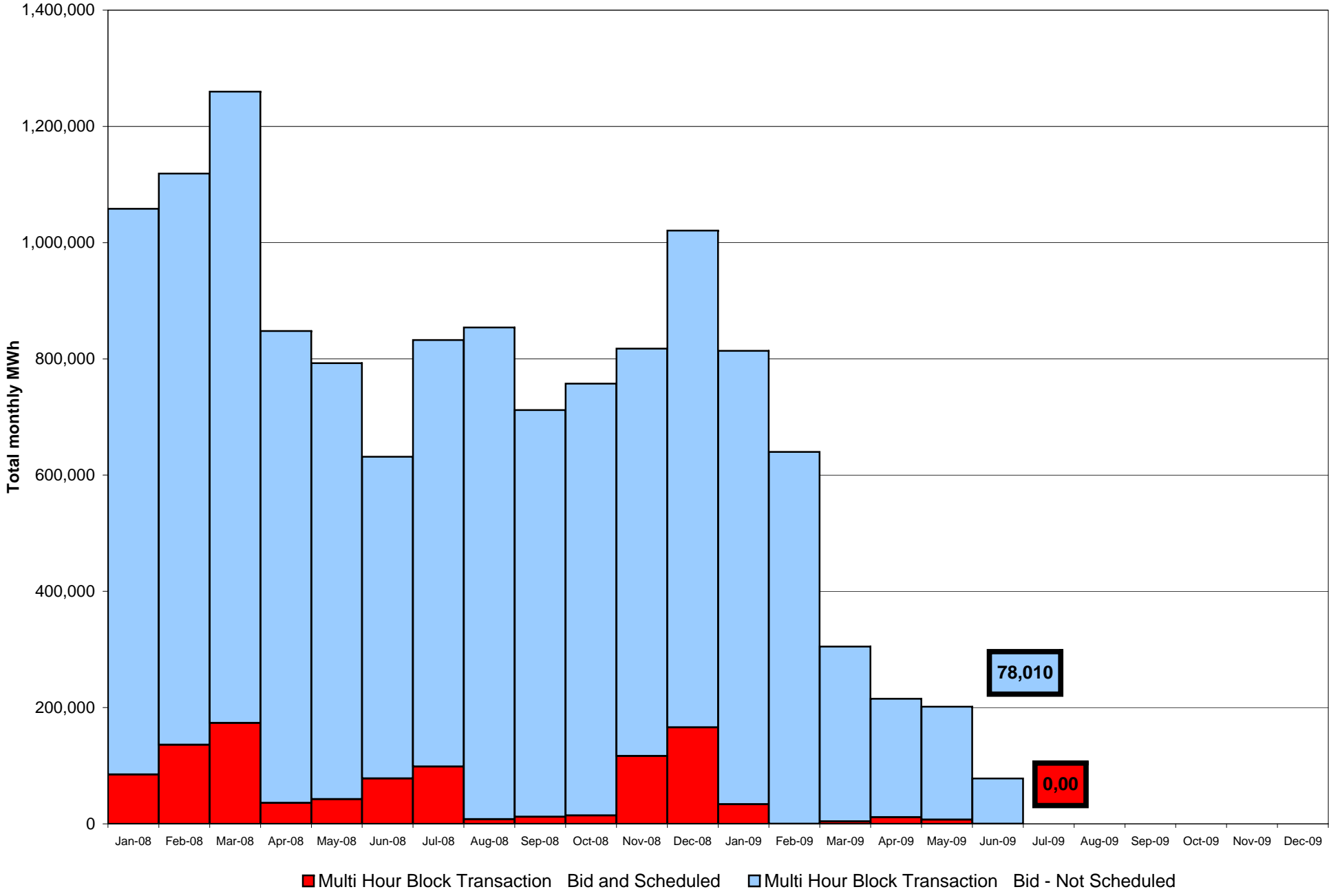
Virtual Load and Supply Zonal Statistics June 2009



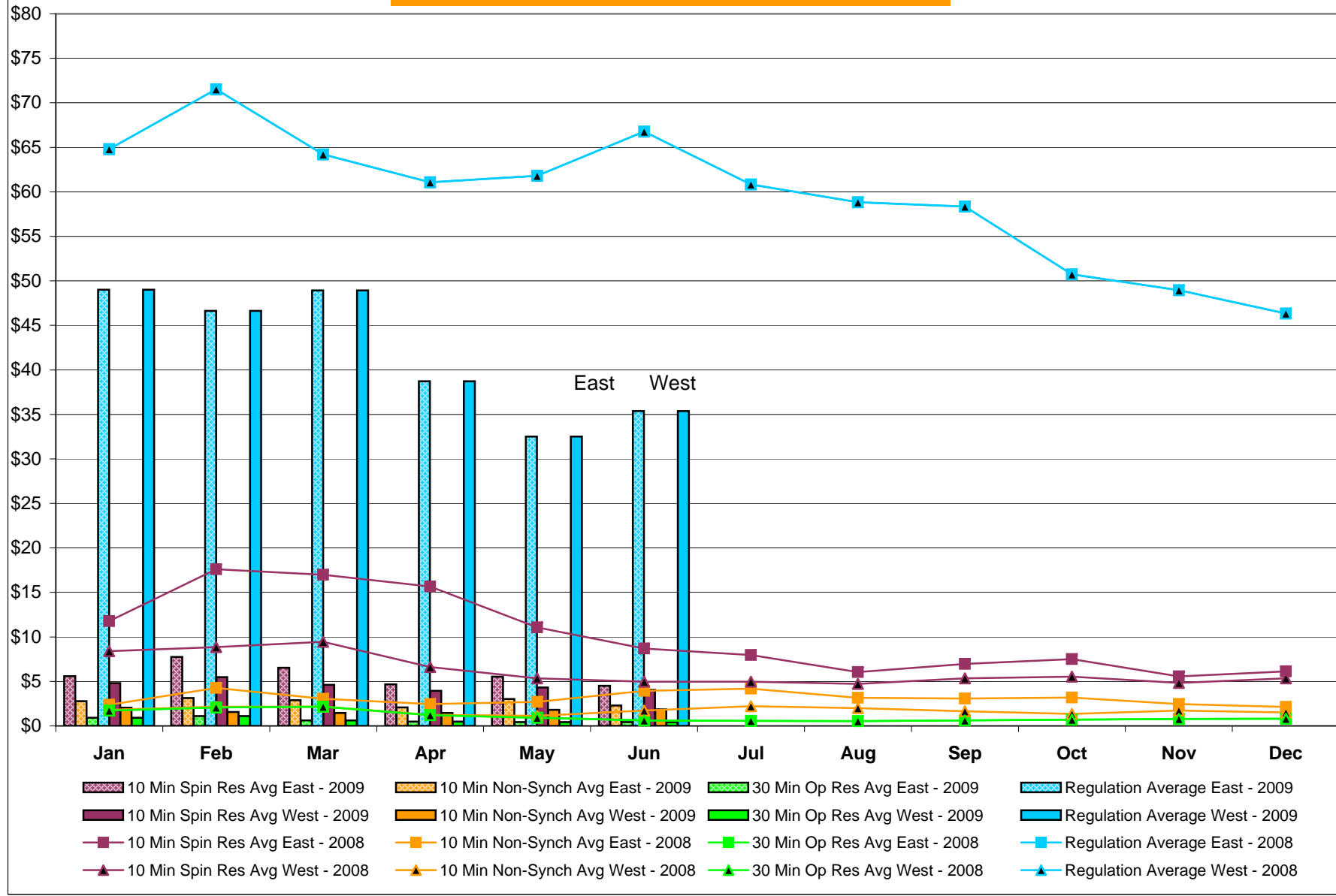
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2009

		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-09	5,980	1,802	5,787	1,732	MHK VL	Jan-09	839	852	2,335	568	DUNWOD	Jan-09	3,134	1,616	1,523	1,424
	Feb-09	6,395	2,412	6,036	3,686		Feb-09	1,336	857	2,786	832		Feb-09	2,013	1,237	1,521	1,200
	Mar-09	3,226	3,562	9,608	4,252		Mar-09	777	1,488	3,013	1,271		Mar-09	1,998	838	2,951	2,733
	Apr-09	3,835	5,259	11,561	5,872		Apr-09	328	1,461	3,065	1,353		Apr-09	3,349	645	2,795	2,170
	May-09	4,211	888	8,191	5,330		May-09	758	1,607	3,090	1,197		May-09	4,549	594	1,734	1,113
	Jun-09	4,918	714	9,883	1,292		Jun-09	316	1,324	1,821	1,265		Jun-09	4,453	730	1,149	869
	Jul-09						Jul-09						Jul-09				
	Aug-09						Aug-09						Aug-09				
	Sep-09						Sep-09						Sep-09				
	Oct-09						Oct-09						Oct-09				
	Nov-09						Nov-09						Nov-09				
	Dec-09						Dec-09						Dec-09				
	GENESE	Jan-09	2,540	1,161	8,332		1,092	CAPITL	Jan-09	4,749	3,352		1,706	2,068	N.Y.C.	Jan-09	9,649
Feb-09		2,601	1,167	9,082	1,094	Feb-09	5,637		2,956	1,627	2,652	Feb-09	6,464	3,737		3,576	8,570
Mar-09		1,673	685	10,131	722	Mar-09	4,408		3,497	1,297	2,837	Mar-09	9,753	2,920		673	7,257
Apr-09		1,079	689	10,441	729	Apr-09	3,136		3,706	1,859	3,008	Apr-09	10,044	4,076		494	7,452
May-09		1,586	529	7,483	510	May-09	2,572		2,804	2,230	1,854	May-09	10,312	6,786		768	6,862
Jun-09		1,147	500	9,053	616	Jun-09	1,691		2,981	4,784	1,775	Jun-09	12,119	4,428		2,616	6,314
Jul-09						Jul-09						Jul-09					
Aug-09						Aug-09						Aug-09					
Sep-09						Sep-09						Sep-09					
Oct-09						Oct-09						Oct-09					
Nov-09						Nov-09						Nov-09					
Dec-09						Dec-09						Dec-09					
NORTH		Jan-09	398	1,277	5,428	757	HUD VL		Jan-09	1,572	1,199	5,365	1,875	LONGIL		Jan-09	5,026
	Feb-09	125	983	7,684	1,481	Feb-09		2,721	2,126	7,211	3,506	Feb-09	4,191		1,141	1,357	1,164
	Mar-09	258	1,482	9,019	2,142	Mar-09		2,810	1,179	4,102	978	Mar-09	3,286		1,742	1,225	1,266
	Apr-09	842	1,480	8,515	3,032	Apr-09		3,516	935	3,850	1,293	Apr-09	5,075		2,061	833	1,486
	May-09	319	737	11,818	3,910	May-09		2,901	1,090	4,096	601	May-09	6,332		2,230	489	842
	Jun-09	1,188	922	14,564	3,919	Jun-09		2,828	1,085	6,286	1,088	Jun-09	5,280		1,765	928	486
	Jul-09					Jul-09						Jul-09					
	Aug-09					Aug-09						Aug-09					
	Sep-09					Sep-09						Sep-09					
	Oct-09					Oct-09						Oct-09					
	Nov-09					Nov-09						Nov-09					
	Dec-09					Dec-09						Dec-09					
	CENTRL	Jan-09	2,532	1,128	1,935	796		MILLWD	Jan-09	435	900	3,633	1,114		NYISO	Jan-09	36,855
Feb-09		3,242	1,093	1,656	983	Feb-09	301		980	1,686	924	Feb-09	35,028	18,690		44,221	26,093
Mar-09		3,132	1,873	1,641	1,402	Mar-09	556		759	1,541	654	Mar-09	31,876	20,023		45,201	25,514
Apr-09		1,099	1,742	1,685	1,496	Apr-09	406		652	3,583	592	Apr-09	32,708	22,708		48,680	28,482
May-09		1,469	1,375	1,192	1,480	May-09	945		517	3,178	533	May-09	35,955	19,156		44,270	24,232
Jun-09		1,912	1,541	2,015	2,013	Jun-09	606		557	2,902	478	Jun-09	36,458	16,546		56,002	20,115
Jul-09						Jul-09						Jul-09					
Aug-09						Aug-09						Aug-09					
Sep-09						Sep-09						Sep-09					
Oct-09						Oct-09						Oct-09					
Nov-09						Nov-09						Nov-09					
Dec-09						Dec-09						Dec-09					

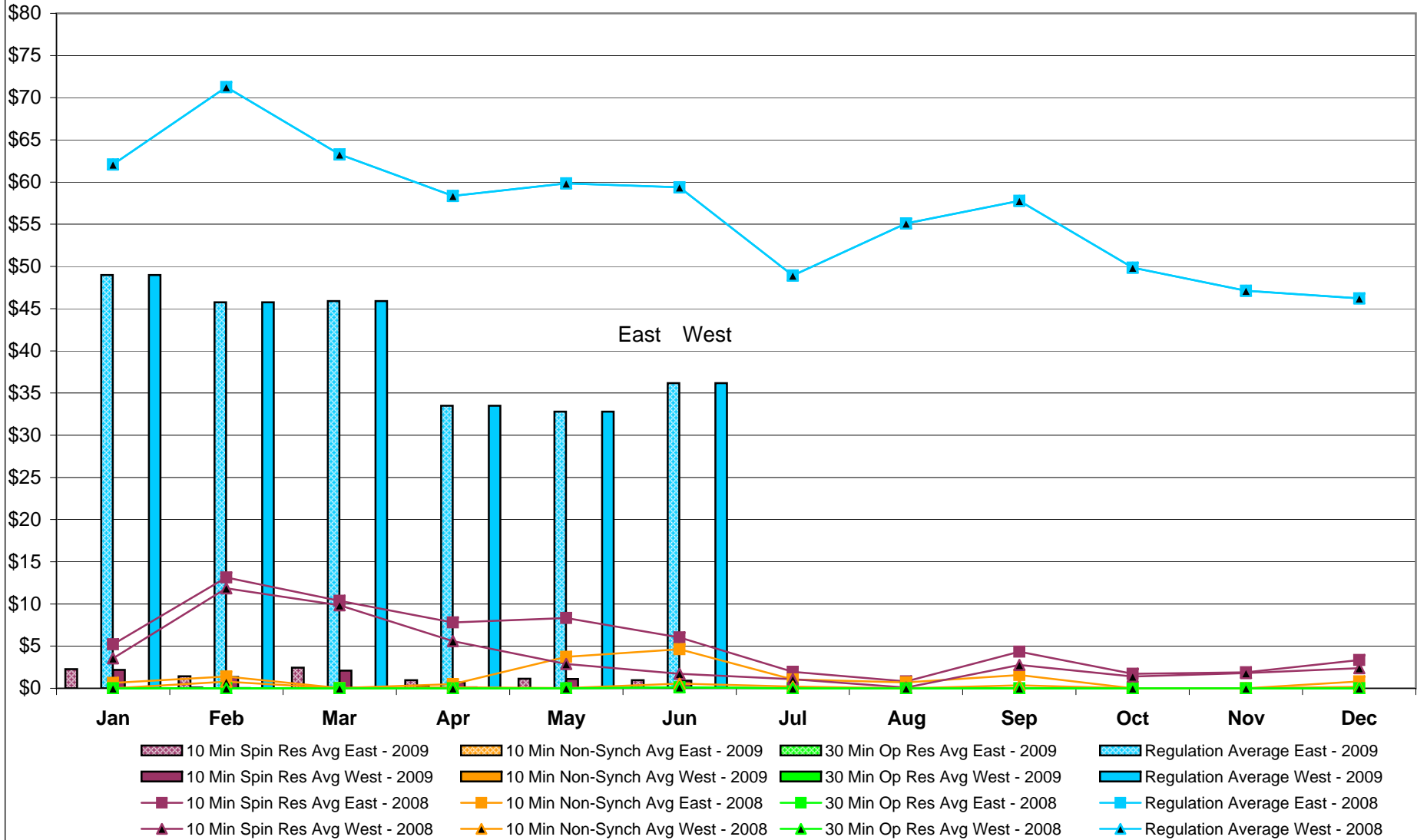
NYISO Multi Hour Block Transactions Monthly Total MWh



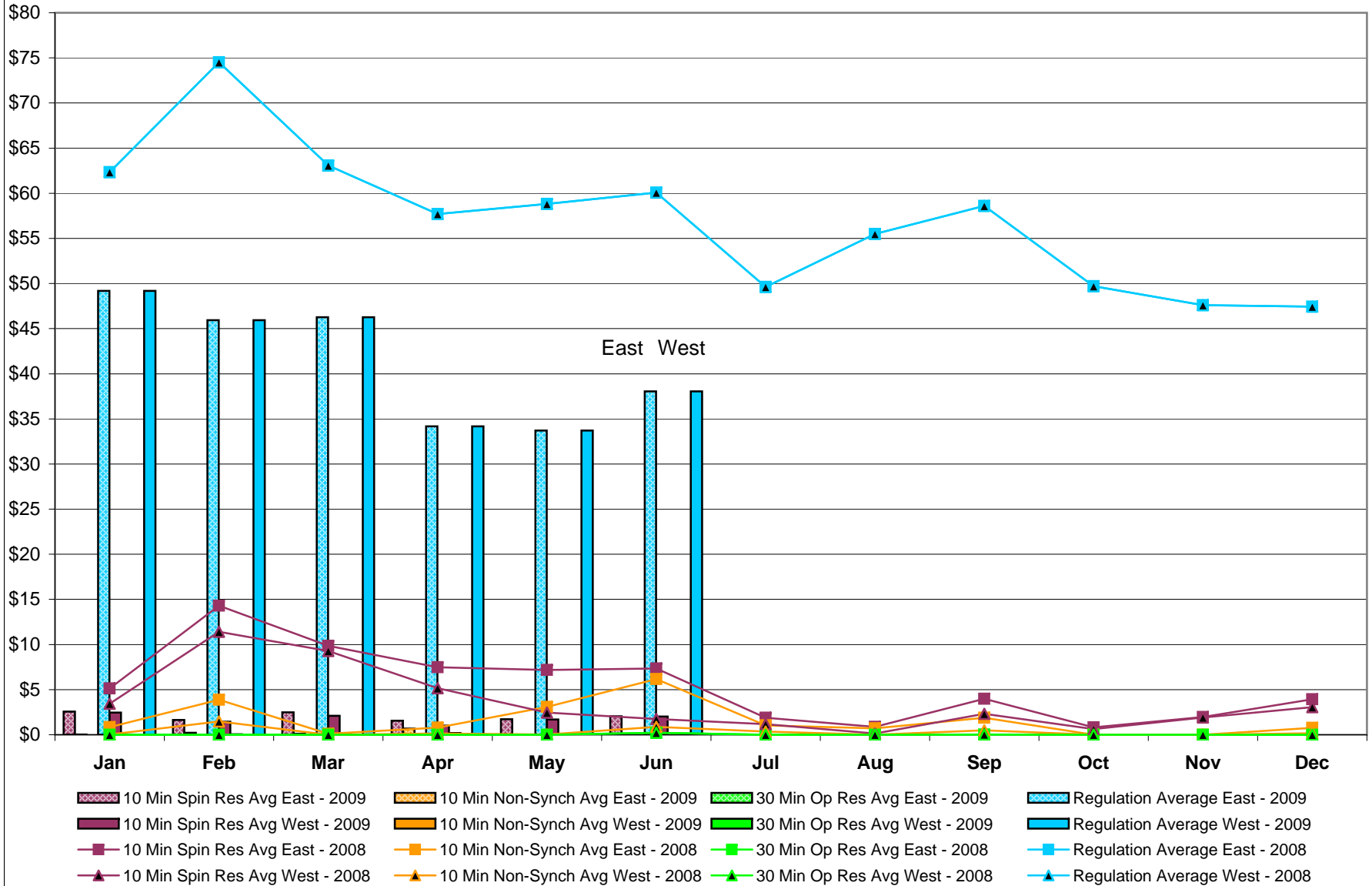
NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2008 - 2009



NYISO Monthly Average Ancillary Service Prices RTC Market 2008 - 2009



NYISO Monthly Average Ancillary Service Prices Real Time Market 2008 - 2009



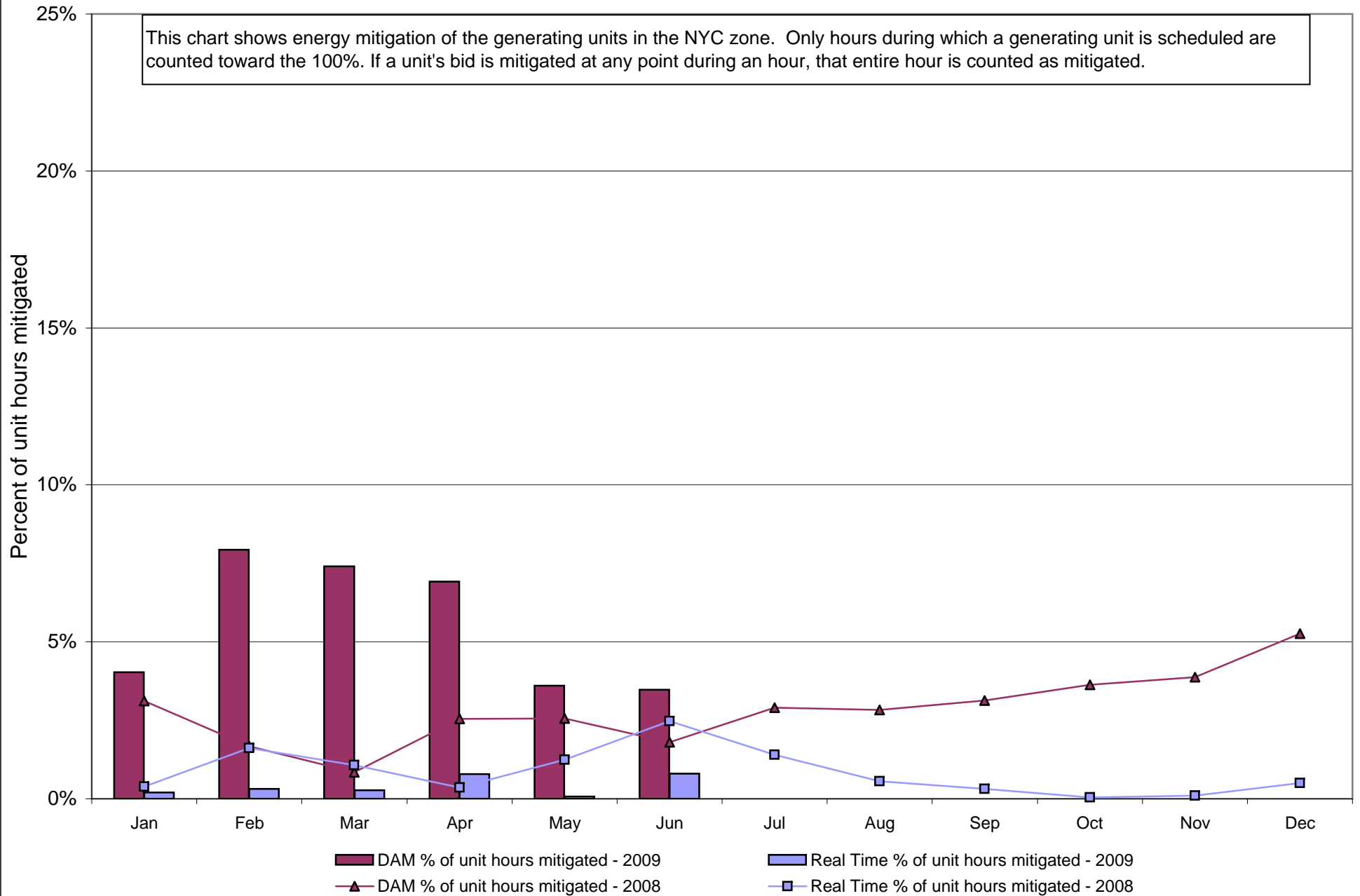
NYISO Markets Ancillary Services Statistics - Unweighted Price (\$/MWH)

2009	<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 Market</u>												
10 Min Spin East	5.60	7.74	6.54	4.66	5.53	4.50						
10 Min Spin West	4.81	5.48	4.62	3.94	4.32	4.05						
10 Min Non Synch East	2.77	3.13	2.88	2.09	3.03	2.31						
10 Min Non Synch West	2.05	1.58	1.45	1.46	1.82	1.87						
30 Min East	0.92	1.12	0.63	0.50	0.43	0.43						
30 Min West	0.92	1.12	0.63	0.50	0.43	0.43						
Regulation East	49.01	46.62	48.92	38.71	32.52	35.37						
Regulation West	49.01	46.62	48.92	38.71	32.52	35.37						
<u>RTC Market</u>												
10 Min Spin East	2.27	1.44	2.43	0.97	1.12	0.96						
10 Min Spin West	2.20	1.35	2.09	0.70	1.10	0.91						
10 Min Non Synch East	0.00	0.08	0.05	0.30	0.00	0.00						
10 Min Non Synch West	0.00	0.04	0.05	0.10	0.00	0.00						
30 Min East	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	0.00						
Regulation East	48.98	45.76	45.90	33.49	32.80	36.17						
Regulation West	48.98	45.76	45.90	33.49	32.80	36.17						
<u>Real Time Market</u>												
10 Min Spin East	2.57	1.65	2.49	1.55	1.73	2.06						
10 Min Spin West	2.46	1.43	2.09	1.01	1.70	2.02						
10 Min Non Synch East	0.03	0.22	0.10	0.69	0.00	0.00						
10 Min Non Synch West	0.03	0.05	0.05	0.19	0.00	0.00						
30 Min East	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	0.00						
Regulation East	49.19	45.95	46.27	34.17	33.71	38.05						
Regulation West	49.19	45.95	46.27	34.17	33.71	38.05						
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>
<u>Day Ahead Market</u>												
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
<u>RTC Market</u>												
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
<u>Real Time Market</u>												
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

NYISO In City Energy Mitigation (NYC Zone) 2008 - 2009

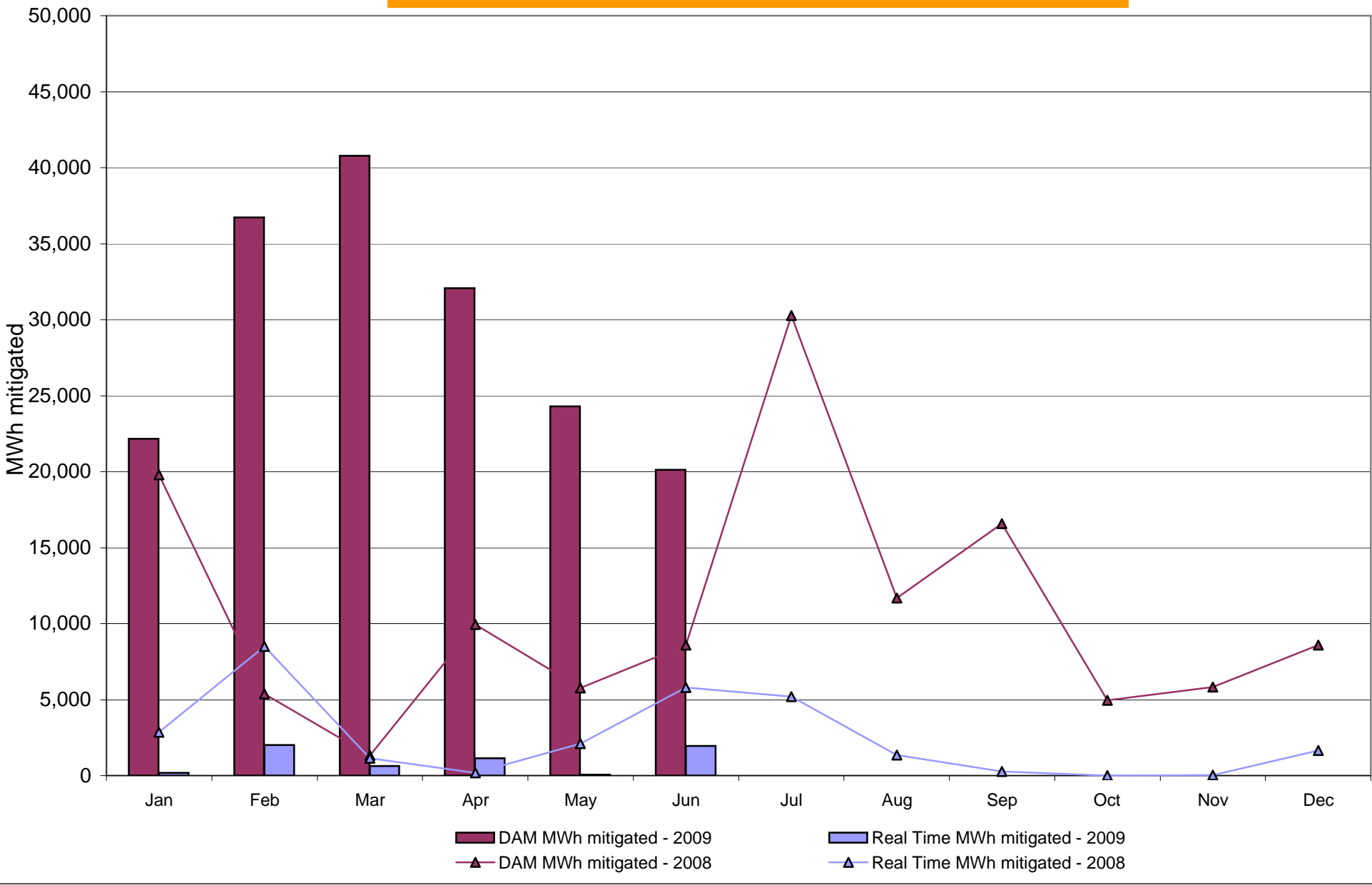
Percentage of committed unit-hours mitigated

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.

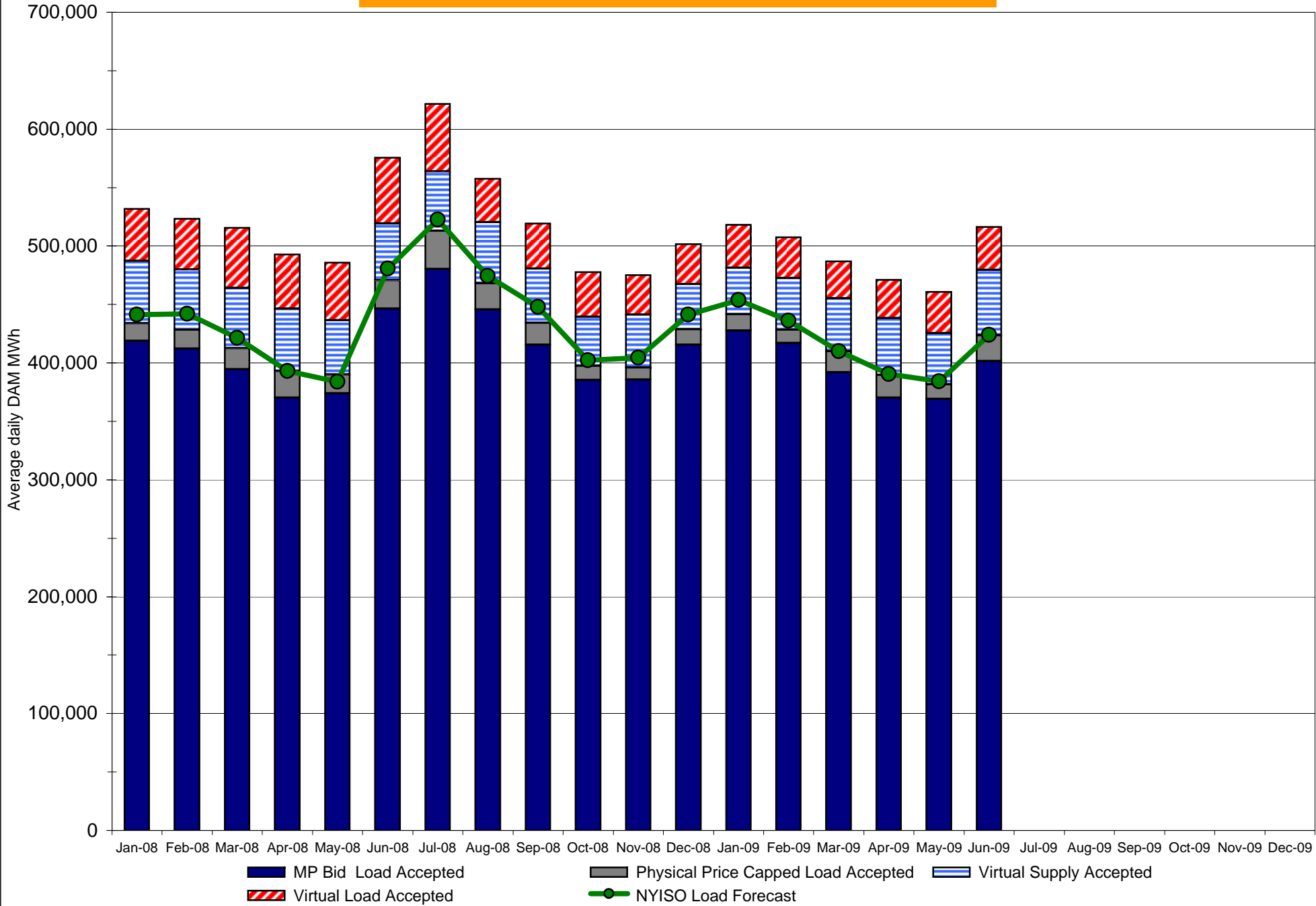


NYISO In City Energy Mitigation (NYC Zone) 2008 - 2009

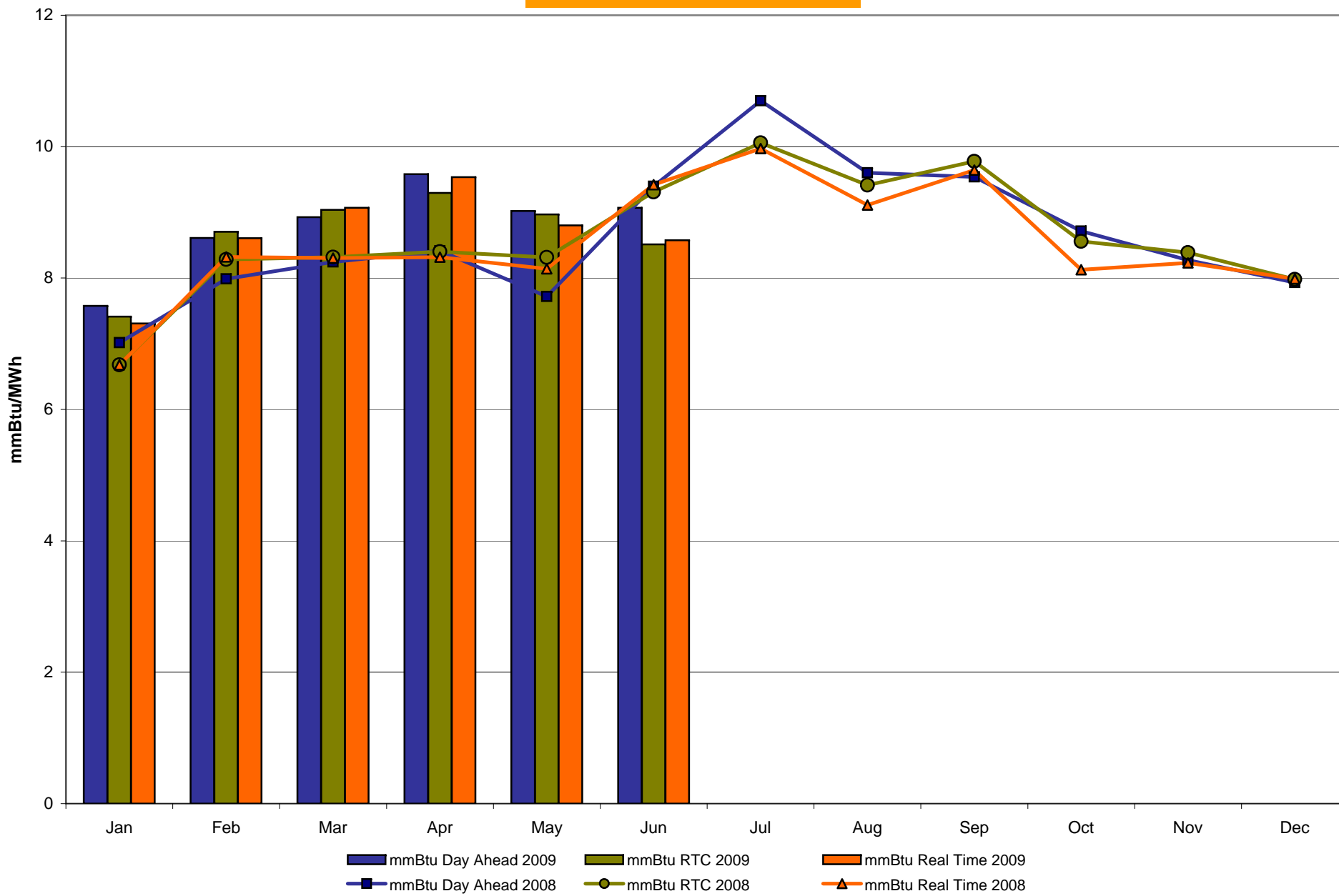
Monthly megawatt hours mitigated



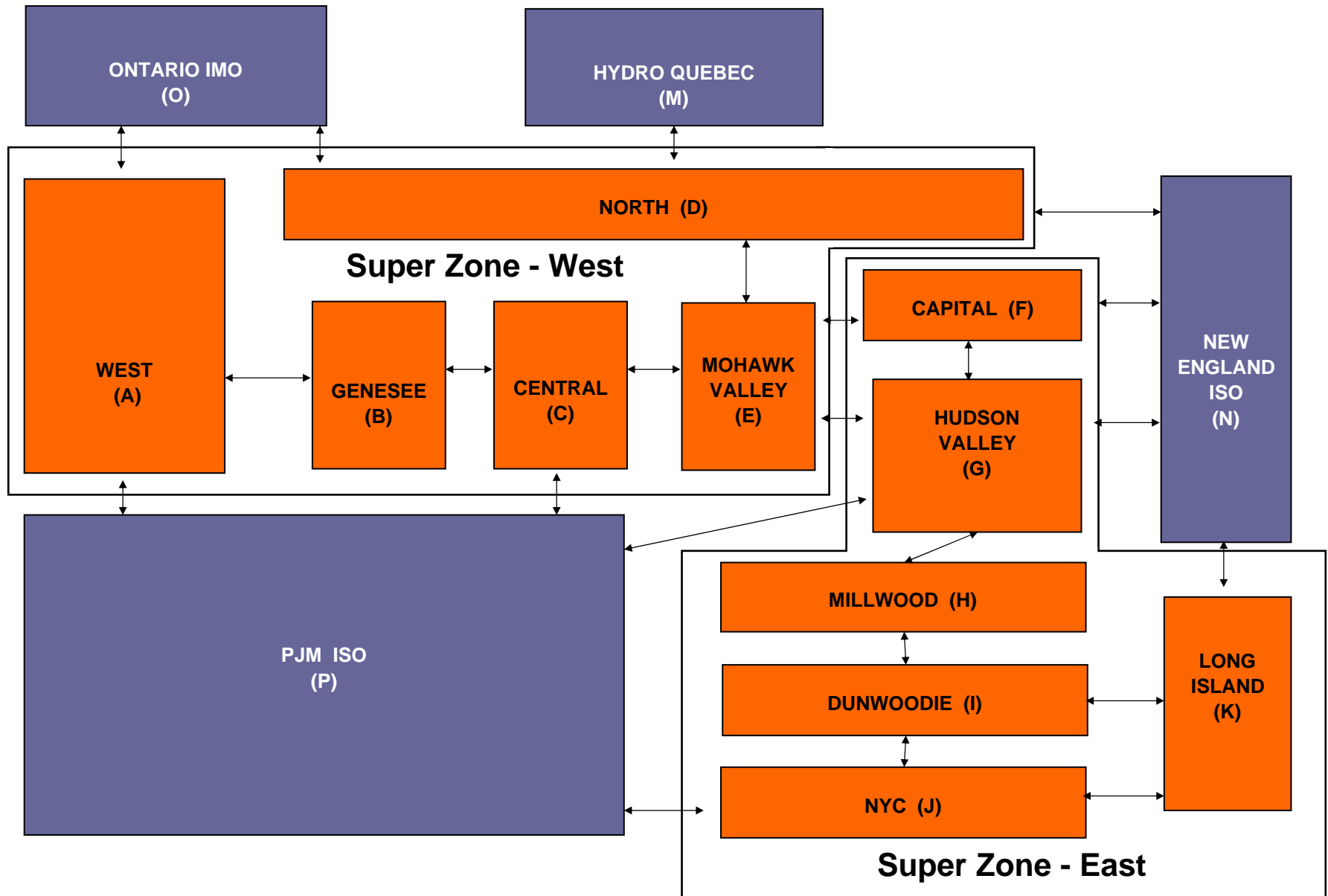
NYISO Average Daily DAM Load Bid Summary



Monthly Implied Heat Rate 2008-2009



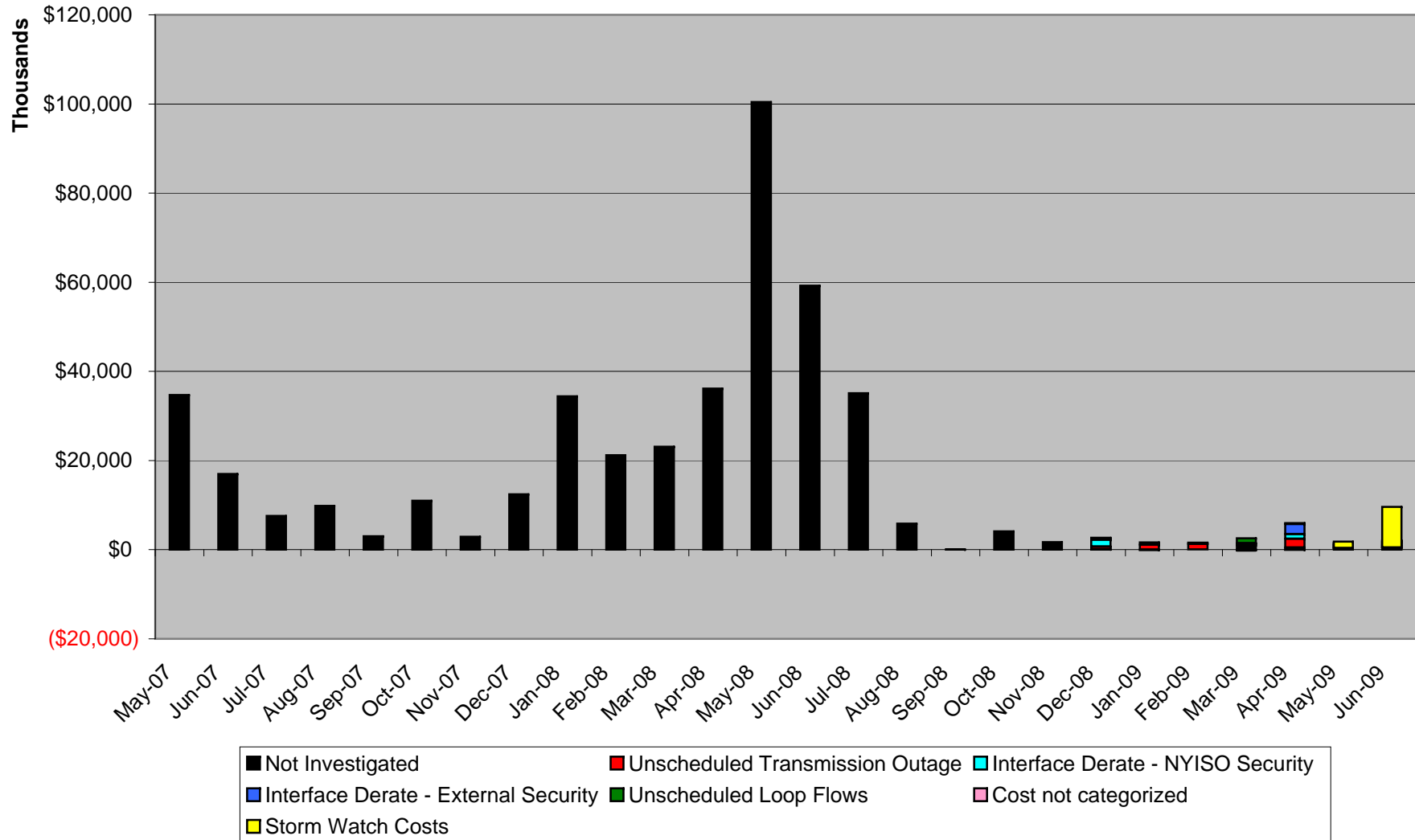
NYISO LBMP ZONES



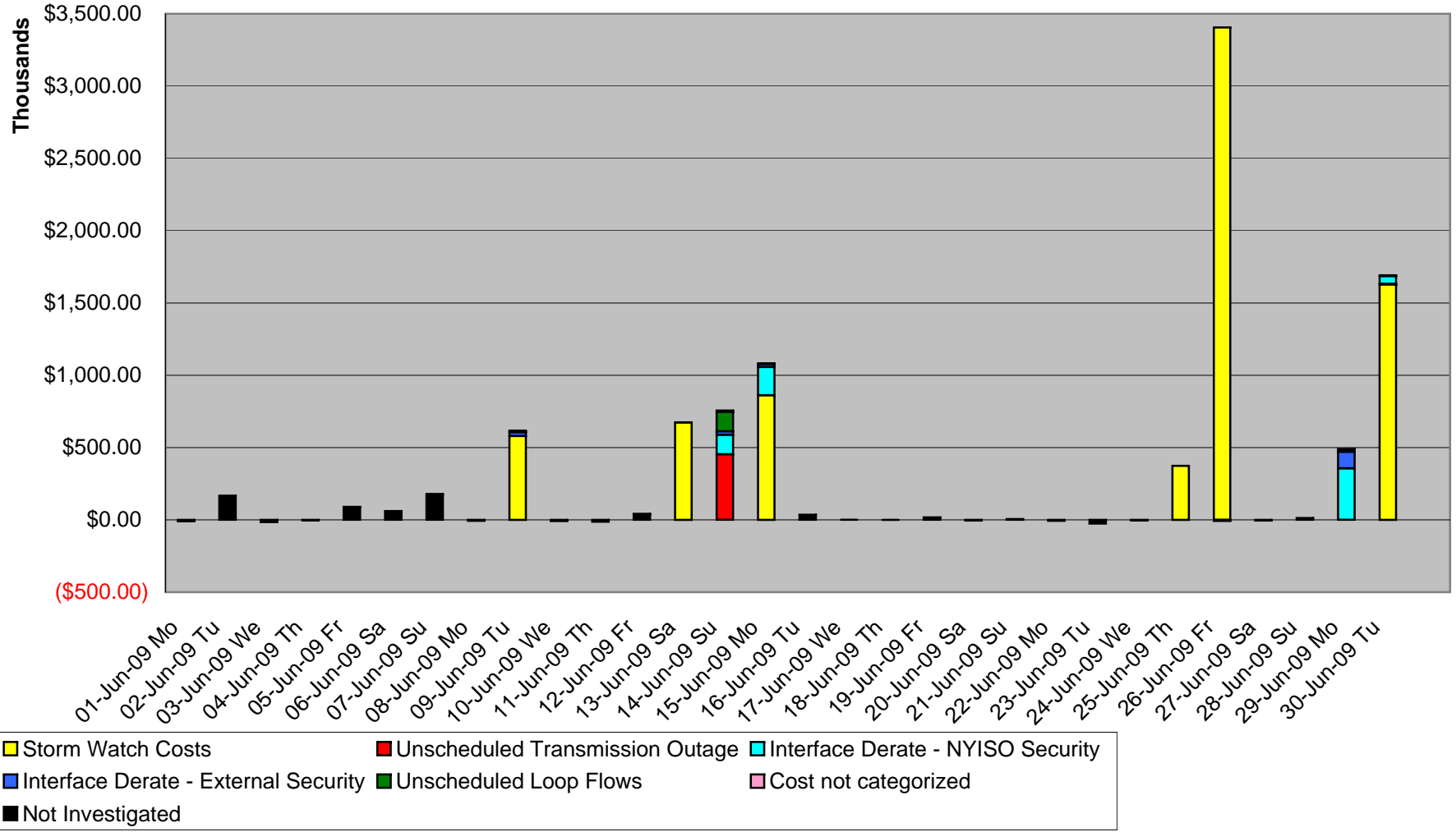
Billing Codes for Chart 4-C

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 Balancing	83901	Margin Restoration (MOB) Revenue
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

Investigation of Balancing Market Congestion Residual Monthly Uplift Cost Categorized



June 2009 Investigation of Balancing Market Congestion Residual Uplift Cost Categorized








Prepared by NYISO Operations Analysis and Services, based on settlements data as of July 13.

Day's investigated in June: 9, 13, 14, 15, 25, 26, 29, 30

Event	Date (yyyymmdd)	Hours	Description
	20090609	7-10	Thunderstorm Alert
	20090609	11	PJM-NYISO Scheduling Limit
	20090613	17-18	Thunderstorm Alert
	20090614	2-3, 5	Forced outage New Scotland Bus
	20090614	6-7, 9-11	Forced outage New Scotland -Marcy 345 kV (#18)
	20090614	9-22	Extended outage Greenwood-Gowanus 138kV (#42232)
	20090614	5-7, 9-11	Derate Central East
	20090614	7, 9	NYCA DNI Ramp Limit
	20090614	10, 12	ISONE-NYISO Scheduling Limit
	20090614	5-7, 9-11	Lake Erie clockwise circulation, DAM-RTM exceeds 500MW: Central East
	20090615	14-20	Thunderstorm Alert
	20090615	11-12	Derate Mott Haven-Rainey 345kV (#Q11) for I/o Mott Haven-Rainey 345kV (#Q12)
	20090615	19-23	Derate Greenwood/Staten Island, Gowanus Transformer R14 for I/o Goethals-Freshkills (#21/#22)
	20090615	21	ISONE DNI Ramp Limit
	20090625	18-22	Thunderstorm Alert
	20090626	14-18	Thunderstorm Alert
	20090629	9	Derate Mott Haven-Rainey 345kV (#Q11) for I/o Mott Haven-Rainey 345kV (#Q12)
	20090629	9, 12-18	Derate Leeds-Pleasant Valley 345kV (#92) for I/o Athens-Pleasant Valley 345kV (#91)
	20090629	13, 18, 23	Derate Central East
	20090629	13	PJM DNI Ramp Limit
	20090629	13, 18	ISONE DNI Ramp Limit
	20090629	18	Lake Erie clockwise circulation, DAM-RTM exceeds 500MW: Central East
	20090630	13-18	Thunderstorm Alert
	20090630	8	Early outage Rotterdam-Edic Porter 230kV (#30-PR)
	20090630	8-9	Derate Mott Haven-Rainey 345kV (#Q11) for I/o Mott Haven-Rainey 345kV (#Q12)
	20090630	13	Derate Dunwoodie-Shore Rd 345kV (Y50) for I/o Sprainbrook-East Garden City 345kV (#Y49)
	20090630	19	NYCA DNI Ramp Limit

Real-Time Balancing Market Congestion Residual (Uplift Cost) Categories

<u>Category</u>	<u>Cost Assignment</u>	<u>Events Types</u>	<u>Event Examples</u>
 Storm Watch	Zone J	Thunderstorm Alert (TSA)	TSA Activations
 Unscheduled Transmission Outage	Market-wide	Reduction in DAM to RTM transfers related to unscheduled transmission outage	Forced Line Outage, Unit/AVR Outages
 Interface Derate - NYISO Security	Market-wide	Reduction in DAM to RTM transfers not related to transmission outage	Interface Derates due to RTM voltages
 Interface Derate - External Security	Market-wide	Reduction in DAM to RTM transfers related to External Control Area Security Events	TLR Events, External Transaction Curtailments
 Unscheduled Loop Flows	Market-wide	Changes in DAM to RTM unscheduled loop flows impacting NYISO Interface transmission constraints	DAM to RTM Clockwise Lake Erie Loop Flows greater than 500MW

Monthly Balancing Market Congestion Report Assumptions/Notes

- 1) Storm Watch Costs are identified as daily total uplift costs
- 2) At a minimum those days with \$ 100 K/HR or \$ 200 K/Day or more are investigated
- 3) Uplift costs associated with multiple event types are apportioned equally by hour
- 4) Investigations began with Dec 2008. Prior months are reported as Not Investigated.

2009 BUDGET VS. ACTUAL RESULTS

YTD through June 2009
(\$ in millions, unless otherwise noted)

Mary McGarvey
Vice President & Chief Financial Officer
Management Committee
July 29, 2009

NYISO 2009 Budget: Summary

- NYISO's 2009 budget, as recommended by the Management Committee and approved by the Board of Directors in Q4 2008, equals \$144.2M and \$0.813/MWh.

- In January 2009, NYISO proactively reduced planned 2009 spending to 2008 levels:
 - *NYISO demonstrated fiscal responsibility during period of significant financial difficulty in U.S. and world economies*
 - *NYISO anticipated reduced Rate Schedule 1 revenue due to lower throughput of MWh volume resulting from recent economic downturn and/or weather factors*
 - *Net reduction of \$7.9M factored into 2009 anticipated spending and reserved for undercollections on MWh volumes*
 - *Reductions were spread across most budget categories and were not intended to impact commitments to Market Participants*

- "Adjusted 2009 budget" with reduced \$7.9M in spending totals \$136.3M. Rate Schedule 1 remains at \$0.813/MWh.

NYISO 2009 Budget: Statistics on MWh Activity

STATISTICS ON LOAD VOLUME PER YEAR											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
January	14.0	14.6	13.2	14.3	14.9	14.7	14.2	14.7	16.0	15.3	
February	12.8	13.0	11.8	12.8	13.1	12.6	13.0	14.5	14.6	12.9	
March	12.5	13.7	12.5	13.2	13.3	13.7	14.0	14.4	14.8	13.3	
April	11.6	12.2	12.0	12.0	12.0	12.3	12.3	13.4	13.4	12.3	
May	12.8	13.0	12.2	12.1	13.4	12.6	13.2	14.2	14.3	12.7	
June	13.8	14.3	13.7	13.4	14.1	15.6	15.0	15.2	16.6	13.1	
July	14.1	14.5	16.1	15.4	15.3	17.1	17.9	16.7	18.7	14.4	
August	14.9	16.2	16.0	15.4	15.2	17.7	17.1	17.3	16.4	TBD	
Sept.	13.2	13.0	13.8	13.1	13.5	15.2	13.4	14.7	14.6	TBD	
October	12.4	12.6	12.9	12.7	12.4	13.8	13.2	14.1	13.5	TBD	
November	14.1	12.1	12.5	12.4	12.2	13.2	13.1	13.7	13.8	TBD	
December	15.0	12.8	13.8	14.0	14.0	14.9	13.9	15.3	14.6	TBD	
Total by Year	161.2	162.0	160.5	160.8	163.4	173.4	170.3	178.1	181.3	94.0	
Average	13.4	13.5	13.4	13.4	13.6	14.5	14.2	14.8	15.1	13.4	

2009 Load Comparison: Original Forecast vs. Actual					
Invoice Month	Forecast Load MWH	Actual Load MWH	Monthly Differential MWH	Cumulative Differential MWH	Cumulative \$ Impact (in millions)
					<i>Over/(Under)</i>
Jan	15.2	15.3	0.1	0.1	\$ 0.0
Feb	13.8	12.9	(1.0)	(0.9)	\$ (0.7)
Mar	14.4	13.3	(1.1)	(2.0)	\$ (1.6)
Apr	12.9	12.3	(0.6)	(2.6)	\$ (2.1)
May	13.8	12.7	(1.1)	(3.7)	\$ (3.0)
Jun	15.6	13.1	(2.5)	(6.2)	\$ (5.1)
Jul	17.6	14.4	(3.2)	(9.4)	\$ (7.6)
Aug	17.2	14.4	(2.8)	(12.2)	\$ (9.9)
Sep	14.5	13.7	(0.8)	(13.0)	\$ (10.6)
Oct	13.7	12.8	(0.9)	(13.9)	\$ (11.3)
Nov	13.5	12.8	(0.7)	(14.6)	\$ (11.8)
Dec	15.1	14.0	(1.1)	(15.6)	\$ (12.8)
Total	177.3	161.7	(15.6)		

2009 Load Comparison: Adjusted Budget Forecast vs. Actual					
Invoice Month	Forecast Load MWH	Actual Load MWH	Monthly Differential MWH	Cumulative Differential MWH	Cumulative \$ Impact (in millions)
					<i>Over/(Under)</i>
Jan	14.4	15.3	0.9	0.9	\$ 0.7
Feb	13.1	12.9	(0.2)	0.7	\$ 0.5
Mar	13.6	13.3	(0.3)	0.4	\$ 0.3
Apr	12.2	12.3	0.1	0.5	\$ 0.4
May	13.1	12.7	(0.4)	0.1	\$ 0.1
Jun	14.7	13.1	(1.6)	(1.5)	\$ (1.2)
Jul	16.6	14.4	(2.2)	(3.7)	\$ (3.0)
Aug	16.3	14.4	(1.9)	(5.6)	\$ (4.6)
Sep	13.8	13.7	(0.1)	(5.7)	\$ (4.6)
Oct	12.9	12.8	(0.1)	(5.8)	\$ (4.7)
Nov	12.7	12.8	0.1	(5.7)	\$ (4.6)
Dec	14.3	14.0	(0.3)	(6.0)	\$ (4.9)
Total	167.7	161.7	(6.0)		

**PROJECTION
AS OF 7/19**

Less: Amounts Reserved in 2009 Adjusted Budget \$ 7.9

Potential Additional Shortfall for RS1 Recoveries \$ (4.9)

NYISO 2009 Budget: Status

- Through July, entire \$7.9M will be utilized to fund undercollections from 2009 YTD MWh recoveries under Rate Schedule 1 (see details on previous chart).

- Additionally, NYISO has proactively addressed 2009 budgetary challenges by reallocating funds to cover the following:
 - *\$1.6M in reduced interest income on deposits due to significant drop in interest rates during 2009;*
 - *\$0.7M in additional pension plan contributions required per actuarial calculations;*
 - *\$0.3M overrun in FERC Fees from 2009 invoice approximating \$10M*

- In reviewing remaining 2009 budgetary funds, it appears unlikely NYISO could reallocate funding to address remaining MWh undercollections for 2009 without potentially affecting commitments to Market Participants.

NYISO 2009 Budget: Next Steps

- NYISO continues to monitor MWh forecasts and to reduce spending, wherever practicable.
- Reporting on NYISO 2009 budget status will continue at the Budget & Priorities Working Group. Next scheduled meeting is August 25.
- NYISO is evaluating options to address remaining 2009 budget / Rate Schedule 1 MWh challenges and impact on priorities. Potential options include:
 - *Seek further spending reductions (likely to affect commitments to Market Participants, including projects),*
 - *Increase Rate Schedule 1 for remainder of 2009,*
 - *Temporarily borrow funds from Working Capital reserve with scheduled repayment in 2010,*
 - *Assume additional debt borrowings to fund Rate Schedule 1 shortfall → not an ideal solution to fund operating costs with long-term debt*
- By September 30, NYISO will discuss recommended course of action with Market Participants.
- Initial planning for 2010 budget indicates reduced MWh trends will continue. 2010 budget is scheduled for discussion with Market Participants in mid-September.

Review of NYISO Actions to Address Circuitous Schedules and FERC's Lake Erie Order

New York Independent System Operator, Inc.

Management Committee
July 29, 2009
Presented by
Stephen G. Whitley

Overview

- ◆ **History/Background**
- ◆ **NYISO Actions**
- ◆ **FERC Order**
- ◆ **NYISO's Charge**

History, 1 of 3

- ◆ Q1, 2008—Circuitous scheduling observed
- ◆ May, 2008
 - *NYISO Market Monitoring Department (MMP) works with other Market Monitoring Units, including Potomac Economics, to investigate*
- ◆ June 30, 2008—MMP submits complete, written referral to FERC’s Office of Enforcement
- ◆ June/July, 2008
 - *NYISO/Market Advisor determine circuitous scheduling around Lake Erie is a significant cause of loop flows*
 - *NYISO presents proposed eight-path prohibition to its Board of Directors*

History, 2 of 3

- ◆ July 21, 2008—NYISO submits Exigent Circumstances Filing to FERC
- ◆ July 22, 2008—Eight-path prohibition implemented
- ◆ August 21, 2008—FERC Order
 - *Temporarily accepts eight-path scheduling prohibition*
 - *States that Office of Enforcement investigation has been initiated*
 - *Instructs NYISO to work with stakeholders to make Tariff revisions permanent*
- ◆ October 31, 2008—With stakeholder support, NYISO submits 205 filing extending application of eight-path scheduling prohibition indefinitely
- ◆ November 17, 2008—FERC Order
 - *Eight-path prohibition accepted*
 - *Instructs NYISO to file status report on efforts to address loop flow problem and implementation of congestion management with PJM*

History, 3 of 3

- ◆ February 17, 2009—NYISO files status report with FERC describing its efforts to work with stakeholders and neighboring Control Areas to develop solutions to Lake Erie loop flows
- ◆ July 16, 2009—FERC issues Order Authorizing Public Disclosure of Enforcement Staff Report and Directing the Filing of an Additional Report by the NYISO

FERC's July 16, 2009

Lake Erie Report/Order

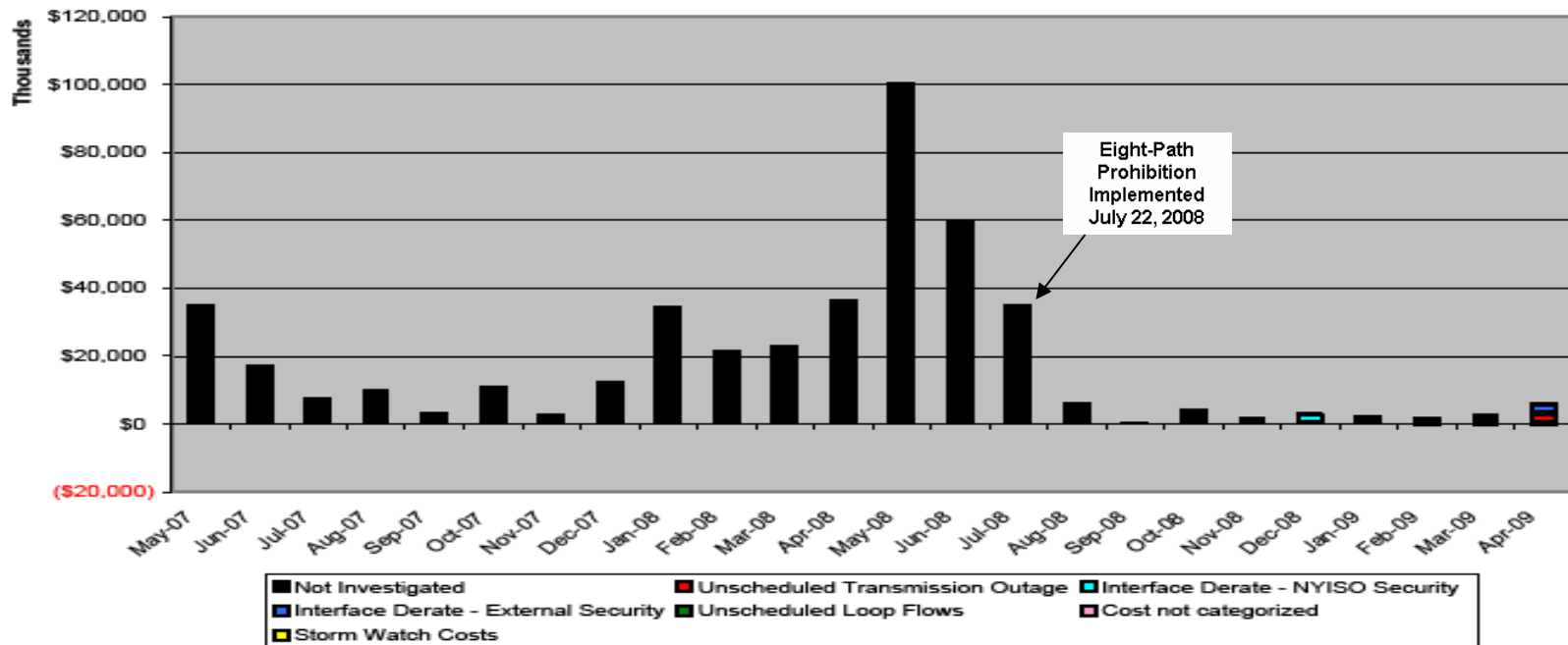
- ◆ Finds no evidence of market manipulation by market participants scheduling external transactions around Lake Erie
- ◆ Determines that there were no tariff violations by the NYISO or by market participants
- ◆ Determines that restitution isn't appropriate
- ◆ Orders the NYISO to “expeditiously develop long-term comprehensive solutions to the loop flow problem with its neighboring RTOs, including addressing interface pricing and congestion management.”
 - *NYISO must submit a report to FERC detailing its proposed solution, including necessary Tariff revisions, by mid-January 2010*

ISO Actions to address Uplift and Day-Ahead Market Congestion Costs

1. In May 2008, the ISO began accelerating its updates of the day-ahead loop flow assumptions, which reduced uplift costs resulting from the loop flows.
2. In July 2008, the ISO precluded the scheduling of circuitous transactions, which reduced uplift costs and forward congestion resulting from the high volume of loop flows.
3. In Fall 2008, the ISO began its daily review process of market outcomes to identify unusual or unexpected market outcomes as well as to identify the root-cause source of certain uplift and other marketplace costs.
4. In Fall 2008, the ISO improved operating procedures that helped reduce uplift costs related to the PJM and Ontario interfaces when neighboring control areas declare the NERC Transmission Loading Relief (TLR) Procedure .
5. In Spring 2009, the ISO implemented improvements to its Day-Ahead Market software to reduce certain uplift costs resulting from Local Reliability Rule commitments.
6. In Spring 2009, the ISO implemented procedures to invoke the NERC TLR Procedure to reduce Lake Erie Loop Flows that result in uplift costs and forward congestion costs.
7. For Summer 2009, the ISO implemented procedures to curtail export transactions when reserve shortages occur as a result of unexpected operational events.

Two Year Trend Report of Balancing Market Congestion Residual (Uplift) Costs

Investigation of Balancing Market Congestion Residual
 Monthly Uplift Cost Categorized



Prepared by NYISO Operations Analysis and Services, based on settlements data as of May 11.

Long-Term Solutions to Loop Flow, 1 of 2

- ◆ Physical solutions to unscheduled power flows around Lake Erie
 - *MISO has informed NYISO that it anticipates all four Michigan/Ontario PARs will be in service by November 1, 2009*
 - *Operation of the Michigan/Ontario PARs to better conform actual power flows to scheduled power flows will reduce loop flow*

Long-Term Solutions to Loop Flow, 2 of 2

- ◆ Market solutions to unscheduled power flows around Lake Erie/Implementing broader regional markets
 - *Buy-through of congestion proposed solution first presented to MIWG on July 8, 2009*
 - *NYISO working with PJM to develop congestion management solution*
 - Related to solving loop flow issue
 - *Other initiatives*
 - Dynamic scheduling
 - Looking at reserves and regulation sharing

Broader Regional Markets (Tentative Plan)

- ◆ NY/NE Reserve Shortage Operating Protocol *Complete*
- ◆ Buy-through Congestion (to avoid TLRs) *2010/TBD**
- ◆ HQ Dynamic Scheduling
 - *Initially Energy Only* *2010/TBD**
 - *Buying Reserves and Regulation* *2011/TBD**
- ◆ PJM NYISO Congestion Management
 - *Market Flow Calculator* *2010/TBD**
 - *Full Implementation* *2011/TBD**
 - *Extend to Additional Regions* *2013/TBD**
- ◆ Dynamic Scheduling NY/NE *2011/TBD**
- ◆ Dynamic Scheduling with other regions *2013/TBD**

**Subject to the results of the NYISO's discussions with its neighboring Control Areas.*

Going-Forward Schedule

- ◆ Near-term
 - *NYISO has already scheduled, or will be scheduling meetings in July and August to continue its ongoing efforts to develop long-term solutions to Lake Erie loop flow*
 - NYISO is meeting with ISO-NE in July
 - At MIWG on July 30, 2009 NYISO will present proposed Tariff revisions that (1) state that market manipulation violates the NYISO's Tariffs, and (2) incorporate reporting requirements that will require disclosure when possible market manipulation is identified
 - NYISO will inform stakeholders of August meeting schedule as soon as possible
- ◆ Report to FERC
 - *Due in mid-January 2010*

The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

www.nyiso.com