



Monthly Report

July 2006

Rana Mukerji

TABLE OF CONTENTS

1. Market Operation's Report	
2. Daily Loads	
3. Budget Summary	
4. Project Status Report.....	
5. Regulatory Filings.....	

Market Performance Highlights for July 2006

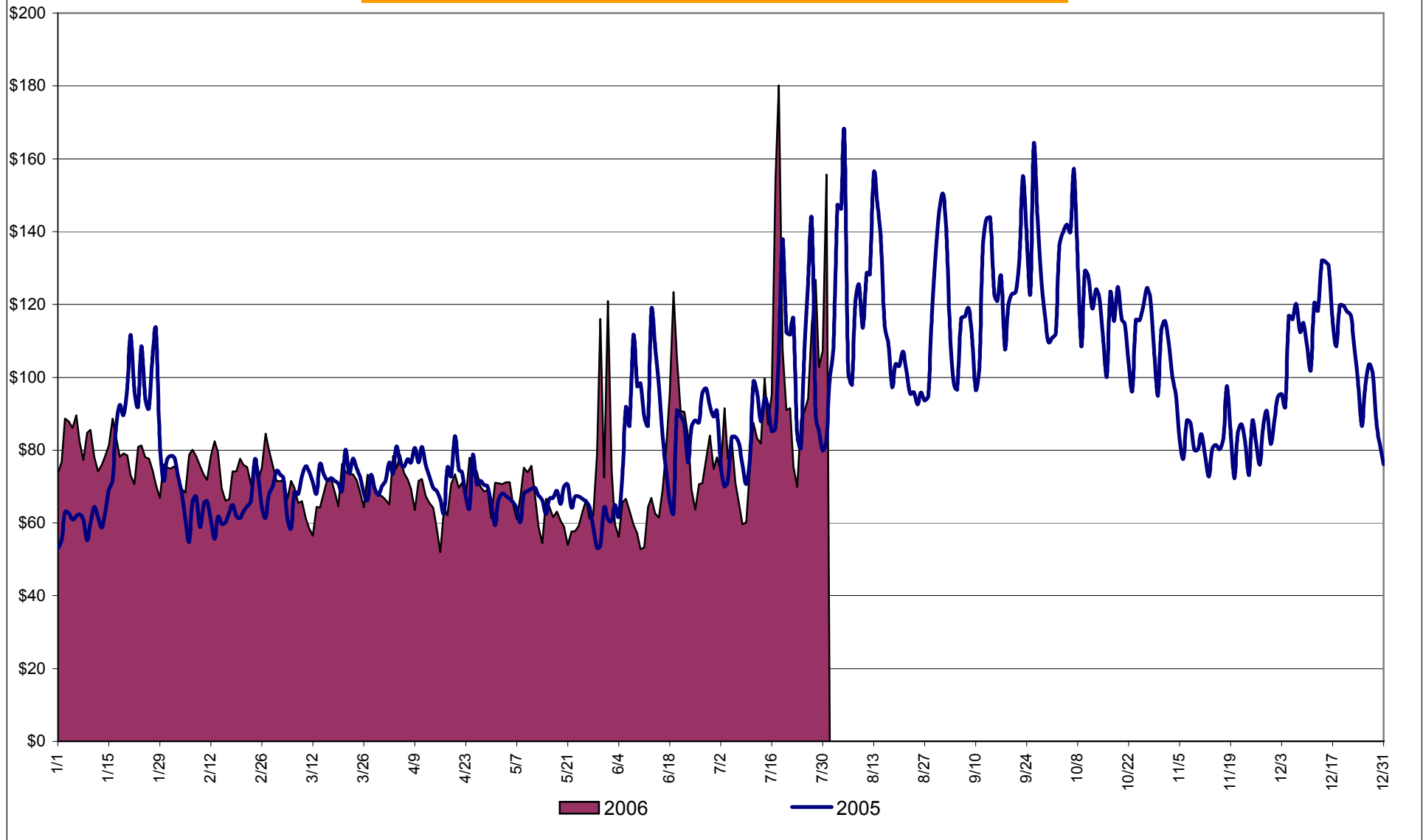
- A new NYISO peak load of 32,624 MW was set on 17 July 2006, passing a record of 32,075 MW set on 26 July 2005.
- LBMP for July is \$93.41/MWh, up from \$71.93/MWh in June.
 - Average monthly cost is \$97.90/MWh, up from \$76.84/MWh in June.
 - Day Ahead and Real Time LBMPs have increased from June.
- Fuel prices are all up this month.
 - Kerosene is \$16.20/mmBTU, up from \$15.46/mmBTU in June
 - No. 2 Fuel Oil is \$13.74/mmBTU, up from \$13.71/mmBTU in June
 - No. 6 Fuel Oil is \$8.73/mmBTU, up from \$8.23/mmBTU in June
 - Natural Gas is \$6.99/mmBTU, up from \$6.79/mmBTU in June
- Uplift has slightly decreased this month relative to June 2006.
 - Uplift (not including NYISO cost of operations) is \$2.42/MWh, slightly down from \$2.60/MWh in June.
 - Total uplift (Schedule 1 components including NYISO Cost of Operations) increased from \$46.7 million in June 2006 to \$54.2 million in July 2006. The main increase was due to balancing residuals.
- Price corrections have slightly decreased relative to June.

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*

2005 Annual Average \$93.89/MWh

July 2005 YTD Average \$78.90/MWh

July 2006 YTD Average \$77.89/MWh



* Excludes ICAP payments.

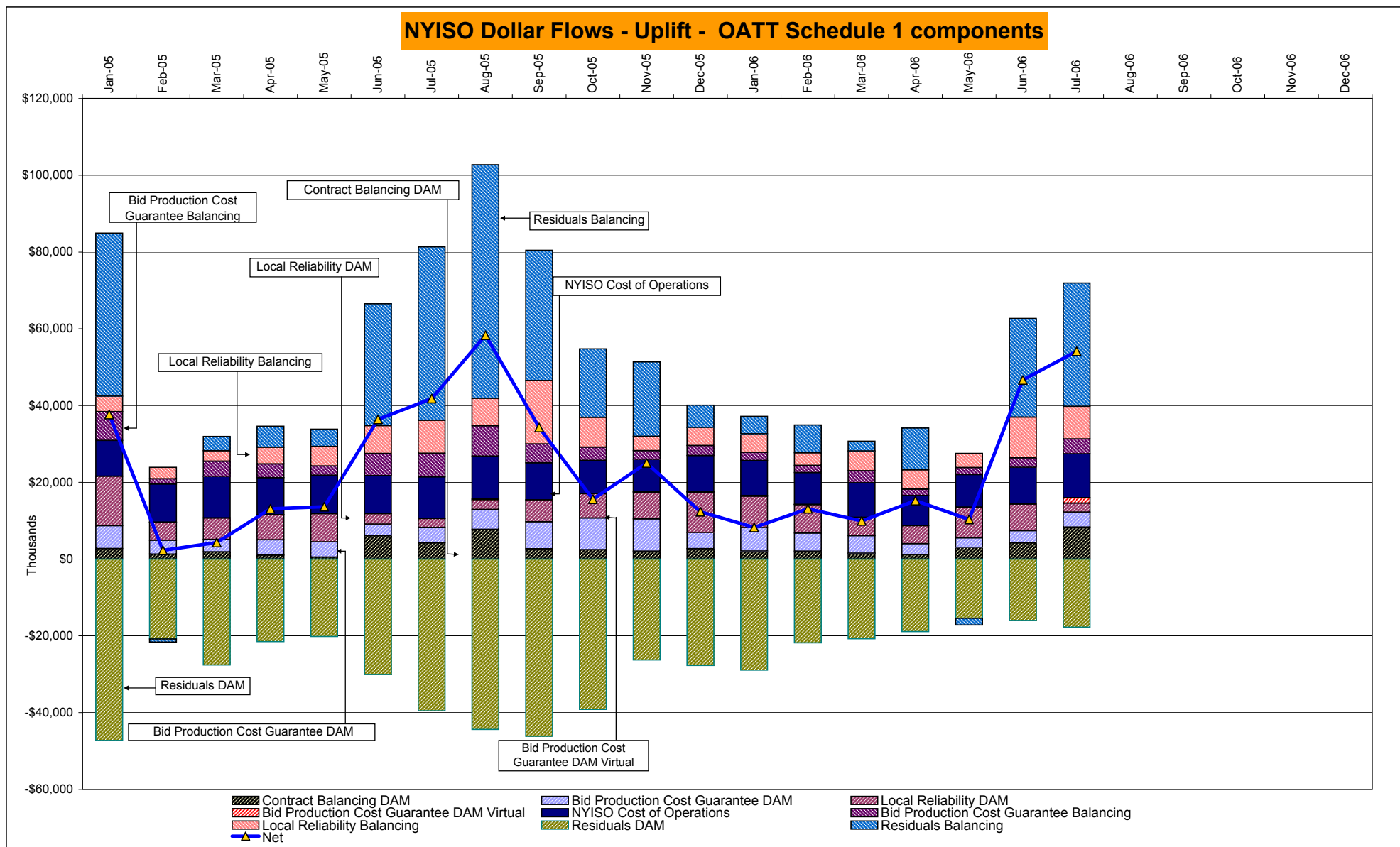
NYISO Average Cost/MWh (Energy and Ancillary Services) *
from the LBMP Customer point of view

2006	<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	77.14	71.85	66.52	66.24	65.54	71.93	93.41					
NTAC	0.47	0.90	0.43	0.54	0.64	0.69	0.47					
Reserve	0.35	0.30	0.29	0.35	0.16	0.22	0.30					
Regulation	0.56	0.68	0.69	0.48	0.42	0.39	0.30					
NYISO Cost of Operations	0.64	0.64	0.64	0.64	0.64	0.64	0.64					
Uplift	(0.07)	0.37	0.09	0.63	0.14	2.60	2.42					
Voltage Support and Black Start	0.36	0.36	0.36	0.36	0.36	0.36	0.36					
Avg Monthly Cost	79.46	75.10	69.02	69.24	67.90	76.84	97.90					
 Avg YTD Cost	79.46	77.39	74.49	73.24	72.19	73.06	77.89					

2005	<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	75.70	64.03	69.95	71.28	63.13	84.83	92.42	115.19	122.40	118.56	82.00	106.11
NTAC	0.42	0.36	0.23	0.49	0.40	0.58	0.46	0.25	0.10	0.03	0.39	0.64
Reserve	0.24	0.08	0.17	0.21	0.20	(0.01)	0.11	0.02	0.31	0.54	0.34	0.38
Regulation	0.32	0.40	0.34	0.22	0.25	0.20	0.15	0.06	0.41	0.64	0.70	0.53
NYISO Cost of Operations	0.63	0.79	0.79	0.79	0.79	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Uplift	1.99	(0.59)	(0.47)	0.29	0.30	1.85	1.95	2.76	1.68	0.52	1.26	0.17
Voltage Support and Black Start	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Avg Monthly Cost	79.70	65.45	71.38	73.67	65.46	88.48	96.09	119.29	125.93	121.32	85.72	108.85
 Avg YTD Cost	79.70	73.25	72.61	72.86	71.56	74.91	78.90	85.52	90.31	93.10	92.53	93.89

* Excludes ICAP payments.

These numbers reflect the rebilling of prior periods.



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.

NYISO Markets Transactions

2006	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWh	13,877,416	12,532,754	13,392,627	11,860,369	12,637,299	14,251,897	17,302,066					
DAM LSE Internal LBMP Energy Sales	46%	47%	48%	50%	46%	48%	51%					
DAM External TC LBMP Energy Sales	4%	3%	2%	2%	3%	3%	5%					
DAM Bilateral - Internal Bilaterals	47%	47%	45%	45%	47%	45%	41%					
DAM Bilateral - Import/Non-LBMP Market Bilaterals	2%	2%	2%	2%	2%	2%	1%					
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	2%					
DAM Bilateral - Wheel Through Bilaterals	0%	0%	0%	0%	0%	0%	0%					
Balancing Energy Market MWh	300,904	322,333	558,199	396,791	486,316	575,072	471,866					
Balancing Energy LSE Internal LBMP Energy Sales	3%	22%	31%	26%	45%	34%	49%					
Balancing Energy External TC LBMP Energy Sales	86%	74%	66%	68%	48%	58%	62%					
Balancing Energy Bilateral - Internal Bilaterals	5%	2%	2%	2%	2%	5%	1%					
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	2%	1%	0%	0%	3%	0%	0%					
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	-12%					
Balancing Energy Bilateral - Wheel Through Bilaterals	4%	1%	0%	3%	2%	3%	0%					
Transactions Summary												
LBMP	51%	50%	52%	53%	51%	53%	57%					
Internal Bilaterals	46%	46%	43%	43%	45%	44%	40%					
Import Bilaterals	2%	2%	2%	2%	2%	2%	1%					
Export Bilaterals	1%	1%	2%	1%	1%	1%	1%					
Wheels Through	0%	0%	0%	0%	0%	0%	0%					
Market Share of Total Load												
Day Ahead Market	97.9%	97.5%	96.0%	96.8%	96.3%	96.1%	97.3%					
Balancing Energy +	2.1%	2.5%	4.0%	3.2%	3.7%	3.9%	2.7%					
Total MWh	14,178,320	12,855,086	13,950,825	12,257,160	13,123,615	14,826,969	17,773,932					
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528					
2005	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWh	14,281,481	12,510,148	13,410,579	12,215,628	12,773,478	14,981,363	16,344,465	16,587,663	14,706,243	13,309,658	12,893,992	14,418,648
DAM LSE Internal LBMP Energy Sales	48%	49%	52%	52%	45%	50%	53%	52%	49%	46%	45%	46%
DAM External TC LBMP Energy Sales	3%	1%	1%	1%	3%	3%	3%	4%	6%	4%	4%	5%
DAM Bilateral - Internal Bilaterals	47%	48%	45%	44%	50%	44%	42%	42%	43%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	1%	1%	1%	2%	2%	2%	2%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%
Balancing Energy Market MWh	414,096	123,162	329,431	58,175	-101,200	582,604	796,586	1,107,346	544,610	384,383	365,677	515,733
Balancing Energy LSE Internal LBMP Energy Sales	77%	-39%	22%	-336%	-307%	46%	73%	73%	33%	4%	-15%	41%
Balancing Energy External TC LBMP Energy Sales	43%	161%	77%	463%	208%	45%	23%	21%	51%	93%	100%	49%
Balancing Energy Bilateral - Internal Bilaterals	-13%	-9%	7%	-27%	5%	5%	6%	6%	13%	4%	13%	11%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	0%	0%	2%	2%	1%	1%	0%	0%	1%	1%	1%
Balancing Energy Bilateral - Wheel Through Bilaterals	-8%	-13%	-5%	-2%	-8%	3%	-2%	1%	3%	-1%	2%	-1%
Transactions Summary												
LBMP	53%	51%	54%	54%	47%	54%	58%	58%	56%	52%	50%	52%
Internal Bilaterals	45%	47%	44%	44%	50%	43%	40%	39%	42%	45%	47%	45%
Import Bilaterals	1%	1%	1%	0%	0%	1%	1%	1%	1%	2%	2%	2%
Export Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%
Market Share of Total Load												
Day Ahead Market	97.2%	99.0%	97.6%	99.5%	100.8%	96.3%	95.4%	93.7%	96.4%	97.2%	97.2%	96.5%
Balancing Energy +	2.8%	1.0%	2.4%	0.5%	-0.8% *	3.7%	4.6%	6.3%	3.6%	2.8%	2.8%	3.5%
Total MWh	14,695,577	12,633,310	13,740,011	12,273,803	12,672,278	15,563,968	17,141,051	17,695,009	15,250,854	13,694,041	13,259,669	14,934,381
Average Daily Energy Sendout/Month GWh	462	447	433	399	395	501	536	549	478	418	419	454

+ 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 2006 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 *	\$73.28	\$68.90	\$64.31	\$63.21	\$59.31	\$64.40	\$83.27					
Standard Deviation	\$15.03	\$12.95	\$11.95	\$13.28	\$13.70	\$22.66	\$40.24					
Load Weighted Price **	\$75.09	\$70.34	\$65.74	\$64.93	\$61.29	\$68.02	\$89.27					
<u>RTC *** LBMP</u>												
Price *	\$70.25	\$63.41	\$63.04	\$62.39	\$60.81	\$61.60	\$77.27					
Standard Deviation	\$26.63	\$15.86	\$20.50	\$18.82	\$37.26	\$39.82	\$56.30					
Load Weighted Price **	\$71.94	\$64.44	\$64.43	\$63.93	\$63.75	\$65.15	\$83.30					
<u>REAL TIME LBMP</u>												
Price *	\$70.91	\$63.96	\$63.66	\$62.35	\$63.29	\$61.23	\$78.58					
Standard Deviation	\$31.34	\$20.06	\$23.01	\$20.98	\$62.40	\$52.63	\$66.83					
Load Weighted Price **	\$73.18	\$65.38	\$65.38	\$64.13	\$68.66	\$66.47	\$86.37					
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528					

NYISO Markets 2005 Energy Statistics

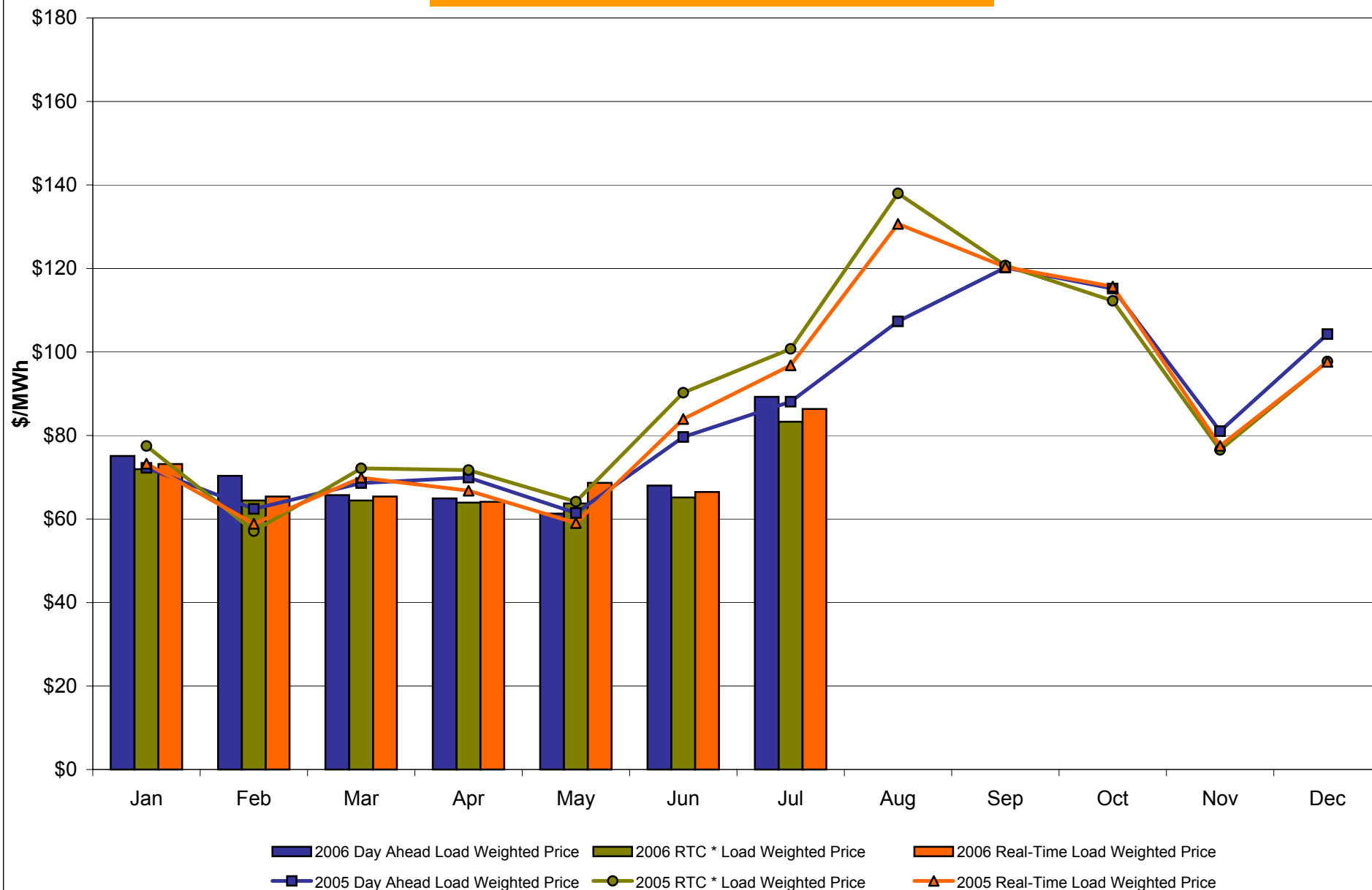
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$69.55	\$61.04	\$67.17	\$68.14	\$59.59	\$75.49	\$83.75	\$102.33	\$115.47	\$110.99	\$78.56	\$101.24
Standard Deviation	\$23.42	\$12.00	\$12.49	\$14.20	\$13.39	\$22.85	\$24.32	\$31.65	\$32.31	\$28.39	\$21.07	\$26.32
Load Weighted Price **	\$72.26	\$62.42	\$68.61	\$69.92	\$61.44	\$79.64	\$88.09	\$107.34	\$120.22	\$115.20	\$81.05	\$104.27
<u>RTC *** LBMP</u>												
Price *	\$74.47	\$55.93	\$70.40	\$69.92	\$61.59	\$85.42	\$94.96	\$129.60	\$116.00	\$108.53	\$74.02	\$94.86
Standard Deviation	\$44.64	\$16.80	\$26.13	\$23.51	\$59.20	\$62.91	\$68.35	\$116.09	\$44.35	\$42.95	\$33.43	\$40.18
Load Weighted Price **	\$77.48	\$57.10	\$72.12	\$71.72	\$64.16	\$90.25	\$100.76	\$138.00	\$120.72	\$112.25	\$76.57	\$97.73
<u>REAL TIME LBMP</u>												
Price *	\$70.25	\$57.57	\$68.04	\$64.95	\$57.20	\$77.75	\$90.48	\$122.21	\$114.94	\$110.90	\$74.62	\$94.16
Standard Deviation	\$31.79	\$20.48	\$32.50	\$26.06	\$42.34	\$55.70	\$72.95	\$103.00	\$42.92	\$55.35	\$36.61	\$40.67
Load Weighted Price **	\$73.26	\$58.86	\$69.88	\$66.77	\$59.04	\$83.96	\$96.82	\$130.69	\$120.36	\$115.69	\$77.51	\$97.64
Average Daily Energy Sendout/Month GWh	462	447	433	399	395	501	536	549	478	418	419	454

* Average zonal load weighted prices.

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

*** Referred to as RTC beginning February 2005. Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYISO Monthly Average Internal LBMPs 2005 - 2006



* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

July 2006 Zonal LBMP Statistics for NYISO (\$/MWh)

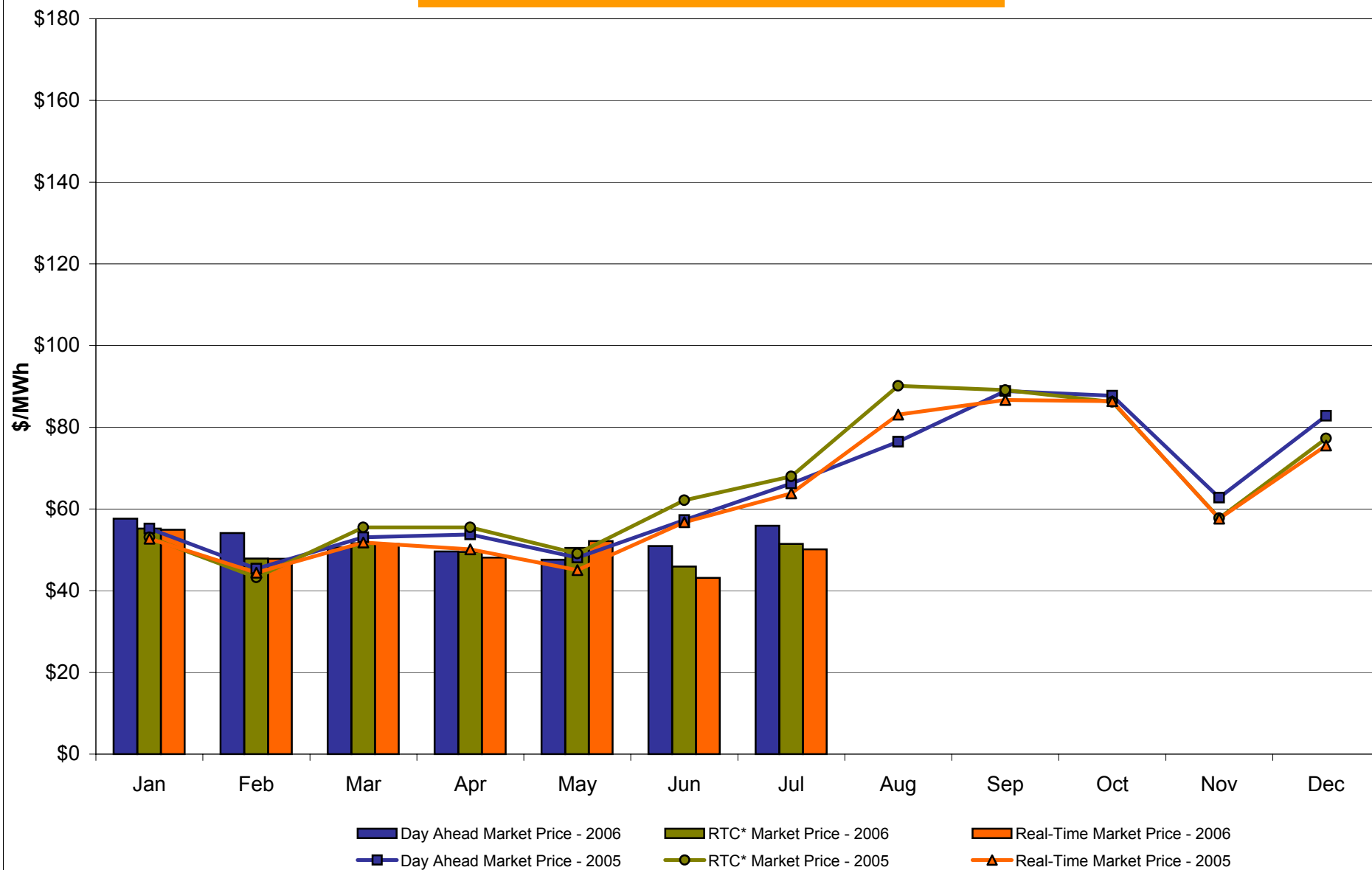
	<u>WEST</u> <u>Zone A</u>	<u>GENESEE</u> <u>Zone B</u>	<u>NORTH</u> <u>Zone D</u>	<u>CENTRAL</u> <u>Zone C</u>	<u>MOHAWK</u> <u>VALLEY</u> <u>Zone E</u>	<u>CAPITAL</u> <u>Zone F</u>	<u>HUDSON</u> <u>VALLEY</u> <u>Zone G</u>	<u>MILLWOOD</u> <u>Zone H</u>	<u>DUNWOODIE</u> <u>Zone I</u>	<u>NEW YORK</u> <u>CITY</u> <u>Zone J</u>	<u>LONG</u> <u>ISLAND</u> <u>Zone K</u>
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	55.88	58.03	57.98	59.24	61.86	63.79	76.36	79.84	80.04	93.60	118.97
Standard Deviation	19.78	19.68	17.85	19.83	20.81	21.09	39.70	46.30	46.74	43.25	83.18
<u>RTC** LBMP</u>											
Unweighted Price *	51.43	53.43	53.08	53.96	56.20	57.10	68.63	73.57	73.84	86.54	114.13
Standard Deviation	28.26	28.99	27.23	28.89	29.29	29.49	55.44	73.96	74.63	72.26	113.14
<u>REAL TIME LBMP</u>											
Unweighted Price *	50.11	52.03	51.59	52.59	54.85	56.08	69.99	75.69	76.01	89.60	118.64
Standard Deviation	30.35	31.10	29.79	31.12	31.70	32.82	73.29	93.38	94.36	92.11	131.50
	<u>ONTARIO</u> <u>IESO</u>	<u>HYDRO</u> <u>QUEBEC</u>	<u>PJM</u>	<u>NEW</u> <u>ENGLAND</u>	<u>CROSS</u> <u>SOUND</u> <u>CABLE</u> <u>Controllable</u> <u>Line</u>						
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	54.69	58.02	58.13	68.91	118.43						
Standard Deviation	19.38	17.11	23.10	28.74	82.86						
<u>RTC** LBMP</u>											
Unweighted Price *	49.90	53.02	61.70	60.26	108.56						
Standard Deviation	43.55	18.30	42.44	20.47	95.98						
<u>REAL TIME LBMP</u>											
Unweighted Price *	48.11	50.70	60.00	59.96	115.30						
Standard Deviation	47.33	21.72	46.59	34.86	124.57						

* Straight zonal LBMP averages

** Referred to as RTC beginning February 2005

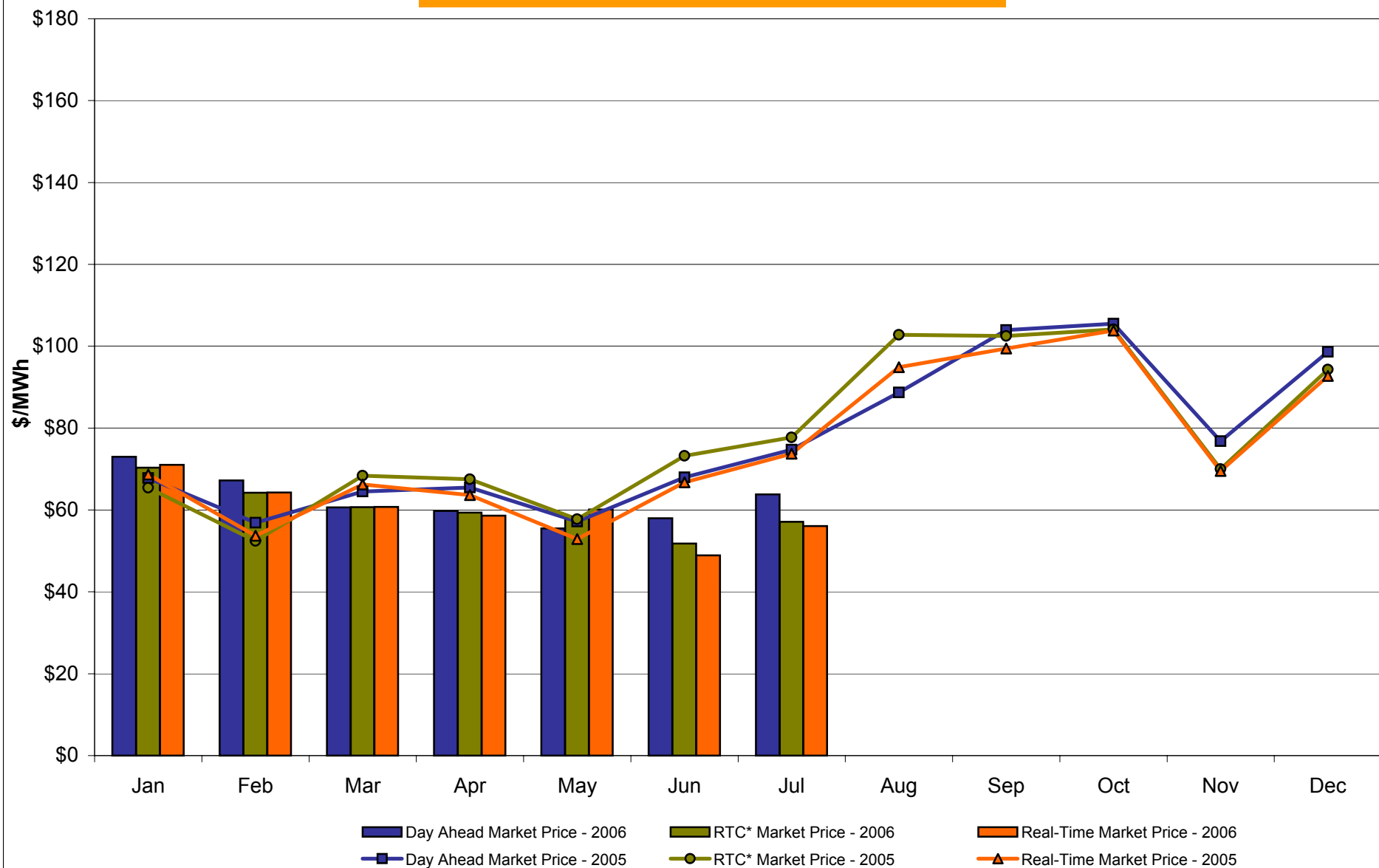
Prior to February 2005 known as BME or Hour Ahead Market (HAM)

West Zone A Monthly Average LBMP Prices 2005 - 2006



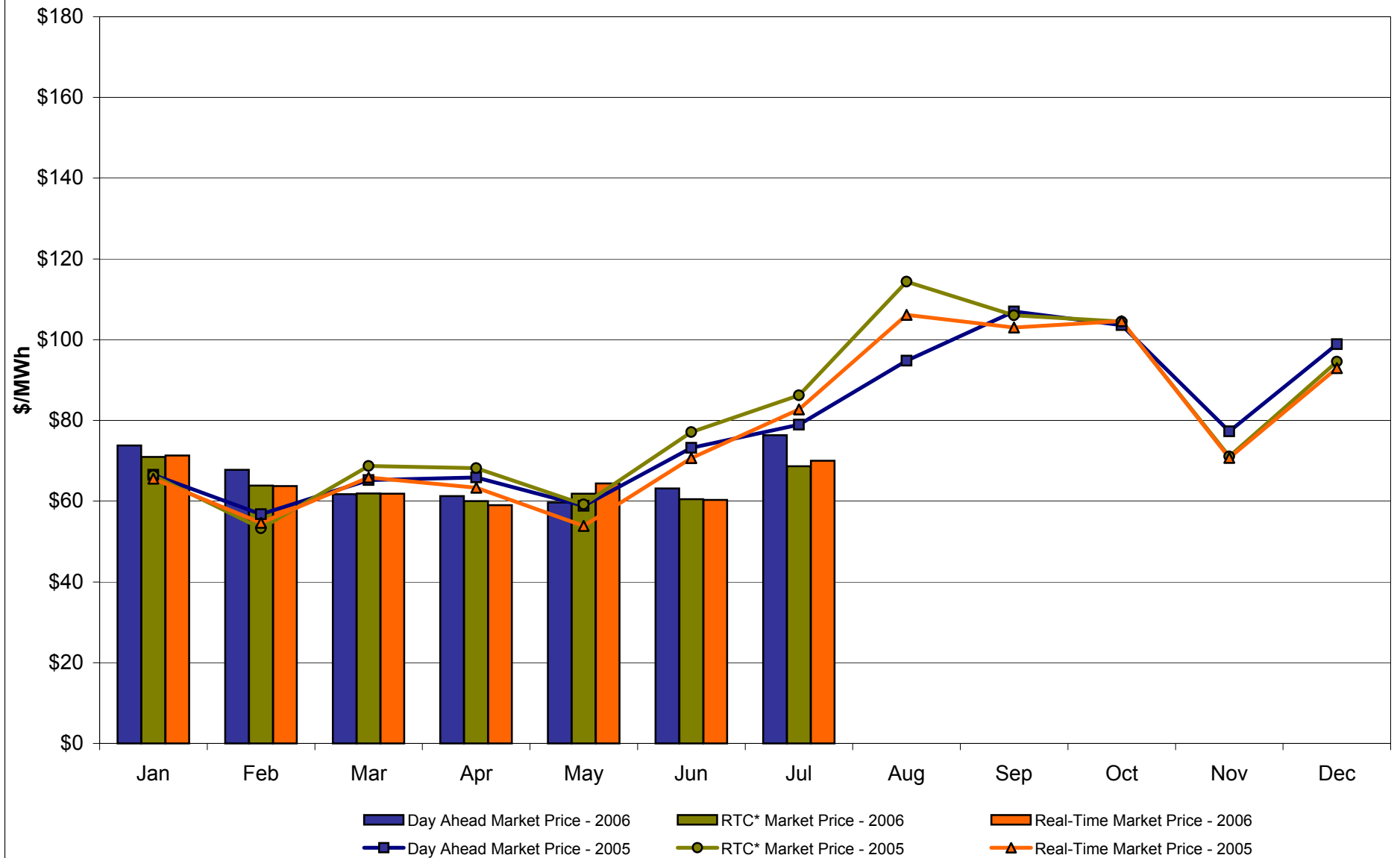
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Capital Zone F **Monthly Average LBMP Prices 2005 - 2006**



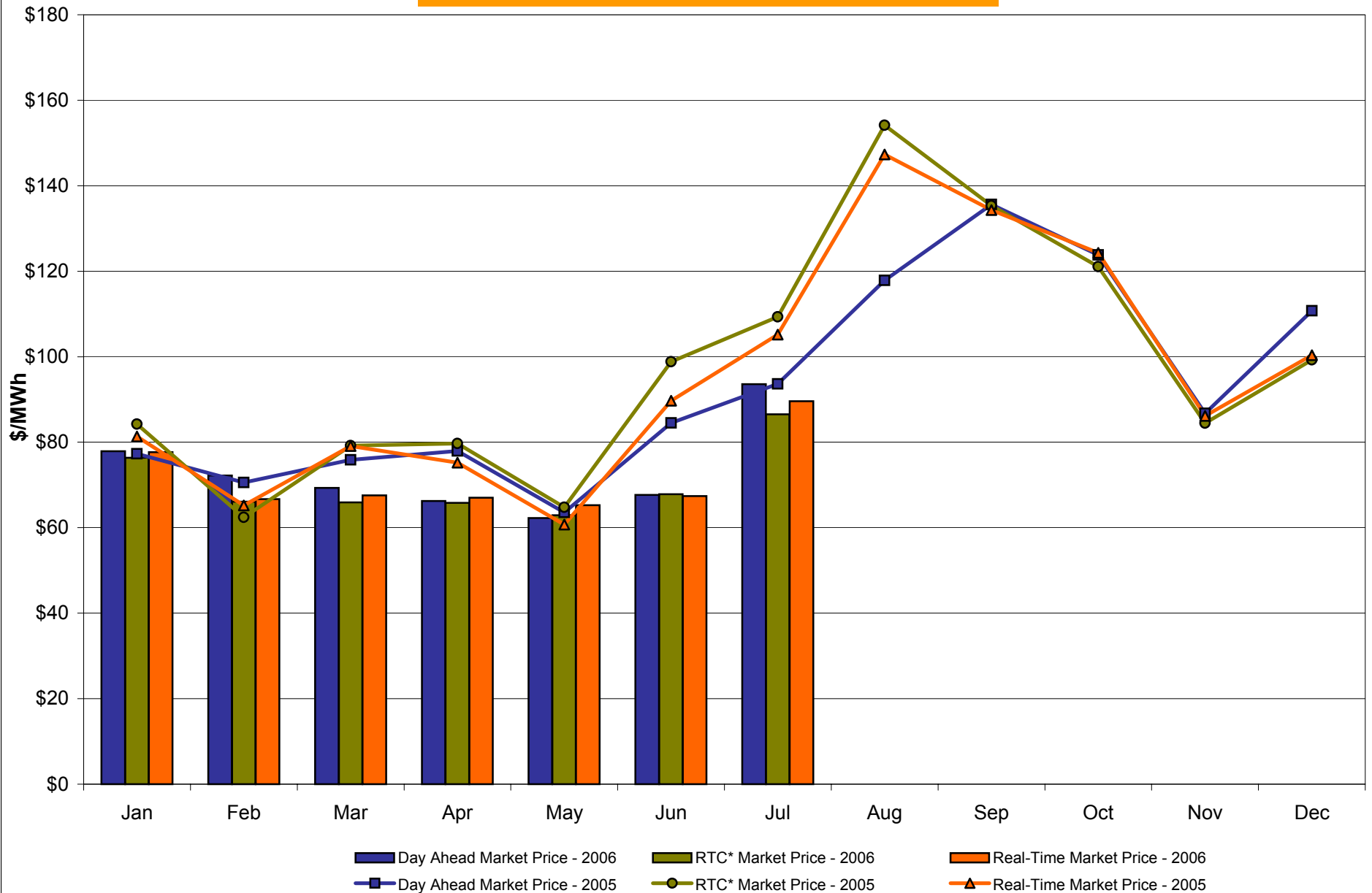
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Hudson Valley Zone G Monthly Average LBMP Prices 2005 - 2006



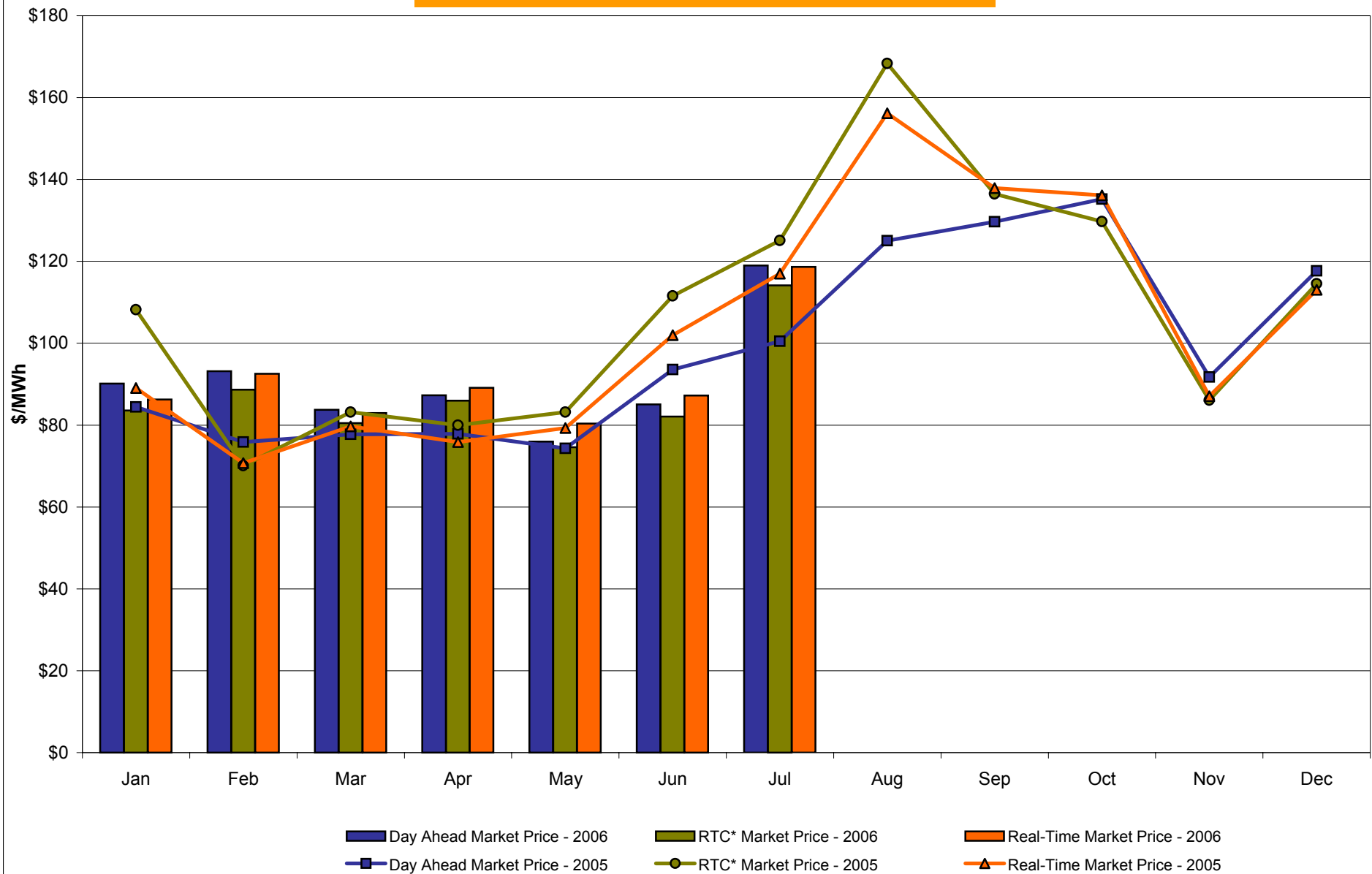
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYC Zone J Monthly Average LBMP Prices 2005 - 2006



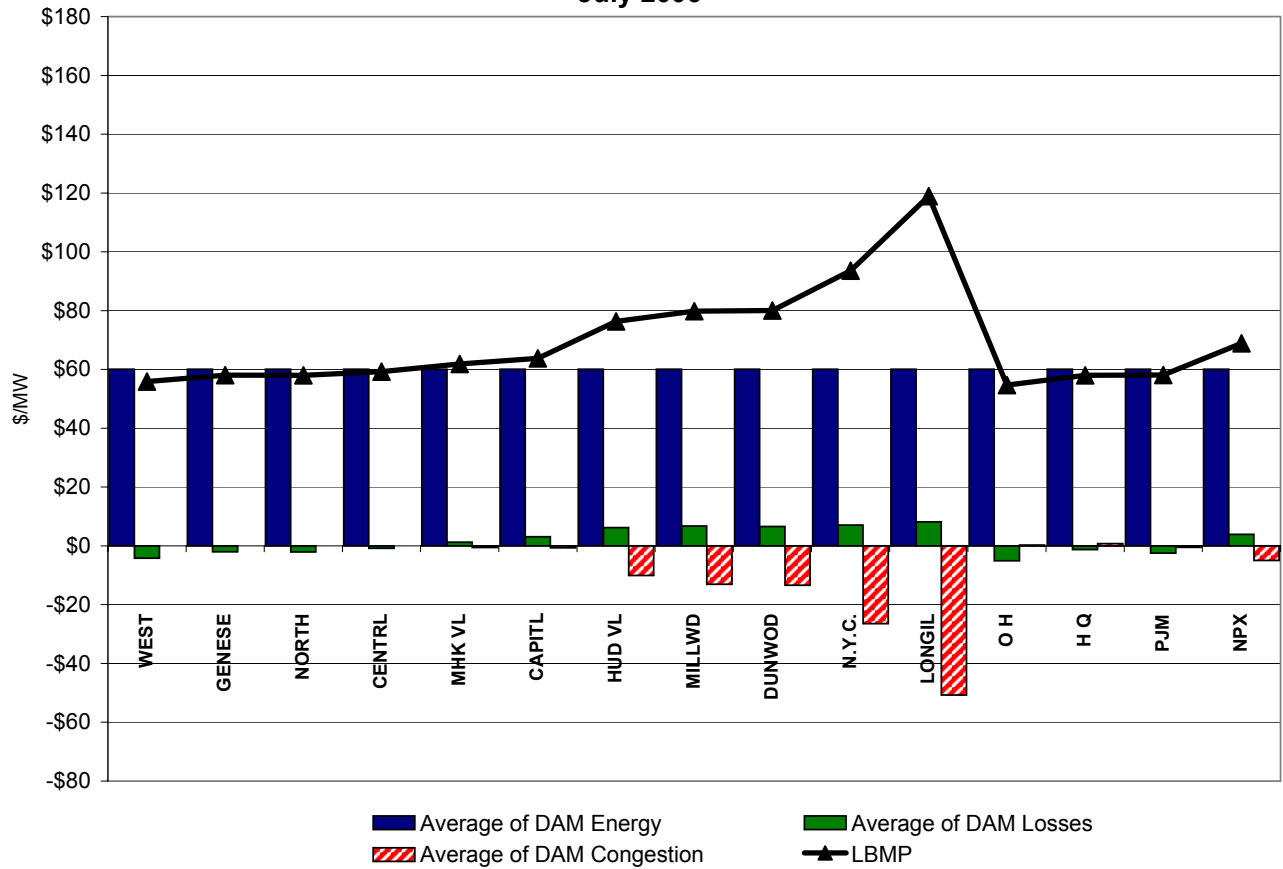
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Long Island Zone K Monthly Average LBMP Prices 2005 - 2006

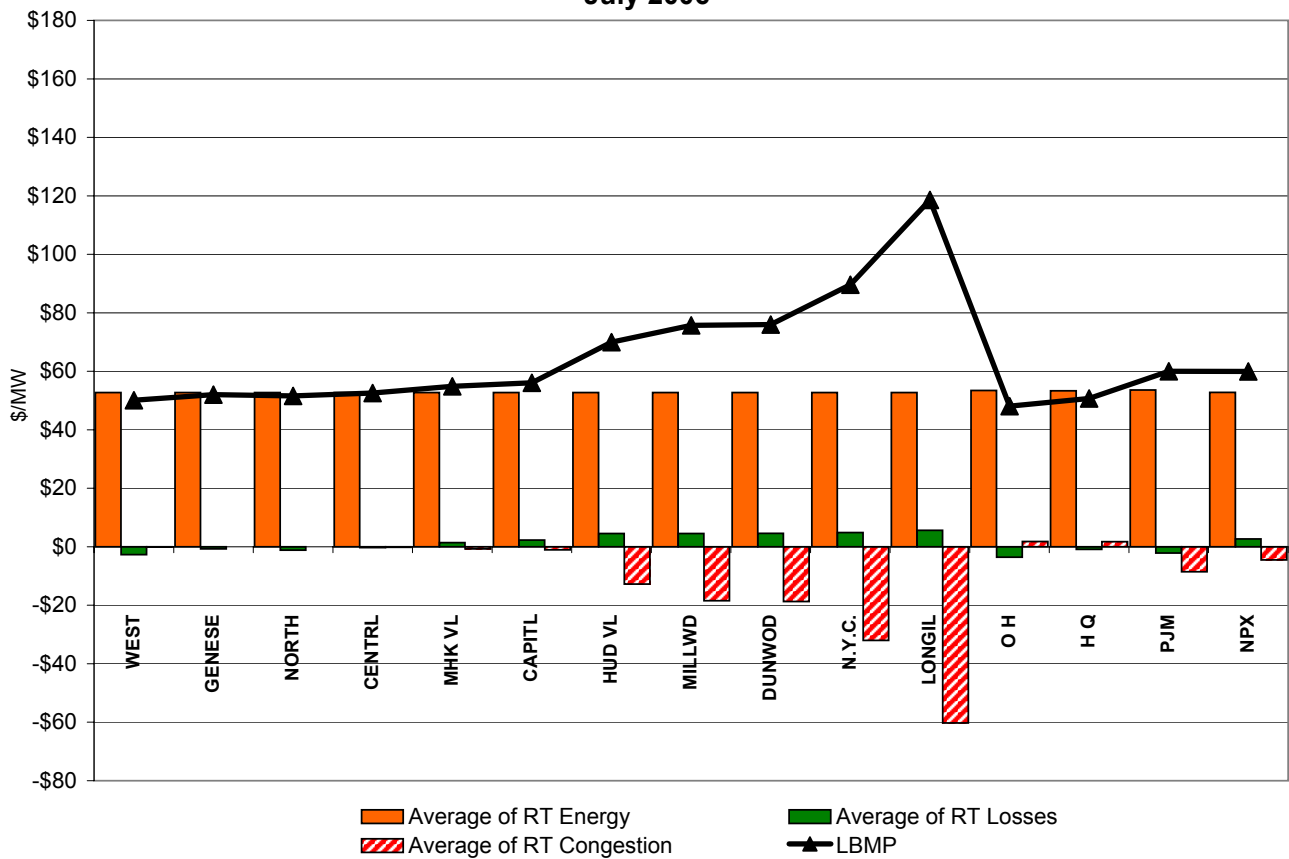


* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

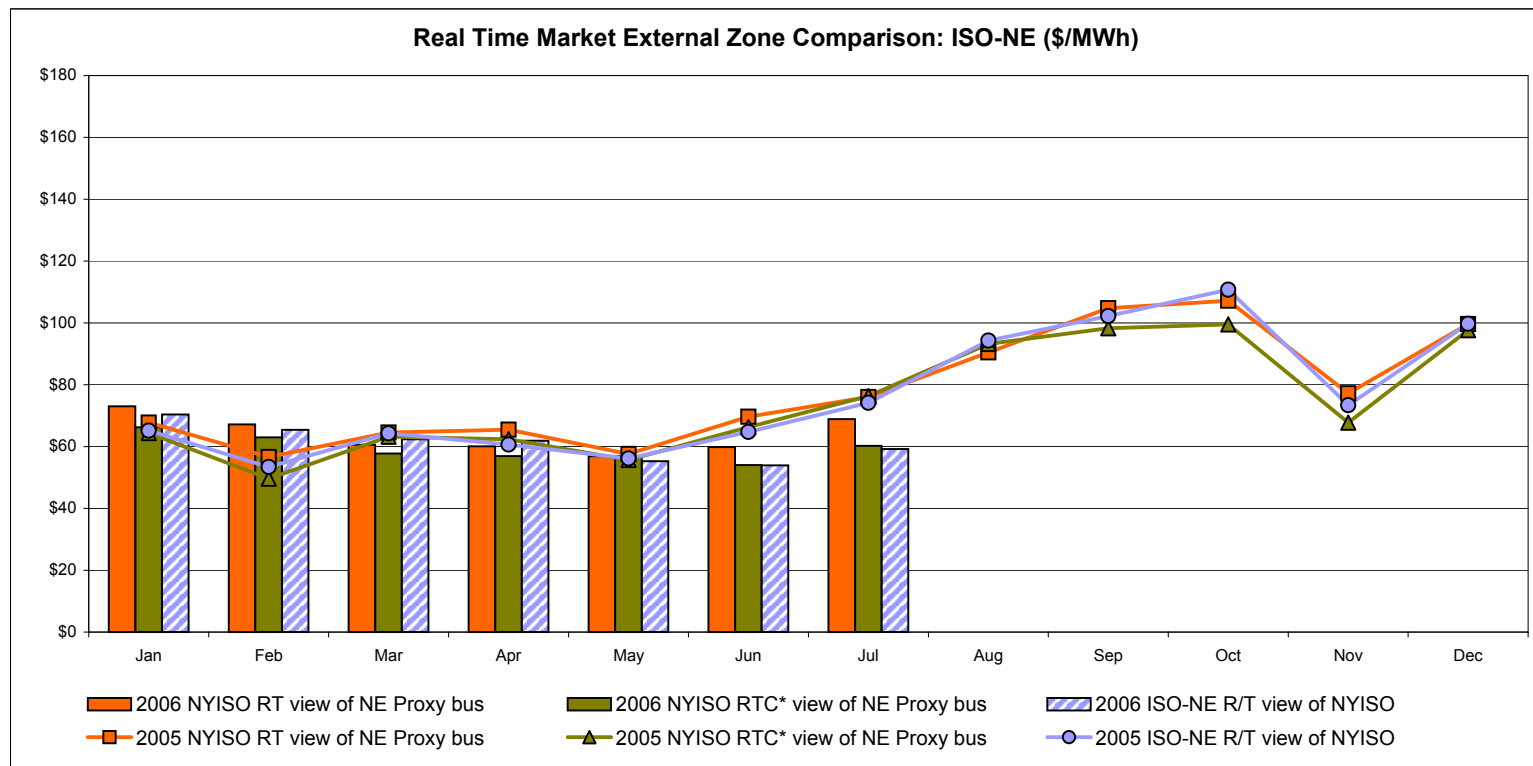
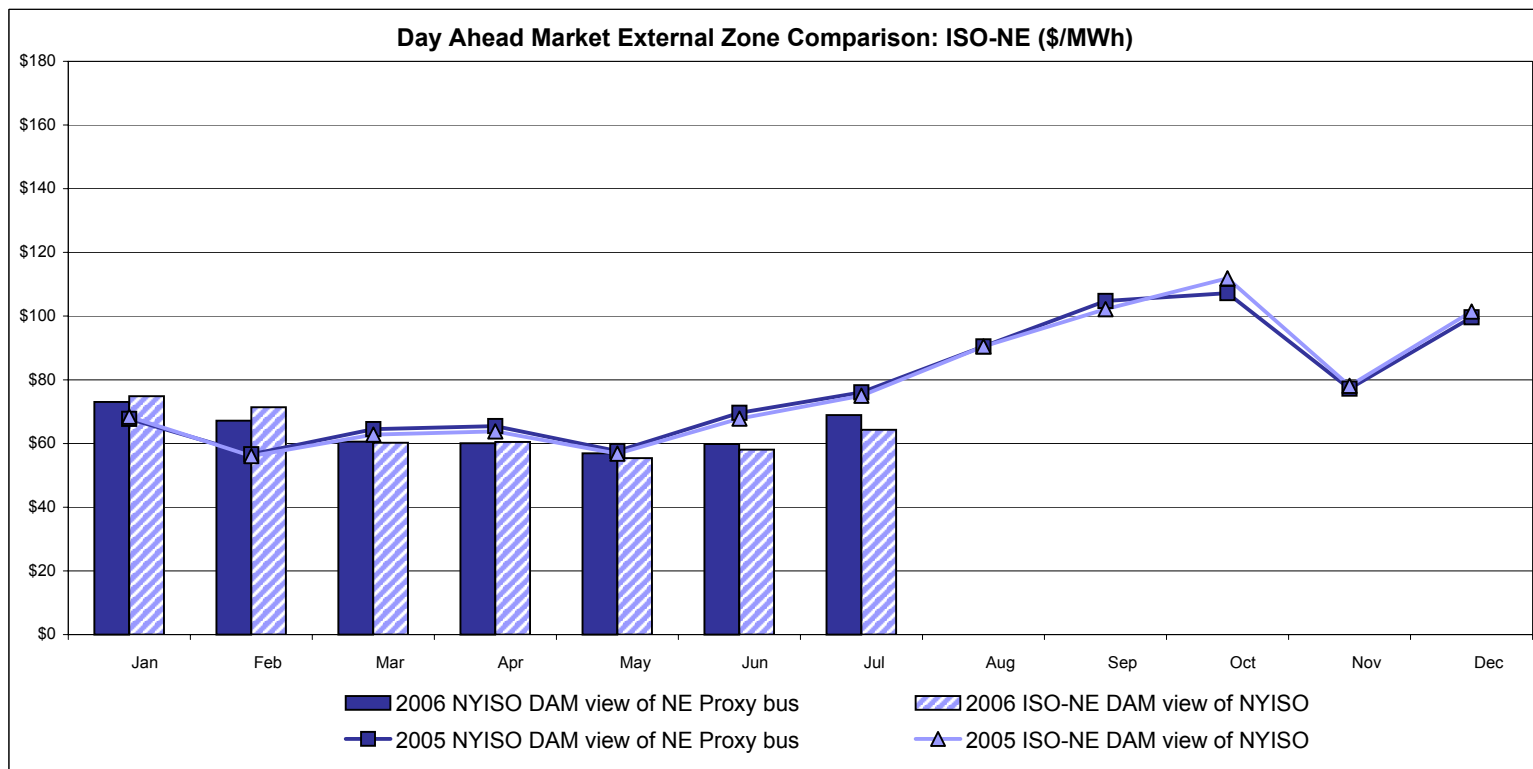
**DAM Zonal Unweighted Monthly Average LBMP Components
July 2006**



**RT Zonal Unweighted Monthly Average LBMP Components
July 2006**



External Comparison ISO-New England



Note:

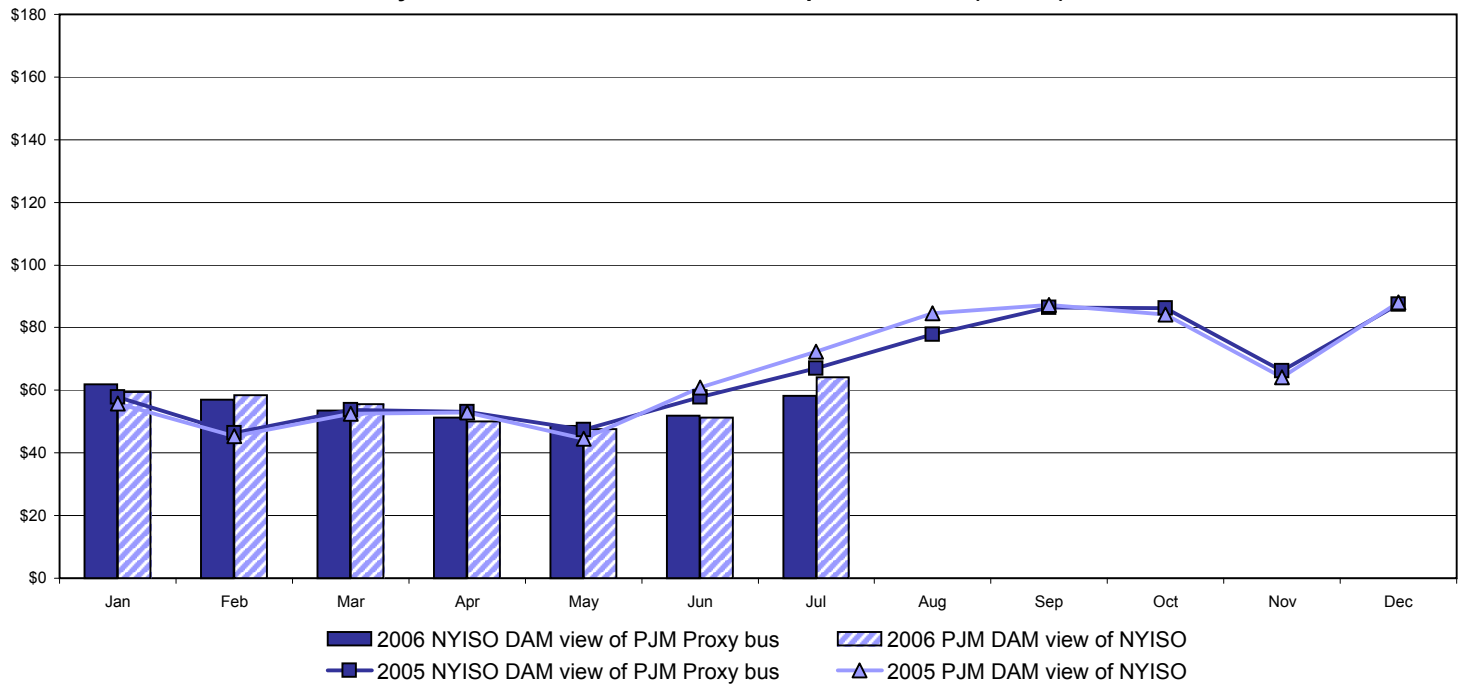
ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Roseton interface are used for ISO-NE.
 The DAM and R/T prices at the SandyPond interface are used for NYISO.

* Referred to as RTC beginning February 2005.

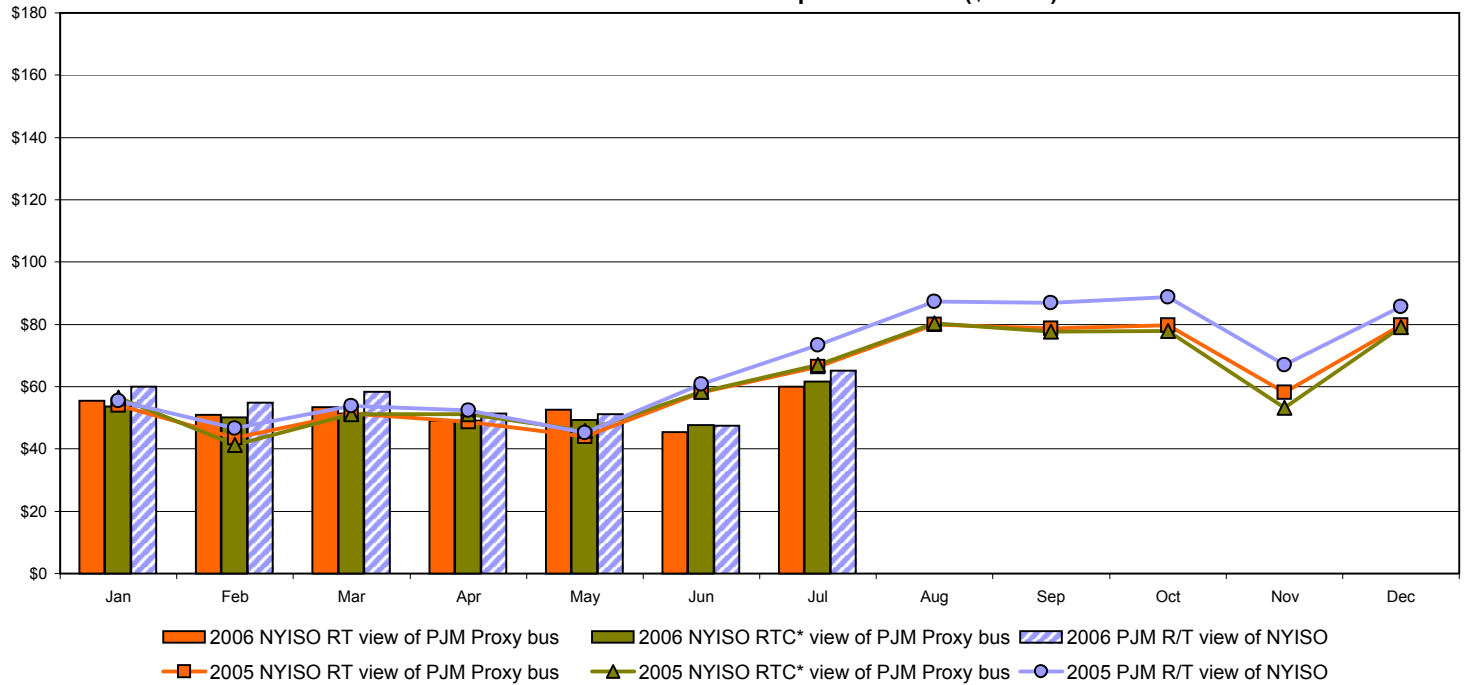
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

External Comparison PJM

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

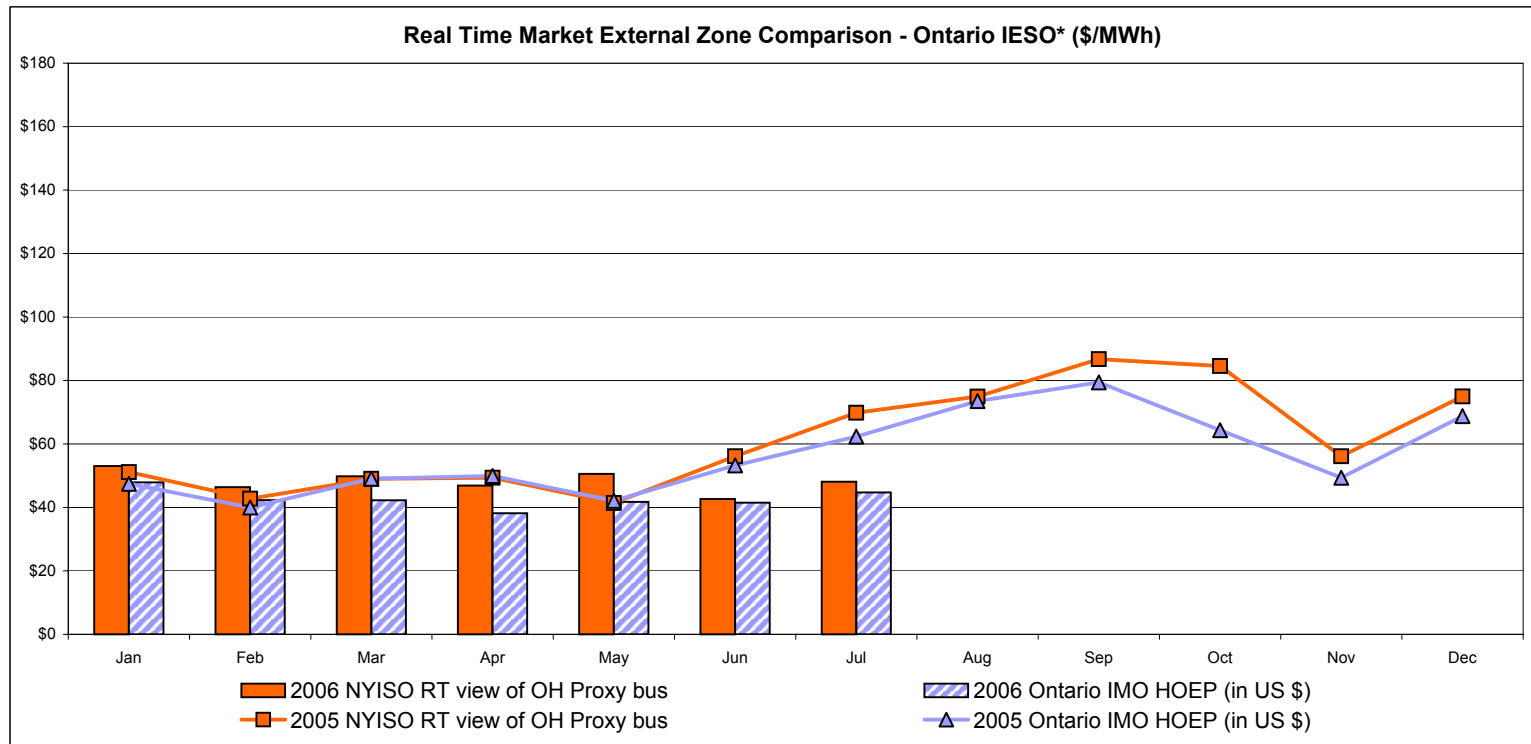
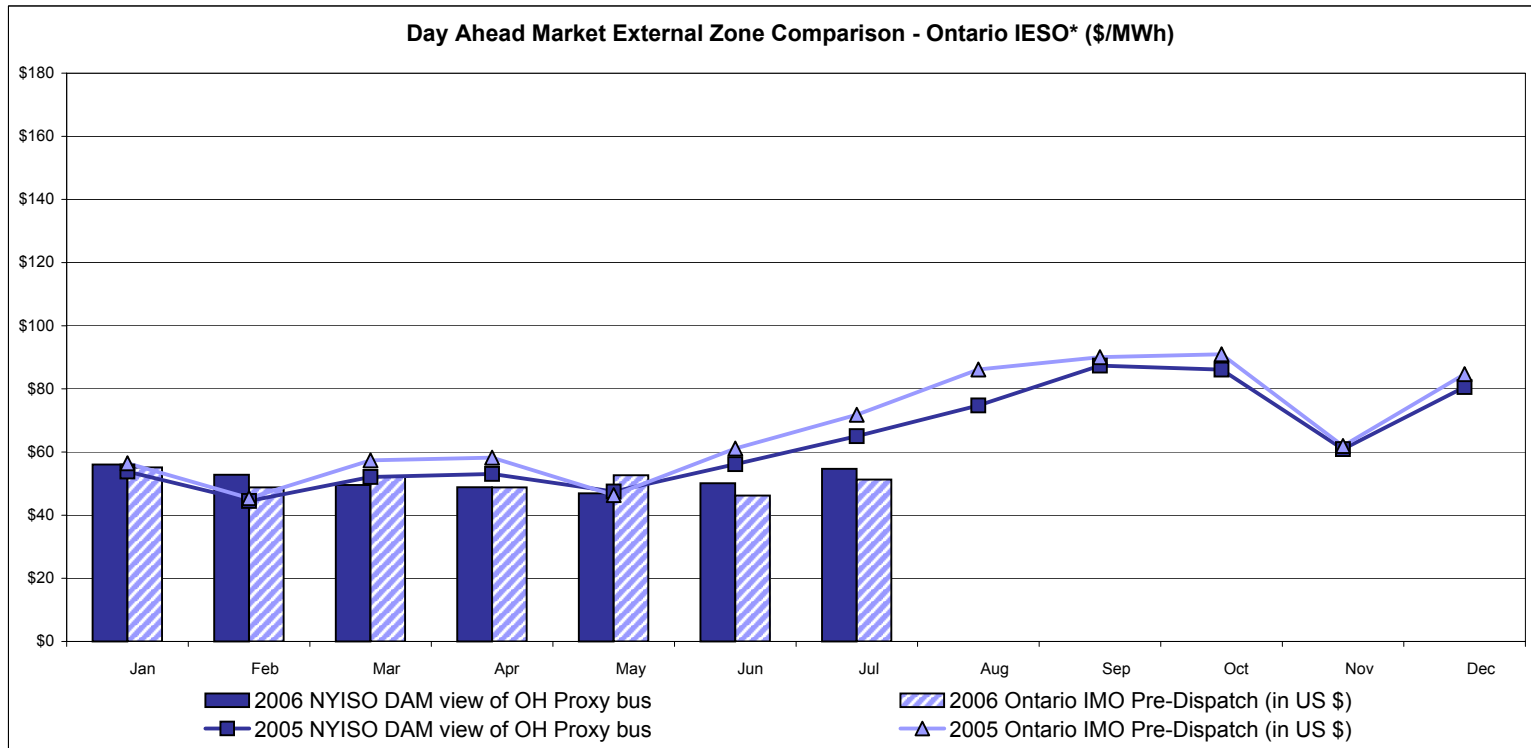


Real Time Market External Zone Comparison - PJM (\$/MWh)



* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

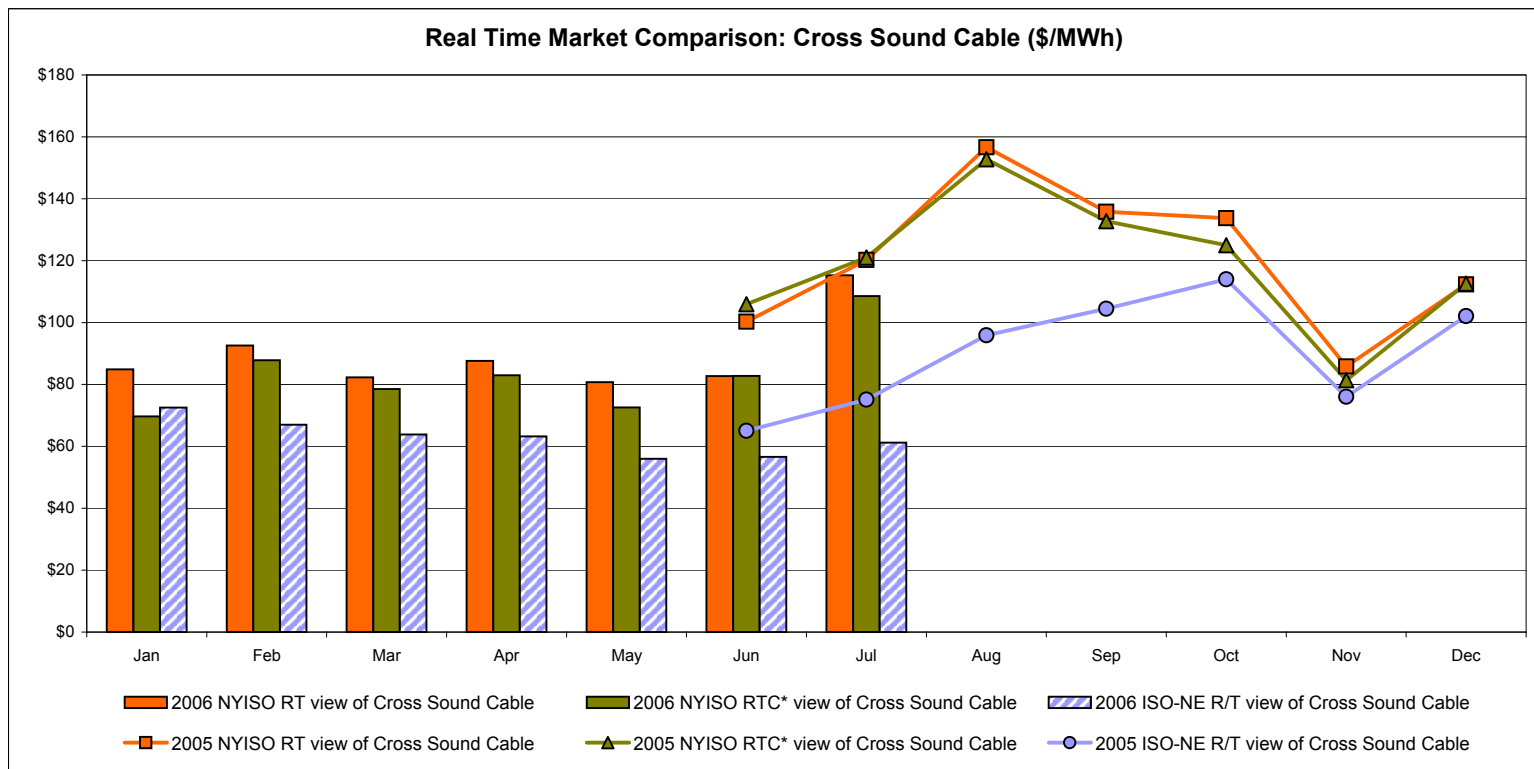
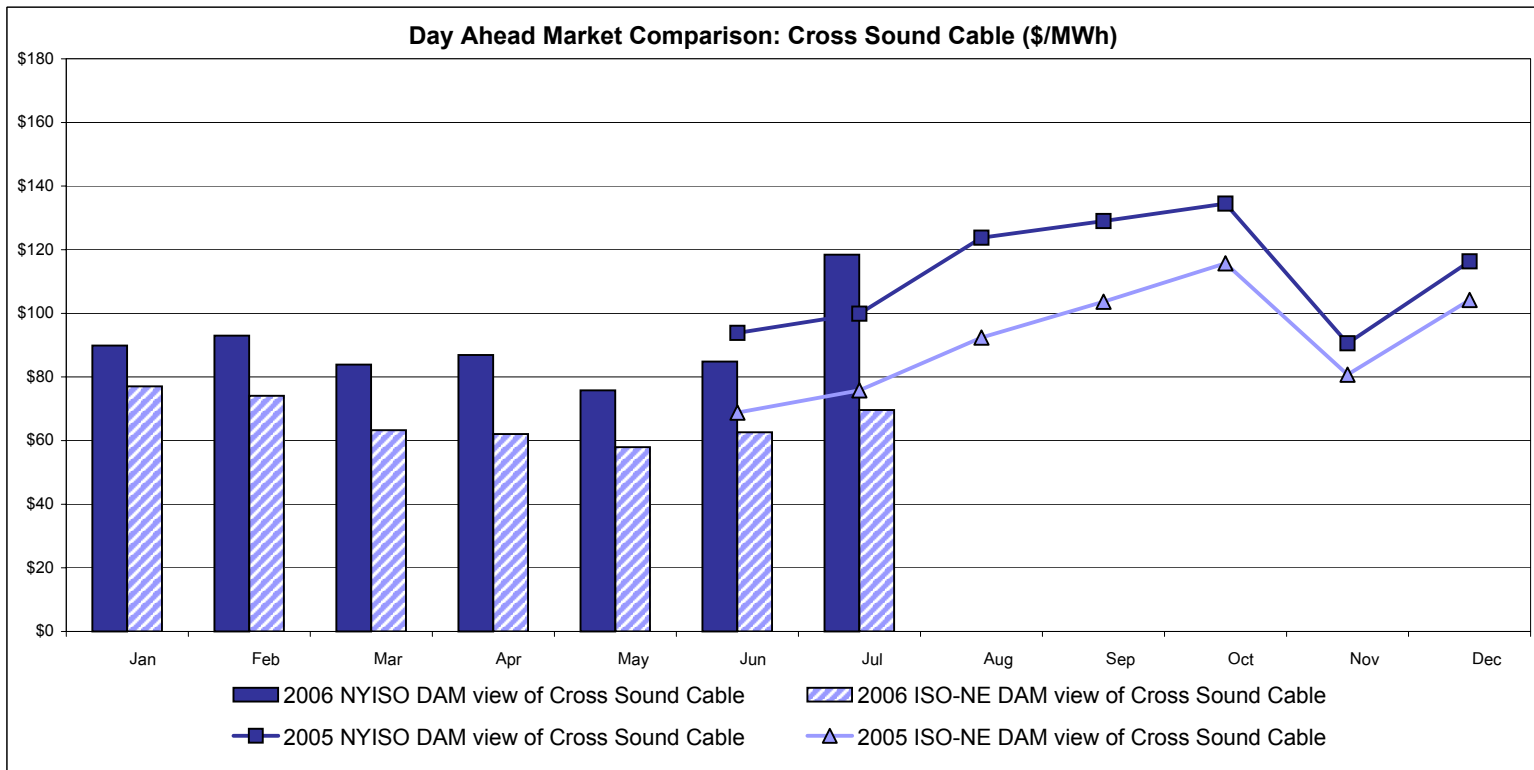
External Comparison Ontario IESO*



Notes: Exchange factor used for July 2006 was .89 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

* Independent Electricity System Operator formerly known as the Independent Electricity Market Operator (IMO).

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.

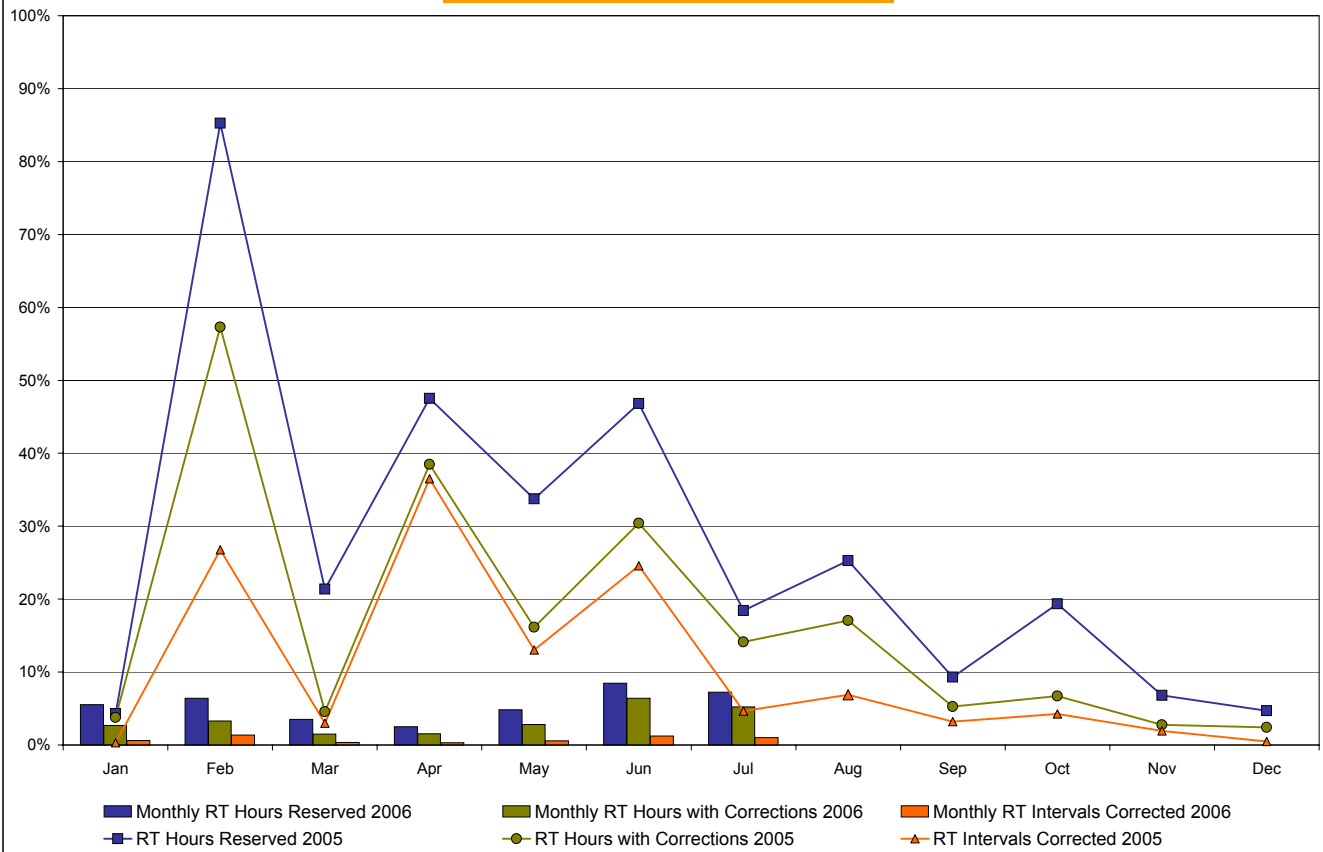
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYISO Real Time Price Correction Statistics

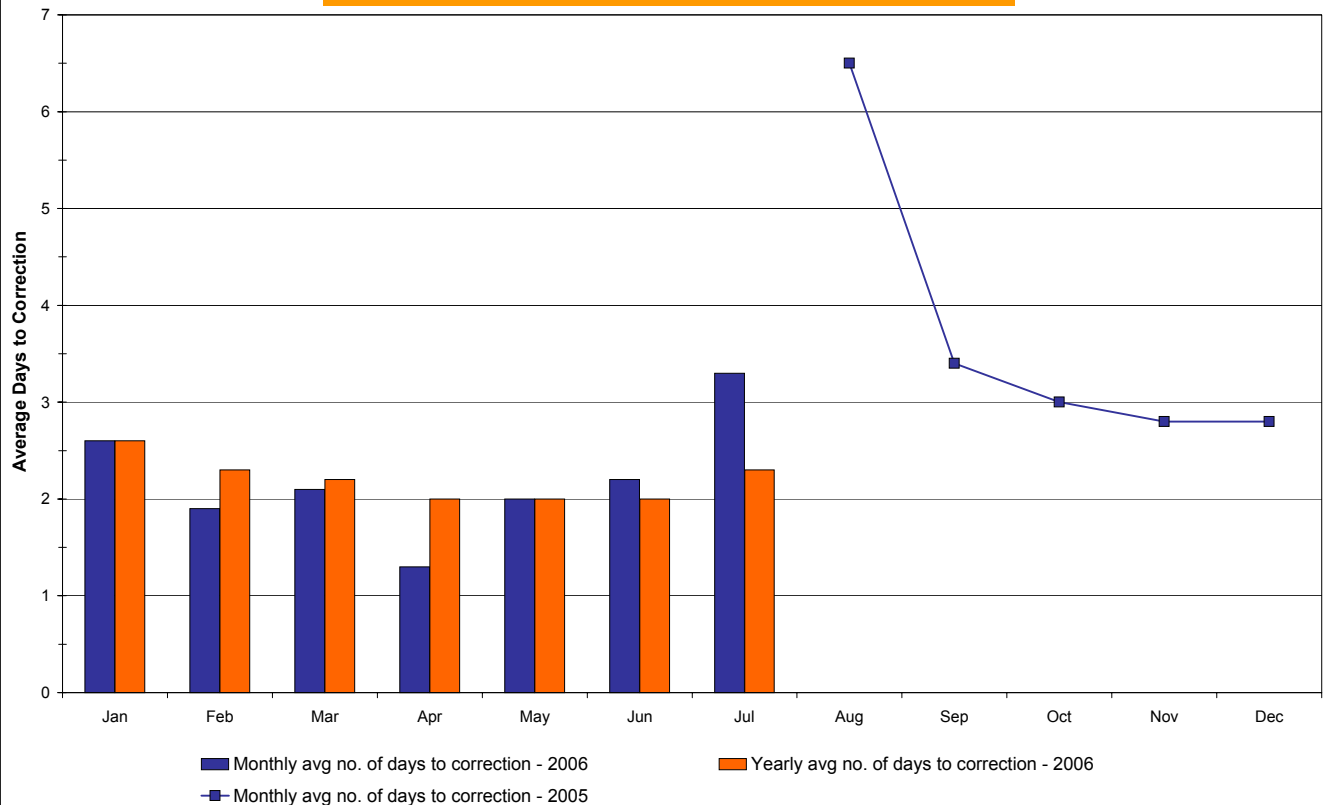
2006		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	20	22	11	11	21	46	39					
Number of hours	in the month	744	672	744	720	744	720	744					
% of hours with corrections	in the month	2.69%	3.27%	1.48%	1.53%	2.82%	6.39%	5.24%					
% of hours with corrections	year-to-date	2.69%	2.97%	2.45%	2.22%	2.35%	3.02%	3.34%					
Interval Corrections													
Number of intervals corrected	in the month	54	112	33	27	51	107	92					
Number of intervals	in the month	9,004	8,129	9,035	8,779	9,037	8,742	9,083					
% of intervals corrected	in the month	0.60%	1.38%	0.37%	0.31%	0.56%	1.22%	1.01%					
% of intervals corrected	year-to-date	0.60%	0.97%	0.76%	0.65%	0.63%	0.73%	0.77%					
Hours Reserved													
Number of hours reserved	in the month	41	43	26	18	36	61	54					
Number of hours	in the month	744	672	744	720	744	720	744					
% of hours reserved	in the month	5.51%	6.40%	3.49%	2.50%	4.84%	8.47%	7.26%					
% of hours reserved	year-to-date	5.51%	5.93%	5.09%	4.44%	4.53%	5.18%	5.48%					
Days to Correction *													
Avg. number of days to correction	in the month	2.6	1.9	2.1	1.3	2.0	2.2	3.3					
Avg. number of days to correction	year-to-date	2.6	2.3	2.2	2.0	2.0	2.0	2.3					
Days Without Corrections													
Days without corrections	in the month	19	18	24	20	21	15	13					
Days without corrections	year-to-date	19	37	61	81	102	117	130					
2005		<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	28	385	34	277	120	219	105	127	38	50	20	18
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours with corrections	in the month	3.76%	57.29%	4.57%	38.47%	16.13%	30.42%	14.11%	17.07%	5.28%	6.72%	2.78%	2.42%
% of hours with corrections	year-to-date	3.76%	29.17%	20.69%	25.14%	23.29%	24.47%	22.96%	22.21%	20.34%	18.96%	17.50%	16.22%
Interval Corrections													
Number of intervals corrected	in the month	37	2,177	266	3,182	1,170	2,145	421	625	281	386	167	43
Number of intervals	in the month	11,811	8,131	8,961	8,711	8,972	8,729	9,024	9,065	8,741	9,029	8,721	9,115
% of intervals corrected	in the month	0.31%	26.77%	2.97%	36.53%	13.04%	24.57%	4.67%	6.89%	3.21%	4.28%	1.91%	0.47%
% of intervals corrected	year-to-date	0.31%	11.10%	8.58%	15.05%	14.67%	16.23%	14.61%	13.65%	12.54%	11.72%	10.87%	10.00%
Hours Reserved													
Number of hours reserved	in the month	32	573	159	342	251	337	137	188	67	144	49	35
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours reserved	in the month	4.30%	85.27%	21.37%	47.50%	33.74%	46.81%	18.41%	25.27%	9.31%	19.35%	6.81%	4.70%
% of hours reserved	year-to-date	4.30%	42.73%	35.37%	38.40%	37.44%	39.00%	35.99%	34.62%	31.84%	30.56%	28.43%	26.42%
Days to Correction *													
Avg. number of days to correction	in the month	-	-	-	-	-	-	-	6.5	3.4	3.0	2.8	2.8
Avg. number of days to correction	year-to-date	-	-	-	-	-	-	-	-	-	-	-	-
Days Without Corrections													
Days without corrections	in the month	12	4	16	3	4	4	6	6	17	17	22	19
Days without corrections	year-to-date	12	16	32	35	39	43	49	55	72	89	111	130

* Calendar days from reservation date. Data available from August 2005.

Percentage of Real-Time Corrections

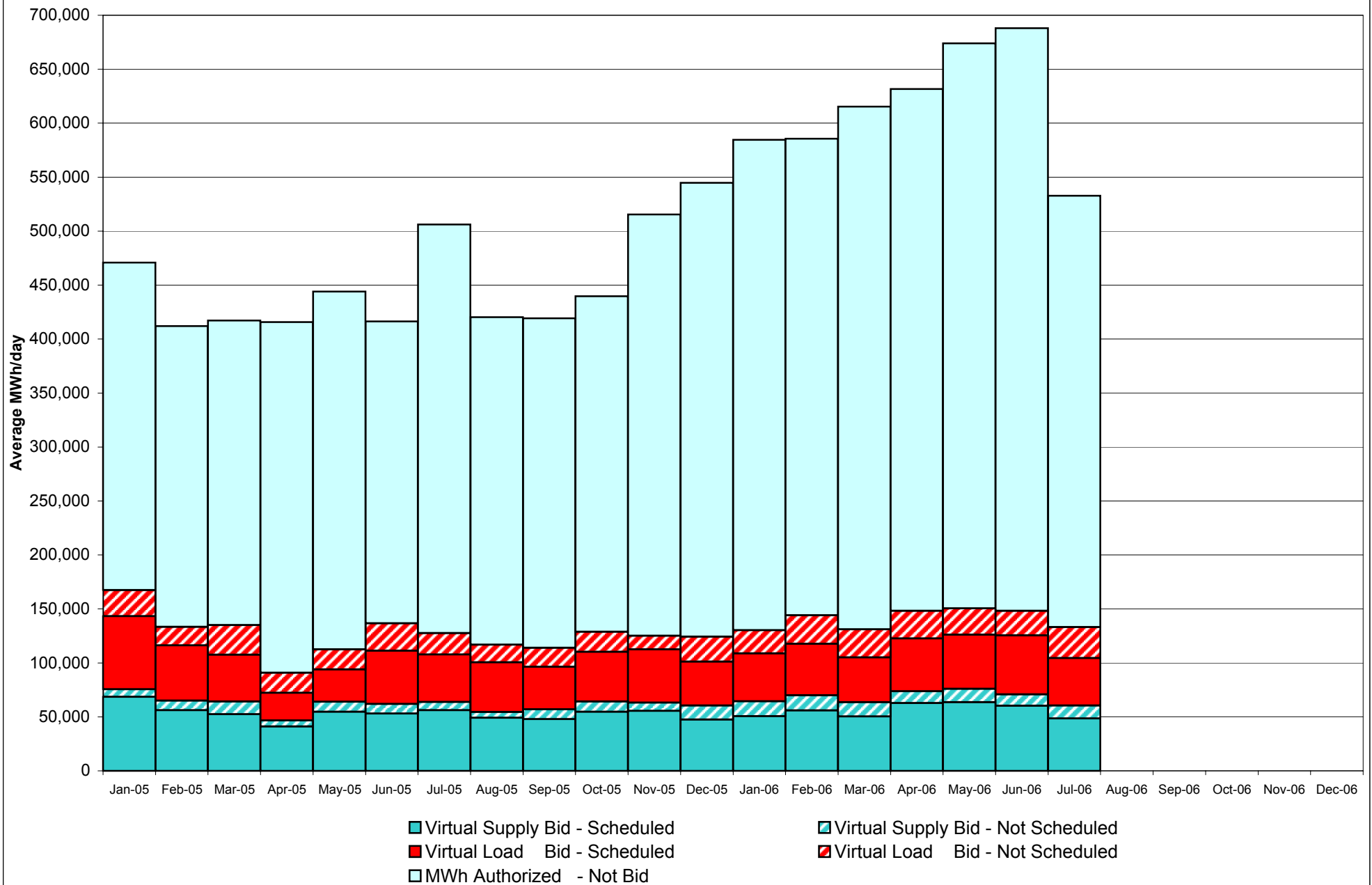


Annual average time period for making Price Corrections (from reservation date) *

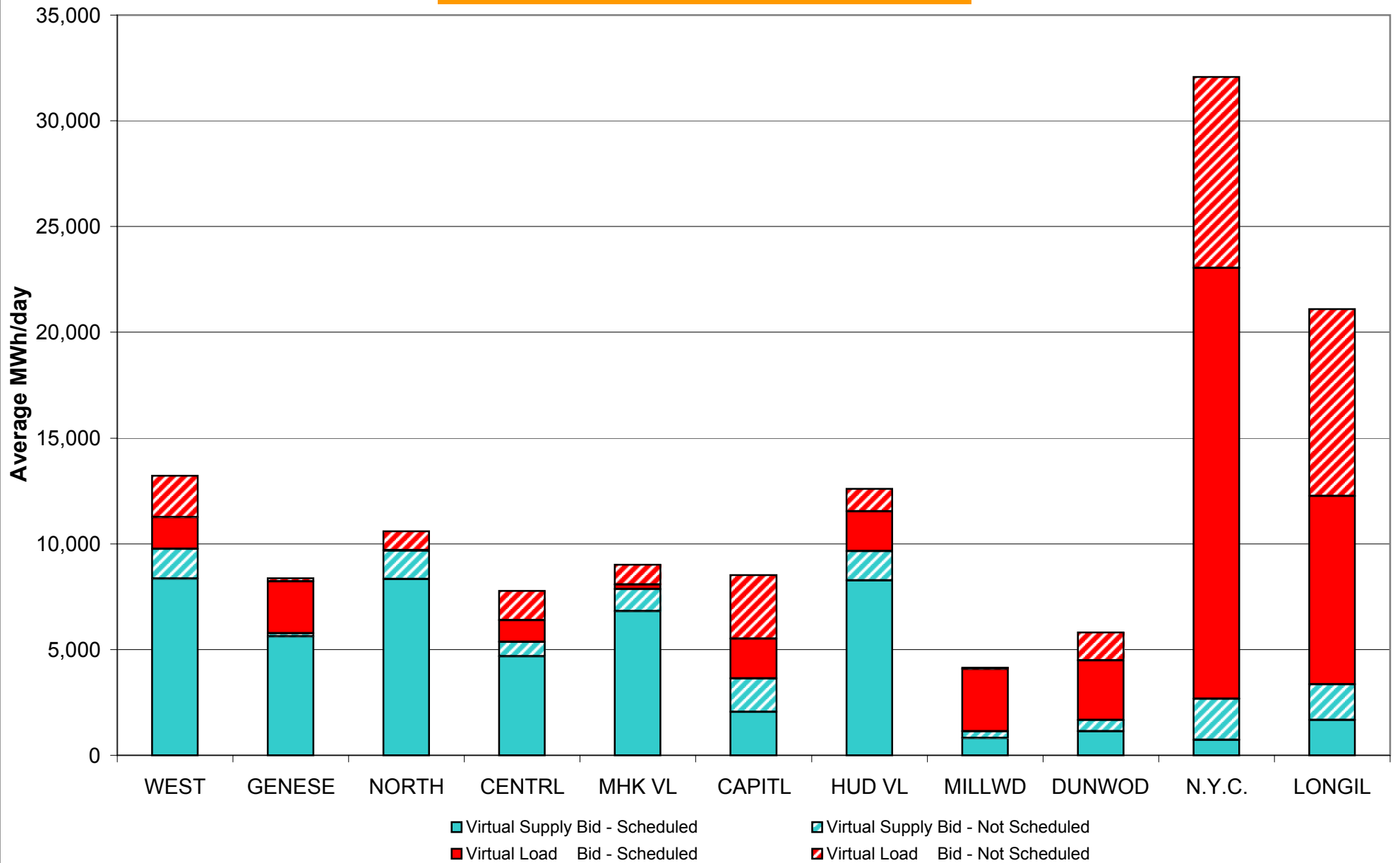


* Calendar days from reservation date. Data available from August 2005.

NYISO Virtual Trading Average MWh per day



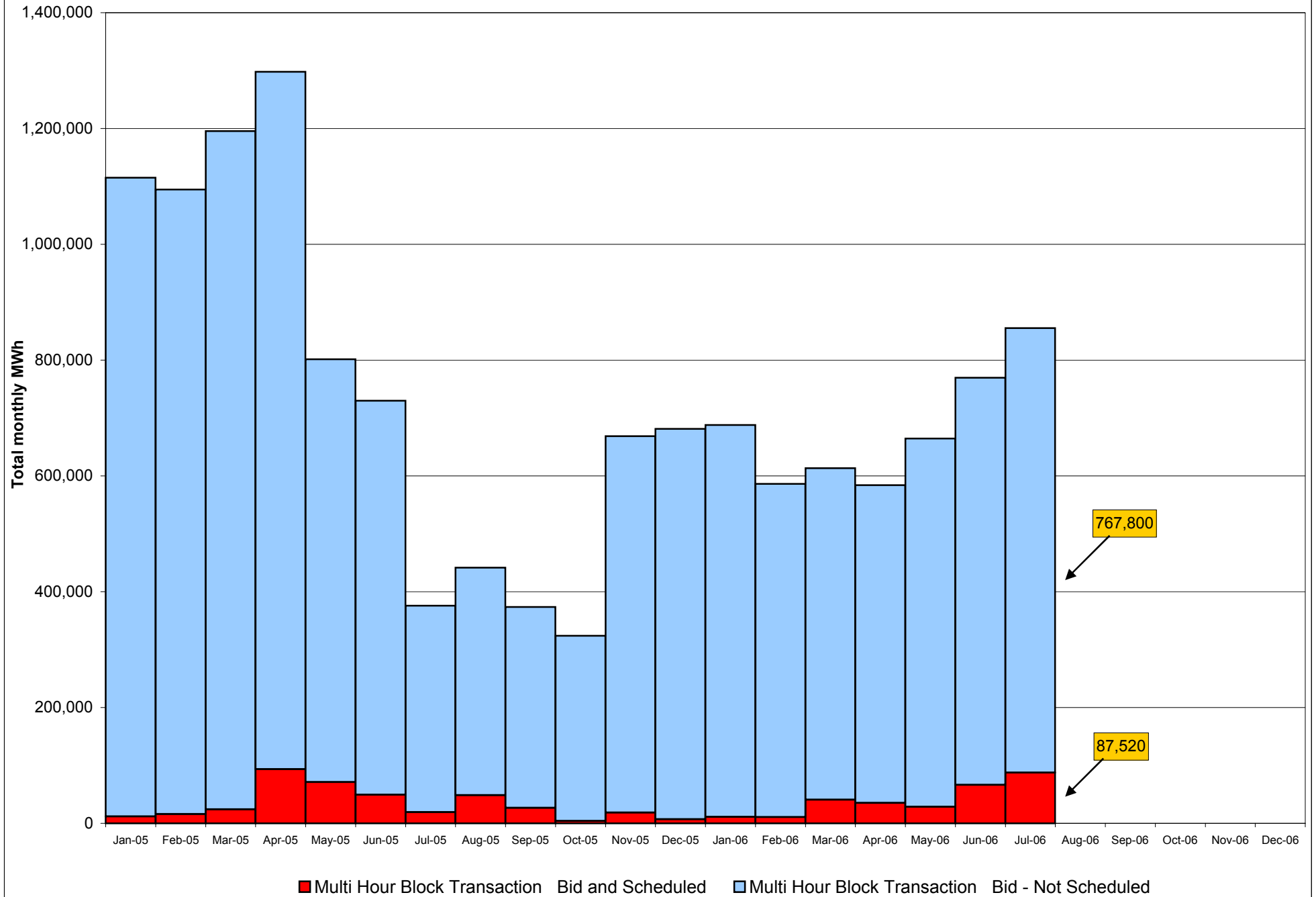
Virtual Load and Supply Zonal Statistics July 2006



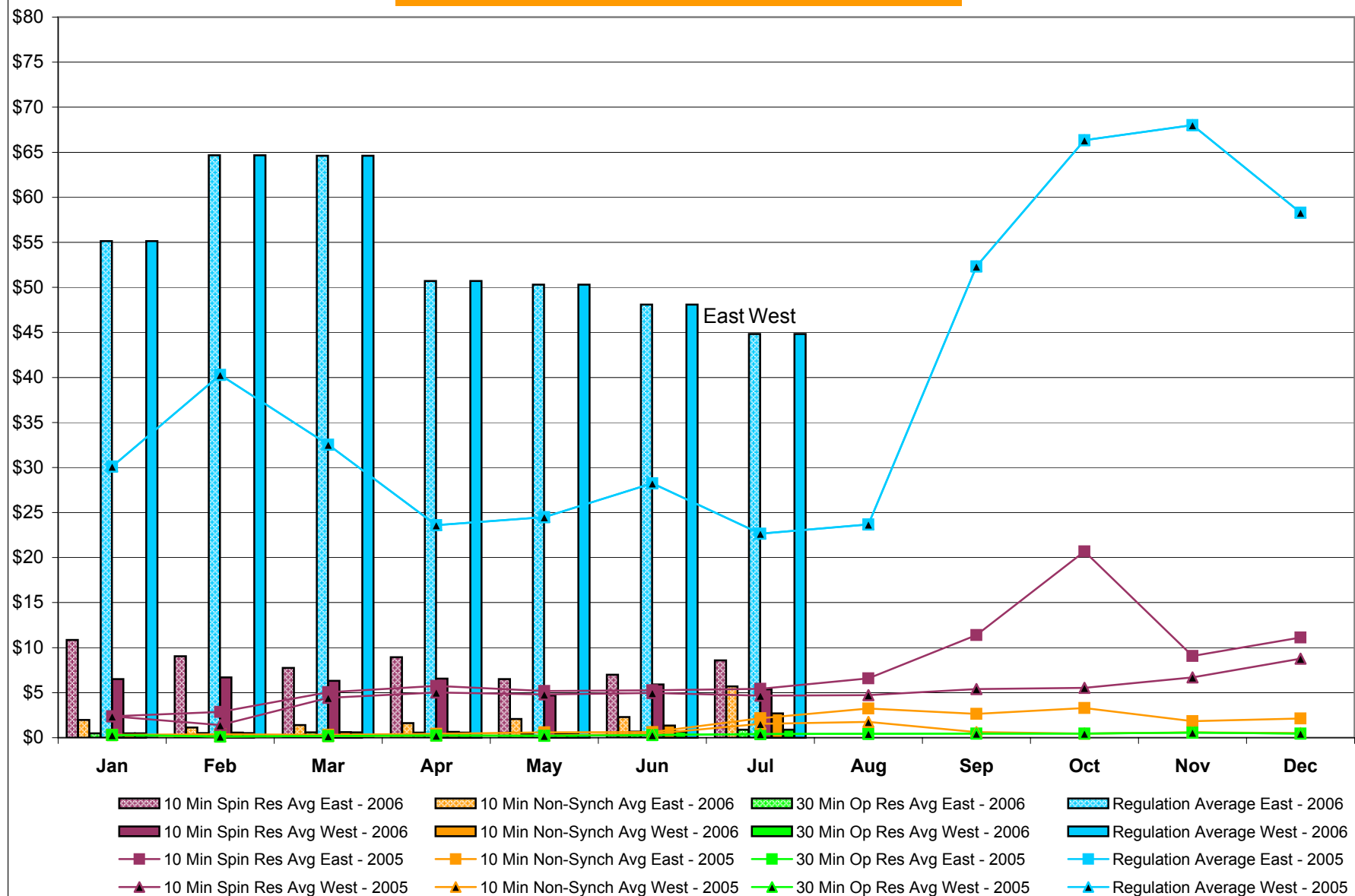
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2006

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	Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled
WEST	Jan-06	5,890	2,304	11,610	3,141	MHK VL	Jan-06	46	902	5,884	1,636	DUNWOD	Jan-06	745	644	3,267	26		Jan-06	745	644	3,267	26
	Feb-06	5,103	3,356	10,907	3,042		Feb-06	17	930	6,935	891		Feb-06	1,714	399	2,441	42		Feb-06	1,714	399	2,441	42
	Mar-06	3,237	1,807	13,710	2,979		Mar-06	42	932	4,940	937		Mar-06	1,097	47	2,163	27		Mar-06	1,097	47	2,163	27
	Apr-06	3,206	1,676	16,016	2,317		Apr-06	3	841	8,714	579		Apr-06	1,144	722	3,403	60		Apr-06	1,144	722	3,403	60
	May-06	3,602	1,641	13,210	1,806		May-06	40	1,021	8,610	759		May-06	1,056	546	3,949	670		May-06	1,056	546	3,949	670
	Jun-06	2,538	2,185	11,018	1,685		Jun-06	407	892	7,818	989		Jun-06	3,095	748	2,761	45		Jun-06	3,095	748	2,761	45
	Jul-06	1,496	1,960	8,348	1,405		Jul-06	226	932	6,813	1,039		Jul-06	2,819	1,314	1,137	538		Jul-06	2,819	1,314	1,137	538
	Aug-06						Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				
GENESE	Jan-06	1,831	708	6,806	73	CAPITL	Jan-06	3,624	1,646	1,192	48	N.Y.C.	Jan-06	19,500	4,668	1,330	3,334		Jan-06	19,500	4,668	1,330	3,334
	Feb-06	2,434	208	6,652	55		Feb-06	5,155	2,682	1,584	65		Feb-06	16,986	7,228	2,463	2,793		Feb-06	16,986	7,228	2,463	2,793
	Mar-06	1,856	838	6,734	53		Mar-06	2,850	3,171	643	59		Mar-06	12,401	7,131	4,092	2,202		Mar-06	12,401	7,131	4,092	2,202
	Apr-06	3,478	92	6,693	205		Apr-06	2,915	3,767	1,584	847		Apr-06	19,173	6,820	1,189	1,699		Apr-06	19,173	6,820	1,189	1,699
	May-06	4,049	18	8,510	24		May-06	3,690	3,159	877	2,082		May-06	19,528	6,539	402	1,064		May-06	19,528	6,539	402	1,064
	Jun-06	3,158	44	6,400	118		Jun-06	2,750	2,967	2,076	1,950		Jun-06	20,192	5,844	437	598		Jun-06	20,192	5,844	437	598
	Jul-06	2,441	155	5,610	163		Jul-06	1,883	3,011	2,044	1,583		Jul-06	20,370	9,037	729	1,946		Jul-06	20,370	9,037	729	1,946
	Aug-06						Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				
NORTH	Jan-06	262	22	5,961	1,658	HUD VL	Jan-06	2,086	2,026	8,595	1,717	LONGIL	Jan-06	8,207	6,064	1,091	1,891		Jan-06	8,207	6,064	1,091	1,891
	Feb-06	139	101	6,749	2,570		Feb-06	3,722	1,834	8,989	1,964		Feb-06	9,345	8,197	1,088	2,511		Feb-06	9,345	8,197	1,088	2,511
	Mar-06	264	21	7,069	2,838		Mar-06	8,898	1,851	5,128	1,716		Mar-06	8,449	10,059	991	2,357		Mar-06	8,449	10,059	991	2,357
	Apr-06	96	695	8,243	1,926		Apr-06	9,888	1,640	10,242	1,034		Apr-06	7,291	8,424	930	1,750		Apr-06	7,291	8,424	930	1,750
	May-06	9	921	7,895	1,596		May-06	8,934	1,330	12,005	1,311		May-06	8,188	7,792	1,125	1,939		May-06	8,188	7,792	1,125	1,939
	Jun-06	204	910	9,925	1,660		Jun-06	7,728	964	10,828	872		Jun-06	11,324	7,000	1,573	1,663		Jun-06	11,324	7,000	1,573	1,663
	Jul-06	14	896	8,332	1,340		Jul-06	1,881	1,058	8,272	1,389		Jul-06	8,917	8,823	1,657	1,693		Jul-06	8,917	8,823	1,657	1,693
	Aug-06						Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				
CENTRL	Jan-06	713	28	3,870	103	MILLWD	Jan-06	1,531	2,596	1,065	11	NYISO	Jan-06	44,436	21,609	50,671	13,639		Jan-06	44,436	21,609	50,671	13,639
	Feb-06	395	27	7,081	165		Feb-06	2,540	1,560	1,067	24		Feb-06	47,550	26,523	55,956	14,122		Feb-06	47,550	26,523	55,956	14,122
	Mar-06	581	28	4,683	31		Mar-06	1,799	135	189	7		Mar-06	41,475	26,020	50,342	13,205		Mar-06	41,475	26,020	50,342	13,205
	Apr-06	673	882	4,838	522		Apr-06	943	97	904	28		Apr-06	48,811	25,655	62,755	10,967		Apr-06	48,811	25,655	62,755	10,967
	May-06	674	1,101	4,694	945		May-06	453	210	2,346	169		May-06	50,222	24,279	63,624	12,364		May-06	50,222	24,279	63,624	12,364
	Jun-06	578	1,098	6,115	900		Jun-06	2,543	95	1,352	118		Jun-06	54,518	22,746	60,303	10,597		Jun-06	54,518	22,746	60,303	10,597
	Jul-06	1,032	1,377	4,672	687		Jul-06	2,935	61	804	335		Jul-06	44,013	28,624	48,419	12,117		Jul-06	44,013	28,624	48,419	12,117
	Aug-06						Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				

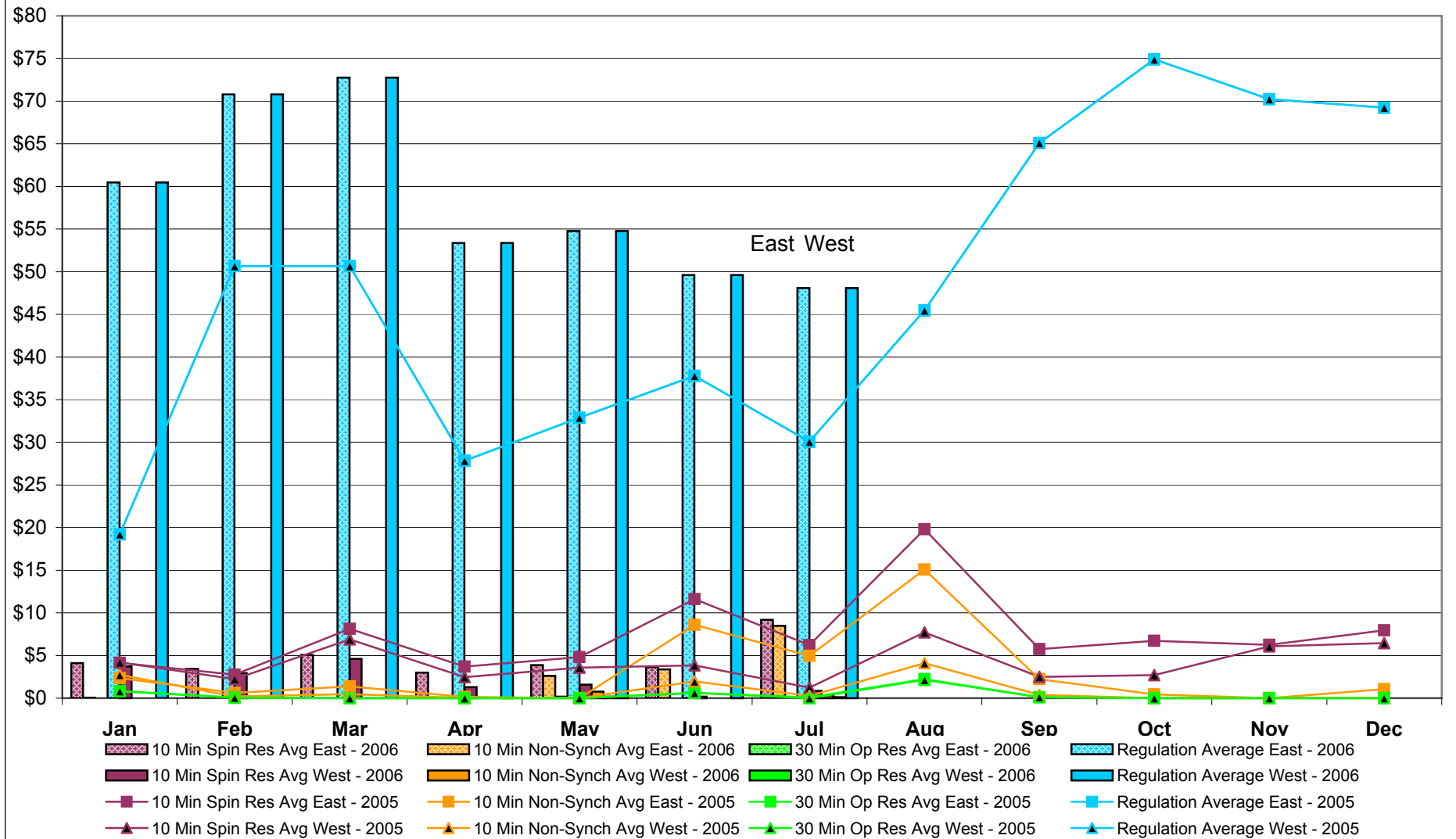
NYISO Multi Hour Block Transactions Monthly Total MWh



NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2005 - 2006

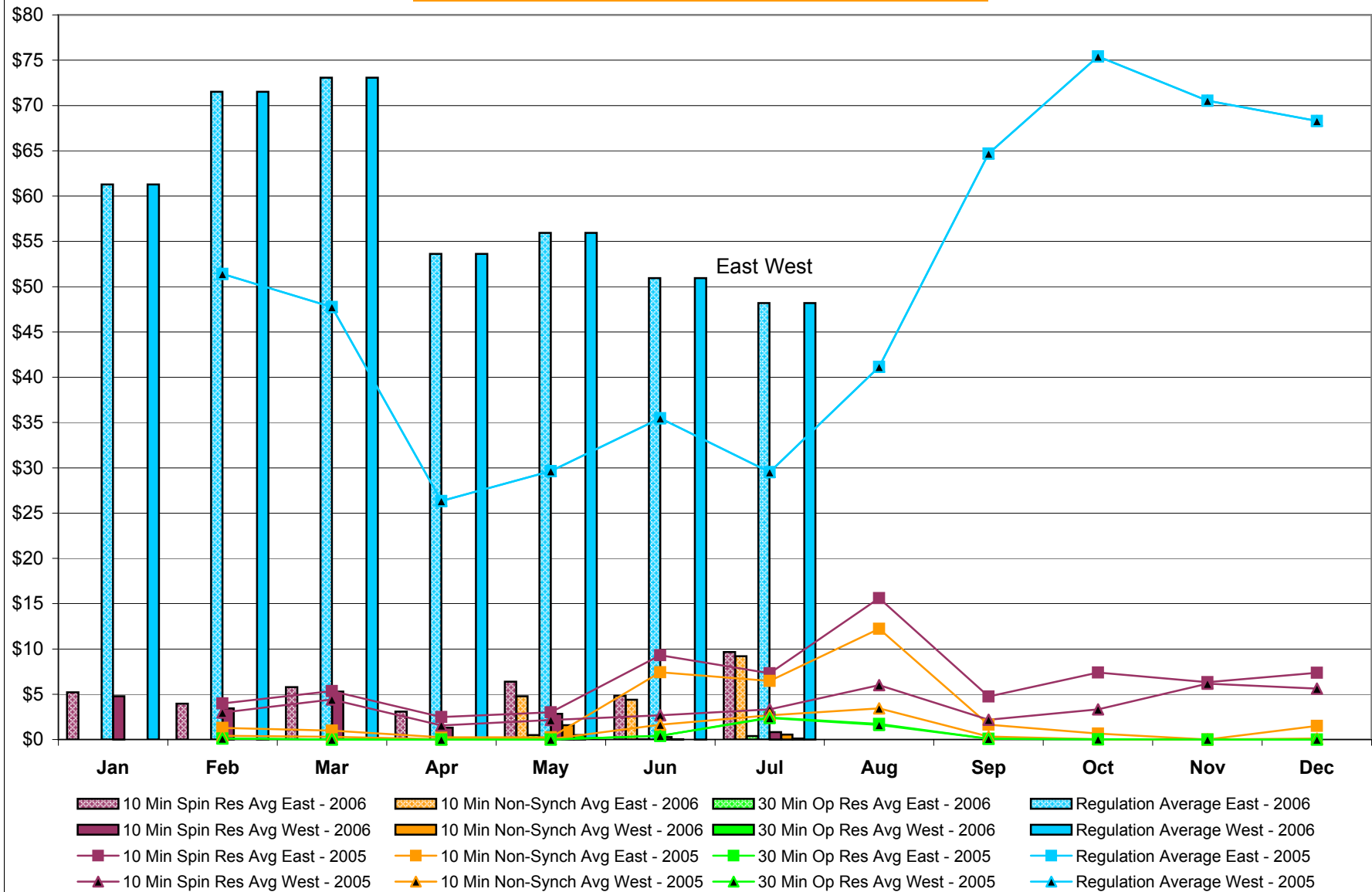


NYISO Monthly Average Ancillary Service Prices RTC* Market 2005 - 2006



* Referred to as RTC beginning February 2005
Prior to February 2005 known as BME or Hour Ahead Market (HAM)

NYISO Monthly Average Ancillary Service Prices Real Time Market* 2005 - 2006



* The Real Time Ancillary Market began in February 2005

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

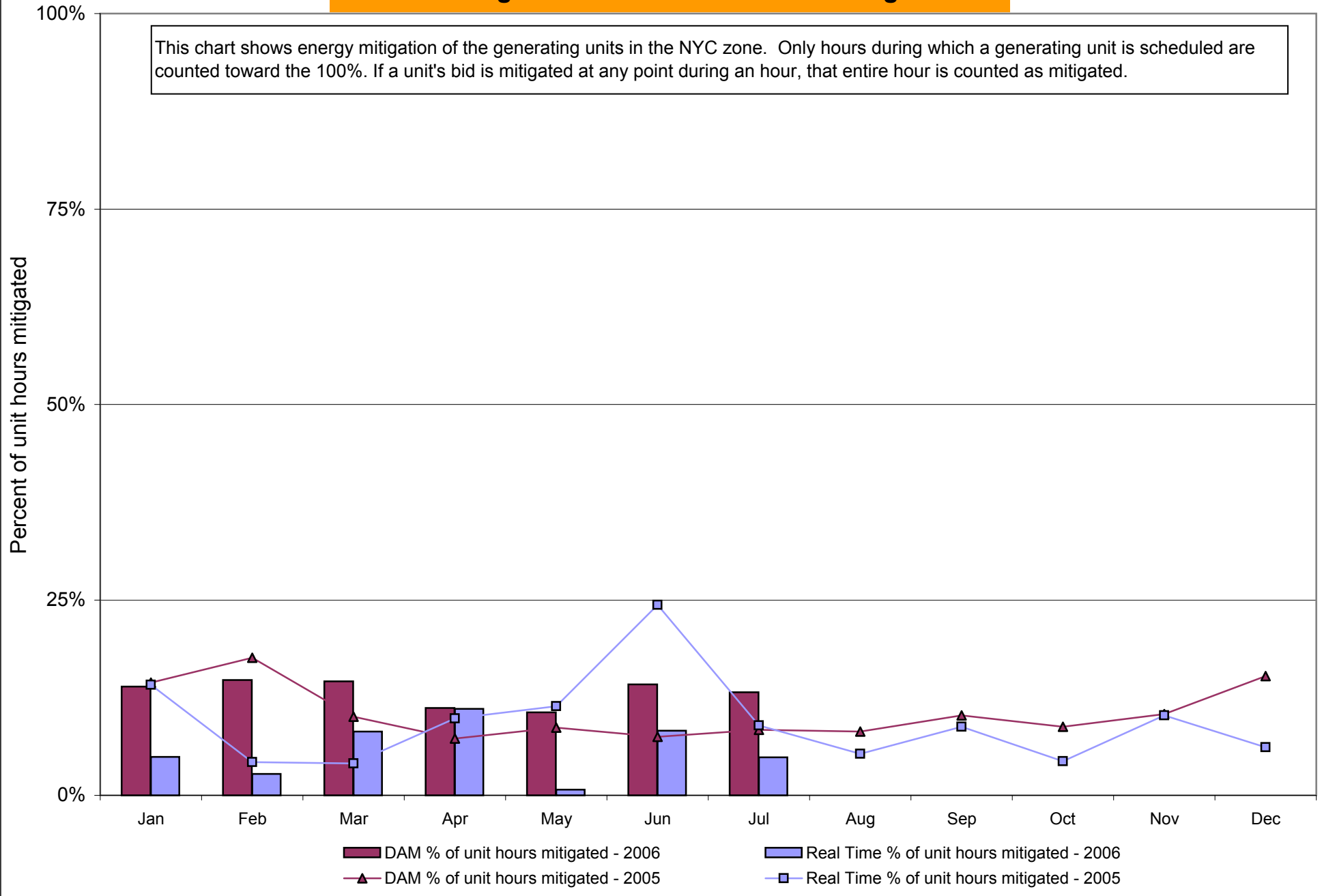
2006	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Day Ahead Market</u>												
10 Min Spin East	10.86	9.06	7.76	8.94	6.52	6.98	8.60					
10 Min Spin West	6.50	6.70	6.32	6.56	4.71	5.92	5.37					
10 Min Non Synch East	1.97	1.15	1.39	1.63	2.07	2.31	5.71					
10 Min Non Synch West	0.50	0.56	0.62	0.66	0.40	1.34	2.69					
30 Min East	0.48	0.52	0.59	0.58	0.38	0.66	0.89					
30 Min West	0.48	0.52	0.59	0.58	0.38	0.66	0.89					
Regulation East	55.13	64.65	64.62	50.71	50.30	48.10	44.83					
Regulation West	55.13	64.65	64.62	50.71	50.30	48.10	44.83					
<u>RTC* Market</u>												
10 Min Spin East	4.10	3.44	5.07	3.00	3.86	3.65	9.19					
10 Min Spin West	3.71	2.93	4.59	1.28	1.60	0.18	0.85					
10 Min Non Synch East	0.02	0.01	0.00	0.01	2.60	3.36	8.48					
10 Min Non Synch West	0.00	0.00	0.00	0.00	0.77	0.00	0.32					
30 Min East	0.00	0.00	0.00	0.00	0.19	0.00	0.11					
30 Min West	0.00	0.00	0.00	0.00	0.19	0.00	0.11					
Regulation East	60.46	70.79	72.76	53.37	54.76	49.60	48.08					
Regulation West	60.46	70.79	72.76	53.37	54.76	49.60	48.08					
<u>Real Time Market**</u>												
10 Min Spin East	5.20	3.96	5.78	3.07	6.38	4.84	9.66					
10 Min Spin West	4.78	3.43	5.30	1.32	2.82	0.28	0.81					
10 Min Non Synch East	0.01	0.00	0.00	0.01	4.79	4.40	9.20					
10 Min Non Synch West	0.00	0.00	0.00	0.00	1.58	0.02	0.54					
30 Min East	0.00	0.00	0.00	0.00	0.49	0.02	0.37					
30 Min West	0.00	0.00	0.00	0.00	0.49	0.01	0.12					
Regulation East	61.28	71.52	73.06	53.62	55.93	50.95	48.17					
Regulation West	61.28	71.52	73.06	53.62	55.93	50.95	48.17					
2005	<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	2.38	2.87	5.06	5.76	5.19	5.26	5.44	6.59	11.38	20.70	9.08	11.12
10 Min Spin West	2.37	1.39	4.43	5.03	4.80	4.96	4.68	4.73	5.41	5.54	6.68	8.77
10 Min Non Synch East	0.31	0.37	0.31	0.44	0.60	0.61	2.16	3.25	2.65	3.31	1.82	2.14
10 Min Non Synch West	0.31	0.13	0.20	0.24	0.23	0.43	1.54	1.75	0.63	0.47	0.59	0.52
30 Min East	0.31	0.13	0.19	0.24	0.22	0.29	0.41	0.44	0.47	0.46	0.57	0.47
30 Min West	0.31	0.13	0.19	0.24	0.22	0.29	0.41	0.44	0.47	0.46	0.57	0.47
Regulation East	30.10	40.28	32.53	23.61	24.49	28.23	22.66	23.67	52.33	66.33	68.02	58.28
Regulation West	30.10	40.28	32.53	23.61	24.49	28.23	22.66	23.67	52.33	66.33	68.02	58.28
<u>RTC* Market</u>												
10 Min Spin East	4.15	2.75	8.13	3.71	4.80	11.61	6.23	19.80	5.75	6.72	6.25	7.94
10 Min Spin West	4.20	2.23	6.90	2.46	3.58	3.84	1.24	7.72	2.50	2.69	6.06	6.45
10 Min Non Synch East	2.35	0.62	1.38	0.14	0.00	8.58	4.96	15.08	2.22	0.44	0.01	1.07
10 Min Non Synch West	2.72	0.21	0.47	0.03	0.00	1.96	0.25	4.09	0.37	0.00	0.00	0.06
30 Min East	0.83	0.05	0.00	0.00	0.00	0.62	0.08	2.22	0.12	0.00	0.00	0.00
30 Min West	0.83	0.05	0.00	0.00	0.00	0.61	0.00	2.15	0.12	0.00	0.00	0.00
Regulation East	19.23	50.66	50.65	27.85	32.87	37.80	30.07	45.47	65.10	74.90	70.23	69.23
Regulation West	19.23	50.66	50.65	27.85	32.87	37.80	30.07	45.47	65.10	74.90	70.23	69.23
<u>Real Time Market**</u>												
10 Min Spin East	-	3.99	5.34	2.47	3.00	9.30	7.30	15.60	4.75	7.40	6.32	7.36
10 Min Spin West	-	2.97	4.42	1.56	2.16	2.69	3.33	5.99	2.19	3.34	6.16	5.62
10 Min Non Synch East	-	1.27	0.98	0.25	0.24	7.43	6.46	12.22	1.63	0.65	0.00	1.49
10 Min Non Synch West	-	0.41	0.29	0.02	0.07	1.63	2.68	3.44	0.33	0.01	0.00	0.12
30 Min East	-	0.12	0.00	0.00	0.00	0.40	2.43	1.71	0.09	0.01	0.00	0.00
30 Min West	-	0.11	0.00	0.00	0.00	0.40	2.36	1.61	0.09	0.01	0.00	0.00
Regulation East	-	51.41	47.74	26.33	29.62	35.47	29.52	41.14	64.70	75.41	70.52	68.30
Regulation West	-	51.41	47.74	26.33	29.62	35.47	29.52	41.13	64.70	75.41	70.52	68.30

* Referred to as RTC beginning February 2005. Prior to February 2005 known as BME or Hour Ahead Market (HAM).

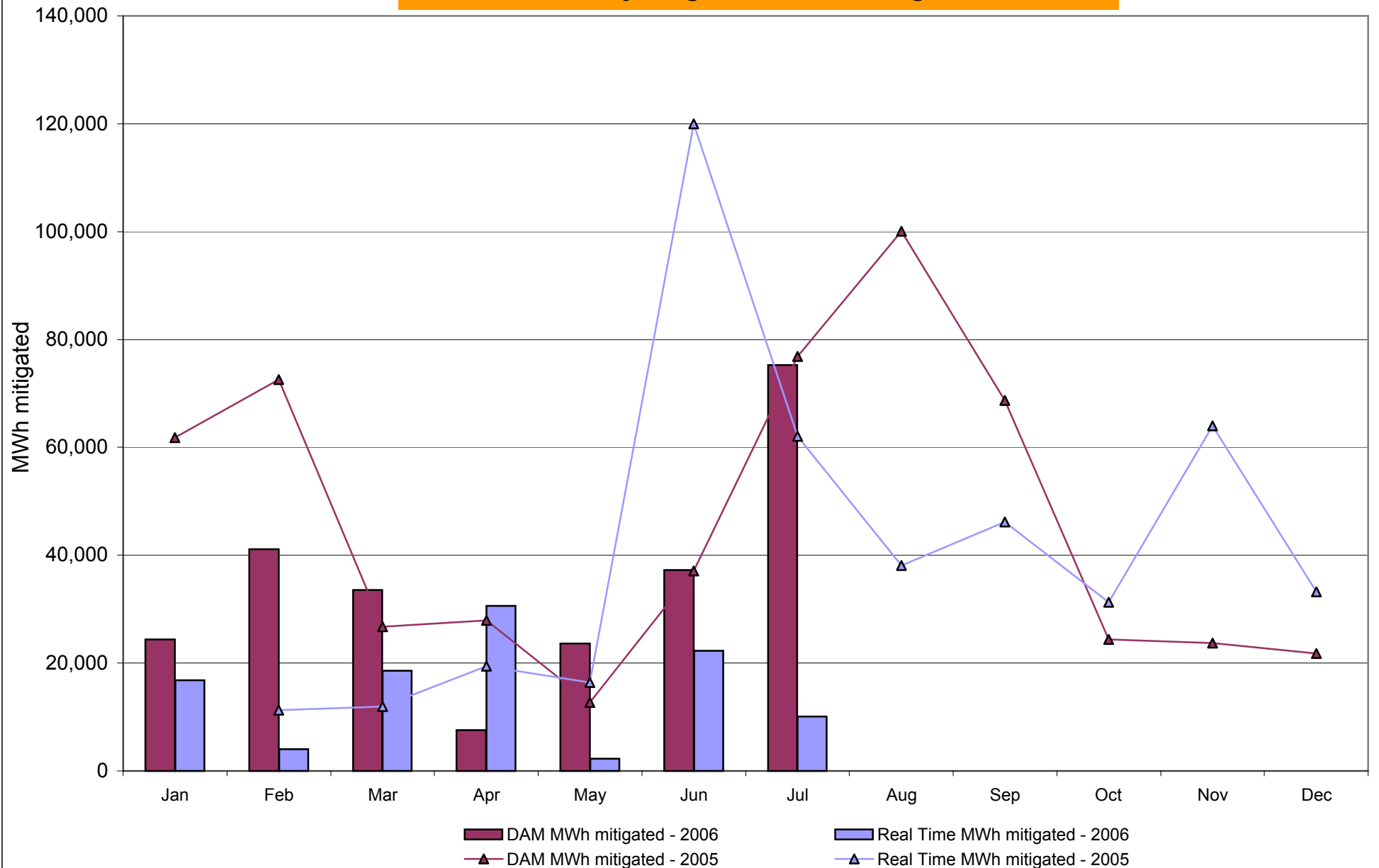
** The Real Time Ancillary Market began in February 2005.

NYISO In City Energy Mitigation (NYC Zone) 2005-2006

Percentage of committed unit-hours mitigated

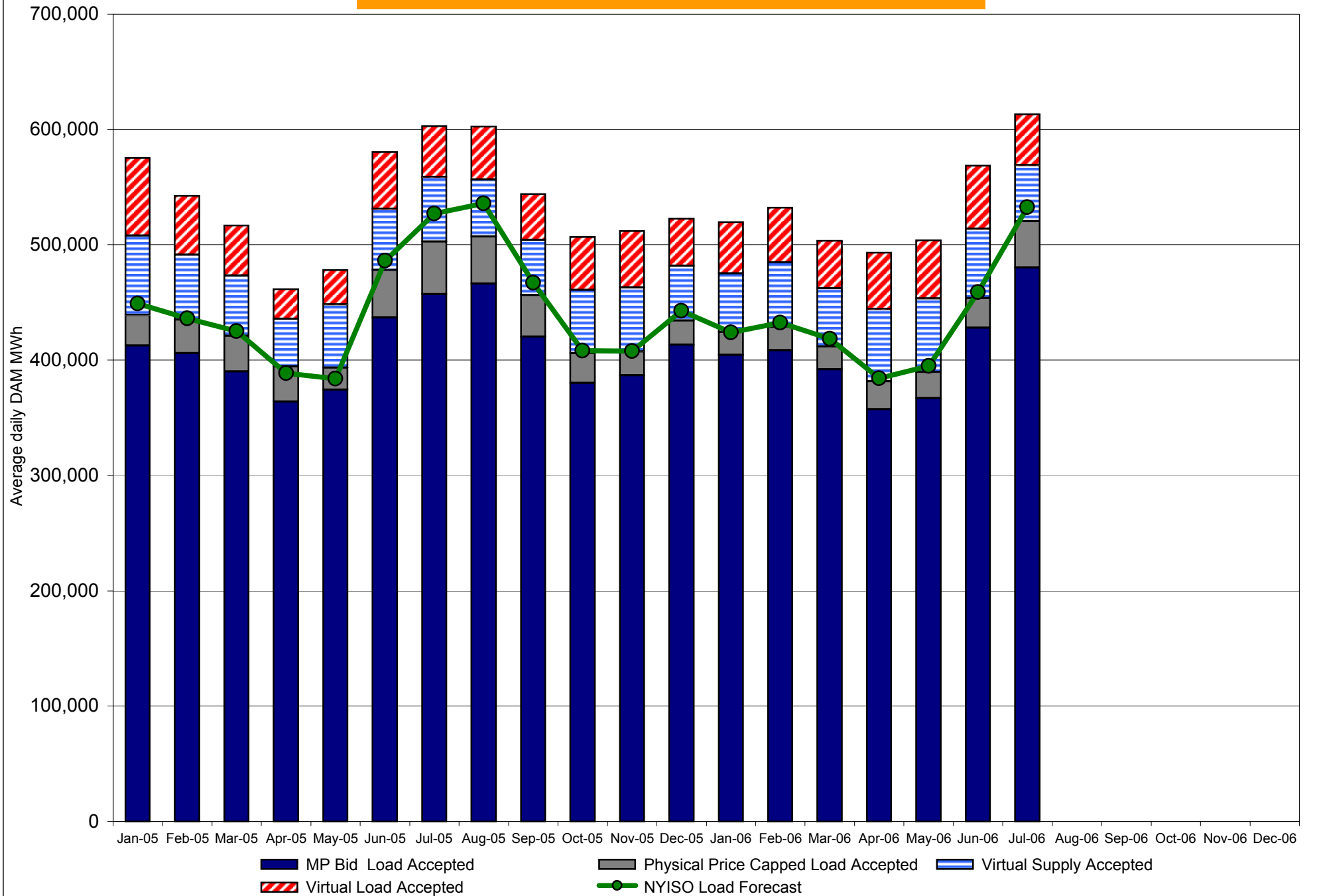


NYISO In City Energy Mitigation (NYC Zone) 2005-2006 **Monthly megawatt hours mitigated**

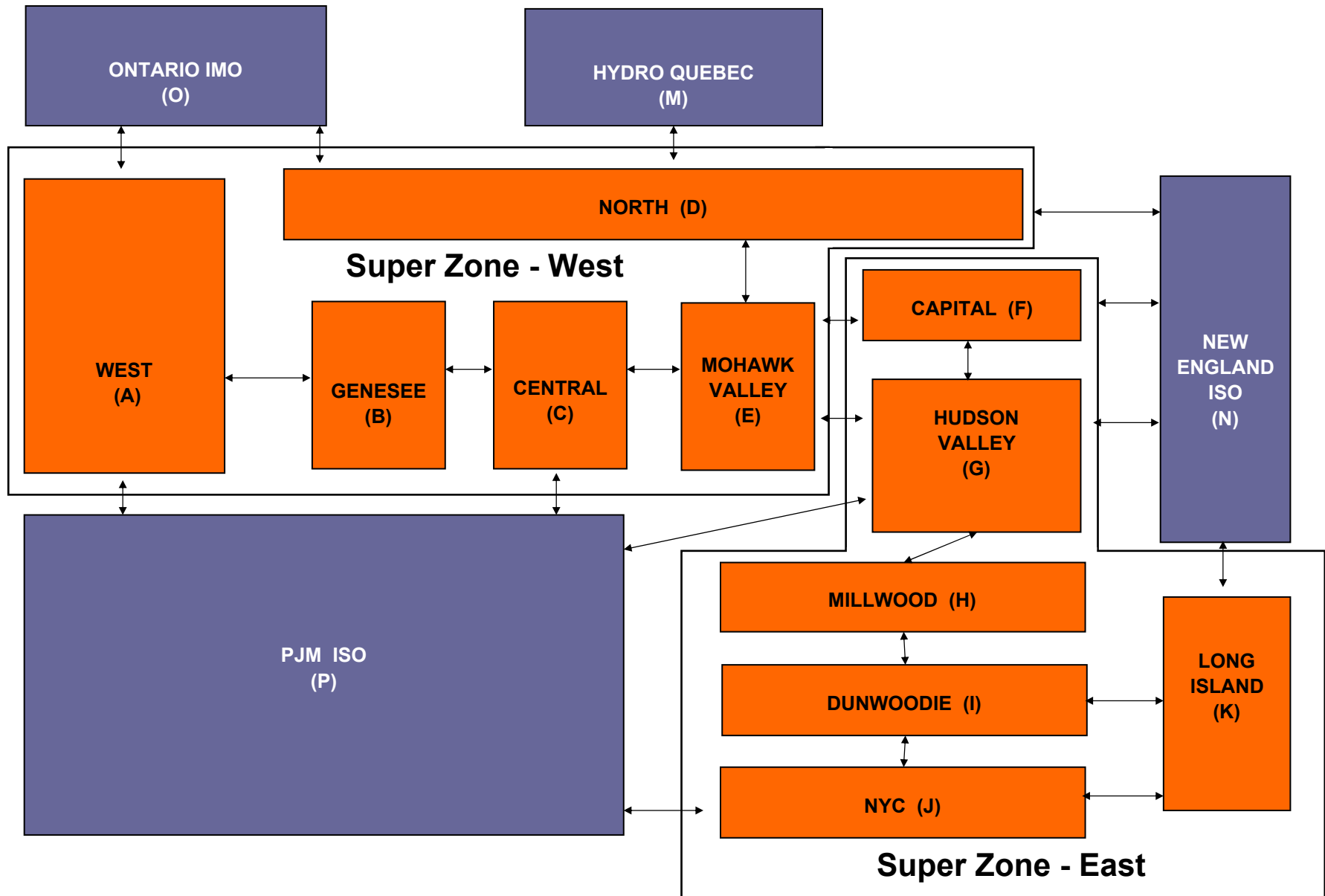


RT mitigation data available with SMD2 deployment in February 2005.

NYISO Average Daily DAM Load Bid Summary



NYISO LBMP ZONES

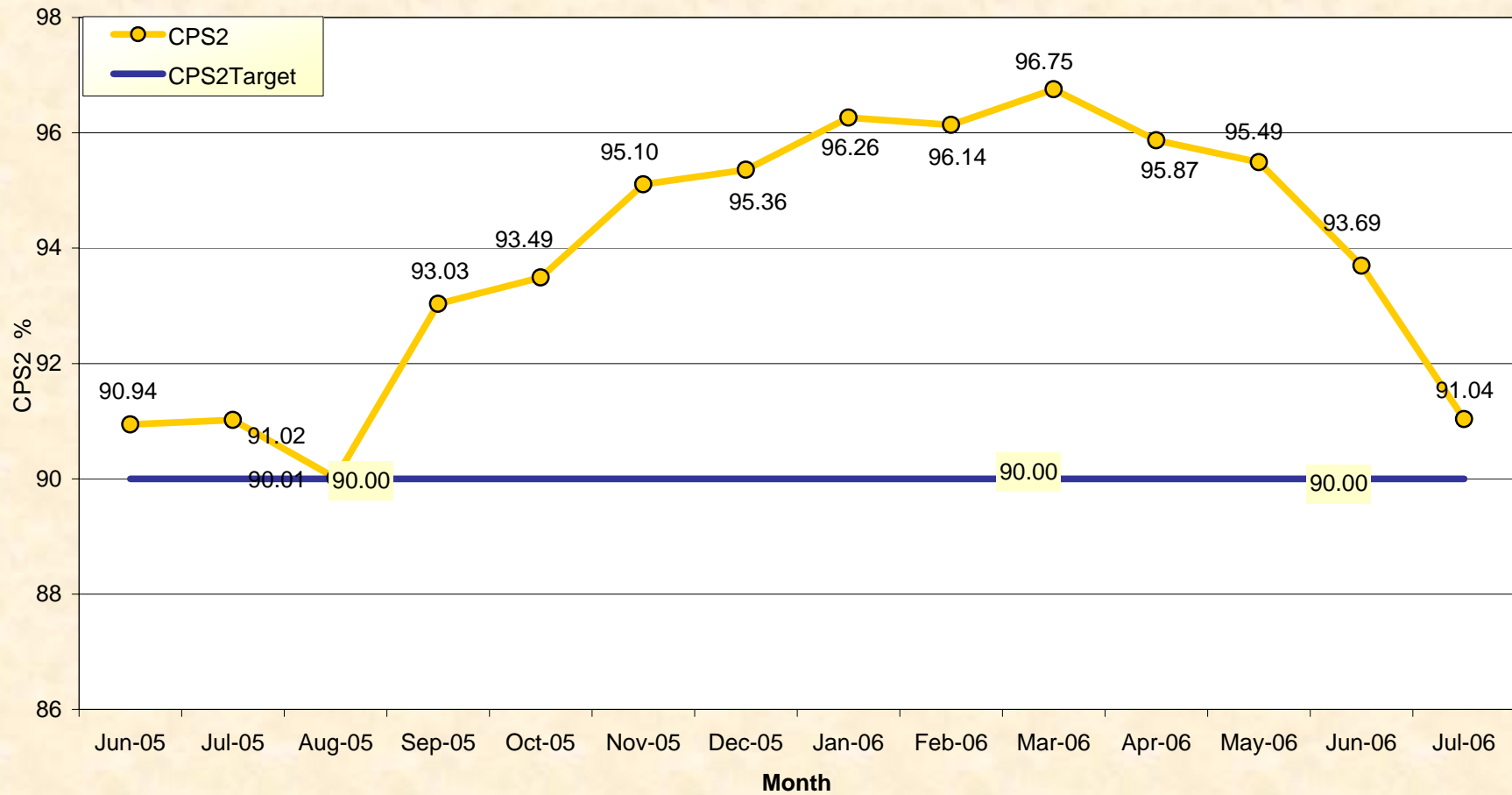


Billing Codes for Chart 4-C

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 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

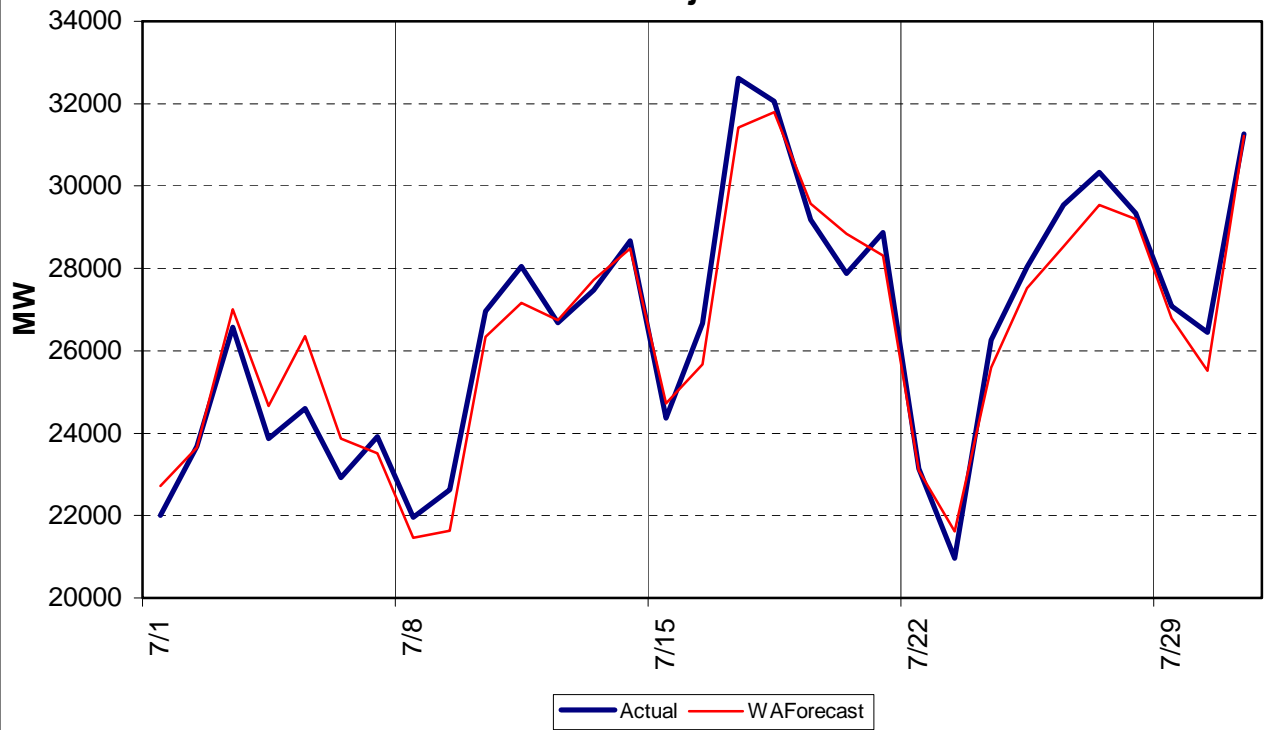
NERC Control Performance Standard

NYISO Compliance
Year 2005/2006

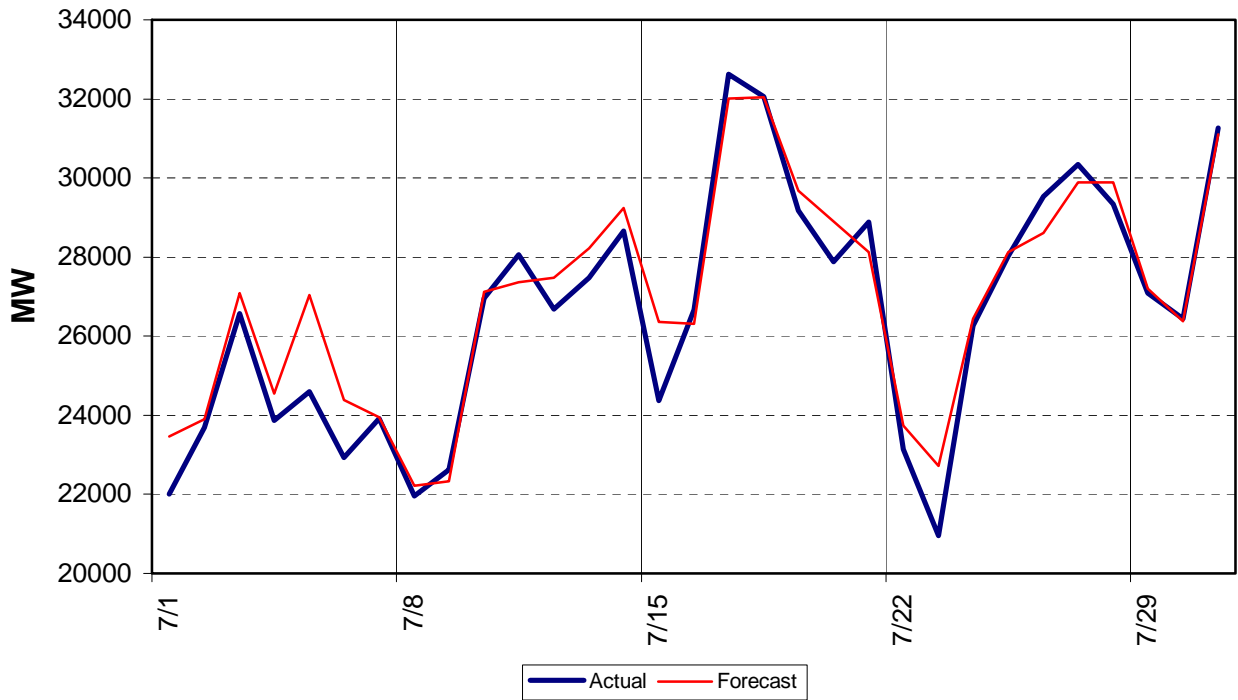


CPS2 for July = 91.04% Compliance Threshold = 90%
**CPS2 measures excessive unscheduled power flow resulting from large
Area Control Error (ACE)**

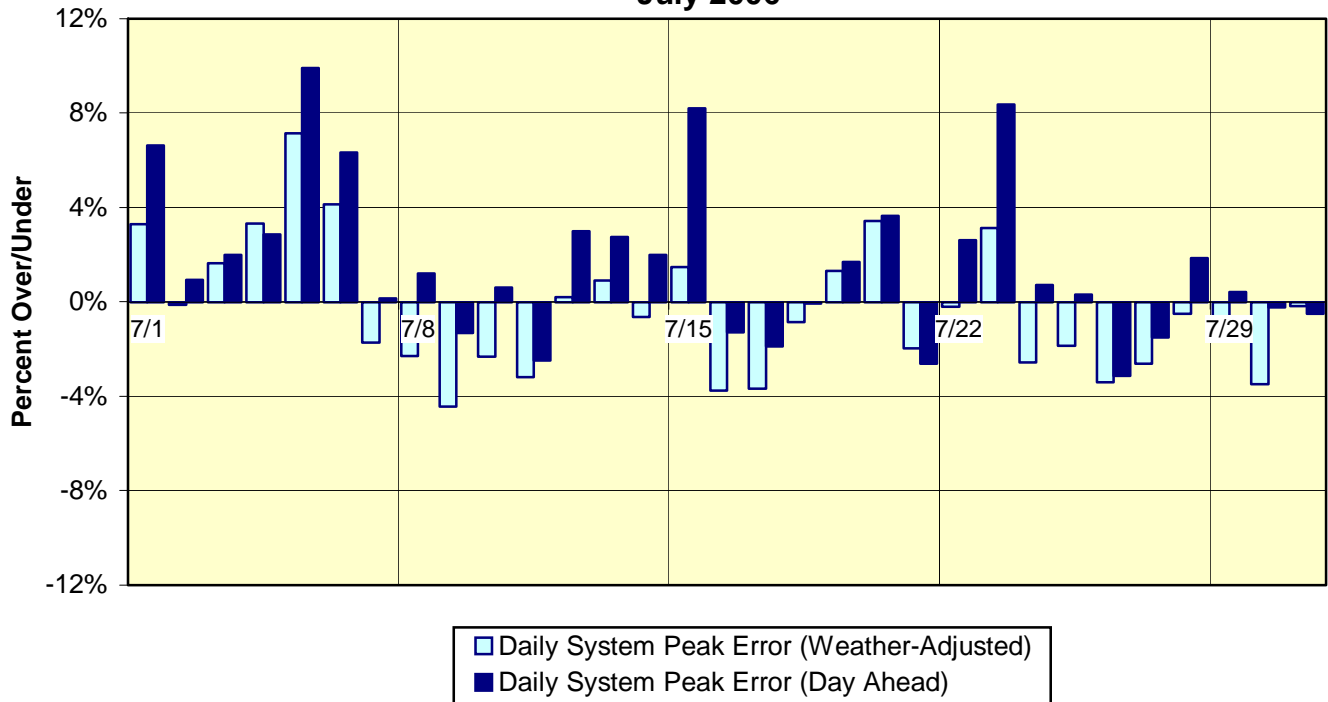
NYISO Daily Peak Load - July 2006
Actual vs. Weather-Adjusted Forecast



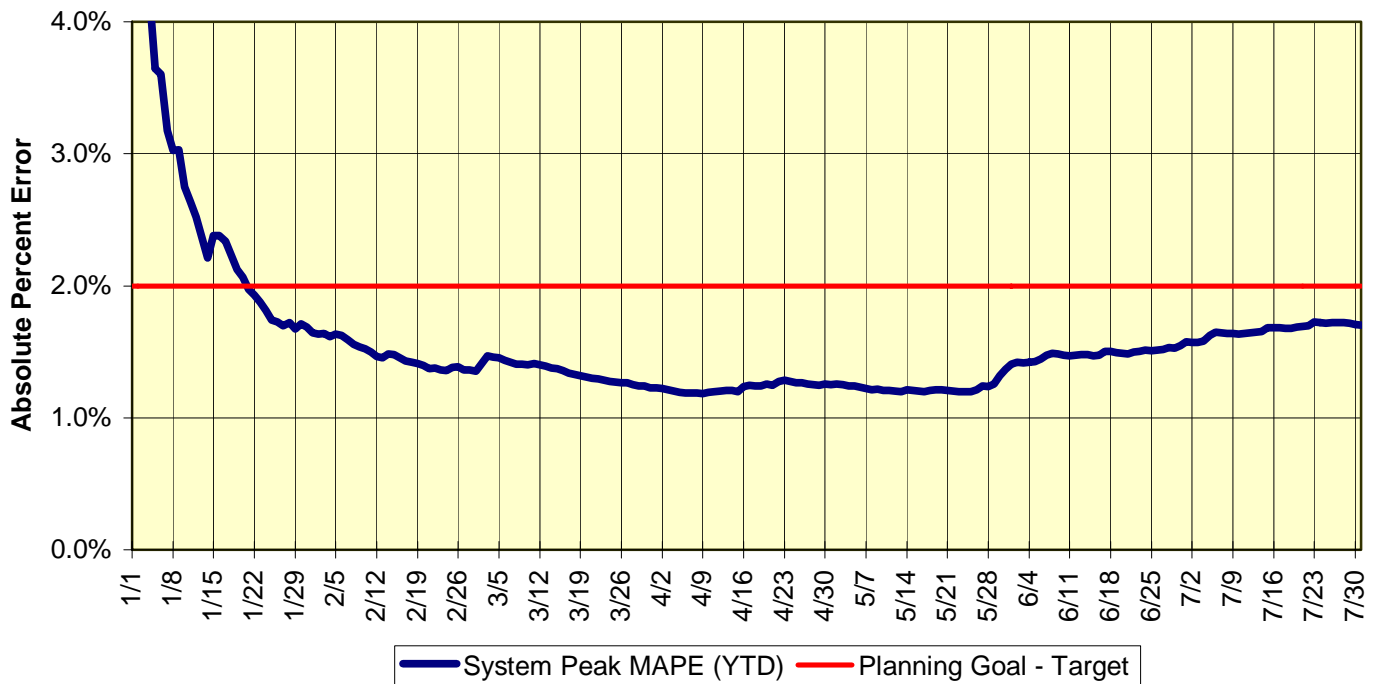
NYISO Daily Peak Load - July 2006
Actual vs. Forecast



Day-Ahead Forecast Daily Forecast Errors of System Peak July 2006



Day-Ahead Forecast Cumulative Performance - Daily System Peak 2006 Year-to-Date



NYISO

2006 BUDGET VS. ACTUAL VARIANCES

(DOLLAR AMOUNTS IN MILLIONS)

	ANNUAL AMOUNTS				YTD AMOUNTS AS OF 6/30/06		
<u>Cost Category</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Year-End Projection</u>	<u>Variance</u>	<u>Revised Budget</u>	<u>Actuals</u>	<u>Variance</u>
Capital	\$ 22.4	\$ 21.0	\$ 19.5	\$ (1.5)	\$ 7.7	\$ 3.9	\$ (3.8)
Salaries & Benefits	\$ 50.3	\$ 49.3	\$ 46.6	\$ (2.7)	\$ 24.6	\$ 23.0	\$ (1.6)
Professional Fees (including Legal)	\$ 26.6	\$ 29.2	\$ 31.9	\$ 2.7	\$ 14.6	\$ 12.6	\$ (2.0)
Building Services	\$ 4.4	\$ 4.4	\$ 4.6	\$ 0.2	\$ 2.2	\$ 2.2	\$ -
Computer Services	\$ 10.5	\$ 10.5	\$ 11.2	\$ 0.7	\$ 5.3	\$ 5.4	\$ 0.1
Insurance	\$ 4.6	\$ 4.6	\$ 3.6	\$ (1.0)	\$ 2.3	\$ 1.9	\$ (0.4)
Telecommunications	\$ 5.1	\$ 5.1	\$ 4.9	\$ (0.2)	\$ 2.6	\$ 2.4	\$ (0.2)
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 6.1	\$ 6.0	\$ 5.9	\$ (0.1)	\$ 3.1	\$ 2.7	\$ (0.4)
Current Year Needs (excluding FERC Fees)	\$ 130.0	\$ 130.1	\$ 128.2	\$ (1.9)	\$ 62.4	\$ 54.1	\$ (8.3)
Debt Service from Prior Year Financings	\$ 31.5	\$ 31.2	\$ 31.0	\$ (0.2)	\$ 15.7	\$ 15.6	\$ (0.1)
Cash Budget (excluding FERC Fees)	\$ 161.5	\$ 161.3	\$ 159.2	\$ (2.1)	\$ 78.1	\$ 69.7	\$ (8.4)
Less: Miscellaneous Revenues	\$ (2.5)	\$ (2.5)	\$ (4.7)	\$ (2.2)	\$ (1.5)	\$ (2.4)	\$ (0.9)
Less: Proceeds from 2006 Budget Debt	\$ (28.0)	\$ (15.5)	\$ (15.5)	\$ -	\$ (5.0)	\$ (5.0)	\$ -
Less: Proceeds from 2005 budget underrun and 2004/05 load overcollections	\$ -	\$ (12.5)	\$ (12.5)	\$ -	\$ (6.3)	\$ (6.3)	\$ -
Less: Proceeds from Renovations Debt	\$ (9.0)	\$ (8.5)	\$ (8.5)	\$ -	\$ -	\$ -	\$ -
Add: Interest on 2006 Budget Debt	\$ 0.8	\$ 0.5	\$ 0.3	\$ (0.2)	\$ 0.1	\$ 0.1	\$ -
Add: Interest on Renovations Debt	\$ 0.4	\$ 0.4	\$ 0.1	\$ (0.3)	\$ 0.1	\$ -	\$ (0.1)
Net Budget Needs (excluding FERC Fees)	\$ 123.2	\$ 123.2	\$ 118.4	\$ (4.8)	\$ 65.5	\$ 56.1	\$ (9.4)
FERC Fees	\$ 9.9	\$ 9.9	\$ 7.8	\$ (2.1)	\$ 5.0	\$ 3.9	\$ (1.1)
Rate Schedule #1 Revenue Requirement	\$ 133.1	\$ 133.1	\$ 126.2	\$ (6.9)	\$ 70.5	\$ 60.0	\$ (10.5)

Description		Status and Milestone Deliverables
Energy Marketplace Product Enhancements		
A767	MIS Enhancements: Comprehensive Bid Management System	<p>Status: This project is in the requirements and technical design phase. Detailed requirements definition for first two (2) functional areas (Load Bidding and Virtual Bidding) is nearly complete. Technical design of the core infrastructure (security framework) and initial bidding capabilities is underway. Technical conferences have been scheduled with Market Participants as part of project communication plan. The first deliverable is set to deploy on August 8, 2006, incorporating enhanced security capabilities for the MIS Administrator functions.</p> <p>Deliverables: This project will upgrade the web-based application structure to replace overlapping applications by allowing common components to support current application functionality and future application functional growth. One of the deliverables will be the implementation of a more flexible and reliable application infrastructure for the market applications. This project is part of a multi-year effort that will lead to a replacement of the Market Information System (MIS) and related bidding and scheduling applications. This project will continue into 2008.</p>
A871	Enhanced Price Validation	<p>Status: This project has formally launched and is in the detailed requirements phase. An RFP process was performed to identify an external development partner to support the project. A total of six (6) vendors were solicited and three (3) responded. A cross functional staff team evaluated the responses and selected a preferred vendor; contract negotiations are now finalized and the project team has initiated project activities.</p> <p>Deliverables: The NYISO has investigated all known causes of pricing errors, and has taken a systematic approach to determine features and functions that can significantly enhance the price validation process. Product enhancements are proposed to implement proactive price monitoring, improved price reservations, and enhanced price corrections. The project will entail a multi-phase, multi-year implementation of tools to enhance the price monitoring, reservation, and correction processes for the NYISO markets. This project will continue into 2007.</p>
A769	Enhanced Scheduling of Combined Cycle Units	<p>Status: This project is in the concept development and requirements phase. NYISO staff has been working closely with owners of combined cycle plants to determine realistic solutions to solve known operational problems. Team is also monitoring developments in other markets (e.g. PJM) where attempts to provide solutions for combined cycle plants have not produced desired results. Certain incremental improvements already implemented in the NYISO have improved bidding flexibility.</p> <p>Deliverables: While the NYISO remains convinced that a comprehensive solution to the combined-cycle unit commitment and dispatch problem is too significant a challenge to undertake at this time, it has improved efficiencies for combined cycle unit owners within the current commitment and dispatch model and is committed to completing its evaluation of system architecture improvements discussed above. The NYISO has also worked with Market Participants to eliminate persistent under-generation charges during start-up, shutdown, and transition periods. In addition, the NYISO also intends to continue working with its Market Participants to design any other incremental improvements that may be made to the existing commitment and dispatch software.</p>

Description		Status and Milestone Deliverables
A706	Intra-Hour Transaction Scheduling (ITS)	<p>Status: This project is in the concept development phase. Concept and design work will continue in 2006; development progress will be dictated by various factors including, regulatory process, technical feasibility, and resource constraints. Progress has been significantly slowed by limitations on the part of ISO-NE to support further development.</p> <p>Deliverables: In 2005, the NYISO conducted a pilot project to assess the ability to evaluate and schedule intra-hour transactions and to identify any operational issues with scheduling. Additional work in 2006 will be based on the outcome of the pilot program; however, it is not expected that any significant software will be completed in 2006.</p>
TBD	Wind Forecasting	<p>Status: This project is in the concept development phase. Concept and design will continue in 2006; development progress will be dictated by various factors including, regulatory process, technical feasibility, and resources.</p> <p>Deliverables: Design and implementation of the required forecasting systems that would be necessary to efficiently and reliably manage the introduction of significant amounts of intermittent energy sources in New York.</p>
A848	Real-Time BPCG Mitigation	<p>Status: This project is in the Quality Assurance and testing phases. Software deployments in August will permit the correct calculation of BPCG in settlements going back to February 2005. Software is scheduled to be deployed in October that will automate these functions on a daily, going forward basis.</p> <p>Deliverables: Correction of certain mitigation errors as identified by the NYISO in a 2005 FERC filing. This project represents the final deliverable in a multi-phased project to correct implementation errors related to mitigation of Supplemental Resource Evaluation (SRE) and Out of Merit (OOM) functions, as well as the mitigation of Real-time Bid Production Cost Guarantee (BPCG) payments.</p>
Auxiliary Market Product Enhancements		
A543	ICAP Market Automation – Phase I	<p>Status: Software to automate the ICAP auction processes was deployed into production in late March and activated in April to conduct the Summer strip auction. No significant problems were encountered and the preliminary assessment is that the implementation was a success. Certain follow-up enhancements have been identified and are being scheduled.</p> <p>Deliverable: An automated application to run the ICAP market, also implementing a security model for single sign-on. Allow Market Participants to place bids and offers via the web or upload templates, execute the monthly and strip auctions, perform certification, run the spot auction and post the results and bills.</p>
TBD	ICAP Auction Automation – Phase II	<p>Status: This project is in a preliminary planning phase and may formally be initiated late in 2006, following the successful deployment of phase 1 and subsequent post-deployment review of ICAP market operations. Resource constraints and priority considerations may cause this phase to be deferred into 2007.</p> <p>Deliverables: Following the implementation of the first phase of the ICAP Auction Automation software project, a certain subset of enhancements are planned to complete the full suite of planned features.</p>

Description		Status and Milestone Deliverables
TBD	Demand Response for Ancillary Services	<p>Status: This project is starting the requirements phase. Initial planning and requirements development has started; development is expected to initiate sometime later this year, with implementation in 2007.</p> <p>Deliverables: As directed by the FERC, execution of software changes that will permit the integration of demand side resources ("DSRs") into the NYISO real-time ancillary services and energy markets.</p>
TCC Marketplace Product Enhancement		
A541	TCC Auction Automation – Phase I	<p>Status: Software to automate the awards processes for the TCC auctions was deployed to production in late June following a successful market trial in May. No significant problems were encountered and the preliminary assessment is that the implementation was a success.</p> <p>Deliverables: This project will take a phased approach to fully automate the TCC auction and data validation processes. The Awards processing is the planned first phase deliverable. Following phases will address the database and Bidding functions required to fully automate the auction processes.</p>
TBD	TCC Auction Automation – Phase II & III	<p>Status: This project is in a preliminary planning phase and will be formally initiated later in 2006. The NYISO engaged Nexant to facilitate a detailed requirements and scope development process that would help define the deliverables for phase 2 and 3. This work has also included consideration of other future market enhancement needs in the requirements definition, and potential inclusion for future phases. The draft report from that exercise will be utilized to formulate the recommended TCC project budget plan for 2007.</p> <p>Deliverables: Following the implementation of the first phase of the TCC Auction Automation software project, following phases will deliver the Database and Bidding functionality required to fully automate the TCC markets.</p>
Operations and Reliability Product Enhancements		
A770	Outage Schedule Reporting	<p>Status: This project is in a preliminary planning phase and is tentatively planned to be formally initiated in 2006. Addition of new quality and process control projects may delay the launch of this project. Resource constraints and priority considerations may cause this phase to be deferred into 2007.</p> <p>Deliverables: As part of the SMD2 project, the Outage Scheduling software was moved entirely to the Ranger system for both Scheduling and Operations to provide consistency. However, the processes of creating the Outage Schedule reports remains on a secondary database. The creation of the required reports will be ported to the RANGER system.</p>
A843	Integration of OOM and SRE Applications	<p>Status: This project is in a preliminary planning phase and is tentatively planned to be formally initiated in 2006. Addition of new quality and process control projects may delay the launch of this project. Resource constraints and priority considerations may cause this phase to be deferred into 2007.</p> <p>Deliverables: Replacement of the Out of Merit (OOM) and Supplemental Resource Evaluation (SRE) applications used by the control room floor. These applications are currently built upon an unsupported platform (Oracle Forms) and can be design to be more efficient and error prone if they are consolidated into a single suite of application functions.</p>

Description		Status and Milestone Deliverables
A862	Controllable Tie Line Additions: Dennison-Cedars Line	<p>Status: This project is an application of the Generic Controllable Tie Line logic deployed for the Cross Sound Cable in 2005. ABB Ranger and MIS model maintenance tasks required for deployment have been defined. Operational protocols are being reviewed for implementation.</p> <p>Deliverables: The Dennison-Cedars Line is a controllable tie line between Zone D in NY and HQT. The project, when implemented, will support both import and export transactions independent of the existing NY/HQT interconnection.</p>
A862	Controllable Tie Line Additions: 1385 Line	<p>Status: This project is an application of the Generic Controllable Tie Line logic deployed in 2005. ABB Ranger and MIS model maintenance tasks required for NYISO deployment have been defined. Final implementation is dependent upon the availability ISO-NE resources.</p> <p>Deliverables: The 1385 Line is a controllable tie line between Long Island and New England. The project, when implemented, will support both import and export transactions independent of the existing NY/NE interconnections.</p>
A862	Controllable Tie Line Additions: Project Neptune Line	<p>Status: This project is in the concept development stage. Implementation is planned for Q2 2007 to support the commissioning schedule of the Neptune Line.</p> <p>Deliverables: The Neptune Line is an HVDC line between Long Island and New Jersey. The project, when implemented, will provide an additional external proxy bus on Long Island that is scheduled and priced independent of other external proxies. As a merchant transmission facility, the Neptune Line may require special bidding protocols similar to those that apply to the Cross Sound Cable. Actual requirements beyond the Generic Controllable Tie lines logic are being defined through the concept development effort.</p>
Financial Service Product Enhancements		
A845	BAS Replacement / Billing Engine	<p>Status: This project is in the development and testing phase. An iterative development approach is being employed where groups of the billing rules are being ported to the new engine in phases. The first four (4) sets of billing rules have passed the testing milestone, with the fifth group set to begin User Acceptance Testing (UAT) in July. The project schedule has slipped slightly due to a longer than expected development cycle for the system framework and infrastructure build-out. Project plans are being analyzed to determine opportunities for schedule compression of future phases. Sarbanes-Oxley guidelines will limit options for 4th quarter billing software changes.</p> <p>Deliverables: Implementation of a rules-based design as a replacement to the settlements engine in the Billing and Accounting System (BAS). Project will leverage technology investment made as part of the Billing Simulator and will lead to a higher performing calculation engine for billing, as well as a more flexible architecture for managing future changes to the settlements processes. This project is part of a multi-year effort to replace the entire billing system including, the invoicing components, web-based reconciliation, and integration of certain credit functions. This project is scheduled to continue into 2008.</p>

Description		Status and Milestone Deliverables
A836	Automation of Voltage Support Service (VSS) Payments	<p>Status: Software to automate the calculation of the Voltage Support Service was successfully deployed to production on May 9, 2006. This project is completed.</p> <p>Deliverables: Automation of a manual settlements' process. This effort is part of a larger effort to reduce and / or eliminate the need to perform manual billing adjustments on customer invoices. Opportunities will be explored through the year to determine additional automation features that can be implemented, and those projects will be individually presented as they are launched.</p>
Business Intelligence Product Enhancements		
A849	DSS Pricing and Operational Data Mart	<p>Status: This project has completed the requirements phase and entered into the development phase. Project activities are slightly off schedule due to moderate scope expansion (from original concept budget and schedule) in order to meet requirements presented by Billing and Price Correction Task Force. Market Participant deliveries scheduled for implementation in 3rd or 4th quarter of 2006.</p> <p>Deliverables: During recent years, the NYISO has made a significant investment in data warehousing technology through the implementation of the Decision Support System (DSS) to support the NYISO settlements processes. This project will expand the DSS customer base by delivering pricing data that will support the price validation processes and provide greater transparency to the NYISO markets.</p>
TBD	Enhanced Portal Dashboards	<p>Status: This project is in a preliminary planning phase and is tentatively planned to be formally initiated in 2006. Addition of new quality and process control projects may delay the launch of this project. Resource constraints and priority considerations may cause this phase to be deferred into 2007.</p> <p>Deliverables: Enhancements made to the NYISO Portal platform to support the implementation of the new data elements available through the Decision Support System (DSS), as well as improved reporting functionality to augment a wide variety of data supplied through this mechanism. Initial focus will be applied to the pricing and operational data capabilities.</p>
Other NYISO Key Projects		
A775	Consolidate NYISO Offices	<p>Status: Personnel relocation activities have completed that enabled the NYISO to vacate the Washington Avenue facility and fully occupy the 4th floor of the new Head Quarters facility. Demolition activities are underway on the 2nd and 3rd floors, and construction has started. Detailed planning for the data center migration is underway.</p> <p>Deliverables: This project seeks to secure ~150,000 square feet of office space to include administrative offices, alternate control center and back-up IT/disaster recovery functionality. During 2006, this facility would replace the current NYISO locations at Washington Avenue, Wolf Road, and Western Turnpike.</p>

NYISO Regulatory Filings

July 2006

July 3, 2006	NYISO filing of court ordered docket statement, non-binding statement of issues to be raised, NYISO's certificate as to parties, rulings and related cases, and request for the use of deferred appendix US Court of Appeals in the DC Circuit (Case No. 06-1185)
July 7, 2006	NYISO filing attachments of Mark Lynch testimonies to congress regarding House Resource Sub-Committee
July 17, 2006	NYISO compliance filing of status report on netting bilateral project regarding 2/22/06 order (ER03-552-011, ER03-984-009)
July 17, 2006	NYISO compliance filing of tariff revisions removing rejected language and correction of effective dates regarding large generator interconnection procedures and large generator interconnection agreements 6/15/06 order (ER06-506-002/003)
July 31, 2006	NYISO filing request for rehearing of 6/29/06 FERC order on PPL EnergyPlus complaint against the NYISO (EL06-72-001)

NYISO Related FERC Orders

July 2006

- July 12, 2006 FERC order approving an uncontested settlement regarding issues raised concerning the May 8-9, 2000 Temporary Extraordinary Procedures price adjustments (EL01-19-004/005/006, EL02-16-004/005/006)
- July 12, 2006 FERC letter order conditionally accepting NYISO's tariff revisions regarding settlement correction provisions and directing NYISO to make a compliance filing to include the initiation of alternate dispute resolution proceedings regarding billing disputes (ER06-783-000/001)
- July 14, 2006 FERC order conditionally accepting tariff revisions to eliminate the Temporary Extraordinary Procedures and to establish a framework and time limits for non-TEP price corrections and to requiring NYISO to file an informational report every six months detailing its price corrections for the previous six-month period and its progress toward eliminating pricing errors (ER06-1014-000)
- July 17, 2006 FERC order accepting tariff revisions to allow new forms of credit support for customers participating in the Virtual Transactions market (ER06-710-000/001)
- July 20, 2006 FERC order accepting compliance report showing how NYISO plans to allow demand side resources to participate in real-time markets (ER04-230-023)
- July 21, 2006 FERC order accepting NYISO's compliance filing regarding market participant documentation to ensure that transactions do not trigger sales tax collection responsibility by NYISO but also ordering NYISO to revise the tariff to explicitly set forth the means by which non-New York State purchasers can comply with the sales tax exemption (ER05-1507-001)
- July 21, 2006 FERC errata notice of revision of effective date of NYISO proposal to eliminate the temporary extraordinary procedures (ER06-1014-000)
- July 26, 2006 FERC order accepting the joint NYISO/NYSRC informational report regarding progress to address the National Grid complaint concerning the formulas and methodology used to establish ICAP requirements (EL06-1-001)
- July 31, 2006 FERC issuance of report to congress regarding the recommendations of regional joint boards for the study of economic dispatch (AD05-13-000)